West Virginia Educational Broadcasting Authority and Affiliates

(A Component Unit of the State of West Virginia)

Combined Financial Statements
Years Ended June 30, 2023 and 2022

and

Independent Auditor's Reports

Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Members of the Authority
West Virginia Educational Broadcasting Authority and Affiliates
Beaver, West Virginia

Report on the Audit of the Combined Financial Statements

Opinions

We have audited the accompanying combined financial statements of the business-type activities of the West Virginia Educational Broadcasting Authority and Affiliates (the Authority) (a component unit of the State of West Virginia), as of and for the years ended June 30, 2023 and 2022, and the related notes to the combined financial statements, which collectively comprise the Authority's basic combined financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2023 and 2022, and the 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.

We did not audit the 2023 or 2022 financial statements of Friends of West Virginia Public Broadcasting, Inc. (Friends), which represents 3%, 3%, and 20% of the assets, net position, and revenues of the Authority as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Friends, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. The financial statements for Friends were not audited in accordance with *Government Auditing Standards.* 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.

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) 485-6584
FAX (304) 485-0971

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701
MAIN (304) 525-0301
FAX (304) 522-1569

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 Combined Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the combined 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 combined 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 combined 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 6 through 10; the schedule of proportionate share of the net pension liability (asset), the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability (asset), the schedule of OPEB contributions, and related footnotes on pages 49 through 56 be presented to supplement the basic combined financial statements. Such information is the responsibility of management and, although not a part of the basic combined 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 combined 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 combined financial statements, and other knowledge we obtained during our audit of the basic combined 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

Our audit was conducted for the purpose of forming opinions on the combined financial statements that collectively comprise the Authority's basic combined financial statements. The additional information on page 47 is presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other information is fairly stated in all material respects in relation to the basic combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
October 13, 2023

As management of the West Virginia Educational Broadcasting Authority and Affiliates (the Authority), we offer readers of these combined financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2023, 2022, and 2021 with a focus on 2023. This discussion and analysis is required supplementary information. We encourage readers to consider the information presented here in conjunction with the combined financial statements as a whole.

The combined financial statements of the Authority include the West Virginia Educational Broadcasting Authority (EBA) and its affiliates, the West Virginia Public Broadcasting Foundation, Inc. (the Foundation) and Friends of West Virginia Public Broadcasting, Inc. (Friends). Separately issued financial statements of the Foundation and Friends can be obtained from the West Virginia Public Broadcasting Foundation, Inc. and Friends of West Virginia Public Broadcasting, Inc., respectively.

Financial Highlights

The Authority's total assets decreased by $2,320,855 or 9.14% over the course of the year's operations.

The Authority's total liabilities increased by $197,485 or 14.85%.

The Authority's total net position decreased by $1,919 or 0.01%.

Combined Statement of Net Position

The combined statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Authority. This point-of-time financial statement is designed to present to readers a fiscal snapshot of the Authority. The combined statement of net position presents end-of-year financial information on assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources).

From the data presented, readers of the combined statement of net position are able to determine the assets available to continue the operations of the Authority as well as the amount of deferred outflows of resources. They are also able to determine how much the Authority owes vendors, employees, and lending institutions and the amount of deferred inflows of resources. Finally, the combined statement of net position provides a picture of the net position and its availability for expenditure by the Authority.

Net position is divided into three major categories as follows:

(1) Net investment in capital assets, which provides the Authority's equity in property, plant, and equipment owned by the Authority.

(2) Restricted net position, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted balances are not available for expenditure by the Authority. These funds are invested and generate earnings that are available for certain types of expenditures. Expendable restricted balances are available for expenditure by the Authority but have a specific purpose.

(3) Unrestricted balances, which are available for expenditure, can be used for any lawful purpose of the Authority.

West Virginia Educational Broadcasting Authority and Affiliates
Condensed Combined Schedules of Net Position
June 30:

	2023	2022	2021
Current assets	$ 11,425,813	$ 11,018,093	$ 9,749,196
Noncurrent assets	11,310,288	14,057,073	13,165,115
Other assets	329,839	311,629	374,344
Total assets	23,065,940	25,386,795	23,288,655
Deferred outflows of resources	818,242	793,049	869,549
Total	$ 23,884,182	$ 26,179,844	$ 24,158,204
Current liabilities	$ 1,043,720	$ 1,206,689	$ 1,432,824
Noncurrent liabilities	484,024	123,570	1,373,879
Total liabilities	1,527,744	1,330,259	2,806,703
Deferred inflows of resources	1,539,931	4,031,159	2,452,771
Net investment in capital assets	5,800,683	5,490,208	5,830,271
Restricted, nonexpendable	329,839	311,629	374,344
Restricted, expendable	4,443,178	5,858,191	5,935,436
Unrestricted	10,242,807	9,158,398	6,758,679
Total net position	20,816,507	20,818,426	18,898,730
Total	$ 23,884,182	$ 26,179,844	$ 24,158,204

- Total current assets increased by $407,720 or 3.70%, primarily related to an increase in marketable securities of $448,674.

- Total noncurrent assets decreased by $2,746,785 or 19.54%, primarily related to a decrease in the net pension asset, restricted cash and cash equivalents, and amount due from the State, netted against an increase in capital assets.

- Total current liabilities decreased by $162,969 or 13.51%, primarily due to a decrease in accrued payroll of $129,327.

- Total noncurrent liabilities increased by $360,454 or 291.70%, primarily due to an increase in the net pension and OPEB liabilities.

- Total net position decreased by $1,919 or 0.01%. Net investment in capital assets increased $310,475 and unrestricted net position increased by $1,084,409, while restricted net position decreased by $1,396,803.

Combined Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the combined statement of net position are based on the activity presented in the combined statement of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues, both operating and nonoperating, expenses, both operating and nonoperating, and any other revenues, expenses, gains, or losses of the Authority.

Operating revenues represent the receipts earned from providing goods and service to the various customers and constituencies served by the Authority, including dues from members and revenue in the form of federal and state grants used to support operations and various initiatives. Operating expenses are those expenses in the form of salaries, benefits, and various goods and services incurred to carry out the mission of the Authority. Revenues for which goods and services are not provided are reported as nonoperating revenues. For example, State appropriations are nonoperating because they are provided by the West Virginia State Legislature (the Legislature) to the Authority without the Legislature directly receiving commensurate goods and services for those revenues.

West Virginia Educational Broadcasting Authority and Affiliates
Condensed Combined Schedules of Revenues, Expenses, and Changes in Net Position
Year Ended June 30:

	2023	2022	2021
Operating revenues	$ 6,342,269	$ 6,399,075	$ 8,222,906
Operating expenses	10,706,620	8,899,969	10,384,614
Operating loss	(4,364,351)	(2,500,894)	(2,161,708)
Net nonoperating revenues (expenses)	4,447,498	4,438,664	4,713,110
Change in net position before other revenues, expenses, gains, or losses	83,147	1,937,770	2,551,402
Payments made and expenses incurred (offset) by the State on behalf of the Authority	(85,066)	(18,074)	27,661
Change in net position	(1,919)	1,919,696	2,579,063
Net position, beginning of year	20,818,426	18,898,730	16,319,667
Net position, end of year	$ 20,816,507	$ 20,818,426	$ 18,898,730

- Operating revenues decreased by $56,806 or 0.89%. Operating expenses increased by $1,806,651 or 20.30%. These fluctuations resulted in an increase in the operating loss of $1,863,457.

- Net nonoperating revenues, combined with payments made and expenses incurred (offset) by the State on behalf of the Authority, decreased by $58,158 or 1.32%, caused primarily by a decrease in payments made and expenses incurred (offset) by the State on behalf of the Authority and proceeds received from an insurance settlement, which was offset by an increase in state appropriations.

Combined Statement of Cash Flows

The final statement presented is the combined statement of cash flows. The combined statement of cash flows presents detailed information about the cash activity of the Authority during the year. The statement is divided into five parts. The first section deals with operating cash flows and shows the net cash used by the operating activities of the Authority. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section reflects cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operations to the operating loss reflected on the combined statement of revenues, expenses, and changes in net position.

West Virginia Educational Broadcasting Authority and Affiliates
Condensed Combined Schedules of Cash Flows
Year Ended June 30:

	2023	2022	2021
Cash provided by (used in):			
Operating activities	$ (4,013,412)	$ (1,535,629)	$ (771,121)
Noncapital financing activities	3,833,141	3,725,030	3,912,759
Capital financing activities	(532,929)	(140,352)	(1,054,243)
Investing activities	82,104	(71,609)	(29,803)
Net change in cash and cash equivalents	(631,096)	1,977,440	2,057,592
Cash and cash equivalents, beginning of year	8,803,513	6,826,073	4,768,481
Cash and cash equivalents, end of year	$ 8,172,417	$ 8,803,513	$ 6,826,073

- Major sources of cash flows from operating activities include customer receipts of $3,701,838 and contract and grant receipts of $2,800,499. Major uses of cash in operating activities include payments to or on behalf of employees of $4,164,032 and payments to suppliers of $6,629,458.

- State appropriations of $3,833,141 are a significant source of cash from noncapital financing activities.

Capital Assets and Long-Term Debt Activity

Funding for capital projects for the Authority comes from various sources. These sources include State appropriations, federal and state grants, and contracts. During fiscal year 2023, the Authority completed the final stages of a large-scale project with the Federal Communications Commission (FCC). The Authority was reimbursed for certain costs related to the purchase of new transmitters and placing them in service, as well as other related capital equipment for the project. Long-term liabilities related to capital assets include the noncurrent portion of the lease liability.

Economic Outlook

Pubic media is in a transition across the United States. On-demand delivery of content through streaming and podcasts are eroding the traditional way of watching and listening – over the airwaves. The Authority must maintain our current broadcast infrastructure, while also delivering our educational content through new methods. We are essentially operating two businesses – a legacy operation and a start-up. We must remain financially strong in order to serve our current audience and develop a new, younger audience.

Our radio operation is antiquated with the automation system in need of updates in order to send our signal out over the airwaves and internet seamlessly. The automation system must be reliable to allow the Authority to keep costs down with having personnel on staff outside of normal business hours. Reliability in content delivery is also important because when people can no longer count on us being there, they are more likely to turn elsewhere for programming.

The same can be said for television. We have to be over the air, on cable, on satellite, and online with all of our educational documentaries and children's programming. In order to do this, we need to be able to broadcast, stream, and offer content on-demand and with fewer staff. Master Control, which controls the Authority's broadcast, needs upgrades in order to continue serving the public.

The Authority is building our infrastructure to handle this broadcast to digital transition so that we will be there for future generations.

Contacting the Authority's Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, West Virginia Educational Broadcasting Authority, 124 Industrial Park Road, Beaver, West Virginia 25813.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
Current assets		
Cash and cash equivalents	$ 7,662,327	$ 7,415,341
Marketable securities	2,920,095	2,471,421
Other investments, at cost	570,935	761,789
Net receivables, current	272,456	369,542
Total current assets	11,425,813	11,018,093
Noncurrent assets		
Restricted cash and cash equivalents	510,090	1,388,172
Due from State	3,568,583	4,228,672
Net receivables, noncurrent	1,233,838	1,324,188
Capital assets, net	5,997,777	5,633,253
Net pension asset	-	1,463,045
Net OPEB asset	-	19,743
Total noncurrent assets	11,310,288	14,057,073
Other assets		
Beneficial interest in perpetual trust	329,839	311,629
Total assets	23,065,940	25,386,795
Deferred outflows of resources		
Deferred outflows related to pensions	653,534	707,041
Deferred outflows related to OPEB	164,708	86,008
Total deferred outflows of resources	818,242	793,049
Total assets and deferred outflows of resources	**$ 23,884,182**	**$ 26,179,844**
Current liabilities		
Accounts payable	$ 192,256	$ 261,478
Accrued interest	2,885	536
Unearned revenue and refundable advances	486,141	448,269
Accrued payroll	147,245	276,572
Compensated absences	192,464	200,359
Lease liability, current	22,729	19,475
Total current liabilities	1,043,720	1,206,689
Noncurrent liabilities		
Net pension liability	232,507	-
Net OPEB liability	77,152	-
Lease liability, noncurrent	174,365	123,570
Total noncurrent liabilities	484,024	123,570
Total liabilities	1,527,744	1,330,259
Deferred inflows of resources		
Deferred inflows related to pensions	18,530	1,922,907
Deferred inflows related to OPEB	320,074	779,862
Deferred inflows related to leases	1,201,327	1,328,390
Total deferred inflows of resources	1,539,931	4,031,159
Net position		
Net investment in capital assets	5,800,683	5,490,208
Restricted, nonexpendable	329,839	311,629
Restricted, expendable	4,443,178	5,858,191
Unrestricted	10,242,807	9,158,398
Total net position	20,816,507	20,818,426
Total liabilities, deferred inflows of resources, and net position	**$ 23,884,182**	**$ 26,179,844**

The Accompanying Notes Are An Integral Part
Of These Combined Financial Statements

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Operating revenues:		
Community service grants	$ 1,281,873	$ 1,403,681
Other grants and public broadcasting contracts	1,216,973	1,373,298
Underwriting	634,573	582,914
Mountain Stage	289,625	188,888
Membership and individual payments	2,126,240	2,133,961
Investment income (loss)	339,924	(410,463)
Bad debt recovery	157,110	976,203
Other operating	295,951	150,593
Total operating revenues	6,342,269	6,399,075
Operating expenses:		
Programming and production	5,313,128	5,046,051
Broadcasting	1,799,371	1,645,912
Underwriting	127,273	99,744
Public information and promotion	622,021	304,531
Fundraising	764,651	777,292
Management and general	1,278,625	248,520
Depreciation and amortization	801,551	777,919
Total operating expenses	10,706,620	8,899,969
Operating loss	(4,364,351)	(2,500,894)
Nonoperating revenues (expenses)		
State appropriations	3,833,141	3,725,030
Other contract income	427,552	468,681
Lease income	127,063	120,287
Insurance proceeds	6,060	54,866
Gain on disposal of capital assets	620	12,842
Interest income	61,451	63,772
Interest expense	(8,389)	(6,814)
Total nonoperating revenues (expenses)	4,447,498	4,438,664
Change in net position before other revenues, expenses, gains, or losses	83,147	1,937,770
Payments made and expenses incurred (offset) by the State on behalf of the Authority	(85,066)	(18,074)
Change in net position	**(1,919)**	**1,919,696**
Net position, beginning of year	20,818,426	18,898,730
Net position, end of year	**$ 20,816,507**	**$ 20,818,426**

The Accompanying Notes Are An Integral Part
Of These Combined Financial Statements

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Customer receipts	$ 3,701,838	$ 2,304,262
Contracts and grants	2,800,499	5,318,189
Payments to or on behalf of employees	(4,164,032)	(3,808,377)
Payments to suppliers	(6,629,458)	(5,563,011)
Other receipts, net	277,741	213,308
Net cash used in operating activities	(4,013,412)	(1,535,629)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	3,833,141	3,725,030
Net cash provided by noncapital financing activities	3,833,141	3,725,030
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	6,488	12,842
Acquisition and construction of capital assets	(1,098,420)	(791,107)
Proceeds from insurance settlement	6,060	54,866
Other contract income	427,552	468,681
Lease income	89,120	76,016
Interest income	61,785	63,295
Payments on leases	(25,514)	(24,945)
Net cash used in capital and related financing activities	(532,929)	(140,352)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(204,483)	(87,881)
Proceeds from sale of investments	286,587	16,272
Net cash provided by (used in) investing activities	82,104	(71,609)
Net change in cash and cash equivalents	**(631,096)**	**1,977,440**
Cash and cash equivalents, beginning of year	8,803,513	6,826,073
Cash and cash equivalents, end of year	**$ 8,172,417**	**$ 8,803,513**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (4,364,351)	$ (2,500,894)
Adjustments to reconcile operating loss to cash used in operating activities:		
Depreciation and amortization	801,551	777,919
Investment (income) loss	(339,924)	410,463
Special funding situation - OPEB expense (offset)	(85,066)	(18,074)
Provision for uncollectible accounts	-	9,062
Changes in assets and liabilities:		
Receivables, net	758,071	739,045
Net pension asset	1,463,045	(1,463,045)
Net OPEB asset	19,743	(19,743)
Beneficial interest in perpetual trust	(18,210)	62,715
Deferred outflows of resources	(25,193)	76,500
Accounts payable	(69,222)	7,179
Accrued payroll and compensated absences	(137,222)	(90,041)
Unearned revenue and refundable advances	37,872	224,461
Net pension liability	232,507	(955,319)
Net OPEB liability	77,152	(291,265)
Deferred inflows of resources	(2,364,165)	1,495,408
Net cash used in operating activities	$ (4,013,412)	$ (1,535,629)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION:		
Cash and cash equivalents classified as current	$ 7,662,327	$ 7,415,341
Cash and cash equivalents classified as noncurrent	510,090	1,388,172
	$ 8,172,417	$ 8,803,513
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:		
Payments made and expenses incurred by the State on behalf of the Authority	$ (85,066)	$ (18,074)
Right-to-use assets acquired through outstanding leases	$ 73,523	$ 18,053

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies

Nature of Organization and Reporting Entity

The West Virginia Educational Broadcasting Authority (EBA), a component unit of the State of West Virginia (the State), is a public corporation created by the State and is responsible for extending educational, cultural, and informational experiences to all citizens of West Virginia through the construction and operation of noncommercial education television and radio stations and related facilities statewide. EBA supervises and operates three public television stations and nine public radio stations, plus a statewide two-way microwave network that links the stations and provides special telecommunication services for other state and public service agencies for non-broadcasted activities such as teleconferencing, in-service training, and data delivery.

The following radio and television stations are operated by EBA:

WVPN (FM) Charleston	WVPG (FM) Parkersburg
WVWV (FM) Huntington	WVEP (FM) Martinsburg
WVPB (FM) Beckley	WAUA (FM) Petersburg
WVPW (FM) Buckhannon	WNPB (TV) Morgantown
WVNP (FM) Wheeling	WPBY (TV) Huntington
WVPM (FM) Morgantown	WSWP (TV) Beckley

The combined financial statements of the West Virginia Educational Broadcasting Authority and Affiliates (collectively referred to as the Authority) include the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, gains, losses, and cash flows of the EBA, each of the above stations, and the following affiliated organizations:

West Virginia Public Broadcasting Foundation, Inc. - West Virginia Public Broadcasting Foundation, Inc. (the Foundation) was formed in 1992 as a nonprofit corporation. The Foundation was organized exclusively for charitable and educational purposes to receive, hold, disperse, and invest monies or property given or donated to EBA for educational and eleemosynary purposes related to the preservation, maintenance, promotion, development, and growth of educational and public broadcasting in West Virginia. EBA has sole discretion as to the use of the money and property.

Friends of West Virginia Public Broadcasting, Inc. - Friends of West Virginia Public Broadcasting, Inc. (Friends) solicits funds for the benefit of the related television and radio stations and public broadcasting. Funds are expended by Friends for the benefit of the related stations in amounts determined by their respective Boards of Directors.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Financial statement presentation

The combined financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the Unites States of America as prescribed by Governmental Accounting Standards Board (GASB) standards. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows and replaces the fund-group perspective previously required.

GASB establishes standards for external financial reporting and requires that financial statements be presented on a combined basis to focus on the Authority as a whole. Net position is classified into four categories according to external donor restrictions and availability of assets for satisfaction of the Authority's obligations. The Authority's net position is classified as follows:

> Net investment in capital assets - This represents the Authority's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent that debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
>
> Restricted net position, nonexpendable - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition on the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either by expended or added to principal. The Authority holds a beneficial interest in a perpetual trust that is considered to be restricted nonexpendable net position at June 30, 2023 and 2022.
>
> Restricted net position, expendable - This includes resources for which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
>
> Unrestricted net position - Unrestricted net position represents resources derived from activities other than those related to capital assets or restricted net position. These resources are used for transactions relating to the general operations of the Authority and may be used at the discretion of the Board of Directors to meet current expense needs for any purpose.

Basis of accounting

For financial reporting purposes, the Authority is considered to be engaged only in business-type activities. Accordingly, the Authority's combined financial statements have been prepared on the accrual basis of accounting with a measurement focus on the flow of economic resources. Revenues are reported when earned, and expenses are incurred when goods or services are received. All intercompany accounts and transactions have been eliminated.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Cash and cash equivalents

For purposes of the combined statements of net position, the Authority considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents that are (1) held to purchase capital or other noncurrent assets and (2) permanently restricted net position are classified as noncurrent assets in the accompanying combined statements of net position. Any cash and cash equivalents, including those restricted for noncurrent assets or permanently restricted net position, are included as cash and cash equivalents for the purpose of the combined statements of cash flows.

Appropriations due from primary government

For financial reporting purposes, any appropriations due from the State are presented separately from cash and cash equivalents, as amounts are not specific deposits with the State Treasurer but are obligations of the State.

Marketable securities and other investments

Marketable securities are measured and reported at fair value according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.

Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon unobservable inputs.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. As of June 30, 2023 and 2022, there were no alternative investments in the Authority's investment portfolio.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies, and its instrumentalities (U.S. government obligations); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements; asset-backed securities; certificates of deposit; state and local government securities; and other investments in accordance with the Foundation's investment policy. The Authority invests in certain certificates of deposit, which are reported at amortized cost and are not subject to the fair value hierarchy above.

Allowance for uncollectible accounts

It is the Authority's policy to provide for future losses on uncollectible accounts, contracts, grants, and lease receivables based on an evaluation of the underlying account, contract, grant, or lease balances; the historical collectability experienced by the Authority on such balances; and other such factors that, in the Authority's judgment, require consideration in estimating uncollectible accounts. As of June 30, 2023 and 2022, the Authority recorded an allowance of $0 and $227,257, respectively.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Capital assets

Capital assets consist primarily of property and equipment. These capital assets are stated at cost at the date of acquisition or construction, or at fair value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which generally range from 3 to 30 years. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

Capital assets also include intangible right-to-use lease assets, initially measured at the present value of payments expected to be made during the lease term, plus certain other costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the estimated useful life of the underlying asset, unless the lease contains a purchase option. The Authority's agreements meeting the definition of a lease do not contain purchase options.

Compensated absences

Vacation leave is accrued as employees become vested in benefits. Employees hired prior to July 1, 2002 vest in accrued sick leave only upon retirement, when unused sick leave can be converted into termination benefits, such as employer paid premiums for post-retirement health care benefits or additional credited service for retirement benefits. A liability for accrued sick leave is recognized to the extent that accrued sick leave is expected to be converted to termination benefits upon retirement.

Net pension liability (asset)

For purposes of measuring the net 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 West Virginia Public Employees Retirement System (PERS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the PERS fiduciary net position have been determined on the same basis as they are reported in the PERS financial statements, which can be found at https://www.wvretirement.com/Publications.html#AnnualReport. The plan schedules of PERS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Employer contributions are recognized when due and when the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the PERS financial statements. Management of PERS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ from these estimates.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Net OPEB liability (asset)

For purposes of measuring the net other postemployment benefits (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/reductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the 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. Details regarding this plan and its standalone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA) at 601 57th Street SE, Charleston, West Virginia 25304 or https://peia.wv.gov.

Deferred outflows of resources

Consumption of net position by the Authority that is applicable to a future fiscal year is reported as a deferred outflow of resources on the combined statements of net position.

Deferred inflows of resources

An acquisition of net position by the Authority that is applicable to a future fiscal year is reported as a deferred inflow of resources on the combined statements of net position.

Use of restricted net position

The Authority has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the Authority attempts to utilize restricted net position first when practicable. None of the Authority's restricted net position is restricted by enabling legislation.

Classification of revenues

The Authority has classified its revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions. Operating revenue sources include grants and contracts, underwriting, Mountain Stage, membership, and investment income.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, lease income, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Revenue recognition

Contributions and grants restricted for specific projects are reported as deferred revenue until qualifying expenses have been incurred. Unrestricted contributions are recognized as revenue in the period received; pledged but uncollected amounts are not recognized as revenue by the Authority, as management considers them to be unenforceable. Certain other revenues, such as underwriting, are recognized ratably over the term of the corresponding agreements as services or goods are exchanged. The Authority enters into certain barter transactions whereby unsold advertising time is traded for products and services. Barter transactions are reported at the estimated fair value of the product or service received. Revenues that have been recognized but not collected during the reporting period are reported as accounts, contracts, or grants receivable, depending on the source of revenue and type of transaction.

Program rights

Program rights purchased by the Authority from the Public Broadcasting Service on an annual basis are expended in the year purchased.

Unearned revenue and refundable advances

The costs relating to programs being produced that will be broadcast in a subsequent period are considered to be deferred production costs. Grants and contributions related to such programs are included in unearned revenue and refundable advances. As the programs are broadcast, applicable program expenses and revenues are included in the combined statements of revenues, expenses, and changes in net position.

Income taxes

The Authority, as a public corporation established by the State of West Virginia, is recognized as exempt from Federal income taxes. The Foundation and Friends are nonprofit, nonstock corporations recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes, and are classified as other than private foundations.

Budgets

Budgets for appropriations from the State are adopted annually on a cash basis and are approved by the Legislature. Most appropriations for operating funds lapse at year end.

Use of estimates

The preparation of these combined 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 amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Risk management

The State's Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and liability coverage to the Authority and its employees. Such coverage may be provided to the Authority by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the Authority or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the Authority is currently charged by BRIM and the ultimate cost of that insurance based on the Authority's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the Authority and the Authority's actual loss experience, the difference will be recorded as the change in estimate becomes known.

BRIM is a public entity risk pool that provides coverage for general, property, medical malpractice, and automobile liability. PEIA is also a public entity risk pool that provides coverage for employee and dependent health, life and prescription drug insurance.

Through its participation in PEIA and through its private carrier, the Authority has obtained health coverage and coverage for job related injuries for its employees. In exchange for payment of premiums to PEIA and its private carrier, the Authority has transferred its risk related to health coverage and job related injuries of employees.

Risk and uncertainties

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain securities, it is reasonably possible that changes in risk and values will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Newly adopted Statements issued by GASB

The Authority implemented GASB Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2021. The requirements of this Statement eliminate the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity or inconsistency. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The adoption of GASB Statement No. 91 did not have a significant impact on the financial statements.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

The Authority implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish the definitions of PPPs and APAs and provide uniform guidance on accounting and financial reporting for transactions that meet those definitions, but are outside of the scope of Lease or Service Concession Arrangement guidance. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will require governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The adoption of GASB Statement No. 94 did not have a significant impact on the financial statements.

The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish a definition for SBITA, which is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Generally, this Statement will require a government to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The Statement also establishes guidance for the treatment of costs related to SBITA activities other than subscription payments. Those activities are: Preliminary Project Stage, Initial Implementation Stage, and Operation and Additional Implementation Stage. This Statement also requires a government to disclose essential information about the arrangement such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability. The adoption of GASB Statement No. 96 did not have a significant impact on the financial statements.

The Authority implemented GASB 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.

Note 1 - Nature of Organization, Reporting Entity, and Significant Accounting Policies (Continued)

Recent Statements issued by GASB

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections- an Amendment of GASB Statement No. 62*, which is effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. Those changes include things like: certain changes in accounting principles, certain changes in estimates that result from a justified or preferable change in measurement or new methodology. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods; changes to or within the reporting entity be reported by adjusting beginning balances of the current period; and changes in accounting estimates be reported prospectively by recognizing the change in the current period. If the change in accounting principle is the result of a new pronouncement the requirements only apply absent specific transition guidance in the pronouncement. Under this standard it is also necessary to display the total adjustment to beginning net position, fund balance, or fund net position on the face of the financial statements, by reporting unit. This statement also specifies both qualitative and quantitative disclosure requirements. Lastly, this statement provides guidance for if and how these changes should be reflected in required supplementary information and supplementary information. The Authority has not yet determined the effect that the adoption of GASB Statement No. 100 may have on its financial statements.

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.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30:

2023	**Current**	**Noncurrent**	**Total**
State Treasurer	$ 5,538,906	$ 145,933	$ 5,684,839
In bank	2,121,671	364,157	2,485,828
On hand	1,750	-	1,750
Total	$ 7,662,327	$ 510,090	$ 8,172,417

2022	**Current**	**Noncurrent**	**Total**
State Treasurer	$ 4,763,570	$ 145,933	$ 4,909,503
In bank	2,650,021	1,242,239	3,892,260
On hand	1,750	-	1,750
Total	$ 7,415,341	$ 1,388,172	$ 8,803,513

Cash held by the State Treasurer includes $145,933 of restricted cash at June 30, 2023 and 2022. Amounts held with the State Treasurer are not invested as of June 30, 2023 and 2022. Amounts held in outside bank accounts are related to the Foundation and Friends and are insured by federal depository insurance up to $250,000 in each interest-bearing account.

Note 3 - Investments and Fair Value Measurement

Investments stated at fair value consist of the following at June 30:

	2023	**2022**
Equity securities and exchange traded funds	$ 2,789,845	$ 2,471,421
Mutual funds	130,250	-
Total	$ 2,920,095	$ 2,471,421

Note 3 - Investments and Fair Value Measurement (Continued)

Following are fair values of assets measured on a recurring basis at June 30:

2023	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equity securities and exchange traded funds	$ 2,789,845	$ 2,789,845	$ -	$ -
Mutual funds	130,250	130,250	-	-
Total investments	$ 2,920,095	$ 2,920,095	$ -	$ -
Beneficial interest in perpetual trust	$ 329,839	$ 329,839	$ -	$ -

2022	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equity securities and exchange traded funds	$ 2,471,421	$ 2,471,421	$ -	$ -
Total investments	$ 2,471,421	$ 2,471,421	$ -	$ -
Beneficial interest in perpetual trust	$ 311,629	$ 311,629	$ -	$ -

Note 3 - Investments and Fair Value Measurement (Continued)

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Authority has no investment policy that limits its investment choices. As of the fiscal years ended June 30, 2023 and 2022, the Authority's investments were not rated by Standard & Poor's or Moody's.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer.

The Authority places no limit on the amount the Authority may invest in any one issuer.

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

Note 4 - Accounts Receivable

Accounts receivable consist of the following at June 30:

2023	**Current**	**Noncurrent**	**Total**
Underwriting	$ 83,691	$ -	$ 83,691
Grants and contracts, net	86,056	-	86,056
Lease	90,350	1,233,838	1,324,188
Interest	4,966	-	4,966
Other	7,393	-	7,393
Total	$ 272,456	$ 1,233,838	$ 1,506,294

Note 4 - Accounts Receivable (Continued)

2022	**Current**	**Noncurrent**	**Total**
Underwriting	$ 65,013	$ -	$ 65,013
Grants and contracts, net	159,879	-	159,879
Lease	89,120	1,324,188	1,413,308
Interest	5,300	-	5,300
Other	50,230	-	50,230
Total	$ 369,542	$ 1,324,188	$ 1,693,730

Note 5 - Capital Assets

Capital assets consist of the following at June 30:

2023	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 77,075	$ -	$ -	$ 77,075
Construction in progress	80,102	30,064	(80,102)	30,064
Total capital assets not being depreciated	157,177	30,064	(80,102)	107,139
Other capital assets being depreciated:				
Buildings	7,322,640	-	-	7,322,640
Equipment	17,602,051	848,558	(182,020)	18,268,589
Vehicles	104,492	299,900	-	404,392
Total other capital assets being depreciated	25,029,183	1,148,458	(182,020)	25,995,621
Lease assets being amortized:				
Equipment	25,969	73,523	-	99,492
Land	150,397	-	-	150,397
Total lease assets being amortized	176,366	73,523	-	249,889
Less accumulated depreciation for:				
Buildings	6,080,073	201,212	-	6,281,285
Equipment	13,551,991	535,616	(176,152)	13,911,455
Vehicles	54,700	40,241	-	94,941
Total accumulated depreciation	19,686,764	777,069	(175,152)	20,287,681
Less accumulated amortization for:				
Equipment	12,984	8,330	-	21,314
Land	29,725	16,152	-	45,877
Total accumulated amortization	42,709	24,482	-	67,191
Other capital assets and lease assets, net	5,476,076	420,430	(5,868)	5,890,638
Capital assets, net	$ 5,633,253	$ 450,494	$ (85,970)	$ 5,997,777

Note 5 - Capital Assets (Continued)

2022	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 77,075	$ -	$ -	$ 77,075
Construction in progress	611,997	80,102	(611,997)	80,102
Total capital assets not being depreciated	689,072	80,102	(611,997)	157,177
Other capital assets being depreciated:				
Buildings	7,322,640	-	-	7,322,640
Equipment	16,933,287	901,829	(233,065)	17,602,051
Vehicles	54,700	49,792	-	104,492
Total other capital assets being depreciated	24,310,627	951,621	(233,065)	25,029,183
Lease assets being amortized:				
Equipment	25,969	-	-	25,969
Land	132,344	18,053	-	150,397
Total lease assets being amortized	158,313	18,053	-	176,366
Less accumulated depreciation for:				
Buildings	5,878,717	201,356	-	6,080,073
Equipment	13,235,317	549,739	(233,065)	13,551,991
Vehicles	50,520	4,180	-	54,700
Total accumulated depreciation	19,164,554	755,275	(233,065)	19,686,764
Less accumulated amortization for:				
Equipment	6,492	6,492	-	12,984
Land	13,573	16,152	-	29,725
Total accumulated amortization	20,065	22,644	-	42,709
Other capital assets and lease assets, net	5,284,321	191,755	-	5,476,076
Capital assets, net	$ 5,973,393	$ 271,857	$ (611,997)	$ 5,633,253

Note 6 - Beneficial Interest in Perpetual Trust

A donor established a trust with a national banking association, naming the Foundation as a beneficiary of a perpetual trust upon the benefactor's death. Payments from the trust began in 2002. Under terms of the split-interest agreement, the Foundation is to receive 10% of the trust's income annually for its unrestricted use. The Authority reports the Foundation's beneficial interest in the perpetual trust at the fair value of its allocation of the trust assets, as determined by quoted market price, on its combined statements of net position. The change in fair value over time of its allocation of the trust assets is reported as other operating revenues in the combined statements of revenues, expenses, and changes in net position. The Authority reported a positive change in beneficial interest in perpetual trust of $18,210 for the year ended June 30, 2023 and a negative change in beneficial interest in perpetual trust of $62,715 for the year ended June 30, 2022.

Note 7 - Leases

During the fiscal years ended June 30, 2023 and 2022, the Authority, as lessor, leased land, equipment, and buildings under various noncancelable lease agreements. Several of these agreements are sublease arrangements. The lease agreements contain lease terms with planned end dates ranging from December 2023 to May 2047. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Certain leases provide for increases in future minimum annual rental payments. The leases have monthly installments ranging between $606 to $4,214. There are no variable payments noted in the agreements. The Authority has determined the net present value of lease receipts based on an estimated interest rate of 4.50%. Lease-related income under these leases for the years ended June 30, 2023 and 2022 is summarized as follows:

	2023	**2022**
Lease income	$ 127,063	$ 120,287
Interest income	61,451	63,772
Total	$ 188,514	$ 184,059

The Authority, as lessee, leases equipment and land for various terms under long-term, noncancelable lease agreements. Several of these agreements are sublease arrangements. The leases are paid in monthly installments ranging between $185 and $901 plus interest ranging from 4.50% to 6.50% with due dates ranging from April 2024 to December 2042.

The lease liability consists of the following activities for the year ended June 30:

	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**	**Current Portion**
2023	$ 143,045	$ 73,523	$ (19,474)	$ 197,094	$ 22,729
2022	143,122	18,053	(18,130)	143,045	19,475

Note 7 - Leases (Continued)

Future annual minimum lease payments on leases for years subsequent to June 30, 2023, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total Payments
2024	$ 22,729	$ 11,882	$ 34,611
2025	11,227	9,019	20,246
2026	6,975	8,583	15,558
2027	7,595	8,226	15,821
2028	8,317	7,837	16,154
2029-2033	38,512	33,615	72,127
2034-2038	63,487	20,646	84,133
2039-2043	38,252	4,952	43,204
	$ 197,094	$ 104,760	$ 301,854

Note 8 - Other Postemployment Benefits

As related to GASB 75, following are the Authority's net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense for the fiscal year ended June 30:

	2023	**2022**
Net OPEB liability (asset)	$ 77,152	$ (19,743)
Deferred outflows of resources	164,708	86,008
Deferred inflows of resources	320,074	779,862
Revenues	(85,066)	(18,074)
OPEB expense	(447,575)	(517,423)
Contributions made by the Authority	79,205	81,647

Note 8 - Other Postemployment Benefits (Continued)

Plan Description

The West Virginia Other Postemployment 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 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 by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

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

Note 8 - Other Postemployment Benefits (Continued)

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, 2022 and 2021 were:

	February 2022-June 2022 **2022**	July 2021-January 2022 **2022**	July 2020-June 2021 **2021**
Paygo premium	$ 48	$ 116	$ 160

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.

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, 2023, 2022, and 2021, were $79,205, $81,647, and $121,080, respectively.

Assumptions

The June 30, 2023 OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2021 and a measurement date of June 30, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.25%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.

Note 8 - Other Postemployment Benefits (Continued)

- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023. decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning 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”.
- 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 Below Median Income General Employee Mortality Tables projected with MP-2021.
- Expenses: Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

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

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

- Projected capped subsidies;
- Per capita claim costs;
- Healthcare trend rates;
- Coverage and continuance;
- Percentage eligible for tobacco-free premium discount; and
- Retired employee assistance program participation.

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board (WV-IMB) and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments (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 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 2.0% plus a 25 basis point spread.

Note 8 - Other Postemployment Benefits (Continued)

The target allocation and estimates of annualized long-term expected returns assuming a 10-year horizon are summarized below for June 30, 2022 and 2021:

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 - A single discount rate of 6.65% was used to measure the total OPEB liability (asset). This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on those 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 net OPEB liability (asset) to changes in the discount rate - The following presents the net OPEB liability (asset) of the Authority as of June 30, 2023 and 2022 calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate.

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB liability (asset)			
2023	$ 198,311	$ 77,152	$ (26,788)
2022	105,943	(19,743)	(124,098)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate - The following presents the Authority's proportionate share of the net OPEB liability (asset) as of June 30, 2023 and 2022 calculated using the healthcare cost trend rate, as well as what the Authority's net 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
Net OPEB liability (asset)			
2023	$ (48,863)	$ 77,152	$ 220,345
2022	(145,771)	(19,743)	133,774

Note 8 - Other Postemployment Benefits (Continued)

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

The June 30, 2023 net 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. The June 30, 2022 net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

At June 30, 2023, the Authority's proportionate share of the net OPEB liability (asset) was $103,581. Of this amount, the Authority recognized $77,152 as its proportionate share on the statements of net position. The remainder of $26,429 denotes the Authority's proportionate share of net OPEB liability (asset) attributable to the special funding.

At June 30, 2022, the Authority's proportionate share of the net OPEB liability (asset) was $(23,630). Of this amount, the Authority recognized $(19,743) as its proportionate share on the statements of net position. The remainder of $(3,887) denotes the Authority's proportionate share of net 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, 2022 and 2021. Employer contributions are recognized when due. At the June 30, 2022 measurement date, the Authority's proportion was 0.069319928%, an increase of 0.002922940% from its proportion of 0.066396988% calculated as of June 30, 2021. At the June 30, 2021 measurement date, the Authority's proportion was 0.066396988%, an increase of 0.000454000% from its proportion of 0.065942988% calculated as of June 30, 2020.

For the year ended June 30, 2023, the Authority recognized OPEB expense of $(447,575). Of this amount, $(362,509) was recognized as the Authority's proportionate share of OPEB expense and $(85,066) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Authority also recognized revenue of $(85,066) for support provided by the State.

For the year ended June 30, 2022, the Authority recognized OPEB expense of $(517,423). Of this amount, $(499,349) was recognized as the Authority's proportionate share of OPEB expense and $(18,074) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The Authority also recognized revenue of $(18,074) for support provided by the State.

Note 8 - Other Postemployment Benefits (Continued)

At June 30, 2023 and 2022, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	June 30, 2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 98,423
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,050	25,256
Net difference between projected and actual investment earnings	11,976	-
Changes in assumptions	49,477	196,031
Reallocation of opt-out employer change in proportionate share	-	364
Contributions subsequent to the measurement date	79,205	-
Total	$ 164,708	$ 320,074

	June 30, 2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 135,999
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,361	82,256
Net difference between projected and actual investment earnings	-	136,252
Changes in assumptions	-	417,770
Reallocation of opt-out employer change in proportionate share	-	7,585
Contributions subsequent to the measurement date	81,647	-
Total	$ 86,008	$ 779,862

Note 8 - Other Postemployment Benefits (Continued)

The Authority will recognize the $79,205 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	$ (231,940)
2025	(18,994)
2026	(12,567)
2027	28,930
	$ (234,571)

Payables to the OPEB Plan

The Authority did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2023 and 2022.

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 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 by writing to CPRB, 4101 MacCorkle Avenue SE, Charleston, West Virginia 25304-1636 or by calling (304) 558-3570.

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. 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.

Note 9 - Pension Plan (Continued)

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%, 10%, and 10% for the years ended June 30, 2023, 2022, and 2021, respectively. The employee contribution rate is 4.5% and 6.0% for Tier I and Tier II employees, respectively. The Authority's contributions to PERS, excluding the employees' contributions paid by the Authority, were $268,114, $252,747, and $265,377 for the years ended June 30, 2023, 2022, and 2021, respectively.

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

At June 30, 2023 and 2022, the Authority reported a liability (asset) of $232,507 and $(1,463,045), respectively, for its proportionate share of the net pension liability (asset). The June 30, 2023 net pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the net 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 June 30, 2022 net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2020, rolled forward to the measurement date of June 30, 2021. The Authority's proportion of the net 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, 2022 measurement date, the Authority's proportionate share was 0.156130%, which was a decrease of 0.010516% from its proportionate share of 0.166646% measured as of June 30, 2021. At the June 30, 2021 measurement date, the Authority's proportionate share was 0.166646%, which was a decrease of 0.014056% from its proportionate share of 0.180702% measured as of June 30, 2020.

Note 9 - Pension Plan (Continued)

For the years ended June 30, 2023 and 2022, the Authority recognized pension expense of $112,797 and $(326,741), respectively. At June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 89,197	$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,992	18,530
Net difference between projected and actual investment earnings	140,200	-
Changes in assumptions	153,031	-
Contributions subsequent to the measurement date	268,114	-
Total	$ 653,534	$ 18,530

	June 30, 2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 166,971	$ 5,546
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,956	31,579
Net difference between projected and actual investment earnings	-	1,873,923
Changes in assumptions	278,367	11,859
Contributions subsequent to the measurement date	252,747	-
Total	$ 707,041	$ 1,922,907

Note 9 - Pension Plan (Continued)

The Authority will recognize the $268,114 reported as deferred outflows of resources resulting from pension contributions subsequent to the measurement date as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2024	$	179,821
2025		(31,712)
2026		(172,460)
2027		391,241
	$	366,890

Actuarial assumptions and methods - The total pension liability in the June 30, 2022 and 2021 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

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

The economic assumptions used in the June 30, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Note 9 - Pension Plan (Continued)

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 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, 2022 and 2021 are summarized below:

		June 30, 2022	**June 30, 2021**
Asset Class	**Target Allocation**	**Long-term Expected Rate of Return**	**Long-term Expected Rate of Return**
Domestic equity	27.5%	5.3%	5.5%
International equity	27.5%	6.1%	7.0%
Fixed income	15.0%	2.2%	2.2%
Real estate	10.0%	6.5%	6.6%
Private equity	10.0%	9.5%	8.5%
Hedge funds	10.0%	3.8%	4.0%

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).

Sensitivity of the Authority's proportionate share of the net pension liability (asset) to changes in the discount rate - The following table presents the Authority's proportionate share of the net pension liability (asset) calculated using the current discount rate of 7.25%, as well as what the Authority's proportionate share of the net 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 (6.25%)	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Net pension liability (asset)			
2023	$ 1,645,176	$ 232,507	$ (976,534)
2022	16,718	(1,463,045)	(2,712,037)

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 CPRB's website at www.wvretirement.com.

Note 10 - West Virginia Public Broadcasting Foundation, Inc.

The Foundation is a blended component unit of the Authority. Based on the Foundation's audited financial statements as of June 30, 2023 and 2022, condensed financial statements can be found below. The condensed statements are in accordance with Financial Accounting Standards Board (FASB) standards but have been converted to GASB for inclusion in the combined statements of the Authority. Complete financial statements for the Foundation can be obtained from the West Virginia Public Broadcasting Foundation, Inc.

West Virginia Public Broadcasting Foundation, Inc.
Condensed Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Cash and cash equivalents	$ 1,779,930	$ 2,179,918
Marketable securities	2,920,095	2,471,421
Other investments, at cost	570,935	761,789
Accounts receivable, net	74,364	58,067
Total current assets	5,345,324	5,471,195
Other assets	329,839	311,629
Total assets	$ 5,675,163	$ 5,782,824
Accounts payable	$ 33,656	$ 24,278
Unearned revenue and refundable advances	463,109	380,268
Total liabilities	496,765	404,546
Net assets without donor restrictions	4,848,559	5,066,649
Net assets with donor restrictions	329,839	311,629
Total net assets	5,178,398	5,378,278
Total liabilities and net assets	$ 5,675,163	$ 5,782,824

Note 10 - West Virginia Public Broadcasting Foundation, Inc. (Continued)

West Virginia Public Broadcasting Foundation, Inc.
Condensed Statements of Activities
Years Ended June 30, 2023 and 2022

	2023	2022
Total revenues without donor restrictions	$ 1,595,702	$ 703,750
Total expenses without donor restrictions	(1,515,366)	(1,366,394)
Change in net assets without donor restrictions	80,336	(662,644)
Total revenues with donor restrictions	18,210	-
Total expenses with donor restrictions	-	(62,715)
Change in net assets with donor restrictions	18,210	(62,715)
Transfers between funds and entities	(298,426)	(52,203)
Change in net assets	(199,880)	(777,562)
Net assets, beginning of year	5,378,278	6,155,840
Net assets, end of year	$ 5,178,398	$ 5,378,278

West Virginia Public Broadcasting Foundation, Inc.
Condensed Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Net cash used in operating activities	$ (482,092)	$ (118,194)
Net cash provided by (used in) investing activities	82,104	(71,609)
Net change in cash and cash equivalents	(399,988)	(189,803)
Cash and cash equivalents, beginning of year	2,179,918	2,369,721
Cash and cash equivalents, end of year	$ 1,779,930	$ 2,179,918

Note 11 - Friends of West Virginia Public Broadcasting, Inc.

Friends is a blended component unit of the Authority. Based on Friends' audited financial statements as of June 30, 2023 and 2022, condensed financial statements can be found below. The condensed statements are in accordance with FASB standards but have been converted to GASB for inclusion in the combined statements of the Authority. Complete financial statements for Friends can be obtained from the Friends of West Virginia Public Broadcasting, Inc.

Friends of West Virginia Public Broadcasting, Inc.
Condensed Statements of Financial Position
June 30, 2023 and 2022

	2023	**2022**
Cash and cash equivalents – discretionary	$ 343,491	$ 471,853
Accounts receivable, net	1,125	-
Total current assets	344,616	471,853
Cash and cash equivalents – purpose restriction	364,157	1,242,239
Total assets	$ 708,773	$ 1,714,092
Accounts payable	$ 39,117	$ 5,832
Total liabilities	39,117	5,832
Net assets without donor restrictions	343,491	471,853
Net assets with donor restrictions	326,165	1,236,407
Total net assets	669,656	1,708,260
Total liabilities and net assets	$ 708,773	$ 1,714,092

Note 11 - Friends of West Virginia Public Broadcasting, Inc. (Continued)

Friends of West Virginia Public Broadcasting, Inc.
Condensed Statements of Activities
Years Ended June 30, 2023 and 2022

	2023	2022
Total revenues without donor restrictions	$ 212,411	$ 209,558
Net assets released from restrictions	2,824,071	1,423,114
Total expenses without donor restrictions	(733,012)	(542,712)
Change in net assets without donor restrictions	2,303,470	1,089,960
Total revenues with donor restrictions	1,913,829	1,924,403
Net assets released from restrictions	(2,824,071)	(1,423,114)
Change in net assets with donor restrictions	(910,242)	501,289
Transfers between funds and entities	(2,431,832)	(952,564)
Change in net assets	(1,038,604)	638,685
Net assets, beginning of year	1,708,260	1,069,575
Net assets, end of year	$ 669,656	$ 1,708,260

Friends of West Virginia Public Broadcasting, Inc.
Condensed Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Net cash (used in) provided by operating activities	$ (1,006,444)	$ 629,704
Net change in cash and cash equivalents	(1,006,444)	629,704
Cash and cash equivalents, beginning of year	1,714,092	1,084,388
Cash and cash equivalents, end of year	$ 707,648	$ 1,714,092

Note 12 - Endowment Trusts

In 1991, cash of $5,764 was transferred to the Greater Kanawha Valley Foundation (GKVF) to constitute the principal of the Friends of West Virginia Public Radio, Inc. Endowment Fund, for the purpose of funding equipment replacement. Under the terms of the trust agreement, Friends has the right to receive the income from the fund but has no control over or access to the assets of the fund. Therefore, the assets are not included in the Authority's combined financial statements. Any contributions or funds received by Friends that are restricted for the benefit of this fund are transferred to the GKVF on an annual basis, or more often as a significant amount of funds accumulate. Spending is authorized by the GKVF's Board of Directors.

In 2003, an endowment trust was created at the Beckley Area Foundation (BAF) to benefit the Foundation. Under the terms of the agreement, the Foundation has the right to receive the income from the fund but has no control over or access to the assets of the fund. Therefore, the assets are not included in the Authority's combined financial statements. Fund income is distributed on an annual basis to support the activities of the Foundation.

In 2005, the Herscher Foundation created an endowment trust in the amount of $200,000, naming the Foundation as the beneficiary. Under the terms of the agreement, the Foundation must obtain an asset level of $5,000,000 before the trust funds will be transferred to the Foundation. Under the terms of the trust agreement, the Foundation has the right to receive the income from the fund but has no control over or access to the assets of the fund. Therefore, the assets are not included in the Authority's combined financial statements. Annual income distributions from the trust must be paid to the Foundation to provide funding for opera and other cultural programming on radio and television.

In 2006, an endowment trust was created at BAF to benefit the Foundation. Under the terms of the agreement, the Foundation has the right to receive the income from the fund but has no control over or access to the assets of the fund. Therefore, the assets are not included in the Authority's combined financial statements. Fund income is distributed on an annual basis to provide funding for educational programming and services.

Note 13 - Commitments and Contingencies

From time to time, the Authority is involved in certain claims and legal actions arising from matters in the ordinary course of business. Management is not currently aware of any pending matters for which a resolution will have a significant adverse effect on the combined financial statements.

ADDITIONAL INFORMATION

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMBINED SCHEDULE OF REVENUES AND EXPENSES - TV AND RADIO
YEAR ENDED JUNE 30, 2023

	TV	Radio	Total
Support, revenues, gains, and losses			
Community service grants	$ 1,049,858	$ 232,015	$ 1,281,873
Other grants and public broadcasting contracts	631,157	585,816	1,216,973
Underwriting	105,258	529,315	634,573
Mountain Stage	-	289,625	289,625
Membership and individual payments	1,063,120	1,063,120	2,126,240
Investment income (loss)	237,947	101,977	339,924
Bad debt recovery	157,110	-	157,110
Other operating	132,128	163,823	295,951
State appropriations	2,405,454	1,427,687	3,833,141
Other contract income	345,589	81,963	427,552
Lease income	63,532	63,531	127,063
Insurance proceeds	6,060	-	6,060
Gain on disposal of capital assets	310	310	620
Interest income	30,726	30,725	61,451
Total support, revenues, gains, and losses	$ 6,228,249	$ 4,569,907	$ 10,798,156
Expenses			
Program services:			
Programming and production	$ 3,719,190	$ 1,593,938	$ 5,313,128
Broadcasting	1,259,560	539,811	1,799,371
Underwriting	89,091	38,182	127,273
Public information and promotion	435,415	186,606	622,021
Fundraising	535,256	229,395	764,651
Management and general	895,038	383,587	1,278,625
Depreciation and amortization	561,086	240,465	801,551
Interest expense	5,872	2,517	8,389
Total expenses	$ 7,500,508	$ 3,214,501	$ 10,715,009

REQUIRED SUPPLEMENTARY INFORMATION

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
June 30, 2023

Public Employees Retirement System
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability (asset) (percentage)	0.156130%	0.166646%	0.180702%	0.175496%	0.172511%	0.206011%	0.218994%	0.224899%	0.221378%	
Authority's proportionate share of the net pension liability (asset)	$ 232,507	$ (1,463,045)	$ 955,319	$ 377,339	$ 445,513	$ 889,236	$ 2,012,810	$ 1,255,868	$ 817,029	
Authority's covered payroll	$ 2,527,463	$ 2,654,359	$ 2,807,994	$ 2,621,880	$ 3,085,418	$ 3,271,364	$ 3,045,985	$ 3,093,821	$ 3,093,821	
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	9.20%	(55.12)%	34.02%	14.39%	14.44%	27.18%	66.08%	40.59%	26.41%	
Plan fiduciary net position as a percentage of the total pension liability	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	

* - 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, governments should present information for those years for which information is available.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2023

Public Employees Retirement System
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 268,114	$ 252,747	$ 265,377	$ 280,801	$ 262,188	$ 339,396	$ 407,390	$ 411,208	$ 433,135	
Contributions in relation to the contractually required contribution	(268,114)	(252,747)	(265,377)	(280,801)	(262,188)	(339,396)	(407,390)	(411,208)	(433,135)	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Authority's covered payroll	$ 2,967,870	$ 2,527,463	$ 2,654,359	$ 2,807,994	$ 2,621,880	$ 3,085,418	$ 3,271,364	$ 3,045,985	$ 3,093,821	
Contributions as a percentage of covered payroll	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.45%	13.50%	14.00%	

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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
June 30, 2023

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net OPEB liability (asset) (percentage)	0.06931993%	0.06639699%	0.06594299%	0.06948855%	0.07281206%	0.07905614%				
Authority's proportionate share of the net OPEB liability (asset)	$ 77,152	$ (19,743)	$ 291,265	$ 1,152,907	$ 1,562,136	$ 1,943,982				
State's proportionate share of the net OPEB liability (asset)	26,429	(3,887)	64,403	235,936	322,852	399,296				
Total proportionate share of the net OPEB liability (asset)	$ 103,581	$ (23,630)	$ 355,668	$ 1,388,843	$ 1,884,988	$ 2,343,278				
Authority's covered-employee payroll	$ 2,144,446	$ 2,325,724	$ 2,252,356	$ 2,147,056	$ 1,084,967	$ 1,084,967				
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	3.60%	(0.85)%	12.93%	53.70%	143.98%	179.17%				
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	36.69%	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.

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2023

Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 79,205	$ 81,647	$ 121,080	$ 127,460	$ 148,791	$ 101,336				
Contributions in relation to the statutorily required contribution	(79,205)	(81,647)	(121,080)	(127,460)	(148,791)	(101,336)				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Authority's covered-employee payroll	$ 2,309,319	$ 2,144,446	$ 2,325,724	$ 2,252,356	$ 2,147,056	$ 1,084,967				
Contributions as a percentage of covered-employee payroll	3.43%	3.81%	5.21%	5.66%	6.93%	9.34%				

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.

Changes in Assumptions

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, 2022 to reflect the most recent experience study:

	Projected Salary Increases				Withdrawal Rates		
	State	Nonstate	Inflation rate	Mortality Rates	State	Nonstate	Disability Rates
2022	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%
2021	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%	2.5-35.88%	0.005-0.540%

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEAR ENDED JUNE 30, 2023

	Projected Salary Increases				Withdrawal Rates		
	State	Nonstate	Inflation rate	Mortality Rates	State	Nonstate	Disability Rates
2020	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 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, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
2019	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%
2018	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%	0.007-0.675%

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY AND AFFILIATES
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
YEAR ENDED JUNE 30, 2023

	Projected Salary Increases				Withdrawal Rates		
	State	Nonstate	Inflation rate	Mortality Rates	State	Nonstate	Disability Rates
2017	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%	0.007-0.675%
2016	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%	0.007-0.675%
2015	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%	0-0.675%
2014	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%	0-0.8%

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
2022	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.
2021	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-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 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2020	2.25%	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 plan year end 2023, decreasing 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, 8.40% for plan year end 2024 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
2019	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.
2018	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.
2017	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.

Suttle & Stalnaker PLLC
Certified Public Accountants

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

Members of the Authority
West Virginia Educational Broadcasting Authority and Affiliates
Beaver, West Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the business-type activities of the West Virginia Educational Broadcasting Authority and Affiliates (the Authority), a component unit of the State of West Virginia, as of and for the year ended June 30, 2023, and the related notes to the combined financial statements, which collectively comprise the Authority's combined financial statements, and have issued our report thereon dated October 13, 2023. Our report includes a reference to another auditor who audited the financial statements of Friends of West Virginia Public Broadcasting, Inc. (Friends), as described in our report on the Authority's combined financial statements. The financial statements of Friends were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit findings and responses as item 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to findings identified in our audit and described in the accompanying schedule of audit findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the combined financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Suttle & Stalnaker, PLLC

Charleston, West Virginia
October 13, 2023

2023-001 FINANCIAL REPORTING (PRIOR YEAR FINDING 2022-001, 2021-001, AND 2020-001)

Criteria: Management of the Authority is responsible for establishing an internal control structure that reduces to an acceptable level the risk of errors and fraud occurring and not being detected. The Authority is also responsible for having a financial management system in place to account for the receipt and expenditure of grant and other funds and to prepare accurate financial reports in a timely manner.

Condition: Several accounts in the general ledger required material adjustments to reconcile to supporting documentation.

Context: Total assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses of the Authority are $23.1 million, $818 thousand, $1.5 million, $1.5 million, $20.8 million, $10.8 million, and $10.7 million, respectively, for the year ended June 30, 2023. The impact of adjustments to assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses was $(195) thousand, $0, $(95) thousand, $0, $527 thousand, $205 thousand, and $320 thousand, respectively, for the year ended June 30, 2023. The overall impact of audit adjustments to the change in net position was $(115) thousand for the year ended June 30, 2023.

Cause: Delays in reconciling cash timely during the year combined with inaccuracies in recording year-end accruals and reconciling supporting schedules to the Authority's trial balances resulted in material adjustments to the combined financial statements for the year ended June 30, 2023.

Effect: The combined financial statements for fiscal year 2023 required material audit adjustments in order to be presented in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend that management review the daily accounting functions, staffing, and financial reporting processes to establish that adequate policies and procedures are in place to ensure accurate and timely financial reporting. Management should ensure that year-end accruals are recorded, account reconciliations are prepared and reviewed in a timely manner, and supporting schedules are maintained for all account balances.

Views of Responsible Officials: *We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.*

Corrective Action Plan

October 13, 2023

To Whom It May Concern:

West Virginia Educational Broadcasting Authority and Affiliates (the Authority) respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm: Suttle & Stalnaker, PLLC, 1411 Virginia Street, East, Suite 100, Charleston, West Virginia 25301

Audit Period: Year ended June 30, 2023

The finding from the October 13, 2023 schedule of audit findings and responses is discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS - FINANCIAL STATEMENT AUDIT

2023-001 - FINANCIAL REPORTING

Recommendation:

We recommend that management review the daily accounting functions, staffing, and financial reporting processes to establish that adequate policies and procedures are in place to ensure accurate and timely financial reporting. Management should ensure that year-end accruals are recorded, account reconciliations are prepared and reviewed in a timely manner, and supporting schedules are maintained for all account balances.

Action Taken:

We have hired another accountant to help with financial reporting. We have also put more procedures in place to identify errors and reconcile balances in a timely manner.

If there are any questions regarding this plan, please contract Tammy Treadway at 304-254-7842.

Sincerely,

Tammy Treadway

Tammy Treadway
West Virginia Educational Broadcasting Authority, CFO