



# 2024

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**



**WEST VIRGINIA DEPARTMENT OF TRANSPORTATION  
WEST VIRGINIA PARKWAYS AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**



**WEST VIRGINIA DEPARTMENT OF TRANSPORTATION**

**WEST VIRGINIA PARKWAYS AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

***FISCAL YEARS ENDED JUNE 30, 2024 AND 2023***

**PREPARED BY THE DIRECTOR OF FINANCE  
WEST VIRGINIA PARKWAYS AUTHORITY**



# WEST VIRGINIA PARKWAYS AUTHORITY

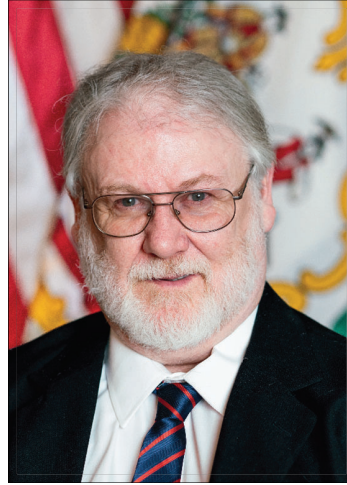
## AUTHORITY MEMBERS



The Honorable James C.  
Justice, II Governor, State  
of West Virginia  
Chairman



Byrd E. White, III  
Governor's  
Chairman Designee



Jimmy D. Wriston, P.E.  
Secretary of Transportation  
Vice Chairman



Tom Mainella  
Secretary  
2nd Congressional  
District



Alisha G. Maddox  
1st Congressional District



Douglas M. Epling  
1st Congressional District



Thomas T. Joyce  
2nd Congressional District



J. Victor Flanagan  
At-Large Member

Trustee: United Bank, Inc., Charleston West Virginia  
Independent Auditor: Suttle & Stalnaker, PLLC, Charleston, West Virginia  
General Counsel: Abrams & Byron, Beckley, West Virginia  
Bond Counsel: Bowles Rice, LLP Charleston, West Virginia and  
Spilman, Thomas & Battle, Charleston, West Virginia  
Consulting Engineers: HNTB Corporation, Scott Depot, West Virginia  
Traffic Engineers: CDM Smith, New Haven, Connecticut  
Financial Advisor: Public Resources Advisory Group, New York, New York

# WEST VIRGINIA PARKWAYS AUTHORITY

(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)

## 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

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# INTRODUCTORY SECTION





# WEST VIRGINIA PARKWAYS AUTHORITY

## LIST OF AUTHORITY MEMBERS, ADMINISTRATIVE STAFF, AND PROFESSIONAL CONSULTANTS

### AUTHORITY MEMBERS

		DATE APPOINTED	TERM EXPIRES (2)
Chairman	The Honorable James C. Justice, II Governor, State of West Virginia	January 16, 2017	(1)
Governor's Chairman Designee	Byrd E. White, III	September 14, 2021	(1)
Secretary of Transportation, Vice Chairman	Jimmy D. Wriston, P.E.	October 4, 2021	(1)
Secretary, 2nd Congressional District	Tom Mainella	July 10, 2010	June 30, 2027
1st Congressional District	Alisha G. Maddox	July 1, 2017	June 30, 2027
1st Congressional District	Douglas M. Epling	January 29, 2009	June 30, 2027
2nd Congressional District	Thomas T. Joyce	July 20, 2022	June 30, 2027
At-Large Member	J. Victor Flanagan	July 1, 2021	June 30, 2026

### Administrative Staff

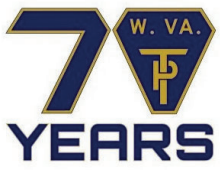
Executive Director	Jeffrey A. Miller
Executive Assistant	Robin Shamblin
General Counsel	A. David Abrams, Jr.
Treasurer	David H. Rollins
Director of Finance	Parrish T. French
Director of Maintenance	Leslie Ball
Director of Tolls	Holly Meadows
Director of Customer Service	Theresa J. Hudnall
Director of Purchasing	Margaret Vickers
Director of Operations and Training	Tyrone C. Gore
Director of Human Resources	Anthony Jones
Officer in Charge of State Police	Captain J. S. McCarthy
Executive Director – Tamarack	Tammy Coffman

### Professional Consultants

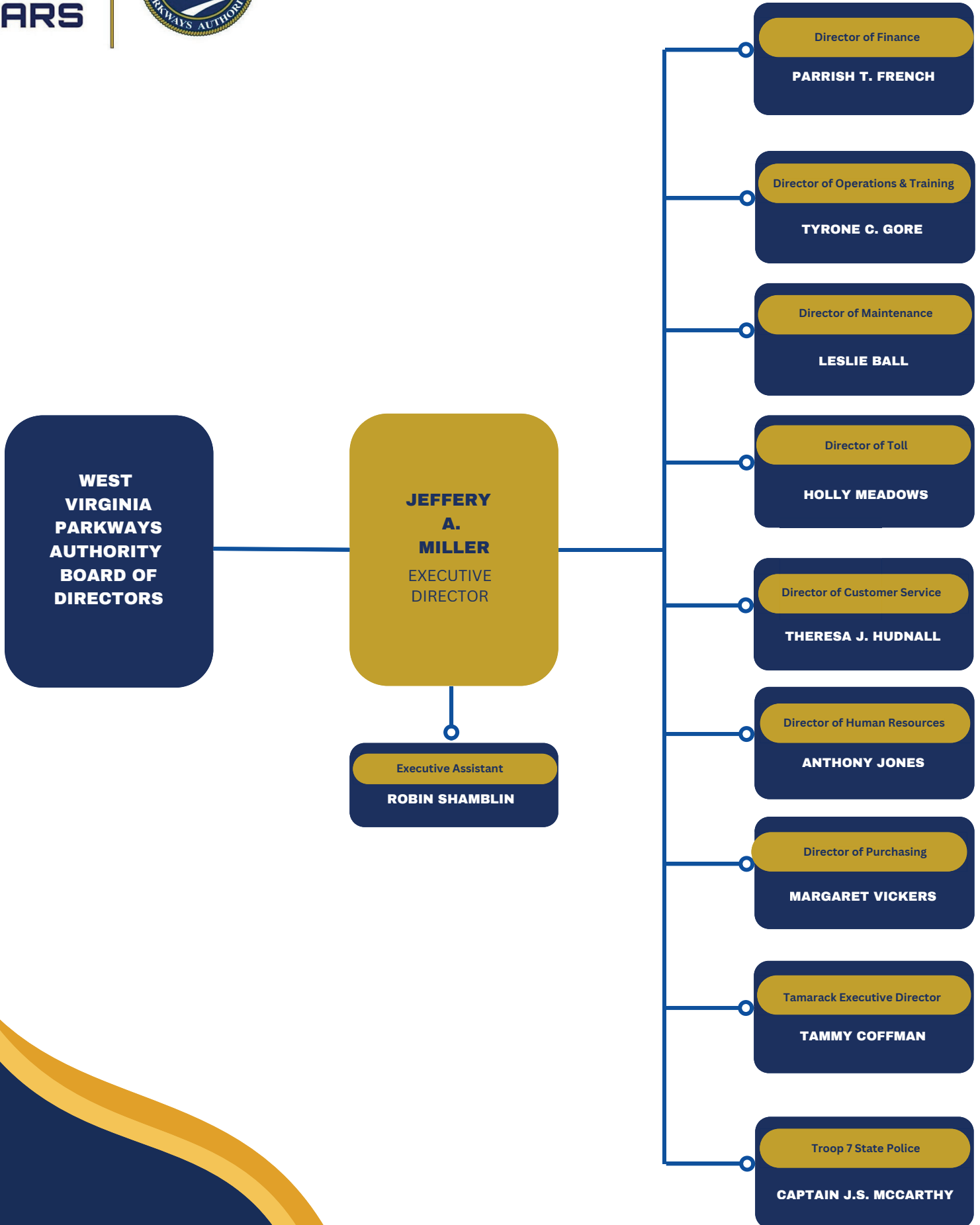
Trustee	United Bank, Inc., Charleston, West Virginia
Independent Auditor	Suttle & Stalnaker, PLLC, Charleston, West Virginia
General Counsel	Abrams & Byron, Beckley, West Virginia
Bond Counsel	Bowles Rice, LLP Charleston, West Virginia
	Spilman, Thomas & Battle, Charleston, West Virginia
Consulting Engineers	HNTB Corporation, Scott Depot, West Virginia
Traffic Engineers	CDM Smith, New Haven, Connecticut
Financial Advisor	Public Resources Advisory Group, New York, New York

(1) Under the provisions of the Act which created the Authority, the Governor or his designee serves as Authority Chairman and the Secretary of Transportation is also a member.

(2) Public members may continue to serve until a successor has been appointed and has qualified.



# WEST VIRGINIA PARKWAYS AUTHORITY ORGANIZATIONAL CHART





# WEST VIRGINIA PARKWAYS AUTHORITY

P.O. BOX 1469  
CHARLESTON, WEST VIRGINIA 25325-1469  
TELEPHONE: 304.926.1900  
FAX: 304.926.1909  
E-ZPASS: 1.800.206.6222  
WWW.WVTURNPIKE.COM

December 23, 2024

To the Honorable Jim Justice, Governor, and  
The Members of the West Virginia Parkways Authority,  
Bondholders and Citizens of the State of West Virginia:

The Authority covenants in its Master Trust Indenture that it will have an audit made by independent certified public accountants of recognized standing of its books of record and accounts each fiscal year. A copy of the audit report is filed with the Trustee promptly after the receipt by the Authority.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Suttle & Stalnaker, PLLC has issued an unmodified (“clean”) opinion on the Authority’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The accompanying financial statements include only the accounts and transactions of the Authority. The Authority has no component units. However, the Authority is considered a component unit of the State of West Virginia (the State) and the West Virginia Department of Transportation (the Department) and its financial statements are discretely presented in the annual comprehensive financial report of the State.

## **Organization and Background**

The West Virginia Parkways Authority (the Authority) was established as successor to the West Virginia Turnpike Commission, originally created in 1947 as an agency of the State of West Virginia authorized to construct and operate turnpike projects. Enabling legislation authorized the construction of the original highway with the issuance of revenue bonds, to be repaid through toll collections.



The West Virginia Turnpike (the Turnpike) opened in 1954 and was later incorporated into the national Interstate and Defense Highway System in 1958. After the Federal Highway Act of 1968, the Turnpike became eligible for interstate funding, facilitating its reconstruction to meet modern four-lane interstate standards. This reconstruction began in 1970 and was completed in 1987, with financing provided through a 90% federal and 10% state matching funds arrangement. The Authority repaid the state's matching contribution to the Department in 1994, with the repaid funds allocated to highway projects within a 75-mile radius of the Turnpike.

In 2010, the Authority was restructured and renamed the West Virginia Parkways Authority. Its governing board consists of seven members: two from each of the State's congressional districts, one at-large member, the Secretary of Transportation, and the Governor or designee, who serves as Chairman. Public members are appointed by the Governor with the advice and consent of the Senate for five-year terms. Public members are limited to two consecutive full terms but may continue serving until a successor is appointed and qualified.

The Turnpike spans 88 miles of limited-access highway, integral to the U.S. Interstate Highway System. It is designated as Interstate 77 (I-77) for its entirety and as Interstate 64 (I-64) between Charleston and Beckley. I-77 serves as a north-south corridor connecting Cleveland, Ohio, and Columbia, South Carolina, while I-64 functions as an east-west route between St. Louis, Missouri, and Virginia Beach, Virginia.

The primary funding source for the Turnpike's operations is toll revenue, which is restricted to uses such as operating and routine maintenance expenses, debt service, renewal and replacement reserves, and major maintenance and capital projects. The Turnpike does not routinely receive supplemental State or Federal funding for its maintenance or operations.

### **Traffic and Revenue**

Since its inception, the Turnpike has served as a critical transportation corridor for commercial truck traffic, facilitating the movement of goods between the industrial regions of the Northeast and Midwest to the industrial hubs and population centers of the South. Currently, commercial truck traffic constitutes over 20% of total transactions and generates more than 60% of toll revenues. The Turnpike also plays a vital role for leisure and holiday travel, with passenger car traffic increasing by 30% or more during the summer. The Thanksgiving holiday weekend includes the busiest single travel day annually.

The Turnpike utilizes a toll barrier system, with three mainline toll plazas strategically located between Charleston and Princeton. The highway includes 18 entrance and exit ramps for local traffic, of which all but one—the U.S. Route 19 interchange north of Beckley—are toll-free.

The Authority is a member of the E-ZPass® Group, a coalition of toll agencies primarily in the eastern United States that facilitates interoperable electronic toll collection. The E-ZPass® program is the largest interoperable toll collection system globally, servicing over 59 million devices and processing more than 13.8 billion dollars in electronic toll revenues. Efforts are ongoing in collaboration with industry partners to achieve nationwide tolling interoperability. Currently, the West Virginia Turnpike processes 60.2% of toll transactions and collects 67.9% of toll revenue through the E-ZPass® system, which also administers the Authority's single-fee program.

The Authority established the Single Fee Program to ensure continued toll collections on the Turnpike as prescribed. This program allows certain purchasers of West Virginia E-ZPass® transponders to have unlimited passage on the Turnpike for an annual flat fee. The program applies exclusively to passenger vehicles and is available to any individual regardless of residency. Participants can traverse the Turnpike without stopping for individual toll payments for one year from the date of payment. The Single Fee Program launched on September 25, 2018, transitioning eligible existing customers and opening enrollment to new passenger vehicle customers.

The Authority is nearing completion of a comprehensive modernization of its lane and back-office toll collection systems. The updated systems will feature a state-of-the-art back-office and web platform designed to address the Authority's specific needs in tolling operations, customer relationship management, and financial accounting. Hosted on the Google Cloud Platform (GCP), the solution will provide enhanced data storage, disaster recovery capabilities, and improved accessibility for patrons through an upgraded E-ZPass® customer portal, including mobile-friendly functionalities.

In conjunction with the back-office upgrade, the Authority is implementing a lane toll collection system featuring advanced, modular technology. Key enhancements include:

- A fully redundant, blade-based architecture.
- Integrated automatic vehicle classification and identification systems using tri-protocol readers.
- High-resolution motion and still-image capture capabilities.
- Remote monitoring and video audit systems.
- Traffic control pedestals in every lane for efficient operations.
- High-resolution digital signs over each lane.

These advancements aim to improve system reliability, scalability, and user experience while supporting future interoperability initiatives.

The Authority actively participates in efforts to achieve national tolling interoperability across all United States tolling agencies, working in partnership with the E-ZPass® Group. As the nation's largest tolling network, the E-ZPass® Group remains at the forefront of this initiative.

### **Governor's Roads to Prosperity Program**

On June 22, 2017, Governor Jim Justice signed legislation establishing a "public-public" partnership between the West Virginia Parkways Authority (the Authority) and the Department. Effective June 16, 2017, this legislation authorized the Authority to continue collecting tolls on the Turnpike, issue Parkways Revenue Bonds, and deposit the bond proceeds into the new State Road Construction Account. The Authority also was mandated to implement the Single Fee Program.

The partnership is a component of the Governor's Roads to Prosperity Program, a comprehensive transportation infrastructure initiative aimed at revitalizing West Virginia's economy. This program includes over \$2.6 billion in transportation projects, funded through the issuance of Parkways Revenue Bonds, General Obligation Bonds, and GARVEE Bonds, as well as updates to Public-Private Partnership and Design-Build legislation.

Under the program, the Authority issued two series of Senior Lien Turnpike Toll Revenue Bonds:

- **2018 Bond Issuance:** On July 31, 2018, the Authority issued \$166.4 million in Senior Lien Turnpike Toll Revenue Bonds, generating a net original issue premium of \$18.0 million. A total of \$172.0 million was deposited into the State Road Construction Account to finance transportation projects in counties adjacent to the Turnpike. Key projects include:
  - Powells Creek Bridge in Nicholas County
  - Kenneth Shadrick Bridge in Wyoming County
  - King Coal Highway: Airport Road to John Nash Boulevard in Mercer County
  - Portions of the WV Route 10 Operation Improvements Project in Mercer County
  
- **2021 Bond Issuance:** On June 9, 2021, the Authority issued \$333.6 million in Senior Lien Turnpike Toll Revenue Bonds, generating a net original issue premium of \$90.0 million. A total of \$422.9 million was deposited into the State Road Construction Account to finance additional transportation projects, including:
  - Coalfields Expressway in Wyoming and McDowell Counties
  - Beckley Z-Way in Raleigh County
  - US Route 60 and RHL Boulevard Connector in Kanawha County
  - Appalachian Drive to New River Gorge Bridge in Fayette County
  - Princeton Overhead Bridge in Mercer County
  - Bridge rehabilitation projects in Greenbrier, McDowell, Summers, Fayette, and Kanawha Counties

Separate from Turnpike Toll Revenue Bonds, the Division of Highways funded upgrades to the Turnpike's northern sections using proceeds from the State's General Obligation State Road Bonds, Series 2018A and 2018B. These upgrades included the addition of an extra lane in each direction over approximately eight miles and the widening of eight bridges. While the Authority covered certain project management expenses and additional bridge rehabilitation costs identified during construction, this funding structure eliminated significant capital investment requirements for the Authority.

### **Long-Range Financial Planning**

Operations of the Authority are substantially controlled by the provisions of the 2018 Senior Trust Indenture and the 2021 Supplemental Indenture (Indentures). The Indentures mandate effective and efficient management of the Turnpike at reasonable cost, as well as the maintenance, preservation, and upkeep of the Turnpike and its associated infrastructure. The indentures mandate maintenance of accounts designated for construction, renewal and replacement, operations, and debt service.

In 1971, the Turnpike Commission entered into a tri-party agreement with the Federal Highway Administration (FHWA) and the Department to enable the Department's participation in the Turnpike's reconstruction. This agreement placed responsibility for the maintenance of the upgraded facility on the Turnpike, using toll revenues as the funding source. The 1971 agreement was subsequently superseded in 1988 and further modified and restated in 2018.

To support these objectives and ensure the long-term quality and reliability of the Turnpike, the Authority employs a comprehensive Maintenance Management System (MMS). The MMS tracks current and historical data to identify and prioritize critical maintenance, improvement, and renewal needs for the Turnpike's roads, bridges, culverts, signage, and other assets. Fieldwork and asset quality assessments are systematically recorded in the MMS, providing essential information for making informed budgeting and maintenance decisions.

Budgeting and planning activities are conducted collaboratively by the Authority's management team and its consulting engineer to achieve compliance with bond covenants, including the covenant to maintain the Turnpike in good repair. This process is closely aligned with the preparation of a five-year renewal and replacement plan. Each year, management and the consulting engineer develop a detailed budget and work plan, which are then presented to the West Virginia Parkways Authority Board for review, approval, and adoption. The Authority's budget does not require approval from the State legislature.

The consulting engineer also conducts an annual needs assessment and updates the five-year plan, ensuring that the Authority remains proactive in addressing infrastructure investment requirements and maintaining compliance with financial and operational commitments. These processes collectively support the Authority's commitment to preserving the integrity and functionality of the Turnpike while meeting its long-term financial and operational goals.

### **Highway and Bridge Rehabilitation Projects**

Following completion of a long-term plan to alleviate backlogs in essential paving and maintenance needs, the Authority initiated a multi-year program focused on bridge rehabilitation projects.

The Authority awards contracts for bridge deck replacements using Accelerated Bridge Construction (ABC) techniques to minimize traffic disruptions. Utilizing ABC methods, the projects can be completed in less than two weeks from the initial lane closure to full reopening—substantially faster than the traditional six month or more construction periods. The ABC method employs pre-cast bridge deck units fabricated in controlled casting plants for enhanced quality. These units are transported to the site, where the existing deck is removed, and the new deck is installed using cranes.

On October 13, 2023, the Authority commemorated the completion of the Yeager Bridge painting project. This milestone coincided with the 76th anniversary of General Chuck Yeager's historic supersonic flight, marked by a celebratory P-51 Mustang flyover. The project included a full repainting of the steel structure, protective coating applications to abutments and piers, parapet wall restoration, and the replacement of inspection walkway grating with fiber-reinforced plastic systems.

### **Routine Maintenance**

The Authority's Maintenance Division is responsible for year-round road and bridge upkeep, including snow removal, ice control, pavement repairs, drainage system maintenance, signage installation, vegetation control, litter pickup, and other essential highway maintenance activities. Using the MMS, the Division conducts periodic condition assessments to evaluate maintenance performance across key areas. The assessments compare current conditions to performance targets, enabling the Division to measure program effectiveness.

The Authority's pavement rehabilitation and preservation efforts including an aggressive crack sealing program have resulted in asphalt pavement conditions consistently exceeding performance targets. Preventive bridge maintenance remains a priority, with measures such as protective deck overlays to enhance skid resistance and seal decks against salt intrusion. Additionally, the Authority executes spot painting contracts to preserve steel bridge structures and extend their service life. These ongoing maintenance and rehabilitation efforts demonstrate the Authority's commitment to preserving the Turnpike's infrastructure while ensuring safety, efficiency, and long-term sustainability.

### **Traffic Management and Safety**

The West Virginia Turnpike is patrolled by Troop 7 of the West Virginia State Police, a dedicated unit comprising up to 31 members. Troop 7 focuses on traffic safety management and drug interdiction. Operating 24 hours a day, their responsibilities include monitoring compliance with speed limits, assisting disabled motorists, detecting impaired drivers, and apprehending individuals engaged in drug trafficking. Additionally, three Public Service Commission (PSC) officers provide support by conducting inspections and enforcing commercial vehicle safety and operating regulations.

The Authority also facilitates roadside assistance for travelers with disabled vehicles. During the winter months, snow and ice removal is prioritized by the Maintenance Department to ensure roadway safety. The Authority allocates sufficient funds within its annual operating budget to maintain safe travel conditions during winter storms. To further promote motorist safety, the Authority deploys speed monitoring radar trailers, installs rumble strips, and employs eight-inch edge lines to enhance lane visibility and reduce the risk of accidents.

### **Travel Plazas and Tourist Information Centers**

The Authority contracts with private companies to operate restaurants and service stations at three travel plazas and one rest area strategically located along the Turnpike. These facilities provide essential services to travelers and also function as tourist information centers. Two rest areas serve southbound travelers. The rest area at mile marker 69 features restrooms, vending machines, and a snack shop, while the rest area at mile marker 18 offers a scenic overlook but no facilities.

In 2017 a modernized facility was added to the rest area at mile marker 69. Enhancements included expanded car parking and an upgraded snack shop. The Authority also operates the West Virginia Welcome Center near mile marker 9 in Princeton, WV. This facility offers restrooms, vending machines, tourist information, and retail outlets featuring "The Best of West Virginia" handmade crafts, art, and specialty foods.

In October 2021, the Authority initiated the design phase for the redevelopment of all three main travel plazas. The project includes a comprehensive scope of work encompassing construction costs, architectural and civil design, truck parking, intelligent transportation system (ITS) design, and geotechnical analysis. In April 2023, demolition and construction commenced for the Beckley and Bluestone Travel Plazas, with total costs for these facilities estimated at \$182 million.

This capital improvement project, funded through the Authority's current resources over a five-year period, marks the second reconstruction of the Turnpike travel plazas. Enhancements include modern facilities with electric vehicle (EV) charging stations, drive-thru food services, expanded parking for cars, buses, and tractor trailers, and improved lighting for increased safety. The project also encompasses the replacement of underground fuel storage tanks. No bond funds are currently planned for this initiative, underscoring the Authority's commitment to maintaining high-quality infrastructure and services.

## **Economic Development and Tourism**

In 1989, the Authority was authorized to support the State of West Virginia's tourism industry and participate in economic and tourism development initiatives. To fulfill this mandate, the Authority allocated revenues generated from ancillary operations, such as restaurants and service stations, for these purposes. Toll revenues were not used for economic development or tourism projects.

In April 2007, the Authority's Board refocused its mission to prioritize the core responsibilities of operating and maintaining the Turnpike as a modern, efficient, and safe roadway. As part of this strategic shift, the Authority discontinued involvement in economic development and tourism projects, except for the operation of Tamarack—The Best of West Virginia, a showcase for the state's artisan goods and culture. Legislation enacted in 2010 further solidified this transition by restricting the Authority from participating in any additional economic development initiatives ensuring activities remain focused on the maintenance and management of the Turnpike.

## **Accounting Policies and Internal Controls**

The Authority's significant accounting policies are briefly described in Note 2 of the financial statements.

Management of the Authority is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Independent Audit**

The trust indentures also require an annual audit by independent certified public accountants. The accounting firm of Suttle & Stalnaker, PLLC was engaged by the Authority to perform the audit for the fiscal years ended June 30, 2024 and 2023.

### **Awards**


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for each of the 34 years through the period ended June 30, 2023, including the first year of operations of the Authority. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

The preparation of this annual comprehensive financial report on a timely basis was made possible with the assistance of the Authority's administrative and accounting staff, the consulting engineers, the independent auditor, and the leadership and support of the Members of the West Virginia Parkways Authority. We express our sincere appreciation for the professional contributions made by these individuals in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script, reading "Paulish French".



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**West Virginia Parkways Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO



# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
West Virginia Parkways Authority  
Charleston, West Virginia

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the West Virginia Parkways Authority (the Authority), a component unit of the State of West Virginia, as of and for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

The Virginia Center  
1411 Virginia Street, East  
Suite 100  
Charleston, WV 25301

MAIN (304) 343-4126  
FAX (304) 343-8008

The Rivers Office Park  
200 Star Avenue  
Suite 220  
Parkersburg, WV 26101

MAIN (304) 485-6584  
FAX (304) 485-0971

Suncrest Towne Centre  
453 Suncrest Towne Centre Drive  
Suite 201  
Morgantown, WV 26505

MAIN (304) 554-3371  
FAX (304) 554-3410

The Somerville Building  
501 5th Avenue  
Suite 1  
Huntington, WV 25701

MAIN (304) 525-0301  
FAX (304) 522-1569

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 on pages 17 through 22, the schedule of proportionate share of the total pension liability (asset), schedule of pension contributions, schedule of proportionate share of total other post-employment benefits (OPEB) liability (asset), schedule of other post-employment benefits (OPEB) contributions and related notes on pages 59 through 65 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.

### ***Other Information***

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

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

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of the State of West Virginia that is attributable to the transactions of the Authority. They do not purport to, and do not present fairly the financial position of the State of West Virginia, as of June 30, 2024 and 2023, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Charleston, West Virginia  
October 15, 2024

WEST VIRGINIA PARKWAYS AUTHORITY  
(A Component Unit of the State of West Virginia)  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2024 and 2023

The management of the West Virginia Parkways Authority (hereinafter referred to as the Authority) offers this narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2024 which should be read in conjunction with the Authority's basic financial statements.

## **FINANCIAL HIGHLIGHTS**

### **2024**

- Toll revenues decreased 1.7% mainly due to the increased utilization of the discount programs available for patrons using EZPass electronic collection rather than cash toll collection. The share of electronic toll collection continues to increase each year for both passenger cars and commercial trucks. Each is eligible for separate discounts with EZPass use. Total toll transactions increased 0.2 million or 0.6%. Due to the delayed implementation of the new toll systems, some toll recovery revenue will be delayed until the next fiscal year. The Authority will implement an approximately 5% toll rate increase effective January 1, 2025 in accordance with previous plans.
- Operating expenses increased by \$8.5 million or 7.5% from 2023. Depreciation expense increased \$3.5 million, maintenance expenses increased \$1.3 million, and toll collection expenses increased \$2.4 million.
- In 2024, capital spending on the Turnpike totaled \$150.6 million.

### **2023**

- Toll revenues increased 1.1% because of the authorized automatic rate increase of approximately 5%, which began January 1, 2022. Rates are scheduled to increase at a rate 1.6% per year becoming effective every third year. Also, the early enrollment period for the single fee discount plan ended December 31, 2021. Renewing patrons who had qualified for early enrollment owed the fee for the first time since 2020 and will now pay annually. Total truck transactions were down 0.5%, while passenger car transactions were up 1.1% including more normal traffic patterns with the completion of the Beckley widening project.
- Operating expenses increased by \$12.3 million or 12.3% from 2022. Depreciation expense increased \$5.5 million, maintenance expenses increased \$3.9 million, and toll collection expenses increased \$1.9 million.
- In 2023, capital spending on the Turnpike totaled \$97.1 million.

## **Basic Financial Statements**

The Authority accounts for its operations and financial transactions in a manner similar to that used by private business enterprises: the accrual basis of accounting. In these statements, revenue is recognized in the period in which it is earned, and an expense is recognized in the period in which it is incurred, regardless of the timing of its related cash flow.

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**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. For each fiscal year, the Authority's basic financial statements are comprised of the following:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

The Statements of Net Position present information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Increases or decreases in net position, over time, may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position present revenue and expense information and how the Authority's net position changed during the fiscal year as a result of these transactions.

The Statements of Cash Flows present sources and uses of cash for the fiscal year, displayed in the following categories: cash flows from operating activities, cash flows from noncapital and related financing activities, cash flows from capital and related financing activities, and cash flows from investing activities.

The Notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They are an integral part of the basic financial statements.

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**FINANCIAL ANALYSIS**

**Operating Revenue**

Toll revenues represent the major source of funding for the Authority. Passenger car traffic volume increased by 0.6% and large commercial traffic volume increased by 0.5% during 2024. Passenger car toll revenues increased by 0.1% and large commercial toll revenues increased by 0.2%. Total net toll revenues and other recoveries decreased approximately \$3.2 million or 1.7%.

**CHANGES IN NET POSITION INFORMATION**  
(in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	Change <u>'24-'23</u>
Revenues:				
Operating revenues:				
Toll revenues	\$ 179,712	\$ 182,882	\$ 180,843	(1.7)%
Other revenues	5,581	5,967	5,612	(6.5)%
Nonoperating revenues:				
Investment gains (losses)	12,320	6,592	(2,254)	86.9%
Interest income – public-private partnerships	1,218	501	-	143.1%
Payments on behalf	(419)	(469)	(108)	(10.7)%
Total revenues	<u>198,412</u>	<u>195,473</u>	<u>184,093</u>	1.5%
Expenses:				
Operating expenses:				
Maintenance	29,244	27,990	24,111	4.5%
Toll collection	16,688	14,246	12,382	17.1%
Traffic enforcement and communications	4,553	4,037	3,909	12.8%
General and administrative	10,150	9,366	8,405	8.4%
Depreciation	60,402	56,927	51,463	6.1%
Nonoperating expenses:				
Interest expense	<u>10,580</u>	<u>10,797</u>	<u>10,814</u>	(2.0)%
Total expenses	<u>131,617</u>	<u>123,363</u>	<u>111,084</u>	6.7%
Change in net position before transfers	66,795	72,110	73,009	(7.4)%
Transfers in	<u>-</u>	<u>-</u>	<u>14,762</u>	0.0%
Change in net position	66,795	72,110	87,771	(7.4)%
Net position, beginning of year	<u>332,714</u>	<u>260,604</u>	<u>172,833</u>	27.7%
Net position, end of year	<u>\$ 399,509</u>	<u>\$ 332,714</u>	<u>\$ 260,604</u>	20.1%

On June 27, 2017 Senate Bill 1003 was enacted giving the Authority the ability to issue bonds for the purpose of funding infrastructure projects as defined in the statute. The legislation created a special revenue account known as the State Road Construction Account within the State Road Fund to be expended by the Division of Highways for construction, maintenance and repair of public highways and bridges in the state. The bill also included new authorizations, requirements and limitations on the Authority's electronic toll collection programs and discounts to the published cash rates. An unlimited use single annual fee discount program for passenger cars utilizing an Authority issued E-ZPass transponder is required under these new provisions.

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The Authority issued Senior Lien Turnpike Toll Revenue Bonds Series 2018 in the amount of \$166.37 million on August 15, 2018 and deposited \$172 million to the State Road Construction account. The proceeds will be used to finance the costs of construction by the Division of Highways for transportation projects located not on the Turnpike but in counties adjacent to the Turnpike. The Division of Highways under its Roads to Prosperity Program designated the projects. Additionally, the Authority issued Senior Lien Turnpike Toll Revenue Bonds Series 2021 for \$333.63 million on June 23, 2021 and deposited \$422.88 million to the State Road Construction account.

As an additional part of the Roads to Prosperity Program, the Division of Highways completed a project to widen certain sections of the Turnpike north the I-77/I-64 interchange by adding an additional lane each way including widening eight bridges. The lane-widening project was mainly funded from proceeds of the State's General Obligation State Road Bonds, Series 2018 A and Series 2018 B except for project management expenses including contract administration and quality assurance that was paid by the Authority. Funding of this project by the Division of Highways eliminated a significant capital investment that otherwise would have been required of the Authority.

In conjunction with the issuance of 2018 Senior Lien Bonds, the adoption of the unlimited use single annual fee discount plan for passenger cars, and to provide for projected operation and maintenance expenses, renewal and replacement costs and capital needs and projected debt service on bonds to be issued under the indenture, the Authority adopted toll rate increases that became effective January 15, 2019. The new toll rate schedule increased the previous toll rates by 100% for all classes of vehicles except for vehicles eligible for the discount plan. In addition, the Authority authorized forward-looking automatic toll increases that began on January 1, 2022, equal to 1.6% per year.

### **Operating Expenses**

For the year ended June 30, 2024, total operating expenses increased \$8.5 million or 7.5%. Depreciation expense increased \$3.5 million due to the increasing amount of infrastructure projects being placed in service. Toll collection expenses increased \$2.4 million mainly due to back-office customer service staff additions due to the rising number of active EZPass accounts.

For the year ended June 30, 2023, total operating expenses increased \$12.3 million or 12.3%. Depreciation expense increased \$5.5 million due to the increasing amount of infrastructure projects being placed in service. Other expenses decreased due mainly to a decrease in the valuation of the pension liability and OPEB liability during the current year.



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**Non-operating Revenue and Expense**

Interest expense decreased 2.0% in 2024 due to the decrease in outstanding debt. Interest expense decreased 0.2% in 2023 due to the decrease in outstanding debt. Net investment revenue increased 86.9% for 2024 and increased 392.5% in the prior year due to market conditions.

**CONDENSED STATEMENTS OF NET POSITION INFORMATION**  
(in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2024	2023	(Restated) 2022	Change '24 - '23
Current assets	\$ 237,080	\$ 278,920	\$ 225,071	(15.0)%
Long-term investments	-	26,411	61,724	(100.0)%
Other long-term assets	55,925	31,977	11,153	74.9%
Capital assets, net	<u>707,176</u>	<u>616,981</u>	<u>576,811</u>	14.6%
Total assets	1,000,181	954,289	874,759	4.1%
Deferred outflows	<u>3,312</u>	<u>5,493</u>	<u>5,445</u>	(39.7)%
Total assets plus deferred outflows	<u>\$ 1,003,493</u>	<u>\$ 959,782</u>	<u>\$ 880,204</u>	4.1%
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>				
Current liabilities	\$ 41,361	\$ 55,325	\$ 38,255	(25.2)%
Long-term revenue bonds	523,812	544,396	564,747	(4.0)
Other long-term liabilities	<u>21,449</u>	<u>7,740</u>	-	177.1%
Total liabilities	586,622	607,461	603,002	(3.4)
Deferred inflows	<u>17,362</u>	<u>19,607</u>	<u>16,598</u>	(11.5)%
Total liabilities plus deferred inflows	<u>603,984</u>	<u>627,068</u>	<u>619,600</u>	(3.7)
Net position:				
Net investment in capital assets	707,176	616,981	576,811	14.6%
Restricted	198,561	265,135	247,598	(25.1)%
Unrestricted	<u>(506,228)</u>	<u>(549,402)</u>	<u>(563,805)</u>	(7.9)
Total net position	<u>399,509</u>	<u>332,714</u>	<u>260,604</u>	20.1%
Total liabilities, deferred inflows and net position	<u>\$ 1,003,493</u>	<u>\$ 959,782</u>	<u>\$ 880,204</u>	4.1%

**Assets**

Total cash and current and long-term investments decreased \$67.7 million in the year ended June 30, 2024. Total cash and current and long-term investments increased \$17.5 million in the year ended June 30, 2023. In 2023, cash was being reserved for future infrastructure projects, including renovation of travel plazas, while in 2024, cash decreased due to the Authority spending a large amount of funds on the travel plaza renovations.

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For the year ended June 30, 2024, net capital assets increased \$90.2 million with capital improvements of \$150.6 million less depreciation expense of \$60.4 million. For the year ended June 30, 2023, net capital assets increased \$40.2 million with capital improvements of \$97.1 million less depreciation expense of \$56.9 million.

**Liabilities**

For the year ended June 30, 2024, total liabilities and deferred inflows of resources decreased \$23.1 million. Current liabilities decreased due to decreases to in-process billings from current infrastructure projects outstanding at year-end. Other long-term liabilities increased due to an increase in the arbitrage liability.

The Authority's credit ratings are among the best for similar facilities worldwide. The current agency ratings are as follows:

<u>Agency</u>	<u>Rating</u>
S&P Global Ratings	AA-
Fitch Ratings, Inc.	AA-

**CAPITAL ASSETS**

The Authority's capital assets consist of land, buildings, equipment and infrastructure. Infrastructure assets are typically items that are immovable such as highways and bridges. The Authority's investment in capital assets at June 30, 2024 amounted to approximately \$1.816 billion of gross asset value with accumulated depreciation of approximately \$1.109 billion, leaving a net book value of approximately \$707 million. Capital assets represented 70.5% of the Authority's total assets and deferred outflows of resources at June 30, 2024. Additional information on the Authority's capital assets can be found in Note 5 to the financial statements.

**LONG-TERM DEBT**

In 2021, the Authority issued \$333.6 million Senior Lien Turnpike Toll Revenue Bonds which are due in varying installments through June 2051. These bonds were issued to fund off-Turnpike parkways projects. \$422.88 million was deposited into the State Road Construction Account for the designated projects.

In 2018, the Authority issued \$166.4 million Senior Lien Turnpike Toll Revenue Bonds which are due in varying installments through June 2048. These bonds were issued to fund off-Turnpike parkway projects. \$172 million was deposited into the State Road Construction Account for these purposes.

Additional information on the Authority's long-term liabilities activity can be found in Notes 8, 9, and 10 to the financial statements.

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**FACTORS IMPACTING FUTURE OPERATIONS**

On June 27, 2017 Senate Bill 1003 was enacted giving the Authority the ability to issue bonds for the purpose of funding infrastructure projects as defined in the statute. The legislation created a special revenue account known as the State Road Construction Account within the State Road Fund to be expended by the Division of Highways for construction, maintenance and repair of public highways and bridges in the state. The bill also included new authorizations, requirements and limitations on the Authority's electronic toll collection programs and discounts to the published cash rates. An unlimited use single annual fee discount program for passenger cars utilizing an Authority issued E-ZPass transponder is required under these new provisions.

The Authority issued Senior Lien Turnpike Toll Revenue Bonds Series 2018 in the amount of \$166.37 million on August 14, 2018 and deposited \$172 million to the State Road Construction account. The Authority also issued Senior Lien Turnpike Toll Revenue Bonds Series 2021 in the amount of \$333.63 million on June 23, 2021 and deposited \$422.88 million to the State Road Construction account. The proceeds are being used to finance the costs of construction by the Division of Highways for transportation projects located not on the Turnpike but in counties adjacent to the Turnpike. The projects are from a list of projects to be constructed by the Division of Highways under its Roads to Prosperity Program.

As an additional part of the Roads to Prosperity Program, the Division of Highways is completed widening certain sections of the Turnpike north of the I-77/I-64 interchange by adding an additional lane over more than 5 miles each way as well as widening eight bridges and other improvements. The lane-widening project was mainly funded from proceeds of the State's General Obligation State Road Bonds, Series 2018 A and Series 2018 B except for project management expenses including contract administration and quality assurance that was paid by the Authority. Funding of this project by the Division of Highways eliminated a significant capital investment that otherwise would have been required of the Authority.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the West Virginia Parkways Authority, Director of Finance, P. O. Box 1469, Charleston, West Virginia 25325-1469.

WEST VIRGINIA PARKWAYS AUTHORITY  
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STATEMENTS OF NET POSITION

June 30, 2024 and 2023  
(In Thousands)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 121,970	\$ 171,730
Short-term investments	100,036	91,552
Accounts receivable	8,498	9,544
Interest receivable	1,253	501
Public-private partnership receivable, current	270	424
Inventory	4,736	4,823
Other	317	346
Total current assets	237,080	278,920
Noncurrent assets:		
Investments in securities maturing beyond one year	-	26,411
Due from the West Virginia Division of Highways	21,449	5,575
Public-private partnership receivable, noncurrent	17,641	17,858
Prepayment of SBITAs	16,201	8,544
Total pension asset	53	-
Total OPEB asset	581	-
Capital assets, net	707,176	616,981
Total noncurrent assets	763,101	675,369
 Total assets	 1,000,181	 954,289
Deferred outflows of resources:		
Deferred outflows related to pension	3,021	4,736
Deferred outflows related to other post-employment benefits	291	757
Total deferred outflows of resources	3,312	5,493
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	18,526	35,482
Accrued interest payable	1,788	1,825
Customer deposits	3,854	3,606
Other accrued liabilities	6,084	4,135
Current portion of compensated absences	1,804	1,412
Current portion of long-term revenue bonds	9,305	8,865
Total current liabilities	41,361	55,325
Noncurrent liabilities:		
Noncurrent portion of long-term revenue bonds, net of unamortized premiums:		
Series 2018 revenue bonds	152,164	157,377
Series 2021 revenue bonds	371,648	387,019
	523,812	544,396
Other noncurrent liabilities	21,449	5,575
Total pension liability	-	1,740
Total OPEB liability	-	425
Total noncurrent liabilities	545,261	552,136
 Total liabilities	 586,622	 607,461
Deferred inflows of resources:		
Deferred inflows related to pension	11	21
Deferred inflows related to other post-employment benefits	806	1,815
Deferred inflows related to public-private partnership	16,545	17,771
Total deferred inflows of resources	17,362	19,607
 Total liabilities plus deferred inflows of resources	 603,984	 627,068
Net position:		
Net investment in capital assets	707,176	616,981
Restricted by trust indenture and tri-party agreement	195,432	262,160
Restricted for pension benefits	3,063	2,975
Restricted for other post-employment benefits	66	-
Unrestricted (deficit)	(506,228)	(549,402)
Total net position	\$ 399,509	\$ 332,714

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

WEST VIRGINIA PARKWAYS AUTHORITY

(A Component Unit of the State of West Virginia)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2024 and 2023

(In Thousands)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Toll revenues	\$ 179,712	\$ 182,882
Other revenues	5,581	5,967
Total operating revenues	<u>185,293</u>	<u>188,849</u>
Operating expenses:		
Maintenance	29,244	27,990
Toll collection	16,688	14,246
Traffic enforcement and communications	4,553	4,037
General and administrative	10,150	9,366
Depreciation	60,402	56,927
Total operating expenses	<u>121,037</u>	<u>112,566</u>
Operating income	64,256	76,283
Nonoperating revenues (expenses):		
Interest expense	(10,580)	(10,797)
Net investment revenue	12,320	6,592
Investment income - public-private partnership	1,218	501
Payments on behalf	(419)	(469)
Nonoperating revenues (expenses), net	<u>2,539</u>	<u>(4,173)</u>
Change in net position	66,795	72,110
Net position, beginning of year	<u>332,714</u>	<u>260,604</u>
Net position, end of year	<u>\$ 399,509</u>	<u>\$ 332,714</u>

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

WEST VIRGINIA PARKWAYS AUTHORITY  
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STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

(In Thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 184,686	\$ 188,766
Cash paid to employees	(34,421)	(31,810)
Cash paid to suppliers	<u>(25,636)</u>	<u>(26,795)</u>
Net cash provided by operating activities	<u>124,629</u>	<u>130,161</u>
Cash flows from noncapital and related financing activities:		
Debt service for revenue bonds:		
Principal	(8,865)	(8,440)
Interest	<u>(21,859)</u>	<u>(22,283)</u>
Net cash used in noncapital and related financing activities	<u>(30,724)</u>	<u>(30,723)</u>
Cash flows from capital and related financing activities:		
Payments on prepaid SBITAs	(7,657)	(6,993)
Acquisition of property and equipment	(166,721)	(81,548)
Interest income - public private partnership	466	-
Net cash used in capital and related financing activities	<u>(173,912)</u>	<u>(88,541)</u>
Cash flows from investing activities:		
Purchase of investments	(52,077)	(83,702)
Proceeds from sales and maturities of investments	70,004	98,734
Investment gains	<u>12,320</u>	<u>6,592</u>
Net cash provided by (used in) investing activities	<u>30,247</u>	<u>21,624</u>
Increase (decrease) in cash and cash equivalents	(49,760)	32,521
Cash and cash equivalents, beginning of year	<u>171,730</u>	<u>139,209</u>
Cash and cash equivalents, end of year	<u>\$ 121,970</u>	<u>\$ 171,730</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 64,256	\$ 76,283
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	60,402	56,927
Other post-employment benefits expense - special funding situation	(419)	(469)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,046	(6)
(Increase) decrease in public-private partnership receivable	371	(18,282)
(Increase) decrease in inventory	87	(140)
(Increase) decrease in other current assets	29	24
(Increase) decrease in due from West Virginia Division of Highways	(15,874)	(5,575)
(Increase) decrease in deferred outflows of resources	2,181	(48)
Increase (decrease) in accounts payable and other liabilities	1,720	1,096
Increase (decrease) in other noncurrent liabilities	15,874	5,575
Increase (decrease) in deferred inflows of resources	(2,245)	3,009
Increase (decrease) in total pension liability/asset	(1,793)	11,224
Increase (decrease) in total OPEB liability/asset	<u>(1,006)</u>	<u>543</u>
Net cash provided by operating activities	<u>\$ 124,629</u>	<u>\$ 130,161</u>

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

WEST VIRGINIA PARKWAYS AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS  
Years Ended June 30, 2024 and 2023  
(In thousands)

**NOTE 1 - FINANCIAL REPORTING ENTITY**

Effective July 1, 2010, the Authority's legal name was changed to the West Virginia Parkways Authority. The West Virginia Parkways Economic Development and Tourism Authority was created as the successor-in-interest to the West Virginia Turnpike Commission (the Turnpike Commission) by the West Virginia Legislature effective June 1, 1989. All the duties, powers, and functions of the Turnpike Commission were transferred to the Authority and the Authority assumed all assets, property, obligations, indebtedness, and other liabilities of the Turnpike Commission and personnel of the Turnpike Commission were transferred to the employment of the Authority. The Authority has the power to enact and amend its own operating budget, and receives no appropriations from the State of West Virginia (the State). The State's Governor or his designee serves as chairman of the Authority and the State's Secretary of Transportation serves as a board member. The other seven Authority members are appointed by the Governor with the approval of the Senate. As the State is able to impose its will over the Authority, the Authority is considered a component unit of the State and its financial statements are discretely presented in the annual comprehensive financial report 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 generally accepted accounting principles. Generally accepted accounting principles define 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. Since no such organizations exist which meet the above criteria, the Authority has no component units.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Authority is accounted for as a government entity engaged in business-type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting, using the flow of economic resources measurement focus. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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

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Years Ended June 30, 2024 and 2023  
(In thousands)

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investment securities purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value as determined by published sources and realized and unrealized gains or losses are reported in the statements of revenues, expenses, and changes in net position as a component of investment income.

Allowance for Doubtful Accounts

It is the Authority's policy to provide for future losses on uncollectible accounts based on an evaluation of the underlying accounts, the historical collectability experienced by the Authority on such balances and such other factors which, in the Authority's judgment, require consideration in estimating doubtful accounts.

As of June 30, 2024 and 2023, management believes that all accounts receivable will be collected; therefore, no allowance for doubtful accounts has been booked.

Public-Private Partnership Receivable

The Authority's public-private partnership (PPP) receivable is measured at the present value of the payments expected to be received during the PPP term. Under the PPP arrangement, the Authority may receive variable payments that are dependent upon the operator's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Inventory

Supplies inventory is reported at cost. Inventory held for resale is valued at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported at historical cost and include interest on funds borrowed to finance construction. Donated capital assets are recorded at acquisition value. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$30,000 for Turnpike activities and \$2,500 for economic development activities and an estimated useful life in excess of one year. Contributed infrastructure assets are stated at the Department of Transportation cost basis, adjusted for depreciation occurring from the date the assets were placed in service through the date of transfer of such assets to the Authority. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets; buildings (30 years); equipment (5-10 years); and infrastructure (10-50 years).



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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred Outflow of Resources

A deferred outflow of resources represent a consumption of net assets by the government that applies to future periods.

Compensated Absences

Employees fully vest in all earned but unused vacation and the Authority accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Authority participates in another post-employment benefit plan (see Note 10).

Pensions

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

Other Post-Employment Benefit (OPEB) Liability (Asset)

For purposes of measuring the total OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 for further discussion.

Customer Deposits

Customer deposits consist of prepaid deposits made by personal and commercial customers into E-ZPass<sup>®</sup> toll collection accounts held by the Authority. Deposits are refundable upon request.

Bond Premiums

Bond premiums are being amortized over the varying terms of the bonds issued. Amortization of the premium is charged to interest expense using the effective interest rate method.

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Position

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investment in capital assets consists of all capital assets less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is restricted when there are legal limitations imposed on their use by legislation or external restrictions by other governments, creditors, or grantors. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

Restricted net position consists of amounts restricted by trust indenture and the tri-party agreement that can only be used for maintenance and operation of the Turnpike and for debt service.

Deferred Inflow of Resources

A deferred inflow of resources represent an acquisition of net assets by the government that applies to future periods.

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods. Revenues and expenses related to capital and related financing, non-capital financing, or investing activities are not included as operating revenues and expenses. Other items not meeting these definitions are reported as nonoperating revenues and expenses.

Other Revenues

Other revenues primarily consist of concession sales at the travel centers on the West Virginia Turnpike and craft and food sales at the Caperton Center (also known as TAMARACK-*The Best of West Virginia*). The amount of sales reported is net of costs of goods sold. The related general and administrative expenses are included under operating expenses in the statements of revenues, expenses, and changes in net position.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform with the 2024 presentation. Such reclassifications had no effect on the 2023 net position or changes in net position.

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Newly Adopted Statements Issued by GASB

The Authority implemented Statement No. 99, *Omnibus 2022*, with varying effective dates based upon each provision ranging from being effective immediately to fiscal years beginning after June 15, 2023. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) guidance and terminology updates on reporting derivative instruments that do not meet the definition of either an investment derivative or hedging derivative, but are within the scope of GASB Statement No. 53; (2) clarification of provisions of GASB Statement Nos. 87, 94, and 96; (3) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate; (4) accounting for Supplemental Nutrition Assistance Program (SNAP) benefits; (5) non-monetary transactions; (6) clarification related to the focus of government-wide financial statements under GASB Statement No. 34; and (7) terminology updates related to GASB Statement No. 63. The provisions effective during the current fiscal year did not have an impact on the financial statements.

Recent Statements Issued by GASB

GASB has issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this statement a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit post-employment benefit it should not be included in the liability for compensated absences. This statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability, and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The Authority has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

GASB has also issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide financial statement users with information about risks due to concentrations or constraints common in a governmental environment. The standard requires an assessment of whether any concentrations or constraints increase the government's vulnerability to significant impacts, and whether events associated with concentrations and/or constraints have occurred or are more likely than not to occur within one year of issuance of the financial statements. Further, additional detailed disclosures may be required in certain situations. The Authority has not yet determined the effect that the adoption of GASB Statement No. 102 may have on its financial statements.

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB has also issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The focus of the improvements are to the presentation of (1) management’s discussion and analysis, (2) unusual or infrequent items, (3) proprietary fund statement of revenues, expenses, and changes in net position, (4) major component unit information, and (5) budgetary comparison information. The Authority has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

All of the Authority’s cash on hand is held with outside bank accounts and the West Virginia State Treasurer’s Office, totaling approximately \$121,970 and \$171,730 in 2024 and 2023, respectively.

A reconciliation of the investments disclosed in this note to the amounts reported in the statements of net position is as follows:

	June 30, 2024
As disclosed in this Note:	
Total deposits with outside banks	\$ 116,437
Total WV State Treasurer’s Office	5,533
Total WV Short Term Bond Pool	3,774
Total other investments	96,262
	\$ 222,006
As reported on the Statement of Net Position:	
Cash and cash equivalents	\$ 121,970
Short-term investments	100,036
	\$ 222,006

	June 30, 2023
As disclosed in this Note:	
Total deposits with outside banks	\$ 166,057
Total WV State Treasurer’s Office	5,673
Total WV Short Term Bond Pool	3,575
Total other investments	114,388
	\$ 289,693
As reported on the Statement of Net Position:	
Cash and cash equivalents	\$ 171,730
Short-term investments	91,552
Investments in securities maturing beyond one year	26,411
	\$ 289,693

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

Investment securities are allocated at June 30, 2024 and 2023, among the following restricted and designated accounts created under the various Trust Indentures or by the adoption of Authority resolution:

	June 30	
	2024	2023
Restricted and designated assets:		
Assets restricted by 2018 trust indenture		
Turnpike Capital Improvement Fund	\$ 121,754	\$ 195,783
Renewal and Replacement Reserve Fund	25,735	22,615
Operating and Maintenance Reserve Account	9,012	8,825
Senior Lien Debt Service Reserve Fund	33,402	31,676
Series 2018 Interest and Principal Accounts	1,873	1,106
Series 2021 Interest and Principal Accounts	3,657	2,156
Other Restrictions		
Insurance liability	1,000	1,000
Patron account	3,854	3,606
Total restricted	200,287	266,767
Non toll revenue fund	5,903	6,277
Total restricted and designated assets as allocated by trust indentures	\$ 206,190	\$ 273,044

The assets restricted by the 2018 Master Trust Indenture, as supplemented, must be used for Turnpike capital costs, renewal and replacement costs, operation and maintenance expenses, and debt service. The Trust Indentures require that the balance in the Senior Lien Debt Service Reserve Fund equal maximum annual debt service for such bonds. The balance in the 2018 and 2021 Interest and Principal Accounts are required by the Trust Indentures to have a balance equal to accrued debt service for the current year plus one-twelfth of the debt service which will accrue in the next succeeding fiscal year. The Trust Indentures also require that a reserve be established for Renewal and Replacement that equals the consulting engineer's recommendations for the year. The Operations and Maintenance Account is required by the Trust Indentures to maintain a balance equal to one-sixth of budgeted operating expenses for the fiscal year.

The Reserve Revenue Account, restricted by the Tri-Party Agreement dated June 2018 among the West Virginia Department of Transportation, the Federal Highway Administration, and the Authority, can only be used for maintenance and operation of the Turnpike and for debt service.

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

The Insurance Liability account is a self-insured fund that covers the Authority against risk of loss from natural disaster, among other items, and is designated as the Authority's percentage of contribution in the event of a disaster.

The Non Toll Revenue Fund is designated to be used for Non Turnpike activities. This balance is included in unrestricted net position on the Statements of Net Position.

*Interest rate risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All of the Authority's investments are subject to interest rate risk. As a means of limiting its exposure to fair value losses resulting from rising interest rates, the Authority's investment policies limit individual securities in the Authority's investment portfolio to remaining maturities of less than five years and the weighted dollar average maturity is capped at three years. As of June 30, 2024 and 2023, respectively, the Authority had the following investments and maturities (in years):

<u>Investment Type</u>	2024				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>10+</u>
Government agency bonds	\$ 66,165	\$ 66,165	\$ -	\$ -	\$ -
Corporate bonds	3,774	3,774	-	-	-
U.S. Treasury bills	30,097	30,097	-	-	-
	<u>\$ 100,036</u>	<u>\$ 100,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investment Type</u>	2023				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>10+</u>
Government agency bonds	\$ 83,560	\$ 57,149	\$ 26,411	\$ -	\$ -
Corporate bonds	3,575	3,575	-	-	-
U.S. Treasury bills	30,828	30,828	-	-	-
	<u>\$ 117,963</u>	<u>\$ 91,552</u>	<u>\$ 26,411</u>	<u>\$ -</u>	<u>\$ -</u>

*Concentration of credit risk* - Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority's cash deposits with financial institutions were \$116,437 and \$166,057 at June 30, 2024 and 2023, respectively. These deposits, which had a bank balance of \$116,349 and \$165,969, respectively, are insured by the Federal Deposit Insurance Corporation and/or collateralized with securities held in the Authority's name by its agent.

As of June 30, 2024, the Authority did not have any investment balances with the any issuers which were greater than or equal to 5% of the Authority's total investment balance.

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

As of June 30, 2023, the Authority had investment balances with the following issuers which were greater than or equal to 5% of the Authority’s total investment balance:

<u>Security Type</u>	<u>Issuer</u>	<u>Percentage of Investments</u>
Government agency bonds	Federal Home Loan Banks	10%

*Custodial credit risk* - Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. None of the Authority’s investments contain nonnegotiable certificates of deposit.

*Foreign currency risk* - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Authority does not hold any foreign currency or hold any interests in foreign currency.

**BTI DISCLOSURE INFORMATION**

The BTI has adopted an investment policy in accordance with the “Uniform Prudent Investor Act.” The “prudent investor rule” guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The BTI’s investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of the Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the Consolidated Fund.

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

*WV Short Term Bond Pool:*

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

Security Type	Rating	June 30, 2024	
		Carrying Value	Percent of Pool Assets
U.S. Treasury notes*	AA+	\$ 83,668	12.33%
U.S. agency collateralized mortgage obligations			
U.S. government guaranteed*	AA+	3,852	0.57
Non- U.S. government guaranteed	AA+	640	0.09
Corporate fixed- and floating-rate bonds and notes	AA+	6,029	0.88
	AA	3,628	0.54
	AA-	20,134	2.97
	A+	49,565	7.31
	A	70,165	10.35
	A-	84,265	12.43
	BBB+	57,510	8.48
	BBB	52,664	7.77
	BBB-	42,895	6.33
	BB+	3,509	0.52
	NR	9,403	1.39
Collateralized mortgage-backed securities	NR	8,213	1.21
Municipal Securities	AAA	10,629	1.57
	AA+	1,577	0.23
	AA	5,874	0.87
	AA-	6,547	0.97
	A+	788	0.12
	NR	2,813	0.41
Asset-backed securities	AAA	104,860	15.47
	NR	41,557	6.13
Money market funds	AAAm	7,180	1.06
		<u>\$ 677,965</u>	<u>100.00%</u>

NR = Not Rated

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



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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

Security Type	Rating	June 30, 2023	
		Carrying Value	Percent of Pool Assets
U.S. Treasury notes*	AA+	\$ 139,870	19.94%
U.S. government agency bonds	AA+	2,351	0.34
U.S. agency collateralized mortgage obligations			
U.S. government guaranteed*	AA+	7,288	1.04
Non- U.S. government guaranteed	AA+	864	0.12
Corporate fixed- and floating-rate bonds and notes	AAA	5,776	0.82
	AA+	5,220	0.74
	AA	6,279	0.90
	AA-	17,640	2.51
	A+	51,316	7.32
	A	57,546	8.20
	A-	103,749	14.81
	BBB+	44,723	6.37
	BBB	21,770	3.10
	BBB-	41,697	5.94
	BB+	3,505	0.50
	NR	11,189	1.59
Collateralized mortgage obligations	AAA	3,071	0.44
	NR	10,606	1.51
Municipal Securities	AAA	9,010	1.28
	AA+	12,571	1.79
	AA	11,095	1.58
	AA-	7,693	1.10
	NR	2,764	0.39
Asset-backed securities	AAA	97,491	13.90
	NR	17,814	2.54
Money market funds	AAAm	8,652	1.23
		<u>\$ 701,550</u>	<u>100.00%</u>

NR = Not Rated

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

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

At June 30, 2024 and 2023, the Authority ownership of approximately \$3,774 represents 0.6% and ownership of approximately \$3,575 represents 0.5%, respectively, of these amounts held by the BTI.

*Interest Rate Risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the BTI's Consolidated Fund pools and accounts are subject to interest rate risk.

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

Security Type	2024		2023	
	Carrying Value (In Thousands)	Effective Duration (Days)	Carrying Value (In Thousands)	Effective Duration (Days)
Corporate fixed-rate bonds and notes	\$ 387,992	734	\$ 355,045	660
Corporate floating-rate bonds and notes	11,775	-	15,365	(39)
Collateralized mortgage obligations	8,213	153	13,677	346
U.S. Treasury notes	83,668	734	139,870	709
U.S. government agency bonds	-	-	2,351	530
U.S. agency collateralized mortgage obligations	4,492	39	8,152	63
Municipal securities	28,228	330	43,133	374
Asset-backed securities	146,417	579	115,305	618
Money market funds	7,180	-	8,652	-
	<u>\$ 677,965</u>	645	<u>\$ 701,550</u>	609

*Other Investment Risks* - Other risks of investing include concentration of credit risk, custodial credit risk, and foreign currency risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

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

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**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the Consolidated Fund’s investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

The Authority uses fair value measurements of certain assets and liabilities to record fair value adjustments and to determine fair value disclosures. Professional standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy, as defined below, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 is defined as observable inputs such as quoted prices in active markets for identical assets or liabilities or the publicly available amount at which the asset or liability can be redeemed. Level 1 assets include the Authority’s bond investments.
- Level 2 is defined as observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Fair values of assets measured on a recurring basis at December 31, are as follows:

Fair Value Measurements at Reporting Date Using

<u>June 30, 2024</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Government agency bonds	\$ 66,165	\$ 66,165	\$ -	\$ -
Corporate bonds	3,774	3,774	-	-
U.S. Treasury bills	30,097	30,097	-	-
Total investments at fair value	<u>\$ 100,036</u>	<u>\$ 100,036</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)**

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Government agency bonds	\$ 83,560	\$ 83,560	\$ -	\$ -
Corporate bonds	3,575	3,575	-	-
U.S. Treasury bills	30,828	30,828	-	-
Total investments at fair value	<u>\$ 117,963</u>	<u>\$ 117,963</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 - CAPITAL ASSETS**

A summary of capital assets at June 30 follows:

<u>2024</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:				
Land	\$ 53,247	\$ -	\$ -	\$ 53,247
Construction in process	21,396	78,394	-	99,790
Total non-depreciable capital assets	<u>74,643</u>	<u>78,394</u>	<u>-</u>	<u>153,037</u>
Capital assets, depreciable:				
Buildings	111,407	559	-	111,966
Equipment	32,869	3,150	-	36,019
Infrastructure	1,446,310	68,494	-	1,514,804
Total capital assets being depreciated	<u>1,590,586</u>	<u>72,203</u>	<u>-</u>	<u>1,662,789</u>
Less accumulated depreciation for:				
Buildings	(94,338)	(1,960)	-	(96,298)
Equipment	(22,065)	(2,327)	-	(24,392)
Infrastructure	(931,845)	(56,115)	-	(987,960)
Total accumulated depreciation	<u>(1,048,248)</u>	<u>(60,402)</u>	<u>-</u>	<u>(1,108,650)</u>
Total depreciable capital assets, net	<u>542,338</u>	<u>11,801</u>	<u>-</u>	<u>554,139</u>
Total capital assets, net	<u>\$ 616,981</u>	<u>\$ 90,195</u>	<u>\$ -</u>	<u>\$ 707,176</u>

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**NOTE 5 - CAPITAL ASSETS (Continued)**

<u>2023</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:				
Land	\$ 53,247	\$ -	\$ -	\$ 53,247
Construction in process	114,607	20,751	(113,962)	21,396
Total non-depreciable capital assets	<u>167,854</u>	<u>20,751</u>	<u>(113,962)</u>	<u>74,643</u>
Capital assets, depreciable:				
Buildings	110,527	880	-	111,407
Equipment	31,398	1,471	-	32,869
Infrastructure	1,258,353	187,957	-	1,446,310
Total capital assets being depreciated	<u>1,400,278</u>	<u>190,308</u>	<u>-</u>	<u>1,590,586</u>
Less accumulated depreciation for:				
Buildings	(91,988)	(2,350)	-	(94,338)
Equipment	(19,804)	(2,261)	-	(22,065)
Infrastructure	(879,529)	(52,316)	-	(931,845)
Total accumulated depreciation	<u>(991,321)</u>	<u>(56,927)</u>	<u>-</u>	<u>(1,048,248)</u>
Total depreciable capital assets, net	<u>408,957</u>	<u>133,381</u>	<u>-</u>	<u>542,338</u>
Total capital assets, net	<u>\$ 576,811</u>	<u>\$ 154,132</u>	<u>\$ (113,962)</u>	<u>\$ 616,981</u>

There was no interest cost capitalized during the years ended June 30, 2024 and 2023.

**NOTE 6 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

In fiscal year 2022, the Authority entered into a noncancelable subscription based information technology arrangement (SBITA). During the fiscal years ended June 30, 2024 and 2023, the Authority incurred initial implementation costs of \$7,657 and \$6,993, respectively. The subscription term has not yet begun and as a result, there is no subscription asset or liability recorded as of June 30, 2024 or 2023. The total initial implementation costs paid to date are recorded as a prepayment on SBITAs on the statements of net position. At June 30, 2024 and 2023, the prepayment on SBITAs was \$16,201 and \$8,544, respectively. Upon commencement of the subscription, which is expected to be in fiscal year 2025, the prepayment on the SBITA will be reclassified as an addition to the subscription asset and amortized over the subscription term of twenty years.

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**NOTE 7 - PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENTS**

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

Under the PPP arrangement, the operator has committed to invest in improvements to three of the PPP assets owned by the Authority. As of June 30, 2024, construction is currently in progress to improve two travel plazas. Construction is expected to commence on the third travel plaza in fiscal year 2025. The value of the improvements will be capitalized to the PPP asset when the improvements are placed into service. At the end of the PPP arrangement, the Authority will retain ownership of all travel plazas and improvements.

At June 30, 2024, the Authority's total PPP receivable and deferred inflows of resources related to the PPP was \$17,911 and \$16,545, respectively. At June 30, 2023, the Authority's total PPP receivable and deferred inflows of resources related to the PPP was \$18,282 and \$17,771, respectively. For the years ended June 30, 2024 and 2023, the Authority recognized PPP revenue of \$1,226 and \$511, respectively, which is included in other revenues on the statements of revenues, expenses, and changes in net position. Interest income related to the PPP totaled \$1,218 and \$501, respectively, for the years ended June 30, 2024 and 2023. Variable payments not included as a component of the PPP receivable were \$132 and \$52, respectively, for the years ended June 30, 2024 and 2023.

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**NOTE 8 - REVENUE BONDS PAYABLE**

Revenue bonds payable consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Series 2021 Senior Lien Turnpike Toll Revenue Bonds, issued \$333,630 in June 2021 at 4.00% to 5.00%, due in varying installments from June 2023 through June 2051	\$ 316,605	\$ 322,245
Series 2018 Senior Lien Turnpike Toll Revenue Bonds, issued \$166,370 in August 2018 at 3.75% to 5.00%, due in varying installments from June 2019 through June 2048	148,885	152,110
Total revenue bonds payable	465,490	474,355
Add:		
Unamortized premium	67,627	78,906
Less:		
Current portion of revenue bonds payable	(9,305)	(8,865)
Total long term revenue bonds payable	\$ 523,812	\$ 544,396

The Revenue Bonds under the 2018 and 2021 Trust Indentures are secured by a pledge of the Authority's toll revenues and all monies deposited into accounts created by the Trust Indentures. Total debt service was \$30,762, \$30,759, and \$30,764, for the years ended June 30, 2024, 2023, and 2022, respectively. Total net pledged revenues were approximately \$139,922, \$141,757, and \$136,028, which represents 454.85%, 460.86%, and 442.17% of the total debt service, respectively, for the years ended June 30, 2024, 2023, and 2022.

In accordance with West Virginia Law and the Authority's Master Trust Indenture dated August 1, 2018, the Authority has issued Series 2018 and 2021 Senior Lien revenue bonds payable solely from, and secured solely by a first lien on and pledge of the Trust Estate, consisting of Net Toll Road Revenues, amounts on deposit in certain Funds and Accounts created pursuant to and pledged by the Indenture and other property conveyed, pledged, assigned or transferred as and for additional security. Toll Road Revenues include tolls, certain interest income, insurance proceeds, condemnation awards, other amounts derived from or with respect to the operation of the Turnpike, and other additional revenues added to the Turnpike. Concession revenues and other revenues derived from the operation or use of service plazas, tourist information centers including Tamarack are excluded from Toll Road Revenues.

Under the terms of the Trust Agreement, the Authority covenants to establish, charge and collect tolls for the privilege of traveling on the Turnpike at rates sufficient in each fiscal year to meet operation and maintenance expenses and produce net toll road revenues of at least 125% of the annual debt service with respect to the Series 2018 Senior Lien Bonds and Series 2021 Senior Lien Bonds and 100% of the sum of required annual debt service plus the renewal and replacement reserve fund requirement.

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**NOTE 8 - REVENUE BONDS PAYABLE (Continued)**

The Authority will uphold the Senior Lien Debt Service Reserve Fund Requirement which is to maintain a fund equal to the maximum annual debt service on the Series 2018 Senior Lien Bonds. The Authority has covenanted to maintain funds in its Operation and Maintenance Fund equal to one-sixth of the amount recommended by its Consulting Engineers as the operation and maintenance expenses for its current fiscal year as included in the Authority's annual budget. Also, the Authority will fund its Renewal and Replacement Reserve Fund Requirement in an annual amount equal to the amount recommended by its Consulting Engineers as the Renewal and Replacement Costs for its current fiscal year as included in the Authority's annual budget.

The Authority has covenanted, at all times, to operate or cause the Turnpike to be operated, in an efficient manner and at a reasonable cost, to maintain, preserve and keep, or cause to be maintained preserved and kept, in good repair, working order and condition, and that its consulting Engineers shall make a physical examination and inspection of the Turnpike each year and submit an annual report regarding the condition of the Turnpike and whether compliance with covenants under the Indenture related to the efficient management and maintenance of the Turnpike has been maintained.

In August 2018, the Authority issued \$166.4 million Senior Lien Turnpike Toll Revenue Bonds which are due in varying installments through June 2048. These bonds were issued to fund off-Turnpike parkway projects. \$172 million was deposited into the State Road Construction Account for these purposes.

In June 2021, the Authority issued \$333.6 million Senior Lien Turnpike Toll Revenue Bonds which are due in varying installments through June 2051. These bonds were issued to fund off-Turnpike parkways projects. \$422.88 million was deposited into the State Road Construction Account for the designated projects.

Bonds Payable Progression and Maturities

The following schedule summarizes the revenue bonds outstanding as of June 30:

<u>2024</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Amortization</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Series 2018	\$ 160,602	\$ -	\$ (3,225)	\$ (1,828)	\$ 155,549	\$ 3,385
Series 2021	392,659	-	(5,640)	(9,451)	377,568	5,920
	<u>\$ 553,261</u>	<u>\$ -</u>	<u>\$ (8,865)</u>	<u>\$ (11,279)</u>	<u>\$ 533,117</u>	<u>\$ 9,305</u>



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**NOTE 8 - REVENUE BONDS PAYABLE (Continued)**

<u>2023</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Amortization</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Series 2018	\$ 165,562	\$ -	\$ (3,070)	\$ (1,890)	\$ 160,602	\$ 3,225
Series 2021	407,625	-	(5,370)	(9,596)	392,659	5,640
	<u>\$ 573,187</u>	<u>\$ -</u>	<u>\$ (8,440)</u>	<u>\$ (11,486)</u>	<u>\$ 553,261</u>	<u>\$ 8,865</u>

Debt service requirements for the Revenue Bonds subsequent to June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,305	\$ 21,454	\$ 30,759
2026	9,775	20,988	30,763
2027	10,260	20,500	30,760
2028	10,775	19,986	30,761
2029	11,315	19,448	30,763
2030 – 2034	65,635	60,629	126,264
2035 – 2039	83,700	49,089	132,789
2040 – 2044	105,310	35,590	140,900
2045 – 2049	120,790	19,011	139,801
2050 – 2051	38,625	2,333	40,958
Total	<u>\$ 465,490</u>	<u>\$ 269,028</u>	<u>\$ 734,518</u>

Principal outstanding June 30, 2024	\$ 465,490
Add:	
Unamortized premium	67,627
Less:	
Current portion of revenue bonds payable	<u>(9,305)</u>
Long-term portion	<u>\$ 523,812</u>

The Revenue Bonds are subject to the arbitrage rebate provisions of the Internal Revenue Code (the Code). The Code requires that 90% of excess investment earnings on the Bond proceeds be paid to the Internal Revenue Service every five years in order for the Bonds to maintain their tax-exempt status. At June 30, 2024 and 2023, the Authority's estimated arbitrage rebate liability recorded as other noncurrent liabilities was \$21,449 and \$5,575, respectively.

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**NOTE 9 - PENSION PLAN**

Plan Description

The Authority contributes to the West Virginia 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 provides retirement benefits as well as death and disability benefits. CPRB issues a publicly available financial report that includes financial statements and required supplemental information for PERS. That report can be obtained at [www.wvretirement.com](http://www.wvretirement.com).

Benefits Provided

Benefits are provided through PERS using a two-tiered system. Effective July 1, 2015, PERS implemented the second tier, Tier II. Employees hired, for the first time, on or after July 1, 2015 are considered Tier II members. Tier I and Tier II members are subject to different regulations.

Tier I: Employees who retire at or after age 60 with five or more years of credited service, or at least age 55 with age and service equal to 80 years or greater, are entitled to a retirement benefit established by State statute, payable monthly for life, in the form of a straight-life annuity equal to two percent of the employee's final average salary multiplied by years of service. Final average salary is the average of the highest annual compensation received by an employee during any period of three consecutive years of credited service included within fifteen years of credited service immediately preceding the termination date of employment with a participating public employer or, if the employee has less than three years of credited service, the average of the annual rate of compensation received by the employee during the total years of credited service. 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.

Tier II: Employees who retire at or after age 62 with ten or more years of credited service are entitled to a retirement benefit established by State statute, payable monthly for life, in the form of a straight-life annuity equal to two percent of the employee's final average salary multiplied by years of service. Final average salary is the average of the highest annual compensation received by an employee during any period of five consecutive years of credited service included within fifteen years of credited service immediately preceding the termination date of employment with a participating public employer. Terminated members with at least ten years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 64.

Contributions

While contribution rates are legislatively determined, actuarial valuations are performed to assist PERS and the State Legislature in determining contribution rates. Current funding policy requires employer contributions of 9%, 9%, and 10% for the years ended June 30, 2024, 2023, and 2022, respectively. The employee contribution rate is 4.5% and 6.0% for Tier I and Tier II employees, respectively. The Authority's contribution to the Plan, excluding the employee's contribution paid by the covered employees, approximated \$1,917, \$1,864, and \$1,932 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

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**NOTE 9 - PENSION PLAN (Continued)**

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

At June 30, 2024 and 2023, the Authority reported a liability (asset) of \$(53) and \$1,740, respectively, for its proportionate share of the total pension liability (asset). The June 30, 2024 total pension liability (asset) was measured as of June 30, 2023 and the total pension liability (asset) used to calculate the total pension liability (asset) was determined by an actuarial valuation as of July 1, 2022, rolled forward to the measurement date of June 30, 2023. The June 30, 2023 total pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the total pension liability (asset) was determined by an actuarial valuation as of July 1, 2021, rolled forward to the measurement date of June 30, 2022. The Authority's proportion of the total pension liability (asset) was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2023 measurement date, the Authority's proportionate share was 1.17%, which was no change from its proportionate share measured as of June 30, 2022. At the June 30, 2022 measurement date, the Authority's proportionate share was 1.17%, which was an increase of 0.09% from its proportionate share measured as of June 30, 2021.

For the years ended June 30, 2024 and 2023, the Authority recognized pension expense of \$1,755 and \$903, respectively. At June 30, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 319	\$ -
Difference between expected and actual experience	445	-
Changes of assumptions	340	-
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	-	11
Authority's contributions subsequent to the measurement date	1,917	-
Total	\$ 3,021	\$ 11

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**NOTE 9 - PENSION PLAN (Continued)**

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,049	\$ -
Difference between expected and actual experience	668	-
Changes of assumptions	1,145	-
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	10	21
Authority's contributions subsequent to the measurement date	1,864	-
Total	\$ 4,736	\$ 21

The Authority reported \$1,917 as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date that will be recognized as a reduction of the total pension liability (increase of the total pension asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (40)
2026	(999)
2027	2,346
2028	(214)
	\$ 1,093

*Actuarial assumptions and methods* - The total pension liability (asset) in the June 30, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions, applied to all periods in the measurement:

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

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**NOTE 9 - PENSION PLAN (Continued)**

Mortality rates were based on 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018 for active members; 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018 for retired healthy males; 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2018 for retired healthy females, 118% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018 for disabled males, 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018 for disabled females, 112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with Scale MP-2018 for beneficiary males, and 115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with Scale MP-2018 for beneficiary females.

The economic assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. All other assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

*Long-term expected rates of return* - The long-term rates of return on pension plan investments were determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of long-term geometric rates of return for each major asset class as of June 30, 2023 and 2022, are summarized below:

June 30, 2023		
Asset Class	Target Allocation	Long-term Expected Real Return
Domestic equity	27.5%	6.5%
International equity	27.5%	9.1%
Fixed income	15.0%	4.3%
Real estate	10.0%	5.8%
Private equity	10.0%	9.2%
Hedge funds	10.0%	4.6%

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**NOTE 9 - PENSION PLAN (Continued)**

June 30, 2022		
Asset Class	Target Allocation	Long-term Expected Real Return
Domestic equity	27.5%	5.3%
International equity	27.5%	6.1%
Fixed income	15.0%	2.2%
Real estate	10.0%	6.5%
Private equity	10.0%	9.5%
Hedge funds	10.0%	3.8%

*Discount rate* - The discount rate used to measure the total pension liability (asset) was 7.25%. The projections of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from employers will continue to follow the current funding policies. Based on those assumptions, the pension 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 rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability (asset). Although discount rates are subject to change between measurement dates, there were no changes in the discount rate in the current period.

*Sensitivity of the Authority's proportionate share of the total pension liability (asset) to changes in the discount rate* - The following table presents the Authority's proportionate share of the total pension liability (asset) calculated using the current discount rate of 7.25%, as well as what the Authority's proportionate share of the total pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher.

	1% Decrease	Discount Rate	1% Increase
Total pension liability (asset) 2024	<u>\$ 10,888</u>	<u>\$ (53)</u>	<u>\$ (9,284)</u>
Total pension liability (asset) 2023	<u>\$ 12,309</u>	<u>\$ 1,740</u>	<u>\$ (7,307)</u>

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report available at the Consolidated Public Retirement Board's website at [www.wvretirement.com](http://www.wvretirement.com).

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

As related to GASB 75, following are the Authority’s total OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense for the fiscal years ended June 30, 2024 and 2023:

	2024	2023
Total OPEB liability (asset)	\$ (581)	\$ 425
Deferred outflows of resources	291	757
Deferred inflows of resources	806	1,815
Revenues	(419)	(469)
OPEB expense	(1,885)	(2,199)
Contributions made by the Authority	131	415

Plan Description

The West Virginia Other Post-employment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other postemployment 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. Financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with the approval of the PEIA Finance Board. The plan provides medical and prescription drug insurance, as well as life insurance, benefits to certain retirees of State agencies, colleges and universities, county boards of education, and other government entities who receive pension benefits under the PERS, STRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB). The plan is closed to new entrants.

The Plan’s fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP for fiduciary funds as prescribed or permitted by the GASB. The primary sources of revenue are plan members and employer contributions. Members’ contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

RHBT is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia’s Annual Comprehensive Financial Report. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this plan and a copy of the RHBT financial report may be obtained at [www.peia.wv.gov](http://www.peia.wv.gov).

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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
- External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses

Contributions

Employer contributions from the RHBT billing system represent what the employer was billed during the respective year for its portion of the pay-as-you-go (paygo) premiums, retiree leave conversion billings, and other matters, including billing adjustments.

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2023 and 2022 were:

	July 2022-June 2023 2023	February 2022-June 2022 2022	July 2021-January 2022 2022
Paygo premium	\$ 70	\$ 48	\$ 116

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 after July 1, 1997 or hired before 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.



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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

The Authority's contributions to the OPEB plan for the years ended June 30, 2024, 2023, and 2022, were \$131, \$415, and \$471, respectively.

Assumptions

The June 30, 2024 OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2022 and a measurement date of June 30, 2023. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.50%.
- Salary increase: Specific to the OPEB covered group. Ranging 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 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.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period as of June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality post retirement: Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females.
- Mortality pre-retirement: Pub-2010 General Below Median Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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(In thousands)

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The actuarial valuation as of June 30, 2022, reflects updates to the following healthcare related assumptions which include:

- Per capita claim costs;
- Healthcare trend rates;
- Aging factors;
- 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 WV Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan’s investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal return for the Money Market Pool held with the BTI was estimated based on the WV-IMB assumed inflation of 2.50% plus a 25 basis point spread.

The target allocation and estimates of annualized long-term expected returns assuming a 10-year horizon as of June 30, 2023 and 2022 are summarized below:

Asset Class	June 30, 2023	
	Target Allocation	Long-term Expected Real Return
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%
Real estate	12.0%	7.2%
Hedge funds	10.0%	4.5%

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

June 30, 2022		
Asset Class	Target Allocation	Long-term Expected Real Return
Global equity	55.0%	4.8%
Core plus fixed income	15.0%	2.1%
Core real estate	10.0%	4.1%
Hedge fund	10.0%	2.4%
Private equity	10.0%	6.8%

*Single discount rate* - The discount rate used to measure the total OPEB liability (asset) was 7.40% and 6.65% for fiscal years 2024 and 2023, respectively. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40% and 6.65% for those fiscal years. 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 (asset).

*Sensitivity of the total OPEB liability (asset) to changes in the discount rate* - The following presents the Authority's proportionate share of the net OPEB liability (asset) as of June 30, 2024 and 2023 calculated using a discount rate that is one percentage point lower (6.40% in 2024; 5.65% in 2023) or one percentage point higher (8.40% in 2024; 7.65% in 2023) than the current rate (7.40% in 2024; 6.65% in 2023).

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability (asset) 2024	<u>\$ (98)</u>	<u>\$ (581)</u>	<u>\$ (1,110)</u>
Total OPEB liability (asset) 2023	<u>\$ 1,093</u>	<u>\$ 425</u>	<u>\$ (148)</u>

*Sensitivity of the total OPEB liability (asset) to changes in the healthcare cost trend rate* - The following presents the Authority's proportionate share of the total OPEB liability (asset) as of June 30, 2024 and 2023 calculated using the healthcare cost trend rate, as well as what the Authority's total OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability (asset) 2024	<u>\$ (1,480)</u>	<u>\$ (581)</u>	<u>\$ 488</u>
Total OPEB liability (asset) 2023	<u>\$ (241)</u>	<u>\$ 425</u>	<u>\$ 1,214</u>

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The June 30, 2024 total OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The June 30, 2023 total OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

At June 30, 2024, the Authority's proportionate share of the total OPEB liability (asset) was \$(829). Of this amount, the Authority recognized \$(581) as its proportionate share on the statement of net position. The remainder of \$(248) denotes the Authority's proportionate share of total OPEB liability (asset) attributable to the special funding.

At June 30, 2023, the Authority's proportionate share of the total OPEB liability (asset) was \$571. Of this amount, the Authority recognized \$425 as its proportionate share on the statement of net position. The remainder of \$146 denotes the Authority's proportionate share of total OPEB liability (asset) attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for each of the fiscal years ended June 30, 2023 and 2022. Employer contributions are recognized when due. At the June 30, 2023 measurement date, the Authority's proportion was 0.367%, a decrease of 0.015% from its proportion of 0.382% calculated as of June 30, 2022. At the June 30, 2022 measurement date, the Authority's proportion was 0.382%, a decrease of 0.016% from its proportion of 0.398% calculated as of June 30, 2021.

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$(1,885). Of this amount, (\$1,466) was recognized as the Authority's proportionate share of OPEB expense and \$(419) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Authority also recognized revenue of \$(419) for support provided by the State.

For the year ended June 30, 2023, the Authority recognized OPEB expense of \$(2,199). Of this amount, (\$1,730) was recognized as the Authority's proportionate share of OPEB expense and \$(469) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Authority also recognized revenue of \$(469) for support provided by the State.

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

At June 30, 2024 and 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows.

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -	\$ 338
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	134
Net difference between projected and actual investment earnings	-	10
Changes in assumptions	160	324
Contributions after the measurement date	<u>131</u>	<u>-</u>
Total	<u>\$ 291</u>	<u>\$ 806</u>
	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -	\$ 542
Changes in proportion and differences between employer contributions and proportionate share of contributions	3	191
Net difference between projected and actual investment earnings	66	-
Changes in assumptions	273	1,080
Reallocation of opt-out employer change in proportionate share	-	2
Contributions after the measurement date	<u>415</u>	<u>-</u>
Total	<u>\$ 757</u>	<u>\$ 1,815</u>

WEST VIRGINIA PARKWAYS AUTHORITY  
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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The Authority will recognize the \$131 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the total OPEB liability (increase of the total OPEB asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:	Amortization
2025	\$ (325)
2026	(285)
2027	(13)
2028	(23)
	\$ (646)

Payables to the OPEB Plan

The Authority did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2024 and 2023.

**NOTE 11 - RISK MANAGEMENT**

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 insurer, and the West Virginia Public Employees Insurance Agency (PEIA). In exchange for the payment of premiums to PEIA and the commercial insurer, the Authority has transferred its risks related to health coverage for employees and job-related injuries of employees.

The Authority, for an annual premium, obtains insurance coverage for general liability, property damage, business interruption, errors and omissions, and natural disasters through the West Virginia Board of Risk and Insurance Management, a public risk pool entity insuring the State of West Virginia, its component units, local government entities, and eligible not-for-profit organizations. Liability coverage provided to all insured entities under this policy is limited to \$1,000 per occurrence, subject to an annual aggregate limit of coverage of \$22,000. To further reduce its risk of loss, the Authority, for an annual premium paid to a commercial insurer, has obtained an additional liability policy which provides coverage of \$10,000 over and above the coverage provided by the West Virginia Board of Risk and Insurance Management. For the fiscal years ended June 30, 2024, 2023, and 2022, the Authority's insurance coverage has been sufficient to meet all claims and settlements against the Authority.

WEST VIRGINIA PARKWAYS AUTHORITY  
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(In thousands)

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

Litigation

The Authority is a defendant in certain legal proceedings pertaining to matters incidental to routine operations. Based on the current status of these legal proceedings, it is the opinion of Authority management and counsel that the ultimate resolution of these matters will not have a material effect on the Authority's financial position.

Construction Commitments

At June 30, 2024, the Authority had contractual commitments totaling \$176,864 for various Turnpike System improvement projects. Subsequent to June 30, 2024, the Authority entered into additional contractual commitments totaling \$2,953.

**NOTE 13 – RELATED PARTY TRANSACTIONS**

The Authority enters into certain transactions with various agencies of the State. At June 30, 2024 and 2023, the Authority had amounts due to the West Virginia Division of Highways of \$1,577 and \$8,631, respectively, and amounts due from the West Virginia Division of Highways of \$21,449 and \$5,575, respectively. During the years ended June 30, 2024 and 2023, the Authority incurred expenses of \$26,013 and \$12,713, respectively, for construction related costs to the West Virginia Division of Highways.

**NOTE 14 - UNRESTRICTED NET POSITION (DEFICIT)**

At June 30, 2024 and 2023, the Authority had an unrestricted net position (deficit) of \$(506,228) and \$(549,402), respectively. The deficit was created with the issuance of the Series 2018 Senior Lien revenue bonds and Series 2021 Senior Lien revenue bonds. These bonds were issued to fund off-Turnpike parkway projects. \$172 million and \$422.88 million was transferred into the State Road Construction Account at the West Virginia Division of Highways, respectively, for these purposes. Future toll revenues are expected to be sufficient to fulfill the debt service requirements on the bonds.

**WEST VIRGINIA PARKWAYS AUTHORITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL PENSION LIABILITY (ASSET)**  
**JUNE 30, 2024**

**Public Employees Retirement System**  
 Last 10 Fiscal Years\*  
 (In Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the total pension liability (asset) (percentage)	1.17%	1.17%	1.08%	1.09%	1.07%	1.06%	1.07%	1.09%	1.05%	1.06%
Authority's proportionate share of the total pension liability (asset)	\$ (53)	\$ 1,740	\$ (9,484)	\$ 5,768	\$ 2,294	\$ 2,742	\$ 4,615	\$ 10,007	\$ 5,848	\$ 3,925
Authority's covered payroll	\$ 20,711	\$ 19,320	\$ 17,650	\$ 17,010	\$ 15,970	\$ 14,718	\$ 15,608	\$ 15,415	\$ 14,664	\$ 14,241
Authority's proportionate share of the total pension liability (asset) as a percentage of its covered payroll	-0.26%	9.01%	-53.73%	33.91%	14.36%	18.63%	29.57%	64.92%	39.88%	27.56%
Plan fiduciary net position as a percentage of the total pension liability	100.05%	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

\* - The amounts presented for each fiscal year were determined as of June 30th of the previous year.



**WEST VIRGINIA PARKWAYS AUTHORITY**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**JUNE 30, 2024**

**Public Employees Retirement System**  
Last 10 Fiscal Years  
(In Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,917	\$ 1,864	\$ 1,932	\$ 1,765	\$ 1,701	\$ 1,597	\$ 1,619	\$ 1,873	\$ 2,081	\$ 2,053
Contributions in relation to the contractually required contribution	<u>(1,917)</u>	<u>(1,864)</u>	<u>(1,932)</u>	<u>(1,765)</u>	<u>(1,701)</u>	<u>(1,597)</u>	<u>(1,619)</u>	<u>(1,873)</u>	<u>(2,081)</u>	<u>(2,053)</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 payroll	\$ 21,300	\$ 20,711	\$ 19,320	\$ 17,650	\$ 17,010	\$ 15,970	\$ 14,718	\$ 15,608	\$ 15,415	\$ 14,664
Contributions as a percentage of covered payroll	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%

**WEST VIRGINIA PARKWAYS AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY (ASSET)**  
**JUNE 30, 2024**

Last 10 Fiscal Years\*  
(In Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the total OPEB liability (asset) (percentage)	0.37%	0.38%	0.40%	0.40%	0.41%	0.41%	0.38%			
Authority's proportionate share of the total OPEB liability (asset)	\$ (581)	\$ 425	\$ (118)	\$ 1,770	\$ 6,785	\$ 8,725	\$ 9,253			
State's proportionate share of the total OPEB liability (asset)	<u>(248)</u>	<u>146</u>	<u>(23)</u>	<u>391</u>	<u>1,389</u>	<u>1,803</u>	<u>1,901</u>			
Total proportionate share of the total OPEB liability (asset)	<u>\$ (829)</u>	<u>\$ 571</u>	<u>\$ (141)</u>	<u>\$ 2,161</u>	<u>\$ 8,174</u>	<u>\$ 10,528</u>	<u>\$ 11,154</u>			
Authority's payroll	\$ 20,836	\$ 19,879	\$ 18,425	\$ 18,576	\$ 16,840	\$ 15,637	\$ 15,606			
Authority's proportionate share of the total OPEB liability (asset) as a percentage of its payroll (1)	-2.79%	2.14%	-0.64%	9.53%	40.29%	55.80%	59.29%			
Plan fiduciary net position as a percentage of the total OPEB liability	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%			

\* - The amounts presented for each fiscal year were determined as of June 30th of the previous year (measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority should present information for those years for which information is available.

(1) Covered payroll related to the OPEB plan was unavailable; therefore total payroll for the Authority was used.

**WEST VIRGINIA PARKWAYS AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS  
JUNE 30, 2024**

Last 10 Fiscal Years  
(In Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 131	\$ 415	\$ 471	\$ 651	\$ 763	\$ 880	\$ 904	\$ 773		
Contributions in relation to the statutorily required contribution	<u>(131)</u>	<u>(415)</u>	<u>(471)</u>	<u>(651)</u>	<u>(763)</u>	<u>(880)</u>	<u>(904)</u>	<u>(773)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Authority's payroll (1)	\$ 22,499	\$ 20,836	\$ 19,879	\$ 18,425	\$ 18,576	\$ 16,840	\$ 15,637	\$ 15,606		
Contributions as a percentage of payroll (1)	0.58%	1.99%	2.37%	3.53%	4.11%	5.23%	5.78%	4.95%		

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority should present information for those years for which information is available.

(1) Covered payroll related to the OPEB plan was unavailable; therefore total payroll for the Authority was used.

WEST VIRGINIA PARKWAYS AUTHORITY  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION  
 YEARS ENDED JUNE 30, 2024 AND 2023

**Actuarial Changes Pension**

An experience study for economic assumptions, which was based on the years 2015 through 2020, and an experience study for all other assumptions, which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2023 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<b>2023</b>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected 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-117% of Pub-2010 General / Disabled Teachers Disabled Female table, 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%	2.5-35.88%	0.005-0.540%
<b>2022</b>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Disabled Teachers Disabled Female table, headcount weighted, projected 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%	2.5-35.88%	0.005-0.540%
<b>2021</b>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Disabled Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%

WEST VIRGINIA PARKWAYS AUTHORITY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION  
YEARS ENDED JUNE 30, 2024 AND 2023

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<b><u>2020</u></b>	3.1% - 5.3%	3.35% - 6.5%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	2.275-45.63%	2.5-35.88%	0.005-0.540%
<b><u>2019</u></b>	3.1% - 5.3%	3.35% - 6.0%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled females-118% of Pub-2010 General / Disabled Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	2.28-45.63%	2-35.88%	0.005-0.540%
<b><u>2018</u></b>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% 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 RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-.675%
<b><u>2017</u></b>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% 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 RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-.675%
<b><u>2016</u></b>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% 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 RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-.675%
<b><u>2015</u></b>	3.00% - 4.6%	3.35% - 6.0%	1.90%	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-.675%
<b><u>2014</u></b>	4.25% - 6.0%	4.25% - 6.0%	2.20%	Healthy males - 1983 GAM; Healthy females-1971; disabled males - 1971 GAM; Disabled females - Revenue ruling 96-7	1-26%	2-31.2%	0-.8%

WEST VIRGINIA PARKWAYS AUTHORITY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEARS ENDED JUNE 30, 2024 AND 2023

Actuarial Changes Other Postemployment Benefits Plan

The actuarial assumptions used in the total OPEB liability (asset) calculation can change from year to year. Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
<b>2023</b>	2.50%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four year 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.
<b>2022</b>	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	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.
<b>2021</b>	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: 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; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service of retirement.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	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 end 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.
<b>2020</b>	2.75%	Dependent upon pension system. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: 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 Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for the plan year end 2023, 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, 8.4% for the plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<b>2019</b>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	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 Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	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.
<b>2018</b>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	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 Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	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.
<b>2017</b>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	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 Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	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.

# STATISTICAL SECTION



# Statistical Section

## Table of Contents

This part of the West Virginia Parkways Authority's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health.

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### **DEBT CAPACITY**

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This information may provide the reader with more insight into the Authority's financial history and operating environment.

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WEST VIRGINIA PARKWAYS AUTHORITY  
CONDENSED SCHEDULES OF NET POSITION  
(In Thousands)

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>										
Current assets	\$ 237,080	\$ 278,920	\$ 225,071	\$ 241,326	\$ 177,299	\$ 135,137	\$ 75,418	\$ 68,601	\$ 61,088	\$ 61,774
Long-term investments	-	26,411	61,724	-	515	2,982	19,770	27,806	25,603	22,989
Other long-term assets	55,925	31,977	11,153	-	-	-	-	-	-	-
Capital assets, net	707,176	616,981	576,811	554,051	522,032	471,790	457,290	451,041	453,833	458,292
Deferred outflows of resources	3,312	5,493	5,445	5,585	3,039	3,270	3,728	8,126	7,402	7,663
<b>Total assets plus deferred outflows of resources</b>	<b>\$1,003,493</b>	<b>\$ 959,782</b>	<b>\$ 880,204</b>	<b>\$ 800,962</b>	<b>\$ 702,885</b>	<b>\$ 613,179</b>	<b>\$ 556,206</b>	<b>\$ 555,574</b>	<b>\$ 547,926</b>	<b>\$ 550,718</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u></b>										
Current liabilities	\$ 41,361	\$ 55,325	\$ 38,255	\$ 29,687	\$ 22,044	\$ 20,568	\$ 21,012	\$ 21,367	\$ 18,720	\$ 24,704
Long-term revenue bonds, net	523,812	544,396	564,747	584,891	172,130	176,886	-	10,523	20,479	29,939
Other long-term liabilities	21,449	7,740	-	7,538	9,079	11,467	14,236	21,465	17,033	14,495
Deferred inflows of resources	17,362	19,607	16,598	6,013	4,504	3,792	3,101	1,201	3,595	6,463
<b>Total liabilities plus deferred inflows of resources</b>	<b>603,984</b>	<b>627,068</b>	<b>619,600</b>	<b>628,129</b>	<b>207,757</b>	<b>212,713</b>	<b>38,349</b>	<b>54,556</b>	<b>59,827</b>	<b>75,601</b>
Net position:										
Net investment in capital assets	707,176	616,981	576,811	554,051	522,032	471,790	447,418	432,154	426,447	422,704
Restricted by trust indenture and tri-party agreement	195,432	262,160	245,543	196,829	145,687	102,227	67,677	65,834	58,626	51,094
Restricted for pension benefits	3,063	2,975	2,055	-	-	-	-	-	-	-
Restricted for other post-employment benefits	66	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(506,228)	(549,402)	(563,805)	(578,047)	(172,591)	(173,551)	2,762	3,030	3,026	1,319
<b>Total net position</b>	<b>399,509</b>	<b>332,714</b>	<b>260,604</b>	<b>172,833</b>	<b>495,128</b>	<b>400,466</b>	<b>517,857</b>	<b>501,018</b>	<b>488,099</b>	<b>475,117</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$1,003,493</b>	<b>\$ 959,782</b>	<b>\$ 880,204</b>	<b>\$ 800,962</b>	<b>\$ 702,885</b>	<b>\$ 613,179</b>	<b>\$ 556,206</b>	<b>\$ 555,574</b>	<b>\$ 547,926</b>	<b>\$ 550,718</b>

WEST VIRGINIA PARKWAYS AUTHORITY  
CONDENSED SCHEDULES OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
(In Thousands)

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Toll revenues	\$ 179,712	\$ 182,882	\$ 180,843	\$ 162,989	\$ 154,468	\$ 130,910	\$ 95,288	\$ 93,249	\$ 93,579	\$ 88,697
Other revenues	<u>5,581</u>	<u>5,967</u>	<u>5,612</u>	<u>4,273</u>	<u>5,128</u>	<u>7,198</u>	<u>7,182</u>	<u>7,370</u>	<u>7,404</u>	<u>6,797</u>
	<u>185,293</u>	<u>188,849</u>	<u>186,455</u>	<u>167,262</u>	<u>159,596</u>	<u>138,108</u>	<u>102,470</u>	<u>100,619</u>	<u>100,983</u>	<u>95,494</u>
Operating expenses:										
Maintenance	29,244	27,990	24,111	26,179	24,113	22,418	23,599	25,056	24,791	25,488
Toll collection	16,688	14,246	12,382	14,598	13,875	14,143	11,436	9,857	9,566	9,273
Traffic enforcement	4,553	4,037	3,909	3,508	4,074	3,967	2,888	3,231	3,172	3,912
General and administrative	10,150	9,366	8,405	6,833	8,771	9,650	8,291	10,308	11,248	9,093
Depreciation	<u>60,402</u>	<u>56,927</u>	<u>51,463</u>	<u>47,991</u>	<u>46,472</u>	<u>43,734</u>	<u>40,639</u>	<u>37,318</u>	<u>36,929</u>	<u>35,357</u>
	<u>121,037</u>	<u>112,566</u>	<u>100,270</u>	<u>99,109</u>	<u>97,305</u>	<u>93,912</u>	<u>86,853</u>	<u>85,770</u>	<u>85,706</u>	<u>83,123</u>
Operating income	64,256	76,283	86,185	68,153	62,291	44,196	15,617	14,849	15,277	12,371
Nonoperating revenues (expenses):										
Investment gains (losses)	12,320	6,592	(2,254)	123	2,187	1,905	632	280	336	338
Interest expense	(10,580)	(10,797)	(10,814)	(5,933)	(5,648)	(5,697)	(1,051)	(2,210)	(2,631)	(2,784)
Interest income - public-private partnership	1,218	501	-	-	-	-	-	-	-	-
Payments on behalf	<u>(419)</u>	<u>(469)</u>	<u>(108)</u>	<u>168</u>	<u>411</u>	<u>552</u>	<u>584</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,539</u>	<u>(4,173)</u>	<u>(13,176)</u>	<u>(5,642)</u>	<u>(3,050)</u>	<u>(3,240)</u>	<u>165</u>	<u>(1,930)</u>	<u>(2,295)</u>	<u>(2,446)</u>
Change in net position before transfers	66,795	72,110	73,009	62,511	59,241	40,956	15,782	12,919	12,982	9,925
Transfers out	-	-	-	(422,881)	-	(172,000)	-	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>14,762</u>	<u>38,075</u>	<u>35,421</u>	<u>13,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	66,795	72,110	87,771	(322,295)	94,662	(117,391)	15,782	12,919	12,982	9,925
Cumulative effect of implementation of GASB Statement 75 (2018) and 68 (2015)	-	-	-	-	-	-	1,057	-	-	(7,691)
Net position, beginning of year	<u>332,714</u>	<u>260,604</u>	<u>172,833</u>	<u>495,128</u>	<u>400,466</u>	<u>517,857</u>	<u>501,018</u>	<u>488,099</u>	<u>475,117</u>	<u>472,883</u>
Net position, end of year	<u>\$ 399,509</u>	<u>\$ 332,714</u>	<u>\$ 260,604</u>	<u>\$ 172,833</u>	<u>\$ 495,128</u>	<u>\$ 400,466</u>	<u>\$ 517,857</u>	<u>\$ 501,018</u>	<u>\$ 488,099</u>	<u>\$ 475,117</u>

WEST VIRGINIA PARKWAYS AUTHORITY

FINANCIAL RATIOS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Long-term series 2002 revenue bonds to total assets plus deferred outflows of resources	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	1.28%	1.85%
Long-term series 2008 revenue bonds to total assets plus deferred outflows of resources	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.21%	2.39%	3.49%
Long-term series 2018 revenue bonds to total assets plus deferred outflows of resources	15.16%	16.40%	18.44%	20.88%	24.49%	26.21%	0.00%	0.00%	0.00%	0.00%
Long-term series 2021 revenue bonds to total assets plus deferred outflows of resources	37.04%	40.32%	45.72%	52.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total long-term revenue bonds to total assets plus deferred outflows of resources	52.20%	56.72%	64.16%	73.02%	24.49%	26.21%	0.00%	1.86%	3.67%	5.34%
Net position to total assets plus deferred outflows of resources	39.81%	34.67%	29.61%	21.58%	70.44%	65.31%	93.11%	90.18%	89.08%	86.27%
Long-term bonds to lane miles	1185.10	1231.67	1277.71	1372.98	404.06	415.23	0.00	24.70	48.07	70.28
Long-term bonds to number of transactions/vehicles	14.19	14.83	17.42	17.42	5.24	4.75	0.00	0.28	0.55	0.83

WEST VIRGINIA PARKWAYS AUTHORITY

REVENUE BOND COVERAGE (1)

(In Thousands)

	Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Toll revenues	\$ 192,032	\$ 189,474	\$ 178,589	\$ 163,112	\$ 156,655	\$ 132,815	\$ 95,288	\$ 93,249	\$ 93,579	\$ 88,697
Adjustment to toll revenues per Trust Indentures	-	-	-	-	-	-	(73)	(303)	(356)	(72)
Total revenues	<u>192,032</u>	<u>189,474</u>	<u>178,589</u>	<u>163,112</u>	<u>156,655</u>	<u>132,815</u>	<u>95,215</u>	<u>92,946</u>	<u>93,223</u>	<u>88,625</u>
Operating expenses	121,037	112,566	100,270	99,109	97,305	93,912	86,853	85,770	85,706	83,123
Adjustments to operating expenses per Trust Indentures:										
Depreciation	(60,402)	(56,927)	(51,463)	(47,991)	(46,472)	(43,734)	(40,639)	(37,318)	(36,929)	(35,357)
Renewal and replacement provided for by reserves	(2,919)	(2,969)	(2,333)	(2,650)	(2,700)	(1,500)	(2,518)	(2,031)	(2,701)	(2,476)
Economic development and tourism costs	(5,606)	(4,953)	(3,913)	(3,344)	(4,105)	(4,729)	(4,892)	(4,931)	(4,899)	(4,850)
Other	-	-	-	-	-	-	(1,355)	641	(2,054)	464
Total operating expenses	<u>52,110</u>	<u>47,717</u>	<u>42,561</u>	<u>45,124</u>	<u>44,028</u>	<u>43,949</u>	<u>37,449</u>	<u>42,131</u>	<u>39,123</u>	<u>40,904</u>
Net revenues available for debt service	<u>\$ 139,922</u>	<u>\$ 141,757</u>	<u>\$ 136,028</u>	<u>\$ 117,988</u>	<u>\$ 112,627</u>	<u>\$ 88,866</u>	<u>\$ 57,766</u>	<u>\$ 50,815</u>	<u>\$ 54,100</u>	<u>\$ 47,721</u>
Revenue bond coverage items:										
Total debt service	\$ 30,762	\$ 30,759	\$ 30,764	\$ 10,282	\$ 10,280	\$ 9,025	\$ 10,140	\$ 10,760	\$ 10,755	\$ 10,577
Renewal and replacement reserve requirement per recommendation of consulting engineer	<u>25,735</u>	<u>22,615</u>	<u>20,571</u>	<u>18,700</u>	<u>18,800</u>	<u>16,988</u>	<u>13,184</u>	<u>12,553</u>	<u>13,952</u>	<u>11,187</u>
Total debt service and renewal and replacement	<u>\$ 56,497</u>	<u>\$ 53,374</u>	<u>\$ 51,335</u>	<u>\$ 28,982</u>	<u>\$ 29,080</u>	<u>\$ 26,013</u>	<u>\$ 23,324</u>	<u>\$ 23,313</u>	<u>\$ 24,707</u>	<u>\$ 21,764</u>
Coverage percentages:										
Total debt service (125% required since 2019, previously 150%) (1)	<u>454.85%</u>	<u>460.86%</u>	<u>442.17%</u>	<u>1147.52%</u>	<u>1095.59%</u>	<u>984.66%</u>	<u>569.68%</u>	<u>472.26%</u>	<u>503.02%</u>	<u>451.18%</u>
Total debt service and renewal and replacement per recommendation of consulting engineer (100% required)	<u>247.66%</u>	<u>265.59%</u>	<u>264.98%</u>	<u>407.11%</u>	<u>387.30%</u>	<u>341.62%</u>	<u>247.67%</u>	<u>217.97%</u>	<u>218.97%</u>	<u>219.27%</u>

(1) See Note 8, Revenue Bonds Payable

WEST VIRGINIA PARKWAYS AUTHORITY

TRAFFIC STATISTICS

(In Thousands, except per transaction and per mile amounts)

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of transactions:										
Passenger cars	27,569	27,581	27,291	24,742	24,487	28,526	28,966	29,146	28,924	28,006
Commercial vehicles	<u>9,336</u>	<u>9,137</u>	<u>9,181</u>	<u>8,838</u>	<u>8,342</u>	<u>8,709</u>	<u>8,484</u>	<u>8,250</u>	<u>8,057</u>	<u>7,890</u>
Total transactions	<u>36,905</u>	<u>36,718</u>	<u>36,472</u>	<u>33,580</u>	<u>32,829</u>	<u>37,235</u>	<u>37,450</u>	<u>37,396</u>	<u>36,981</u>	<u>35,896</u>
ETC penetration rate - transactions	<u>60.22%</u>	<u>58.68%</u>	<u>56.54%</u>	<u>55.84%</u>	<u>56.81%</u>	<u>49.40%</u>	<u>40.91%</u>	<u>38.83%</u>	<u>37.24%</u>	<u>36.54%</u>
Number of miles:										
Passenger cars	625,221	639,203	629,840	565,091	557,353	657,214	671,565	680,261	676,651	651,789
Commercial vehicles	<u>382,162</u>	<u>381,813</u>	<u>381,808</u>	<u>368,352</u>	<u>343,136</u>	<u>354,842</u>	<u>345,291</u>	<u>336,067</u>	<u>328,146</u>	<u>320,245</u>
Total miles	<u>1,007,383</u>	<u>1,021,016</u>	<u>1,011,648</u>	<u>933,443</u>	<u>900,489</u>	<u>1,012,056</u>	<u>1,016,856</u>	<u>1,016,328</u>	<u>1,004,797</u>	<u>972,034</u>
Total revenues:										
Passenger cars	\$ 79,771	\$ 83,085	\$ 81,901	\$ 73,380	\$ 68,727	\$ 64,925	\$ 49,766	\$ 48,847	\$ 50,333	\$ 46,309
Commercial vehicles	<u>99,941</u>	<u>99,797</u>	<u>98,942</u>	<u>89,609</u>	<u>85,741</u>	<u>65,985</u>	<u>45,522</u>	<u>44,402</u>	<u>43,246</u>	<u>42,388</u>
Total toll revenues	<u>\$ 179,712</u>	<u>\$ 182,882</u>	<u>\$ 180,843</u>	<u>\$ 162,989</u>	<u>\$ 154,468</u>	<u>\$ 130,910</u>	<u>\$ 95,288</u>	<u>\$ 93,249</u>	<u>\$ 93,579</u>	<u>\$ 88,697</u>
ETC penetration rate - revenue	<u>67.87%</u>	<u>66.16%</u>	<u>62.29%</u>	<u>61.07%</u>	<u>61.07%</u>	<u>55.24%</u>	<u>48.34%</u>	<u>45.66%</u>	<u>43.63%</u>	<u>42.15%</u>
Toll revenue per transaction:										
Passenger cars	\$ 2.89	\$ 3.01	\$ 3.00	\$ 2.97	\$ 2.81	\$ 2.28	\$ 1.72	\$ 1.68	\$ 1.74	\$ 1.65
Commercial vehicles	10.70	10.92	10.78	10.14	10.28	7.58	5.37	5.38	5.37	5.37
Toll revenue per mile:										
Passenger cars	\$ 0.128	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.123	\$ 0.099	\$ 0.074	\$ 0.072	\$ 0.074	\$ 0.071
Commercial vehicles	0.262	0.261	0.259	0.243	0.250	0.186	0.132	0.132	0.132	0.132
Miles per transaction:										
Passenger cars	23	23	23	23	23	23	23	23	23	23
Commercial vehicles	41	42	42	42	41	41	41	41	41	41

WEST VIRGINIA PARKWAYS AUTHORITY

NUMBER OF EMPLOYEES

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Permanent employees										
Toll	119	141	149	151	136	138	152	154	156	160
Maintenance	167	165	164	162	148	146	158	159	147	145
Other	106	94	83	69	84	86	66	61	60	55
	392	400	396	382	368	370	376	374	363	360
Temporary	27	30	38	55	52	73	62	75	76	74
Leased employees										
State Police and Public Service Commission	31	31	29	29	30	31	32	30	28	28
Tamarack	114	107	82	76	105	120	132	134	144	132

Source: West Virginia Parkways Authority

TRAFFIC ACCIDENT STATISTICS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of fatalities	5	4	4	5	4	13	9	8	7	5
Fatality rate per 100 million miles traveled	0.5	0.4	0.4	0.5	0.4	1.3	0.9	0.8	0.7	0.5

Source: West Virginia Parkways Authority

WEST VIRGINIA PARKWAYS AUTHORITY

POPULATION DEMOGRAPHICS

	Year Ended June 30,									
	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014
Population - WV	1,770,071	1,775,156	1,793,716	1,793,716	1,852,994	1,852,994	1,852,994	1,852,994	1,852,994	1,852,994
Personal income - WV (\$ in thousands)	\$ 88,744,908	\$ 86,451,772	\$ 85,541,000	\$ 80,304,100	\$ 75,952,800	\$ 73,334,400	\$ 69,872,741	\$ 68,548,511	\$ 68,272,316	\$ 67,804,094
Per capital personal income - WV	\$ 49,993	\$ 48,488	\$ 47,689	\$ 44,994	\$ 42,336	\$ 40,578	\$ 37,708	\$ 37,386	\$ 37,047	\$ 36,644
Unemployment Rate - WV	4.10%	3.30%	5.30%	10.50%	4.90%	4.70%	4.60%	4.60%	6.00%	7.40%

Source: US Decennial Census, Bureau of Economic Analysis, Workforce WV, US Census Bureau

\*Most current data available

Principal Employers in the State of West Virginia	Ranking	
	2023*	2014
Local Government	1	1
State Government	2	2
Federal Government	3	3
WVU Medicine (formerly West Virginia United Health)	4	5
Charleston Area Medical Center, Inc.	5	6
Wal-Mart Associates, Inc.	6	4
Marshall Health	7	
Kroger	8	7
Alpha Metallurgical Services, LLC	9	
Communicare	10	
Lowe's Home Centers, Inc.	11	11
Toyota Motor Manufacturing	12	
American Consolidated Natural Resources, Inc.	13	9
Mylan Pharmaceuticals, Inc.		8
St. Mary's Medical Center, Inc.		10

Source: WorkForce WV

\* Most Current Data Available

Population - WV		
White	1,642,626	92.80%
Black	67,263	3.80%
Native American	5,310	0.30%
Asian & Pacific Islanders	15,931	0.90%
Two or more Races	38,941	2.20%
<b>Total Population</b>	<b>1,770,071</b>	<b>100.00%</b>



# WEST VIRGINIA PARKWAYS AUTHORITY

## SIGNIFICANT DATES

JUNE 30, 2024

February 1947	West Virginia Turnpike Commission created by State Legislature
October 1949	West Virginia Turnpike Commission organized
April 1952	\$96 million revenue bonds issued to construct Turnpike
August 1952	Groundbreaking
April 1954	\$37 million revenue bonds issued
September 1954	36 miles of Turnpike opened (Princeton to Beckley)
November 1954	Final 52 miles of Turnpike opened (Beckley to Charleston)
August 1971	Tri-Party Agreement of 1971
May 1973	Commenced first contract for upgrade to interstate standards
December 1979	Interest paid up-to-date on 1952 and 1954 bonds for first time
October 1982	First bonds retired from 1952 and 1954 issues
September 1987	Final upgrade to interstate standards
July 1988	Final segment of I-64 completed
December 1988	Tri-Party Agreement of 1988
June 1989	West Virginia Parkways, Economic Development and Tourism Authority created to succeed the West Virginia Turnpike Commission by State Legislature
November 1989	Issued \$143 million of Revenue Bonds
November 1989	Removed side toll charges
April 1990	Implemented commuter passes at North Beckley
March 1991	The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for the Authority's first component unit financial report for the year ended June 30, 1990
March 1993	Issued \$118 million of Series 1993 Revenue Refunding Bonds resulting in approximately \$5.2 million in net present value savings
January 1994	Implemented Parkways Authority Commuter ("PAC") card program
December 1994	Issued \$9 million of Series 1994 Raleigh County, West Virginia Commercial Development Revenue Bonds to partially finance construction of <i>TAMARACK-The Best of West Virginia</i> arts and crafts center
May 1996	Opened <i>TAMARACK-The Best of West Virginia</i> and the new Beckley Interchange (Exit 45)





# WEST VIRGINIA PARKWAYS AUTHORITY

## SIGNIFICANT DATES CONTINUED

JUNE 30, 2024

December 1999	New Electronic Toll Collection System with E-ZPass interoperability through Inter Agency Group membership began operations at the Ghent toll facility. The remaining mainline toll facilities began operation in January 2000 and North Beckley began operations in March 2000
December 2001	Issued \$5.7 million of Series 2001A Taxable Commercial Development Refunding Revenue Bonds and \$5.9 million of Series 2001B Commercial Development Bonds to advance refund series 1994 and 1996 Bonds and to construct Educational, Cultural, and Banquet facilities at the Caperton Center
February 2002	Issued \$44.2 million of Series 2002 Refunding Revenue Bonds to advance refund for savings \$36 million of Series 1993 Bonds
February 2003	Issued \$63.9 million of Series 2003 Variable Rate Demand Revenue Refunding Bonds to advance refund for savings \$61.3 million of Series 1993 Bonds
June 2003	Opened Tamarack Conference Center
February 2004	House Bill #4033 adopted raising bonding capacity to \$200 million
November 2004	Celebrated 50th Anniversary of the WV Turnpike
January 2006	Tolls rates increased for first time since 1981
February 2006	Court orders Preliminary Injunction on procedural issues and orders rates put back to December 31, 2005 levels. Accordingly, Parkways Board passes resolution eliminate rate increases
March 2006	Senate Bill #557 adopted that restricts bonding authority, requires public notice and hearings for future toll or rate increases, and requires discount program prior to any increase in rates
April 2007	Board adopted Resolution to refocus the core mission of the Parkways Authority to maintenance and upkeep of the Turnpike
July 2008	Issued \$59.1 million of Series 2008 Variable Rate Demand Revenue Refunding Bonds to advance refund for savings Series 2003 Bonds
August 2009	Adopted new toll rate schedule, the first increase in 28 years. Cash toll rates increased 60% and discounts given to E-ZPass users
July 2010	Renamed and reorganized as the West Virginia Parkways Authority
December 2011	Completed upgrade of electronic toll collection system
April 2012	Board approval of the final Incident Management Plan including use of new detour system and barrier wall gates
June 2017	Senate Bill #1003 adopted authorizing Authority to continue collecting tolls, deposit proceeds from Revenue Bonds to be deposited to State Road Construction Account and requires adoption of Single Fee program



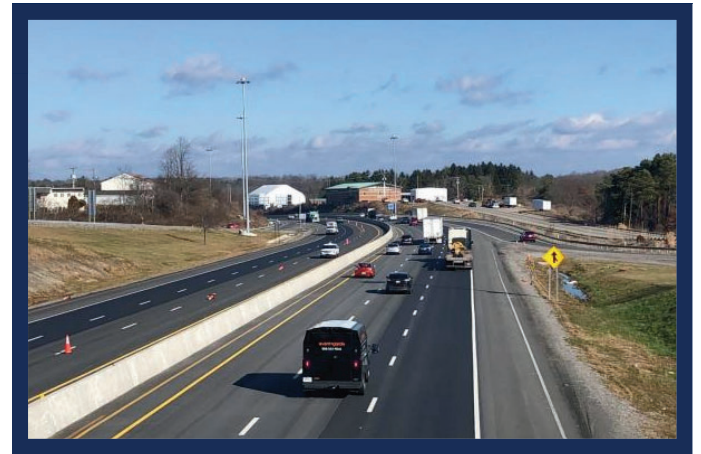
# WEST VIRGINIA PARKWAYS AUTHORITY

## SIGNIFICANT DATES CONTINUED

### JUNE 30, 2024

June 2018	Tri-Party Agreement of 2018
August 2018	Issued \$166.37 million of Series 2018 Senior Lien Turnpike Toll Revenue Bonds and deposited \$172.0 million to State Road Construction Account
January 2019	Adopted new toll rate schedule. Cash toll rates increased 100% with discounts given to E-ZPass users including single fee program
June 2021	Issued \$333.63 million of Series 2021 Senior Lien Turnpike Toll Revenue Bonds and deposited \$422.88 million to State Road Construction Account
November 2021	Opening of 8-mile Beckley Widening Project
April 2023	Groundbreaking Beckley and Bluestone Travel Plazas

Source: West Virginia Parkways Authority



WEST VIRGINIA PARKWAYS AUTHORITY

Miscellaneous Data and Statistics

June 30, 2024

Length of West Virginia Turnpike	88 miles
Number of lane miles	442
Number of bridges	116
Steel surface of bridges	4 million square feet
Interchanges	18
Toll plazas	4
Service plazas	3
Welcome Center	1
Rest areas	2
Overlooks	2
Maintenance areas	7
Administration building	1
State Police administration buildings	2

Source: West Virginia Parkways Authority



# WEST VIRGINIA PARKWAYS AUTHORITY

## Toll Rates and Vehicle Classifications

June 30, 2024

Toll Class	Axles	Description	Cash Rate	
			Mainline Plazas	Corridor "L" (U.S. Route 119)
1*	2	Passenger car	\$ 4.25	\$ 0.75
2*	3+	Passenger car with trailer	5.25	1.50
3	2/3	Motor home	5.25	1.50
4	3+	Motor home with trailer	6.75	2.75
5	2	2-Axle, dual tire trucks, RVs and buses	6.75	1.50
6	3		9.50	2.75
7	4	3-Axle trucks and buses	13.75	3.50
8	5	4-Axle trucks and semi-trailers	14.25	3.50
9	6+	5-Axle trucks and semi-trailers	20.00	5.00
10	-	6-Axle trucks and semi-trailers Oversize trucks	25.25	15.25

\* Vehicle must be less than 7'6" in height. Passenger cars include station wagons, pickups, vans, panel trucks, recreational vehicles, sport utility vehicles, motorcycles, and other two axle single-tired trucks.

### DISCOUNT PLANS

#### Single Fee Discount Plan

Valid for Personal Account plans beginning January 1, 2019. Cost is \$26.25 (plus one-time transponder issuance fee of \$13) per transponder for unlimited use of the entire West Virginia Turnpike for a period of one year from date of activation. Single Fee Discount Plans and transponders are non-refundable.

#### Commercial Discount Plan – West Virginia E-ZPass Account

There is a \$25.00 charge for the purchase of each E-ZPass® transponder (non-refundable). The plan provides a 35% discount from the cash rate for Toll Class 1 through 4 and a 20% discount for Toll Class 5 through 10.

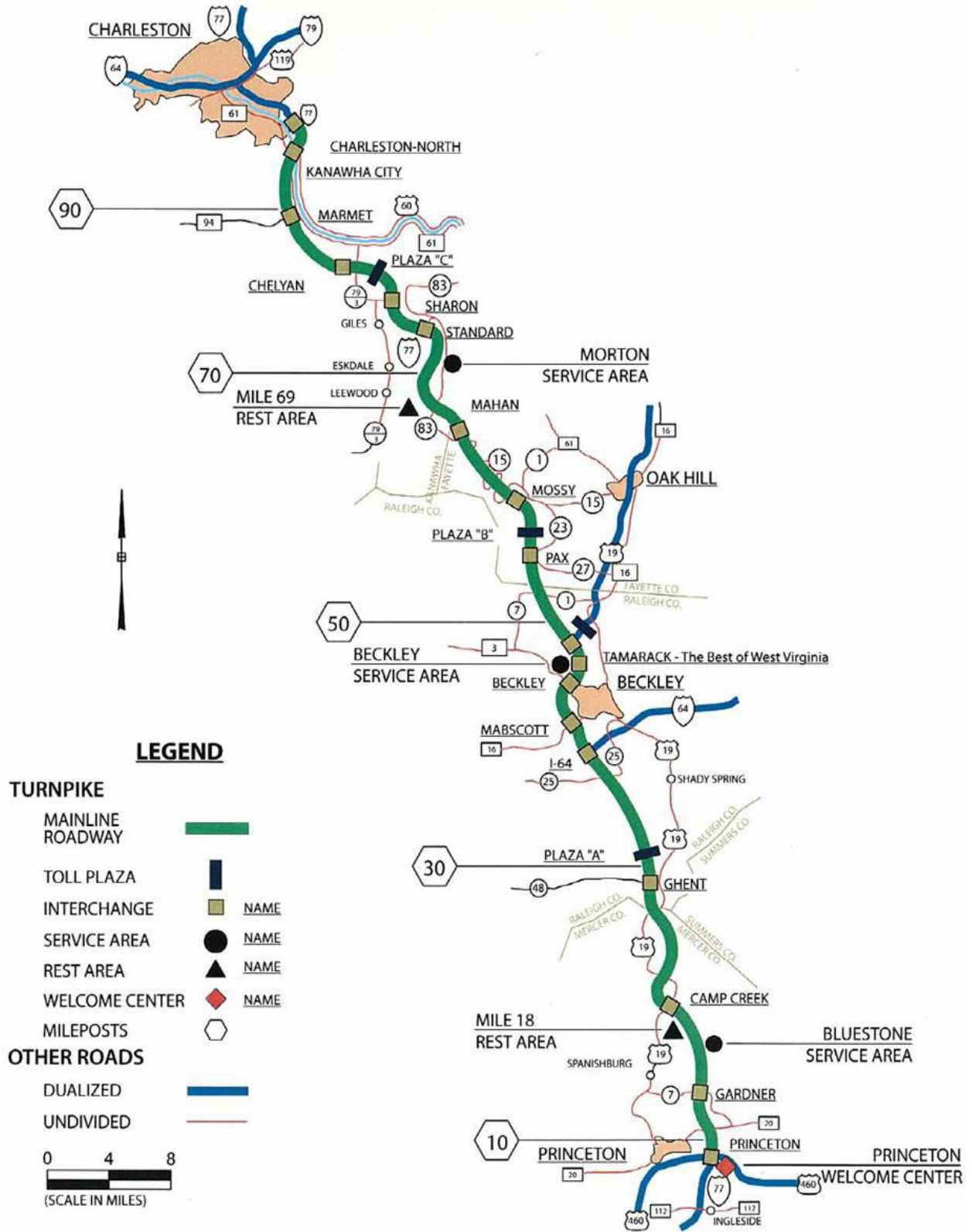
Example: For a 5-axle tractor-trailer, the cost per toll plaza of \$11.40 will be deducted from an E-ZPass® pre-paid account as opposed to a cash rate of \$14.25.

#### Commercial Discount Plan – Non-West Virginia E-ZPass Account

Accounts are opened and managed by other E-ZPass® agencies, so there is no account maintenance or charge for transponders. The plan provides a 13% discount from the cash rate for Toll Class 5 through 10.

Example: For a 5 axle tractor-trailer, the cost per toll plaza of \$12.40 will be charged to a Non-West Virginia E-ZPass® account, as opposed to the cash rate of \$14.25.

Source: West Virginia Parkways Authority





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