



# **West Virginia Board of Risk and Insurance Management (an Enterprise Fund of the State of West Virginia)**

**Independent Auditor's Report, Financial Statements,  
Required Supplementary Information, and Other  
Supplementary Information**

Years Ended June 30, 2025 and 2024



**West Virginia Board of Risk and Insurance Management**  
**(an Enterprise Fund of the State of West Virginia)**  
**Contents**  
**June 30, 2025 and 2024**

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## **Independent Auditor's Report**

Board of Directors and Management  
West Virginia Board of Risk and Insurance Management  
Charleston, West Virginia

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

#### ***Opinion***

We have audited the accompanying financial statements of the West Virginia Board of Risk and Insurance Management (BRIM), an enterprise fund of the State of West Virginia, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRIM, an enterprise fund of the State of West Virginia, as of June 30, 2025 and 2024, and the revenues, expenses, and changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BRIM's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BRIM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BRIM'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***

GAAP requires that management's discussion and analysis on pages 4 to 9 and the required supplementary information on pages 64 to 71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise BRIM's basic financial statements. The accompanying schedules on pages 72 through 79 listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2025, on our consideration of BRIM'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 BRIM'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 BRIM's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Charleston, West Virginia  
September 30, 2025**

***Management's Discussion and Analysis***  
***(in thousands)***

**West Virginia Board of Risk and Insurance Management**  
**(an Enterprise Fund of the State of West Virginia)**  
**Management's Discussion and Analysis**  
**June 30, 2025 and 2024**  
**(in thousands)**

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## **Overview of the Financial Statements**

Management of the West Virginia Board of Risk and Insurance Management (BRIM) provides this Management's Discussion and Analysis for readers of BRIM's financial statements. This narrative overview of the financial activities of BRIM is for the years ended June 30, 2025, 2024, and 2023. BRIM provides property and casualty insurance to the State of West Virginia (State) agencies and Senate Bill 3 (SB3) entities, which include boards of education and governmental and nonprofit organizations. In addition, BRIM provides cyber insurance to State agencies and boards of education. BRIM also administers a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage caused by the collapse of underground coal mines.

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for governmental entities. The three basic financial statements presented are as follows:

- *Statement of Net Position* – This statement presents information reflecting BRIM's assets, liabilities, and net position and is categorized into current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or that are collectible or becoming due within 12 months of the statement's date.
- The statement of net position reports a separate financial statement element called *deferred outflows of resources*. This financial statement element represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until that time. The statement of net position reports a separate financial statement element called *deferred inflows of resources*. This financial statement element represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.
- *Statement of Revenues, Expenses, and Changes in Net Position* – This statement reflects the operating and nonoperating revenues and expenses for the operating year. Operating revenues primarily consist of premium income with major sources of operating expenses being claims loss and loss adjustment expense and general and administrative expenses. Nonoperating revenues primarily consist of investment income and funds transferred in/out as a result of various legislation.
- *Statement of Cash Flows* – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, noncapital financing, and investing activities. Cash collections and payments are reflected on this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

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**(in thousands)**

## Financial Highlights

The following tables summarize the statements of net position and revenues, expenses, and changes in net position as of and for the years ended June 30, 2025, 2024, and 2023:

|                                                                               | 2025              | 2024              | 2023              | Change 2025 – 2024 |               | Change 2024 – 2023 |                |
|-------------------------------------------------------------------------------|-------------------|-------------------|-------------------|--------------------|---------------|--------------------|----------------|
|                                                                               |                   |                   |                   | Amount             | Percent       | Amount             | Percent        |
| <b>ASSETS</b>                                                                 |                   |                   |                   |                    |               |                    |                |
| <b>Current Assets</b>                                                         |                   |                   |                   |                    |               |                    |                |
| Cash and cash equivalents                                                     | \$ 36,225         | \$ 34,591         | \$ 30,175         | \$ 1,634           | 4.7%          | \$ 4,416           | 14.6 %         |
| Advance deposits with carrier/trustee                                         | 294,032           | 257,498           | 235,648           | 36,534             | 14.2          | 21,850             | 9.3            |
| Receivables                                                                   | 4,554             | 4,265             | 4,792             | 289                | 6.8           | (527)              | (11.0)         |
| <b>Total Current Assets</b>                                                   | <b>334,811</b>    | <b>296,354</b>    | <b>270,615</b>    | <b>38,457</b>      | <b>13.0</b>   | <b>25,739</b>      | <b>9.5</b>     |
| Noncurrent investments                                                        | 75,840            | 90,829            | 183,857           | (14,989)           | (16.5)        | (93,028)           | (50.6)         |
| Net pension asset (liability)                                                 | 149               | 4                 | (148)             | 145                | 3625          | 152                | (102.7)        |
| Net other post-employment benefits asset (liability)                          | -                 | 26                | (20)              | (26)               | (100.0)       | 46                 | (230.0)        |
| <b>Total Assets</b>                                                           | <b>410,800</b>    | <b>387,213</b>    | <b>454,304</b>    | <b>23,587</b>      | <b>6.1</b>    | <b>(67,091)</b>    | <b>(14.8)</b>  |
| <b>LIABILITIES</b>                                                            |                   |                   |                   |                    |               |                    |                |
| <b>Current Liabilities</b>                                                    |                   |                   |                   |                    |               |                    |                |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>374</b>        | <b>253</b>        | <b>458</b>        | <b>121</b>         | <b>47.8</b>   | <b>(205)</b>       | <b>(44.8)</b>  |
| Estimated unpaid claims and claims adjustment expense                         | 87,487            | 91,641            | 189,423           | (4,154)            | (4.5)         | (97,782)           | (51.6)         |
| Unearned revenue                                                              | 18,135            | 16,885            | 16,638            | 1,250              | 7.4           | 247                | 1.5            |
| Agent commissions payable                                                     | 2,032             | 1,797             | 1,646             | 235                | 13.1          | 151                | 9.2            |
| Accrued expenses and other                                                    | 912               | 621               | 669               | 291                | 46.9          | (48)               | (7.2)          |
| <b>Total Current Liabilities</b>                                              | <b>108,566</b>    | <b>110,944</b>    | <b>208,376</b>    | <b>(2,378)</b>     | <b>(2.1)</b>  | <b>(97,432)</b>    | <b>(46.8)</b>  |
| <b>Noncurrent Liabilities</b>                                                 |                   |                   |                   |                    |               |                    |                |
| Estimated unpaid claims and claims adjustment expense, net of current portion | 200,545           | 200,425           | 177,257           | 120                | 0.1           | 23,168             | 13.1           |
| Compensated absences                                                          | 173               | 182               | 191               | (9)                | (4.9)         | (9)                | (4.7)          |
| <b>Total Noncurrent Liabilities</b>                                           | <b>200,718</b>    | <b>200,607</b>    | <b>177,448</b>    | <b>111</b>         | <b>0.1</b>    | <b>23,159</b>      | <b>13.1</b>    |
| <b>Total Liabilities</b>                                                      | <b>309,284</b>    | <b>311,551</b>    | <b>385,824</b>    | <b>(2,267)</b>     | <b>(0.7)</b>  | <b>(74,273)</b>    | <b>(19.3)</b>  |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>194</b>        | <b>64</b>         | <b>137</b>        | <b>130</b>         | <b>203.1</b>  | <b>(73)</b>        | <b>(53.3)</b>  |
| <b>Net position</b>                                                           |                   |                   |                   |                    |               |                    |                |
| Restricted                                                                    | 44,822            | 38,024            | 32,363            | 6,798              | 17.9          | (43,625)           | (57.4)         |
| Unrestricted                                                                  | 56,874            | 37,827            | 36,438            | 19,047             | 50.4          | (38,978)           | (51.7)         |
| <b>Net Position</b>                                                           | <b>\$ 101,696</b> | <b>\$ 75,851</b>  | <b>\$ 68,801</b>  | <b>\$ 25,845</b>   | <b>34.1%</b>  | <b>\$ (82,603)</b> | <b>(54.6)%</b> |
| <b>Operating Revenues</b>                                                     |                   |                   |                   |                    |               |                    |                |
| Premiums                                                                      | \$ 124,337        | \$ 115,334        | \$ 95,502         | \$ 9,003           | 7.8%          | \$ 19,832          | 20.8 %         |
| Less excess coverage                                                          | (16,053)          | (14,989)          | (8,969)           | (1,064)            | 7.1           | (6,020)            | 67.1           |
| <b>Net Operating Revenues</b>                                                 | <b>108,284</b>    | <b>100,345</b>    | <b>86,533</b>     | <b>7,939</b>       | <b>7.9</b>    | <b>13,812</b>      | <b>16.0</b>    |
| <b>Operating Expenses</b>                                                     |                   |                   |                   |                    |               |                    |                |
| Claims and claims adjustment expense                                          | 103,275           | 104,272           | 171,253           | (997)              | (1.0)         | (66,981)           | (39.1)         |
| General and administrative                                                    | 5,859             | 6,038             | 5,847             | (179)              | (3.0)         | 191                | 3.3            |
| <b>Total Operating Expenses</b>                                               | <b>109,134</b>    | <b>110,310</b>    | <b>177,100</b>    | <b>(1,176)</b>     | <b>(1.1)</b>  | <b>66,790</b>      | <b>(37.7)</b>  |
| <b>Operating (Loss) Income</b>                                                | <b>(850)</b>      | <b>(9,965)</b>    | <b>(90,567)</b>   | <b>9,115</b>       | <b>(91.5)</b> | <b>80,602</b>      | <b>(89.0)</b>  |
| <b>Nonoperating Revenues (expenses)</b>                                       |                   |                   |                   |                    |               |                    |                |
| Investment income (loss)                                                      | 26,695            | 16,996            | 7,986             | 9,699              | 57.1          | 9,010              | 112.80         |
| OPEB nonoperating income (loss)                                               | -                 | 19                | (22)              | (19)               | (100.0)       | 41                 | (186.4)        |
| <b>Total Nonoperating Revenues (expenses), net</b>                            | <b>26,695</b>     | <b>17,015</b>     | <b>7,964</b>      | <b>9,680</b>       | <b>56.9</b>   | <b>9,051</b>       | <b>113.6</b>   |
| <b>Increase (Decrease) in Net Position</b>                                    | <b>25,845</b>     | <b>7,050</b>      | <b>(82,603)</b>   | <b>18,795</b>      | <b>266.6</b>  | <b>89,653</b>      | <b>(108.5)</b> |
| <b>Total Net Position – Beginning</b>                                         | <b>75,851</b>     | <b>68,801</b>     | <b>151,404</b>    | <b>7,050</b>       | <b>10.2</b>   | <b>(82,603)</b>    | <b>(54.6)</b>  |
| <b>Total Net Position – End</b>                                               | <b>\$ 101,696</b> | <b>\$ 75,851</b>  | <b>\$ 68,801</b>  | <b>\$25,845</b>    | <b>34.1%</b>  | <b>\$ 7,050</b>    | <b>10.2 %</b>  |
| <b>Total Revenues</b>                                                         | <b>\$ 134,979</b> | <b>\$ 117,360</b> | <b>\$ 94,497</b>  | <b>\$17,619</b>    | <b>15.0%</b>  | <b>\$ 22,863</b>   | <b>24.2%</b>   |
| <b>Total Expenses</b>                                                         | <b>\$ 109,134</b> | <b>\$ 110,310</b> | <b>\$ 177,100</b> | <b>\$(1,176)</b>   | <b>(1.1%)</b> | <b>\$ (66,790)</b> | <b>(37.7)%</b> |

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- Total assets increased by \$23,567 in 2025 and decreased by \$67,091 in 2024. The increase in 2025 is the result of an increase in cash and cash equivalents, an increase in deposits made to the trustee, and a decrease in noncurrent investments. The decrease in noncurrent assets can be attributed to withdrawals during the year for claims payments. The decrease in 2024 is result of an increase in cash and cash equivalents and a decrease in noncurrent investments due to claims payments.
- Total liabilities decreased by \$2,267 in 2025 and decreased by \$74,273 in 2024. Accrued expenses, unearned revenue and agent commissions payable increased in the current year, but the main driver of the aggregate decrease in total liabilities is the decrease in the unpaid claims liability. The payment of a number of large claims related to several earlier years and the current year resulted in the decrease. Decrease in unpaid claims due to payout of large number of claims is the main driver for the decrease in 2024.
- The rise in total net position of \$25,845 in 2025 and \$7,050 in 2024 were due to several factors. In both 2025 and 2024, premium revenue and investment income increased and there was a decrease in claims and claims adjustment expense when compared to the prior year. In 2025, the investment gain of \$26,695 was driven by increasing interest rates and improved returns in the equities market. Premium revenue increased in fiscal year 2025 primarily due to adjustments in the premium rating methodology and economic factors. Specifically, the calculation of actuarial losses transitioned from a present value basis to a nominal value basis, resulting in higher premium rates. Additionally, changes in exposure levels and inflationary pressures contributed to the overall increase. The combination of these changes resulted in the increase of net position of \$25,845 for 2025. The increase in net position in 2024 was primarily due to the large decrease in claims and claims adjustment expense driven by decreasing reserves for claims. Also included within the net position category are restricted positions of \$44,822 in 2025, \$38,024 in 2024, and \$32,363 in 2023. This is comprised of funds that provide mine subsidence coverage to the general public per West Virginia Code.
- Total net operating revenues increased by \$7,939 in 2025 and increased by \$13,812 in 2024. The increase in projected claims losses in recent years has required BRIM to implement small increases in premium rates to policyholders.
- Claims and claims adjustment expense decreased by \$997 for 2025 and \$66,981. Aggregate claims expense decrease in both years is due to more favorable claims development of several prior years and the current year. Net claims and claims adjustment expense increased by \$97,863 in 2023. 2023 continued the trend of high claims expense driven by increasing reserves.
- Net nonoperating revenues increased by \$9,680 in 2025 from the nonoperating income in 2024 of \$17,015. Year 2024 saw an increase of \$9,051 from the income in 2023 of \$7,986. The increase for 2025 and 2024 was the result of increased investment income driven by investment performance.
- Total revenues and total expenses from 2025 to 2024 and from 2024 to 2023 have fluctuated due to increases in premium rates, the changes in the retained loss estimates and the variations in annual investment market returns. See the analysis of these individual components, as previously discussed, for additional information.

### **Overall Analysis**

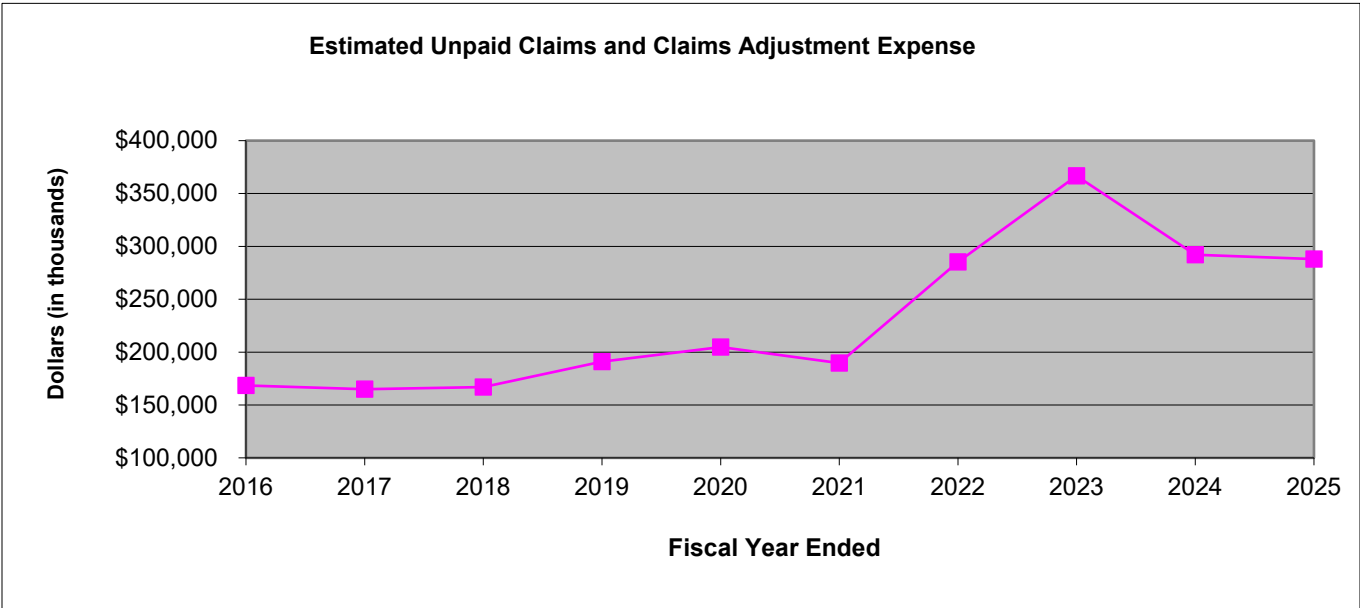
The overall net position of BRIM rose 34.1% from the prior year compared with an increase of 10.2% from 2023 to 2024. The effect of the increases in premium revenue, decreases in claims and claims adjustment expense and enhanced investment returns resulted in an overall increase in net position for both 2025 and 2024. Total net position at June 30, 2025 was \$101,696.

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*Unpaid Claims Liability*

BRIM’s most significant number on its statements of net position is the liability for estimated unpaid claims and claims adjustment expense. This liability consists of two parts: claims of which BRIM is aware that have been reserved and incurred but not reported (IBNR) claims, which are projected by an independent actuary. For 2025, year over year actual reserves decreased by \$9,846 while the projected IBNR total increased by \$5,812. Payments in the current year for claims from prior years’ reserves offset other reserve increases resulting in the combined decrease in 2025 of \$4,304. This decrease is caused by a decrease in retained case reserves due to the payment of claims and a small increase in IBNR for abuse claims. From fiscal year 2024 to 2025, the liability for unpaid claims decreased from \$292,066 to \$288,032, respectively. The chart below shows the estimated unpaid claims and claims adjustment expense liability for fiscal years 2016 through 2025.

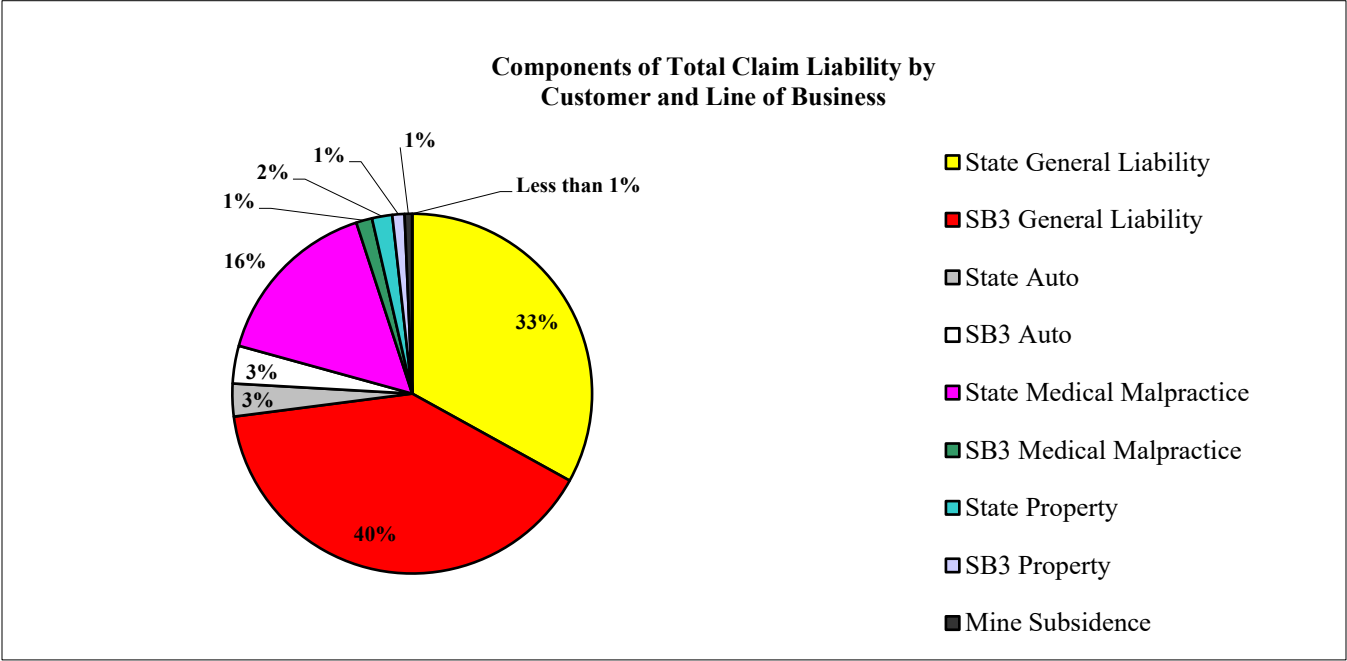


*Results by Line of Business for BRIM*

BRIM’s lines of business are comprised of the State (State agencies), SB3 (for nonprofits, boards of education, and other governmental units) and mine subsidence (for home and business owners).

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The following chart shows the breakdown by customer and line of business of the total estimated claim liability number, which is \$288,032. As demonstrated in the chart, the largest claim volume for BRIM relates to general liability for the State agencies and SB3 programs and the State agencies' medical malpractice coverage.



There is no long-term debt activity.

**Economic Factors and Next Year's Rates**

*Management's Plan to Maintain Net Position by Line of Business*

Prior to FY22, BRIM has had no deficiency in net position for the programs it has overseen for several years. During FY25 and FY24, due to adverse claims development, the net position of the SB3 program became a retained deficit of \$73,469 and \$81,565, respectively. Previously, however, a deficiency arose, primarily due to adverse claim development in the general liability and medical malpractice lines of business for the State and SB3. BRIM is taking steps to address the SB3 deficiency by increasing premium rates, conducting a comprehensive review of insured's exposure risks, and performing targeted loss control visits. The review of exposure risks and loss control visits are expected to enhance risk understanding and mitigation, ultimately helping to reduce the severity of future claims. The following paragraphs describe the essential plans that BRIM continues to follow to ensure that all lines of business remain fiscally solvent and that the individual programs are financially sound.

*Risk Management*

BRIM continues pursuing an aggressive risk management plan to identify and address the risks underlying the adverse losses. Processes are in place to allow for better organization and for proper documentation of activities. BRIM has been working on ways to increase and improve communications, both within the agency and with its customers, and has been promoting interaction within the agency with regard to loss control utilization. In conjunction with the underwriting department, a system of credits and surcharges is in place, based on loss control efforts and cooperation, or lack thereof, on the part of BRIM's insurers.

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*Investment Returns*

Investment income improved this fiscal year despite rising interest rates and a volatile equities market. In both 2025 and 2024, market conditions were more favorable for both stocks and fixed income investments. All BRIM funds held by the West Virginia Investment Management Board (WVIMB) inure to the benefit of program participants. BRIM reinvests the investment earnings on funds held by the WVIMB and occasionally withdraws monies from these funds, as needed, for operating and short-term cash requirements. BRIM had multiple withdrawals from the WVIMB in 2025 and 2024.

*Premium Determination Process*

BRIM has properly maintained premiums across all lines of business for the past several years based on relevant exposure data, claims loss history, and investment returns. Charging proper premiums, consistent with the commercial industry, has enabled BRIM to adequately cover losses. Adverse claims development for several prior years resulted in a significant addition to prior years' reserves in 2023 and 2022, increasing retained reserves and negatively impacting operating results. The reserves decreased moderately in 2025 and 2024 due to claims activity during the year.

In addition, BRIM adopted a net assets reserve policy in 2014. The policy calculates a ratio of premiums to net position for comparison to a selected group of organizations with similar insurance operations. A range was established to assist BRIM's board in assessing BRIM's overall financial condition.

**Economic Conditions and Other Matters**

Inflation prompted the Federal Reserve (Fed) to increase interest rates several times during FY24 and FY23. The Fed began to decrease rates in late FY24 and FY25. Changes in interest rates and the volatility of the equities markets impacted BRIM's investment returns in FY25 and could impact operations in the future as well.

**Requests for Information**

This financial report is designed to provide BRIM's customers, governing officials, legislators, citizens, and taxpayers with a general overview of BRIM's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Office of the Chief Financial Officer at (304) 766-2646.

***Basic Financial Statements***  
***(in thousands)***

**West Virginia Board of Risk and Insurance Management**  
**Statements of Net Position**  
**June 30, 2025 and 2024**  
(in thousands)

|                                                                               | <b>2025</b>       | <b>2024</b>      |
|-------------------------------------------------------------------------------|-------------------|------------------|
| <b>ASSETS</b>                                                                 |                   |                  |
| <b>Current Assets</b>                                                         |                   |                  |
| Cash and cash equivalents                                                     | \$ 23,895         | \$ 26,028        |
| Advance deposits with insurance company and trustee                           | 294,032           | 257,498          |
| Receivables                                                                   | 3,338             | 2,726            |
| Restricted cash and cash equivalents                                          | 12,330            | 8,563            |
| Restricted receivables                                                        |                   |                  |
| Premiums due from other entities                                              | 1,216             | 1,539            |
| <b>Total Current Assets</b>                                                   | <b>334,811</b>    | <b>296,354</b>   |
| <b>Noncurrent Assets</b>                                                      |                   |                  |
| Equity position in investment pools                                           | 39,905            | 58,236           |
| Restricted investments                                                        | 35,935            | 32,593           |
| Net pension asset                                                             | 149               | 4                |
| Net Post-employment benefits asset                                            | -                 | 26               |
| <b>Total Noncurrent Assets</b>                                                | <b>75,989</b>     | <b>90,859</b>    |
| <b>Total Assets</b>                                                           | <b>410,800</b>    | <b>387,213</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                         |                   |                  |
| Pension                                                                       | 358               | 243              |
| Other Post-employment Benefits                                                | 16                | 10               |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>374</b>        | <b>253</b>       |
| <b>LIABILITIES</b>                                                            |                   |                  |
| <b>Current Liabilities</b>                                                    |                   |                  |
| Estimated unpaid claims and claims adjustment expense                         | 87,487            | 91,641           |
| Unearned premiums                                                             | 18,135            | 16,885           |
| Agent commissions payable                                                     | 2,032             | 1,797            |
| Accrued expenses and other liabilities                                        | 912               | 621              |
| <b>Total Current Liabilities</b>                                              | <b>108,566</b>    | <b>110,944</b>   |
| Estimated Unpaid Claims and Claims Adjustment Expense, Net of Current Portion | 200,545           | 200,425          |
| Compensated Absences                                                          | 173               | 182              |
| <b>Total Noncurrent Liabilities</b>                                           | <b>200,718</b>    | <b>200,607</b>   |
| <b>Total Liabilities</b>                                                      | <b>309,284</b>    | <b>311,551</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                   |                  |
| Pension                                                                       | \$ 187            |                  |
| Other Post-employment Benefits                                                | 7                 | 64               |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>194</b>        | <b>64</b>        |
| <b>NET POSITION</b>                                                           |                   |                  |
| Restricted by State Code for Mine Subsidence Coverage                         | 44,822            | 38,024           |
| Unrestricted                                                                  | 56,874            | 37,827           |
| <b>Net Position</b>                                                           | <b>\$ 101,696</b> | <b>\$ 75,851</b> |

**West Virginia Board of Risk and Insurance Management**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2025 and 2024**  
**(in thousands)**

|                                              | <b>2025</b>       | <b>2024</b>      |
|----------------------------------------------|-------------------|------------------|
| <b>Operating Revenues</b>                    |                   |                  |
| Premiums                                     | \$ 124,337        | \$ 115,334       |
| Less excess coverage/reinsurance premiums    | (16,053)          | (14,989)         |
| <b>Net Operating Revenues</b>                | <b>108,284</b>    | <b>100,345</b>   |
| <b>Operating Expenses</b>                    |                   |                  |
| Claims and claims adjustment expense         | 103,275           | 104,272          |
| General and administrative                   | 5,859             | 6,038            |
| <b>Total Operating Expenses</b>              | <b>109,134</b>    | <b>110,310</b>   |
| <b>Operating Loss</b>                        | <b>(850)</b>      | <b>(9,965)</b>   |
| <b>Nonoperating Revenues</b>                 |                   |                  |
| Investment income                            | 26,695            | 16,996           |
| OPEB nonoperating income                     | -                 | 19               |
| <b>Net Nonoperating Revenues</b>             | <b>26,695</b>     | <b>17,015</b>    |
| <b>Change in Net Position</b>                | <b>25,845</b>     | <b>7,050</b>     |
| <b>Total Net Position, Beginning of Year</b> | <b>75,851</b>     | <b>68,801</b>    |
| <b>Total Net Position, End of Year</b>       | <b>\$ 101,696</b> | <b>\$ 75,851</b> |

**West Virginia Board of Risk and Insurance Management**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**  
**(in thousands)**

|                                                                        | <b>2025</b>             | <b>2024</b>             |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Operating Activities</b>                                            |                         |                         |
| Receipts from customers                                                | \$ 109,245              | \$ 101,119              |
| Payments to employees                                                  | (2,011)                 | (2,211)                 |
| Payments to suppliers                                                  | (3,201)                 | (3,780)                 |
| Payments to claimants                                                  | (107,309)               | (178,886)               |
| Deposits to advance deposit with insurance company<br>and trustee      | (145,505)               | (189,830)               |
| Withdrawals from advance deposit with insurance company<br>and trustee | 125,075                 | 176,876                 |
| <b>Net Cash Used in Operating Activities</b>                           | <u>(23,706)</u>         | <u>(96,712)</u>         |
| <b>Investing Activities</b>                                            |                         |                         |
| Purchase of investments                                                | (26,781)                | (104,407)               |
| Sale of investments                                                    | 49,732                  | 203,974                 |
| Net investment earnings                                                | 2,389                   | 1,561                   |
| <b>Net Cash Provided by Investing Activities</b>                       | <u>25,340</u>           | <u>101,128</u>          |
| <b>Net Increase in Cash and Cash Equivalents</b>                       | 1,634                   | 4,416                   |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                    | <u>34,591</u>           | <u>30,175</u>           |
| <b>Cash and Cash Equivalents, End of Year</b>                          | <u><u>\$ 36,225</u></u> | <u><u>\$ 34,591</u></u> |
| <b>Cash and Cash Equivalents Consist of</b>                            |                         |                         |
| Cash and cash equivalents                                              | \$ 23,895               | \$ 26,028               |
| Restricted cash and cash equivalents                                   | <u>12,330</u>           | <u>8,563</u>            |
|                                                                        | <u><u>\$ 36,225</u></u> | <u><u>\$ 34,591</u></u> |

**West Virginia Board of Risk and Insurance Management**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**  
(in thousands)

**(Continued)**

|                                                                                 | <u>2025</u>        | <u>2024</u>        |
|---------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Reconciliation of Operating Loss to Net Cash</b>                             |                    |                    |
| <b>Used in Operating Activities</b>                                             |                    |                    |
| Operating loss                                                                  | \$ (850)           | \$ (9,965)         |
| <b>Adjustments to Reconcile Operating Loss to Net Cash</b>                      |                    |                    |
| <b>Used in Operating Activities</b>                                             |                    |                    |
| Pension and OPEB expense                                                        | 49                 | 102                |
| Change in advanced deposits, net                                                | (20,190)           | (12,954)           |
| (Increase) decrease in premiums receivable, net                                 | (289)              | 527                |
| Decrease in estimated liability for unpaid claims and claims adjustment expense | (4,034)            | (74,614)           |
| Increase in other liabilities                                                   | 517                | 94                 |
| Increase in unearned premiums                                                   | 1,250              | 247                |
| Deferred outflows of resources - pension and OPEB contributions                 | (159)              | (149)              |
| <b>Total Adjustments</b>                                                        | <u>(22,856)</u>    | <u>(86,747)</u>    |
| <b>Net Cash Used in Operating Activities</b>                                    | <u>\$ (23,706)</u> | <u>\$ (96,712)</u> |
| <b>Noncash Activities</b>                                                       |                    |                    |
| Increase in fair value of investments                                           | <u>\$ 24,306</u>   | <u>\$ 15,435</u>   |

***Notes to Financial Statements***  
***(in thousands)***

**West Virginia Board of Risk and Insurance Management**  
**(an Enterprise Fund of the State of West Virginia)**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
**(in thousands)**

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**Note 1. General (Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)**

The West Virginia Board of Risk and Insurance Management (BRIM) was established in 1957 to provide for the development of the State of West Virginia's (State and primary government) property and liability self-insurance program. Approximately 160 State agencies participate in the program. Beginning in 1980, county boards of education were authorized to participate in the liability portion of this program, with 55 county boards currently participating in the program. In fiscal year 1987, Senate Bill 3 (SB3) was enacted, allowing local governmental entities and nonprofit organizations to participate in the entire program. There are approximately 970 such entities participating in the program. In 1982, legislation was also enacted requiring BRIM to establish and administer a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage up to a specific maximum caused by the collapse of underground coal mines.

BRIM operates under the authority granted by the Legislature in Chapter 29, Article 12, and Chapter 33, Article 30 of the West Virginia Code and the provisions of Executive Order 12-86. BRIM is an agency of the State operating within the Department of Administration and is governed by a five-person board of directors appointed by the Governor. Accordingly, BRIM is reported as an enterprise fund of the State, operating as a single business segment and is included in the State's Annual Comprehensive Financial Report.

BRIM uses a "modified" paid retrospective rating plan for its liability insurance program. Under the current plan, BRIM annually pays a "premium" deposit into a trust fund in the amount of the estimated losses for the current policy year. As claims are reported, they are paid from the trust funds established by the "premium" deposit. When paid losses exceed the amount of the "premium" deposit, including earnings, BRIM pays into the trust account an additional "premium" deposit estimated to be sufficient to fund any estimated remaining claims and claims adjustment expenses expected to be paid during the ensuing 12-month period. These payments are calculated through retrospective rating adjustments made subsequent to the current policy year. Therefore, the "premiums" paid by BRIM are advance deposits and BRIM is not indemnified by the insurance company for any losses. Under this plan, the insurance company is compensated for its claim-handling services by a fixed fee negotiated on a yearly basis.

From January 1, 1971 through June 30, 1976, the liability coverage provided by BRIM was limited to \$25 thousand per occurrence on general liability, automobile liability, and medical malpractice claims. From July 1, 1976 through June 30, 1980, the liability coverage provided by BRIM was limited to \$100 thousand per occurrence. From July 1, 1982 through June 30, 1985, the liability coverage provided by BRIM was limited to \$6 million per occurrence. Since July 1, 1985, the liability coverage provided by BRIM is limited to a \$1 million indemnity per occurrence. Effective July 1, 2020 SB508 required BRIM to provide insurance coverage of \$1.25 million to county boards of education. In addition, the county boards of education are provided excess coverage up to \$5 million in excess of the underlying \$1.25 million limit. These limits only apply to incur indemnity claim losses. BRIM pays all allocated loss adjustment expenses, which are the costs incurred in the reporting, investigation, adjustment, defense, and settlement of claims that are attributable to a specific, individual claim.

**West Virginia Board of Risk and Insurance Management**  
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Prior to July 1, 1990, BRIM retained the first \$25 thousand of loss per event on property insurance claims. Losses in excess of \$25 thousand per event were also retained within an annual aggregate limit. From July 1, 1990 through June 30, 1991, the exposure retained by BRIM was \$1 million per event. From July 1, 1991 through June 30, 1996, the exposure retained by BRIM was \$2 million per event. Since July 1, 1996, the exposure retained by BRIM is \$1 million per event. BRIM has obtained excess coverage, through insurance companies, covering losses in excess of \$1 million, up to \$400 million per occurrence, subject to various sublimits for particular types of claims as specified in the policy. With the passage of House Bill 532 in March 2015, BRIM is required to retain the first \$1.5 million of medical malpractice liability for the state's medical schools and their related practice plans beginning July 1, 2015. The retained limit of \$1.5 million is indexed for inflation each year. On July 1, 2025, 2024, and 2023, the retained limit increased slightly.

In 1985, the coal mine subsidence program was legislatively expanded to include all types of building structures, and the maximum amount of insurance available was increased from \$50 thousand to \$75 thousand per structure. Additional legislation passed in March 2016 further expanded the amount of insurance available beginning October 1, 2016, from \$75,000 up to \$200,000 per structure. In March 2021, the West Virginia Legislature passed HB204 that transferred \$13.5 million from the Mine Subsidence Fund to the State General Revenue Fund to be available for appropriation during the fiscal year ending June 30, 2021. In February 2023, the West Virginia Legislature passed HB3542 that transferred \$50 million from the mine subsidence fund to the BRIM unrestricted fund to be available for operational expenditure during the fiscal year ending June 30, 2023. This transfer resulted in a corresponding decrease in restricted net position and increase in unrestricted net position during the year ended June 30, 2023.

In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

The funding of the property and liability insurance premiums for the State agencies comes from direct premium assessments on those agencies. SB3 entities are charged a premium to participate in the program. Under the mine subsidence line of business, the ceding insurers pay BRIM a reinsurance premium.

Pursuant to the West Virginia Code, BRIM submits a detailed budgetary schedule of administrative expenses to the secretary of the Department of Administration prior to the beginning of each fiscal year. The fundamental purpose of budgetary control is to plan for the expected level of operations and to provide management with a tool to control deviation from such plan. The budgetary schedule is prepared on a modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Expenditures related to the general revenue appropriation amount, if any, are monitored by the State's budgetary review process in total on an unclassified basis. Each year's appropriation lapses at year-end. The remaining operations of BRIM are subject to a nonappropriated budgetary review process.

BRIM administers the Patient Injury Compensation Fund, which is a fiduciary fund of the State of West Virginia and is not part of these financial statements.

GAAP defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the State's financial statements would cause them to be misleading. BRIM has considered whether it has any component units as defined by GAAP and has determined that no such organizations meet the criteria set forth above.

## **Note 2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. In its accounting and financial reporting, BRIM follows the pronouncements of the Governmental Accounting Standards Board.

BRIM distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with BRIM's principal ongoing operations. The principal operating revenues and expenses of BRIM relate to premium revenues and claims and administrative expenses. Premium contributions received covering future contract periods are deferred and recognized over the related contract period. Net investment earnings and finance charges are reported as nonoperating revenues.

The financial statements of BRIM are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities of the State of West Virginia that is attributable to the transactions of BRIM. They do not purport to, and do not, present fairly the financial position of the State of West Virginia as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in conformity with GAAP.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

### ***Cash and Cash Equivalents***

Cash equivalents are short-term investments with original maturities of 90 days or less. Cash and cash equivalents principally consist of interest-earning deposits in an investment pool maintained by the West Virginia Board of Treasury Investments (BTI). Such funds are available to BRIM with overnight notice.

Restricted cash and cash equivalents are cash and cash equivalents that are to be used for specific lines of business (*i.e.*, mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

### ***Advance Deposits with Insurance Company and Trustee***

Advance deposits with the insurance company consist of monies on deposit that are utilized to fund claims and claims adjustment expenses as they are paid by the insurance company.

BRIM deposits monies with the Bank of New York Mellon (BNY), as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed-income securities that are identified as "qualified assets" in the escrow agreement. The funds held in escrow, together with their earnings, will be used to fund the payment of the claims and claims adjustment expenses related to these liability claims. As an escrow agent, BNY periodically transfers monies from the escrow account to the insurance company administering these claims in order to reimburse the insurance company for payments that it has issued on these claims and claims adjustment expenses on BRIM's behalf.

**West Virginia Board of Risk and Insurance Management**  
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**(in thousands)**

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***Investments***

BRIM invests in certain WVIMB investment pools. Some of these pools invest in longer-term securities and are subject to market fluctuation because of changes in interest rates. Investments are reported by WVIMB at fair value and are accounted for by BRIM accordingly, with changes in the fair value included in investment income. Income from these investments is prorated to BRIM at rates specified by WVIMB based on the balance of BRIM's deposits maintained in relation to the total deposits of all State agencies participating in the pool.

Restricted investments are investments that are to be used for specific lines of business (*i.e.*, mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

***Fair Value Measurements***

GASB Statement No. 72 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (*i.e.*, the exit price).

GASB Statement No. 72 establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are:

- Level 1** Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.
- Level 2** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.
- Level 3** Unobservable pricing inputs for assets and liabilities.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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

Fair value of the securities BRIM holds with the WVIMB are determined as follows:

- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Future contracts are valued at the last settlement price established each day by the exchange on which they traded.

**West Virginia Board of Risk and Insurance Management**  
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- Fixed income securities are valued according to prices furnished by independent pricing services to the securities custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities and other models and formulae appropriated to the specific security type.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the WVIMB's established procedures.

***Compensated Absences***

Employees fully vest in all earned but unused annual leave, and BRIM accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. In accordance with State personnel policies, employees vest in any remaining unused sick leave only upon retirement, at which time any unused compensated absence time can be converted into employer-paid premiums for postemployment health care coverage through BRIM or be converted into a greater retirement benefit under the State of West Virginia Public Employees Retirement System (PERS).

***Unpaid Claims and Claims Adjustment Expense***

Utilizing an external actuary, management establishes the unpaid claims and claims adjustment expense liability based on estimates of the ultimate cost of claims, including future claims adjustment expenses, that have been reported but not settled and of claims that have been incurred but not reported (IBNR). Such estimates are based on industry statistical loss reserve information as well as BRIM historical data, including case-basis estimates of losses reported, actuarial projections of loss development of IBNR claims and estimates of expenses for investigation and adjustment of all incurred and unadjusted losses (and estimates of expected salvage and subrogation receipts are deducted from the estimated liability). The length of time for which such costs must be estimated varies depending on the coverage involved. In the event a reinsurer is unable financially to satisfy an obligation, BRIM is responsible for such liability.

Management believes the estimate for unpaid claims and claims adjustment expense is a reasonable best estimate of BRIM's ultimate losses and loss adjustment expenses to be incurred to discharge BRIM's obligations. However, because actual claims costs depend on such complex factors as actual outcomes versus industry statistical information utilized in the estimation process, inflation, changes in doctrines of legal liability and damage awards, the process used in computing estimates of claims liability does not necessarily result in an exact amount, particularly for coverages such as general liability and medical malpractice. For instance, medical malpractice claims have a long payout period and claims may not be known for several years. Accordingly, BRIM's actual incurred losses and loss adjustment expenses may vary significantly from the estimated amounts reflected in BRIM's financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors; such adjustments are included in current operations. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. The claims and claims adjustment expense category on the statements of revenues, expenses, and changes in net position includes estimated incurred claim costs, allocated loss adjustment expenses and unallocated claims adjustment expenses.

**West Virginia Board of Risk and Insurance Management**  
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**(in thousands)**

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Premium deficiency is defined as the amount by which expected claims costs (including IBNR claims) and all expected claims adjustment expenses exceed related unearned premiums. BRIM has estimated that a premium deficiency does not exist; however, the ultimate amount of incurred losses and loss adjustment expenses may vary significantly from the estimated amounts used in management's determination. In making this determination, management has taken into consideration anticipated investment income using an assumed 4% discount rate.

***Deferred Outflows of Resources***

A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. Balances of deferred outflows of resources may be presented in the statements of net position as aggregations of different types of deferred amounts. Deferred outflows of resources related to pension in the statements of net position were composed of \$150 and \$149 for the years ending June 30, 2025 and 2024, respectively, related to employer contributions to the PERS made during the current fiscal year subsequent to the measurement date. Deferred outflows of resources related to pension also consist of other amounts related to differences between projected and actual earnings on pension plan investments, differences between expected and actual experience related to pension, and changes in proportion and differences between BRIM's contributions and proportionate share of contributions. Deferred outflows of resources related to other post-employment benefits in the statements of net position were composed of \$9 and \$0 for the years ending June 30, 2025 and 2024, respectively, related to employer contributions to RHBT made during the current fiscal year subsequent to the measurement date.

***Deferred Inflows of Resources***

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. Balances of deferred inflows of resources may be presented in the statements of plan net position as aggregations of different types of deferred amounts. Deferred inflows of resources related to pension in the statements of plan net position are composed of amounts related to differences between projected and actual earnings on pension investments, changes in proportion and differences between BRIM's contributions and proportionate share of contributions, differences in assumptions and differences between projected and actual earnings on pension plan investments related to pension. Deferred inflows of resources related to other-post employment benefits relate to differences between expected and actual experience, net differences between expected and actual earnings on OPEB plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions.

***Receivables and Premium Income***

Receivables represent the amount outstanding for premiums from the insured covered under BRIM's insurance program. Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the amount has been past due. As of June 30, 2025 and 2024, management deemed allowance for doubtful accounts unnecessary.

***Unearned Premiums***

Unearned premiums included premium revenues collected for future periods. These revenues will be recognized in the operating periods in which they are earned.

***Restricted Net Position***

Restricted net position is net position that is to be used for mine subsidence coverage provided to the general public based on restrictions provided in the State Code. When an expense is incurred for which both restricted and unrestricted net positions are available, BRIM first utilizes restricted net position for such purposes.

**West Virginia Board of Risk and Insurance Management**  
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***Reclassifications***

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications were made to improve clarity and consistency in reporting. The reclassifications had no effect on the previously reported net position or changes in net position.

***Adoption of New Pronouncement and Future Pronouncements***

During fiscal year 2025, BRIM adopted GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The impact of adopting this Statement was immaterial.

In the fiscal year ended June 30, 2025, BRIM also adopted GASB Statement No. 102, *Risk Disclosures* (GASB 102). The adoption of GASB 102 required enhanced disclosures regarding certain risks that could significantly affect the amounts reported in the financial statements. The required disclosures have been appropriately included in the footnotes to these financial statements (see Note 10). The impact of adopting this Statement was immaterial.

The Governmental Accounting Standards Board has issued statement No. 103, *Financial Reporting Model Improvements* (GASB 103). GASB 103 will improve the financial reporting model by standardizing the presentation for various matters within governmental financial statements. The purpose is to eliminate diversity in practice and improve comparability. Impacted areas include management's discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and non-operating revenues and expenses in enterprise funds, presentation of major component units, presentation of budgetary comparison information, and financial trends information within the statistical section of separately issued financial reports. This statement will be effective for BRIM for fiscal year ending June 30, 2026. Management is currently evaluating the impact of GASB 103 on the BRIM's financial reporting. While the full effects are still being assessed, the implementation of this standard is expected to bring meaningful changes to how financial information is presented.

***Subsequent Events***

In preparing these financial statements, BRIM has evaluated events and transactions for potential recognition or disclosure through September 30, 2025, the date the financial statements were available for issuance.

**Note 3. Deposit and Investment Risk Disclosures**

BRIM is mandated by statute to have its cash and investments managed by the WVIMB and BTI. However, BRIM currently does not have specific policies addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

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**Cash Equivalents**

**WEST VIRGINIA MONEY MARKET POOL**

BRIM participates in BTI's West Virginia Money Market Pool, which has been deemed to meet the GASB 79 criteria to be reported at amortized cost. The criteria specify that the pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity and shadow pricing. The BTI does not place limitations on or restrictions on participant withdrawals from the pool, such as redemption notice periods, maximum transaction amounts, and any authority to impose liquidity fees or redemption gates. Accordingly, as a pool participant, BRIM measures its investment in this pool at amortized cost that approximates fair value of \$35,338 and \$31,946 at June 30, 2025 and June 30, 2024, respectively. These deposits are reported as cash and cash equivalents. Investment income earned is pro-rated to BRIM at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to BRIM with overnight notice. BTI's audited financial statements, including the West Virginia Money Market Pool, are available on their website [www.wvbt.com](http://www.wvbt.com).

**Credit Risk and Interest Rate Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The WV Money Market Pool has been rated AAAm by Standard & Poor's. A fund rated AAAm has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAm is the highest principal stability fund rating assigned by Standard & Poor's.

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

The following table provides information on the weighted-average credit ratings of the West Virginia Money Market Pool's investments:

| Security Type                                    | Credit Rating |      | 2025                |                | 2024                |                |
|--------------------------------------------------|---------------|------|---------------------|----------------|---------------------|----------------|
|                                                  | Moody's       | S&P  | Carrying Value      | Percent        | Carrying Value      | Percent        |
| Corporate Bonds and Notes                        |               | A-1  | \$ 35,000           | 0.40%          | \$ -                | 0.00%          |
| Commercial paper                                 | P-1           | A-1+ | 3,314,070           | 38.42          | 3,626,718           | 37.76          |
|                                                  | P-1           | A-1  | 2,751,539           | 31.90          | 3,636,575           | 37.85          |
| Negotiable CDs                                   | P-1           | A-1+ | 841,000             | 9.75           | 844,998             | 8.80           |
|                                                  | P-1           | A-1  | 696,010             | 8.07           | 709,000             | 7.38           |
| Money market funds                               | NR            | AAAm | 3,691               | 0.04           | 2,820               | 0.03           |
| Repurchase agreements<br>(underlying securities) |               |      |                     |                |                     |                |
| U.S. Treasury bills and notes*                   | Aaa           | AA+  | 846,600             | 9.81           | 134,000             | 1.40           |
| U.S. Agency bonds and notes                      | Aaa           | AA+  | 138,500             | 1.61           | 651,000             | 6.78           |
|                                                  |               |      | <u>\$ 8,626,410</u> | <u>100.00%</u> | <u>\$ 9,605,111</u> | <u>100.00%</u> |

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

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

As of June 30, 2025 and 2024, the overall weighted-average maturity (WAM) of the investments of the West Virginia Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides the WAM for the various asset types in the West Virginia Money Market Pool:

| <b>Investment Type</b>             | <b>2025</b>         |                 | <b>2024</b>         |                 |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                    | <b>Fair Value</b>   | <b>WAM Days</b> | <b>Fair Value</b>   | <b>WAM Days</b> |
| Corporate bonds and notes          | \$ 35,000           | 1               | \$ -                | -               |
| Commercial Paper                   | 6,065,609           | 46              | 7,263,293           | 36              |
| Negotiable certificates of deposit | 1,537,010           | 49              | 1,553,998           | 50              |
| Repurchase agreements              | 985,100             | 1               | 785,000             | 3               |
| Money market funds                 | 3,691               | 1               | 2,820               | 3               |
|                                    | <u>\$ 8,626,410</u> | <u>41</u>       | <u>\$ 9,605,111</u> | <u>36</u>       |

BRIM's amount invested in the West Virginia Money Market Pool of \$35,338 at June 30, 2025 and \$31,946 at June 30, 2024 is included in cash and cash equivalents representing approximately 1% of total investments in this pool.

### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the WV Money Market Pool's investment in a single corporate issuer. West Virginia statutes prohibit the West Virginia Money Market Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2025 and 2024, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

### ***Custodial Credit Risk***

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

### ***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The WV Money Market's Pool does not hold securities subject to foreign currency risk.

### ***Investments***

#### **WEST VIRGINIA INVESTMENT MANAGEMENT BOARD INVESTMENT POOLS**

BRIM invests, along with other agencies, in the following WVIMB investment pools: Large Cap Domestic Equity Pool, Non-Large Cap Domestic Equity Pool, International Equity Pool, International Nonqualified Equity Pool, Short-Term Fixed Income Pool, Total Return Fixed Income Pool, Core Fixed Income Pool, Hedge Fund, Private Markets Pool, and the Treasury Inflation Protection Securities (TIPS).

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**Investment Objectives**

This fund's investment objective is to provide adequate liquidity to meet cash flow requirements and allow for growth of assets in an amount at least equal to inflation.

**Asset Allocation**

Based upon the WVIMB's determination of the appropriate risk tolerance for the fund, the WVIMB has adopted the following broad asset allocation guidelines for the assets managed for the Board of Risk and Insurance Management Fund. (Policy targets have been established on a fair value basis.)

| <b>Asset Class</b>        | <b>Base Allocation</b> |             | <b>Strategic Allocation</b> |             |
|---------------------------|------------------------|-------------|-----------------------------|-------------|
|                           | <b>2025</b>            | <b>2024</b> | <b>2025</b>                 | <b>2024</b> |
| Equity                    | 60%                    | 30%         | 45%                         | 25%         |
| Fixed Income              | 40%                    | 70%         | 15%                         | 35%         |
| TIPS                      | 0%                     | 0%          | 0%                          | 10%         |
| Private Markets           |                        |             |                             |             |
| Private Credit and Income | 0%                     | 0%          | 6%                          | 2%          |
| Private Equity            | 0%                     | 0%          | 12%                         | 4%          |
| Real Estate               | 0%                     | 0%          | 12%                         | 4%          |
| Hedge Funds               | 0%                     | 0%          | 10%                         | 15%         |
| Cash*                     | 0%                     | 0%          | 0%                          | 5%          |
| Combined total            | <u>100%</u>            | <u>100%</u> | <u>100%</u>                 | <u>100%</u> |

\*WVIMB Staff has authority to change the cash target up to 5 % during a fiscal year, in consultation with the appropriate representative(s) from BRIM.

**Asset Value**

Investments at cost, and as reported at fair value (actual asset allocation), are summarized as follows at June 30:

|                                                 | <b>2025</b>      |                   | <b>2024</b>      |                   |
|-------------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                                 | <b>Cost</b>      | <b>Fair Value</b> | <b>Cost</b>      | <b>Fair Value</b> |
| Large Cap Domestic Equity Pool                  | \$ 11,411        | \$ 11,349         | \$ 12,382        | \$ 12,791         |
| Non-Large Cap Domestic Equity Pool              | 1,648            | 1,684             | 2,292            | 2,281             |
| International equity                            | 4,128            | 4,876             | 5,528            | 6,077             |
| International nonqualified                      | 1,606            | 2,234             | 2,296            | 2,780             |
| Total return fixed income                       | 15,987           | 17,231            | 21,037           | 21,407            |
| Core fixed income                               | 6,249            | 7,297             | 8,762            | 9,207             |
| Hedge fund                                      | 10,653           | 12,258            | 12,783           | 14,918            |
| TIPS (Treasury Inflation Protection Securities) | 6,781            | 7,206             | 8,882            | 9,019             |
| Private Markets                                 | 5,831            | 6,019             | 7,872            | 7,894             |
| Short-term fixed income                         | <u>3,585</u>     | <u>5,586</u>      | <u>2,456</u>     | <u>4,455</u>      |
| Total investments                               | <u>\$ 67,879</u> | <u>\$ 75,840</u>  | <u>\$ 84,290</u> | <u>\$ 90,829</u>  |

Investment income is comprised of the following for the years ended June 30:

|                                                                | <b>2025</b>      | <b>2024</b>      |
|----------------------------------------------------------------|------------------|------------------|
| Investment income                                              |                  |                  |
| Interest income including realized gains on sale of securities | \$ 2,389         | \$ 1,561         |
| Unrealized gain on investments                                 | <u>24,306</u>    | <u>15,435</u>    |
| Total investment income                                        | <u>\$ 26,695</u> | <u>\$ 16,996</u> |

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The calculation of realized gains and losses is independent of the calculation of the change in fair value of investments and realized gains and losses of the current year include unrealized amounts from prior years.

**Asset Class Risk Disclosures**

**LARGE CAP DOMESTIC EQUITY POOL**

On July 1, 2020, the WVIMB created the Large Cap Domestic Equity Pool to invest in U.S. equities of large-cap growth and value stocks. On July 1, 2020, a portion of the assets and liabilities from the Domestic Equity Pool were transferred in-kind to the Large Cap Domestic Equity Pool.

The Pool's objective is to equal or exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. The Pool invests in the BlackRock Equity Index Fund B (BlackRock).

At June 30, 2025 and 2024, BRIM's amount invested in the Large Cap Domestic Equity Pool of \$11,349 and \$12,791, respectively, represents approximately 2.9% and 3.8%, respectively, of total investments in this pool.

**Investment Risk**

At June 30, 2025 and 2024, the Pool holds shares of a commingled equity fund that invests in equities included in the S&P 500 Index. The value of this investment at June 30, 2025 and 2024, was \$375,845 and \$327,287, respectively. The Pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2025 and 2024, the money market mutual fund has the highest credit rating and has a weighted average maturity of 45 days. The Pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

**Fair Value Measurements**

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30:

| <b>Assets</b>            | <b>2025</b>       |                |                |                   |
|--------------------------|-------------------|----------------|----------------|-------------------|
|                          | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      |
| Commingled equity fund   | \$ 375,845        | \$ -           | \$ -           | \$ 375,845        |
| Money market mutual fund | 16,950            | -              | -              | 16,950            |
| Total                    | <u>\$ 392,795</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 392,795</u> |

| <b>Assets</b>            | <b>2024</b>       |                |                |                   |
|--------------------------|-------------------|----------------|----------------|-------------------|
|                          | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      |
| Commingled equity fund   | \$ 327,287        | \$ -           | \$ -           | \$ 327,287        |
| Money market mutual fund | 7,800             | -              | -              | 7,800             |
| Total                    | <u>\$ 335,087</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 335,087</u> |

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**NON-LARGE CAP DOMESTIC EQUITY POOL**

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On July 1, 2020, the WVIMB created the Non-Large Cap Domestic Equity Pool to invest in U.S. equities of small- and mid-cap growth and value stocks. On July 1, 2020, a portion of the assets and liabilities from the Domestic Equity Pool were transferred in-kind to the Non-Large Cap Domestic Equity Pool.

The Pool's objective is to exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets are managed by Cooper Creek Partners Management LLC and Westfield Capital Management, LLC.

BRIM's amount invested in the Non-Large Cap Domestic Equity Pool of \$1,684 and \$2,281 at June 30, 2025 and 2024, respectively, represents approximately 0.1% and 0.2% of total investments in this pool, respectively.

***Credit Risk***

The Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

***Concentration of Credit Risk***

The Pool is restricted from investing more than 5% of the value of the Pool in any one company. At June 30, 2025 and 2024, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

***Custodial Credit Risk***

The Pool is exposed to custodial credit risk from its uninsured and uncollateralized cash balances. As of June 30, 2025 and 2024, \$273 and \$0 of the Pool's cash balance was exposed to custodial credit risk. Securities on loan are collateralized to a minimum of 102 percent, respectively, and the collateral is held by the WVIMB's custodian in the name of the WVIMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB and thus not subject to custodial credit risk.

***Interest Rate Risk***

The Pool is exposed to interest rate risk from its money market mutual fund investment and from the Cash Collateral Account. As of June 30, 2025 and 2024, the money market mutual fund's WAM was 45 days and 35 days, respectively. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2025 and 2024, the WAM for the Cash Collateral Account was 1 day and 3 days, respectively.

***Foreign Currency Risk***

As of June 30, 2025, all of the Pool's foreign investments were denominated in U.S. dollars. As such, the Pool was not exposed to foreign currency risk.

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***Fair Value Measurements***

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30:

| <b>Assets</b>                 | <b>2025</b>         |                   |                | <b>Total</b>        |
|-------------------------------|---------------------|-------------------|----------------|---------------------|
|                               | <b>Level 1</b>      | <b>Level 2</b>    | <b>Level 3</b> |                     |
| Domestic common stock         | \$ 1,025,654        | \$ -              | \$ -           | \$ 1,025,654        |
| Foreign common stock          | 121,733             | -                 | -              | 121,733             |
| Master limited partnership    | 3,487               | -                 | -              | 3,487               |
| Money market mutual fund      | 32,805              | -                 | -              | 32,805              |
| Securities lending collateral | -                   | 116,689           | -              | 116,689             |
| Total                         | <u>\$ 1,183,679</u> | <u>\$ 116,689</u> | <u>\$ -</u>    | <u>\$ 1,300,368</u> |

| <b>Assets</b>                 | <b>2024</b>         |                  |                | <b>Total</b>        |
|-------------------------------|---------------------|------------------|----------------|---------------------|
|                               | <b>Level 1</b>      | <b>Level 2</b>   | <b>Level 3</b> |                     |
| Domestic common stock         | \$ 961,711          | \$ -             | \$ -           | \$ 961,711          |
| Foreign common stock          | 121,402             | -                | -              | 121,402             |
| Money market mutual fund      | 44,295              | -                | -              | 44,295              |
| Securities lending collateral | -                   | 67,121           | -              | 67,121              |
| Total                         | <u>\$ 1,127,408</u> | <u>\$ 67,121</u> | <u>\$ -</u>    | <u>\$ 1,194,529</u> |

**INTERNATIONAL EQUITY POOL**

The Pool invests in the equities of international companies. The objective of the Pool is to outperform the international equity market as measured by the Morgan Stanley Capital International's All Country World Free Ex US Index over a full market cycle (three- to five-years), net of external investment management fees. Assets were managed by Acadian Asset Management, LLC, Axiom International Investors, LLC (Axiom), LSV Asset Management, and Oberweis Asset Management, Inc.

BRIM's amount invested in the International Equity Pool of \$4,876 and \$6,077 at June 30, 2025 and 2024, respectively, represents approximately 0.1% and 0.2%, respectively, of total investments in this pool.

***Credit Risk***

The Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

***Concentration of Credit Risk***

The pool is restricted from investing more than 5% of the value of the pool in any one company. At June 30, 2025 and 2024, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

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***Custodial Credit Risk***

At June 30, 2025 and 2024, \$34,900 and \$0, respectively, of the pool's cash balance was exposed to custodial credit risk. Securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the WVIMB's custodian in the name of WVIMB. The money market mutual fund, the Cash Collateral Account, and the comingled equity fund are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of WVIMB.

***Interest Rate Risk***

The pool is exposed to interest rate risk from its money market mutual fund investment and the Cash Collateral Account. As of June 30, 2025 and 2024, the money market mutual fund has a WAM of 45 days and 35 days, respectively. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight Investments. As of June 30, 2025 and 2024, the WAM for the Cash Collateral Account was 1 day and 3 days, respectively.

***Foreign Currency Risk***

The Pool has equity investments, cash, and foreign currency spot contracts that are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of equity investments, cash, and foreign currency spot contracts as of June 30, 2025 and 2024 are as follows:

| <b>Currency</b>       | <b>2025</b>               |             |                                        |              |
|-----------------------|---------------------------|-------------|----------------------------------------|--------------|
|                       | <b>Equity Investments</b> | <b>Cash</b> | <b>Foreign Currency Spot Contracts</b> | <b>Total</b> |
| Australian Dollar     | \$ 64,165                 | \$ 366      | \$ (2)                                 | \$ 64,529    |
| Brazilian Real        | 79,977                    | 576         | (3)                                    | 80,550       |
| British Pound         | 191,633                   | 2,155       | 7                                      | 193,795      |
| Canadian Dollar       | 114,253                   | 73          | -                                      | 114,326      |
| Chilean Peso          | 1,242                     | 5           | -                                      | 1,247        |
| Chinese Yuan Offshore | 64,643                    | 34          | -                                      | 64,677       |
| Chinese Yuan Onshore  | -                         | 3           | -                                      | 3            |
| Czech Koruna          | 824                       | -           | -                                      | 824          |
| Danish Krone          | 19,648                    | 7           | -                                      | 19,655       |
| Egyptian Pound        | 23                        | 4           | -                                      | 27           |
| Emirati Dirham        | 52,663                    | 1,676       | -                                      | 54,339       |
| Euro Currency Unit    | 455,760                   | 4,282       | (6)                                    | 460,036      |
| Hong Kong Dollar      | 355,678                   | 454         | -                                      | 356,132      |
| Hungarian Forint      | 19,745                    | 5           | -                                      | 19,750       |
| Indian Rupee          | 257,288                   | 3,967       | -                                      | 261,255      |
| Indonesian Rupiah     | 11,648                    | 476         | -                                      | 12,124       |
| Israeli Shekel        | 16,547                    | 6           | -                                      | 16,553       |
| Japanese Yen          | 293,441                   | 7,984       | 13                                     | 301,438      |
| Kuwaiti Dinar         | 9,550                     | 238         | -                                      | 9,788        |
| Malaysian Ringgit     | 11,655                    | 8           | (1)                                    | 11,662       |
| Mexican Peso          | 16,359                    | 79          | (7)                                    | 16,431       |
| New Taiwan Dollar     | 285,029                   | 145         | 11                                     | 285,185      |
| New Zealand Dollar    | 79                        | -           | -                                      | 79           |
| Norwegian Krone       | 35,143                    | 22          | -                                      | 35,165       |
| Philippine Peso       | 4,528                     | 17          | -                                      | 4,545        |
| Polish Zloty          | 20,800                    | 8           | -                                      | 20,808       |

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|                     |                     |                  |               |                     |
|---------------------|---------------------|------------------|---------------|---------------------|
| Qatari Riyal        | 1,606               | -                | -             | 1,606               |
| Russian Ruble*      | -                   | 6,951            | -             | 6,951               |
| Saudi Arabian Riyal | 46,357              | 1,901            | -             | 48,258              |
| Singapore Dollar    | 13,586              | 6                | -             | 13,592              |
| South African Rand  | 19,868              | 4                | (3)           | 19,869              |
| South Korean Won    | 226,350             | 1,595            | (15)          | 227,930             |
| Swedish Krona       | 75,977              | 1,153            | 6             | 77,136              |
| Swiss Franc         | 76,406              | 687              | (2)           | 77,091              |
| Thailand Baht       | 31,260              | 1                | (4)           | 31,257              |
| Turkish Lira        | 28,702              | 2                | -             | 28,704              |
| Total               | 2,902,433           | 34,890           | (6)           | 2,937,317           |
| U.S. Dollar         | 161,070             | 10               | -             | 161,080             |
| Total               | <u>\$ 3,063,503</u> | <u>\$ 34,900</u> | <u>\$ (6)</u> | <u>\$ 3,098,397</u> |

\*Cash is reported as restricted on the Statement of Net Position

| <u>Currency</u>       | <b>2024</b>                   |             |                                                |              |
|-----------------------|-------------------------------|-------------|------------------------------------------------|--------------|
|                       | <b>Equity<br/>Investments</b> | <b>Cash</b> | <b>Foreign<br/>Currency<br/>Spot Contracts</b> | <b>Total</b> |
| Australian Dollar     | \$ 72,518                     | \$ 110      | \$ -                                           | \$ 72,628    |
| Brazilian Real        | 79,546                        | 354         | (1)                                            | 79,899       |
| British Pound         | 196,772                       | 515         | -                                              | 197,287      |
| Canadian Dollar       | 104,643                       | 53          | -                                              | 104,696      |
| Chilean Peso          | -                             | 1           | -                                              | 1            |
| Chinese Yuan Onshore  | 56,400                        | 317         | -                                              | 56,717       |
| Chinese Yuan Offshore | -                             | 17          | -                                              | 17           |
| Danish Krone          | 29,388                        | 7           | -                                              | 29,395       |
| Egyptian Pound        | 27                            | -           | -                                              | 27           |
| Emirati Dirham        | 34,887                        | 7           | -                                              | 34,894       |
| Euro Currency Unit    | 430,287                       | 654         | -                                              | 430,941      |
| Hong Kong Dollar      | 244,357                       | 396         | -                                              | 244,753      |
| Hungarian Forint      | 4,850                         | 217         | -                                              | 5,067        |
| Indian Rupee          | 292,048                       | 39          | -                                              | 292,087      |
| Indonesian Rupiah     | 22,583                        | 234         | -                                              | 22,817       |
| Israeli Shekel        | 7,326                         | 3           | -                                              | 7,329        |
| Japanese Yen          | 320,699                       | 1,469       | -                                              | 322,168      |
| Kuwaiti Dinar         | 2,454                         | 134         | -                                              | 2,588        |
| Malaysian Ringgit     | 12,913                        | 14          | -                                              | 12,927       |
| Mexican Peso          | 18,532                        | 140         | -                                              | 18,672       |
| New Taiwan Dollar     | 309,283                       | 243         | (8)                                            | 309,518      |
| New Zealand Dollar    | 56                            | -           | -                                              | 56           |
| Norwegian Krone       | 34,106                        | 154         | -                                              | 34,260       |
| Philippine Peso       | 7,715                         | 24          | -                                              | 7,739        |
| Polish Zloty          | 19,042                        | -           | -                                              | 19,042       |
| Russian Ruble         | -                             | 5,253       | -                                              | 5,253        |
| Qatari Riyal          | 1,248                         | -           | -                                              | 1,248        |
| Saudi Arabian Riyal   | 36,742                        | 212         | -                                              | 36,954       |
| Singapore Dollar      | 16,778                        | 10          | -                                              | 16,788       |
| South African Rand    | 15,479                        | 2           | -                                              | 15,481       |
| South Korean Won      | 259,245                       | 24          | (1)                                            | 259,268      |

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|               |                     |                  |                |                     |
|---------------|---------------------|------------------|----------------|---------------------|
| Swedish Krona | 50,838              | 54               | -              | 50,892              |
| Swiss Franc   | 85,261              | 582              | -              | 85,843              |
| Thailand Baht | 35,154              | 4                | -              | 35,158              |
| Turkish Lira  | <u>19,140</u>       | <u>130</u>       | <u>-</u>       | <u>19,270</u>       |
| Total         | 2,820,317           | 11,373           | (10)           | 2,831,680           |
| U.S. Dollar   | <u>216,418</u>      | <u>9</u>         | <u>-</u>       | <u>216,427</u>      |
| Total         | <u>\$ 3,036,735</u> | <u>\$ 11,382</u> | <u>\$ (10)</u> | <u>\$ 3,048,107</u> |

**Fair Value Measurements**

The tables below summarize the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30:

| <b>Assets</b>                 | <b>2025</b>         |                  |                |                     |
|-------------------------------|---------------------|------------------|----------------|---------------------|
|                               | <b>Level 1</b>      | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>        |
| Common stock                  | \$ 3,048,184        | \$ -             | \$ -           | \$ 3,048,184        |
| Money market mutual fund      | 151,364             | -                | -              | 151,364             |
| Preferred stock               | 15,127              | -                | -              | 15,127              |
| Rights                        | 192                 | -                | -              | 192                 |
| Securities lending collateral | <u>-</u>            | <u>47,645</u>    | <u>-</u>       | <u>47,645</u>       |
| Total                         | <u>\$ 3,214,867</u> | <u>\$ 47,645</u> | <u>\$ -</u>    | <u>\$ 3,262,512</u> |

| <b>Assets</b>                 | <b>2024</b>         |                  |                |                     |
|-------------------------------|---------------------|------------------|----------------|---------------------|
|                               | <b>Level 1</b>      | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>        |
| Common stock                  | \$ 3,005,519        | \$ -             | \$ -           | \$ 3,005,519        |
| Money market mutual fund      | 47,955              | -                | -              | 47,955              |
| Preferred stock               | 31,216              | -                | -              | 31,216              |
| Securities lending collateral | <u>-</u>            | <u>47,221</u>    | <u>-</u>       | <u>47,221</u>       |
| Total                         | <u>\$ 3,084,690</u> | <u>\$ 47,221</u> | <u>\$ -</u>    | <u>\$ 3,131,911</u> |

**INTERNATIONAL NON-QUALIFIED POOL**

The Pool invests in a commingled equity fund, specifically The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the Internal Revenue Code). Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. Subscriptions and redemptions may be subject to anti-dilution levies to offset costs such as stamp duty, brokerage commissions, foreign exchange costs, bid-offer spreads, and market impact charges.

BRIM's amount invested in the International Nonqualified Pool of \$2,234 and \$2,780 at June 30, 2025 and 2024, respectively, represents approximately 1.1% and 1.5%, respectively, of total investments in this pool.

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***Investment Risk***

The Pool invests in a commingled equity fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2025 and 2024, was \$204,172 and \$188,940, respectively. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

***Fair Value Measurements***

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

**TOTAL RETURN FIXED INCOME POOL**

This main objective of the Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg U.S. Universal Bond Index over three- to five-year periods, net of external investment management fees. Dodge & Cox, Franklin Templeton Investments, and Western Asset Management Company manage the Pool.

BRIM's amount invested in the Total Return Fixed Income Pool of \$17,231 and \$21,407, at June 30, 2025 and 2024, respectively, represented approximately 0.7% and 0.8%, respectively, of total investments in the Pool.

***Credit Risk***

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account investment. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average long-term credit rating of BBB (investment grade) and/or a short-term credit rating of A-2 (Tier II) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The Pool held some securities in which the aforementioned rating agencies withdrew their credit rating and other securities that did not receive a credit rating. These securities have been listed as withdrawn or not rated, as applicable, in the table below. Credit ratings can be withdrawn for a variety of reasons including incorrect or insufficient information is available from the issuer to support the rating, bankruptcy or default, the size of a structured security falls below a level specified in the rating agencies methodology, or for business reasons of the rating agency. Business reasons generally do not reflect any concerns about a security's creditworthiness and the absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated. The following table provides credit ratings for the Pool's fixed income investments as of June 30:

| <b>Rating</b>    | <b>Fair Value</b> |             |
|------------------|-------------------|-------------|
|                  | <b>2025</b>       | <b>2024</b> |
| <i>Long-term</i> |                   |             |
| AAA              | \$ 105,314        | \$ 58,419   |
| AA               | 1,435,706         | 1,278,656   |
| A                | 178,020           | 111,303     |
| BBB              | 449,691           | 491,247     |
| BB               | 277,841           | 325,290     |
| B                | 121,504           | 119,098     |
| CCC              | 38,987            | 27,439      |
| CC               | 4,640             | 9,868       |
| D                | 1,781             | 3,080       |

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|                                |                     |                     |
|--------------------------------|---------------------|---------------------|
| <i>Short-term</i>              |                     |                     |
| A-1                            | <u>121,105</u>      | <u>149,038</u>      |
| Total rated                    | 2,734,589           | 2,573,438           |
| Not rated                      | 93,534              | 69,460              |
| Withdrawn                      | <u>13,838</u>       | <u>6,949</u>        |
| Total fixed income investments | <u>\$ 2,841,961</u> | <u>\$ 2,649,847</u> |

***Concentration of Credit Risk***

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2025 and 2024, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

***Custodial Credit Risk***

The Pool is exposed to custodial credit risk from its uninsured and uncollateralized cash balances, including cash pledged as collateral on derivative instruments. As of June 30, 2025, \$15,111 of the Pool's cash balance was exposed to custodial credit risk. At June 30, 2024, except for posted collateral on cleared derivatives and over-the-counter derivative instruments, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102% and the collateral is held in the name of the WVIMB. Securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the WVIMB's custodian in the name of the WVIMB. Investments in commingled debt funds, money market mutual funds, and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

***Interest Rate Risk***

As of June 30, 2025 and 2024, the Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account investment. At June 30, 2025 and 2024, the money market mutual fund has a WAM of 45 days and 35 days, respectively. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2025 and 2024, the WAM for the Cash Collateral Account was 1 day and 3 days, respectively.

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

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The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30:

| <b>Investment Type</b>                              | <b>2025</b>         |                                   | <b>2024</b>         |                                   |
|-----------------------------------------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|
|                                                     | <b>Fair Value</b>   | <b>Effective Duration (Years)</b> | <b>Fair Value</b>   | <b>Effective Duration (Years)</b> |
| Bank loans                                          | \$ 3,636            | 0.7                               | \$ 3,120            | 1.8                               |
| Commingled debt funds                               | 174,575             | 3.0                               | 165,991             | 2.9                               |
| Corporate asset backed issues                       | 116,565             | 1.7                               | 53,932              | 1.9                               |
| Corporate CMO                                       | 105,219             | 1.4                               | 71,968              | 1.5                               |
| Foreign asset backed issues                         | 103,589             | (0.1)                             | 112,946             | (0.1)                             |
| Foreign corporate bonds                             | 256,842             | 3.9                               | 273,674             | 4.5                               |
| Foreign government bond                             | 198,138             | 4.7                               | 233,006             | 5.1                               |
| Municipal bonds                                     | 17,027              | 5.8                               | 12,057              | 6.5                               |
| Repurchase agreement                                | 37,000              | 0.0*                              | 21,000              | 0.0*                              |
| U.S. corporate bonds                                | 328,356             | 4.0                               | 306,350             | 4.6                               |
| U.S. Government agency bonds                        | 2,581               | 0.3                               | 2,035               | 0.0*                              |
| U.S. Government agency CMO                          | 89,309              | 1.8                               | 93,028              | 1.2                               |
| U.S. Government agency CMO interest-only            | 9,516               | 2.4                               | 9,974               | 2.7                               |
| U.S. Government agency MBS                          | 557,768             | 6.1                               | 543,408             | 5.7                               |
| U.S. Government agency TBA                          | 278,624             | 4.7                               | 216,730             | 4.0                               |
| U.S. Treasury issues                                | 547,374             | 8.7                               | 518,814             | 9.4                               |
| U.S. Treasury inflation protected securities (TIPS) | 15,842              | 13.0                              | 11,814              | 12.6                              |
| <b>Total fixed income investments</b>               | <b>\$ 2,841,961</b> |                                   | <b>\$ 2,649,847</b> |                                   |

\*Rounds to less than 0.05

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. The Pool held \$1,260,588 and \$1,101,986 of these securities at June 30, 2025 and 2024, respectively, representing approximately 44% and 42% of the value of the Pool's securities, respectively.

### **Foreign Currency Risk**

The Pool has foreign fixed income, foreign equity investments, and cash that are denominated in foreign currencies and exposed to foreign currency risks. The Pool also has foreign denominated derivative instruments. Additionally, the Pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately \$42,379 and \$37,134, or 24% and 22%, respectively, of the commingled investment pools hold substantially all of their investments in foreign currencies as of June 30, 2025 and 2024. This represents approximately 1% and 1% of the value of the Pool's securities at June 30, 2025 and 2024, respectively.

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

| <b>Currency</b>    | <b>2025</b>                         |                                     |                                                |                 |                                         | <b>Total</b>      |
|--------------------|-------------------------------------|-------------------------------------|------------------------------------------------|-----------------|-----------------------------------------|-------------------|
|                    | <b>Foreign<br/>Fixed<br/>Income</b> | <b>Foreign<br/>Common<br/>Stock</b> | <b>Foreign<br/>Currency Spot<br/>Contracts</b> | <b>Cash</b>     | <b>Cash Due<br/>To/From<br/>Brokers</b> |                   |
| Australian Dollar  | \$ -                                | \$ -                                | \$ -                                           | \$ 1,191        | \$ 938                                  | \$ 2,129          |
| Brazilian Real     | 51,677                              | -                                   | -                                              | 1               | -                                       | 51,678            |
| British Pound      | -                                   | 147                                 | -                                              | 797             | 656                                     | 1,600             |
| Canadian Dollar    | -                                   | -                                   | -                                              | 1,095           | -                                       | 1,095             |
| Colombian Peso     | 3,720                               | -                                   | -                                              | -               | -                                       | 3,720             |
| Dominican Peso     | 3,246                               | -                                   | -                                              | -               | -                                       | 3,246             |
| Egyptian Pound     | 3,957                               | -                                   | -                                              | -               | -                                       | 3,957             |
| Euro Currency Unit | 33,594                              | -                                   | (3)                                            | 3,645           | -                                       | 37,236            |
| Jamaican Dollar    | 1,385                               | -                                   | -                                              | -               | -                                       | 1,385             |
| Japanese Yen       | 6,396                               | -                                   | -                                              | 1,298           | -                                       | 7,694             |
| Kazakhstani Tenge  | 4,750                               | -                                   | -                                              | -               | -                                       | 4,750             |
| Mexican Peso       | 5,863                               | -                                   | -                                              | 1               | -                                       | 5,864             |
| Nigerian Naira     | 2,089                               | -                                   | -                                              | -               | -                                       | 2,089             |
| New Zealand Dollar | -                                   | -                                   | -                                              | 750             | -                                       | 750               |
| Polish Zloty       | 3,337                               | -                                   | -                                              | -               | -                                       | 3,337             |
| South African Rand | 4,376                               | -                                   | -                                              | 670             | -                                       | 5,046             |
| Swedish Krona      | -                                   | -                                   | -                                              | 470             | -                                       | 470               |
| Turkish Lira       | 2,652                               | -                                   | -                                              | -               | -                                       | 2,652             |
| Uruguayan Peso     | 1,014                               | -                                   | -                                              | -               | -                                       | 1,014             |
| Uzbekistani Som    | 3,924                               | -                                   | -                                              | -               | -                                       | 3,924             |
| <b>Total</b>       | <b>131,980</b>                      | <b>147</b>                          | <b>(3)</b>                                     | <b>9,918</b>    | <b>1,594</b>                            | <b>143,626</b>    |
| <b>U.S. Dollar</b> | <b>130,225</b>                      | <b>-</b>                            | <b>-</b>                                       | <b>(680)</b>    | <b>(5,134)</b>                          | <b>424,411</b>    |
| <b>Total</b>       | <b>\$ 562,205</b>                   | <b>\$ 147</b>                       | <b>\$ (3)</b>                                  | <b>\$ 9,238</b> | <b>\$ (3,541)</b>                       | <b>\$ 568,047</b> |

\* Cash is reported as restricted on the Statement of Net Position

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| Currency           | 2024                       |                 |           |                               |            |
|--------------------|----------------------------|-----------------|-----------|-------------------------------|------------|
|                    | Foreign<br>Fixed<br>Income | Common<br>Stock | Cash      | Cash Due<br>To/From<br>Broker | Total      |
| Argentine Peso     | \$ -                       | \$ -            | \$ 6      | \$ -                          | \$ 6       |
| Australian Dollar  | -                          | -               | 1,536     | 431                           | 1,967      |
| Brazilian Real     | 55,230                     | -               | -         | -                             | 55,230     |
| British Pound      | -                          | 369             | 1,726     | 298                           | 2,393      |
| Canadian Dollar    | -                          | -               | 1,080     | -                             | 1,080      |
| Colombian Peso     | 3,421                      | -               | -         | -                             | 3,421      |
| Dominican Peso     | 4,372                      | -               | -         | -                             | 4,372      |
| Egyptian Pound     | 2,130                      | -               | -         | -                             | 2,130      |
| Euro Currency Unit | 30,842                     | -               | 2,005     | 253                           | 33,100     |
| Georgian Lari      | 720                        | -               | -         | -                             | 720        |
| Hungarian Forint   | 1,795                      | -               | -         | -                             | 1,795      |
| Indonesian Rupiah  | 1,615                      | -               | -         | -                             | 1,615      |
| Jamaican Dollar    | 2,189                      | -               | -         | -                             | 2,189      |
| Japanese Yen       | 4,339                      | -               | 1,219     | 2,048                         | 7,606      |
| Kazakhstani Tenge  | 4,498                      | -               | -         | -                             | 4,498      |
| Mexican Peso       | 36,585                     | -               | 2,305     | 3,881                         | 42,771     |
| New Zealand Dollar | -                          | -               | 742       | -                             | 742        |
| Peruvian Nuevo Sol | 2,343                      | -               | -         | -                             | 2,343      |
| Polish Zloty       | 3,047                      | -               | -         | -                             | 3,047      |
| Russian Ruble      | -                          | -               | 767       | -                             | 767        |
| South African Rand | 10,324                     | -               | 3         | -                             | 10,327     |
| Swedish Krona      | -                          | -               | 420       | -                             | 420        |
| Uruguayan Peso     | 2,629                      | -               | -         | -                             | 2,629      |
| Uzbekistani Som    | 3,681                      | -               | -         | -                             | 3,681      |
| Total              | 169,760                    | 369             | 11,809    | 6,911                         | 188,849    |
| U.S. Dollar        | 452,986                    | -               | (694)     | 10,959                        | 463,251    |
| Total              | \$ 622,746                 | \$ 369          | \$ 11,115 | \$ 17,870                     | \$ 652,099 |

\* Cash is reported as restricted on the Statement of Net Position

**Fair Value Measurements**

GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share as the practical expedient. The tables that follow set forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30. The Pool's investments in commingled debt funds were valued using the net asset value per share, as such they have not been categorized in the fair value hierarchy.

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| <b>Assets</b>                      | <b>2025</b>        |                     |                 |                     |
|------------------------------------|--------------------|---------------------|-----------------|---------------------|
|                                    | <b>Level 1</b>     | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>        |
| Bank loans                         | \$ -               | \$ -                | \$ 3,636        | \$ 3,636            |
| Corporate ABS residual             | -                  | 1,041               | -               | 1,041               |
| Corporate ABS                      | -                  | 116,565             | -               | 116,565             |
| Corporate CMO                      | -                  | 105,219             | -               | 105,219             |
| Corporate preferred securities     | 11,442             | -                   | -               | 11,442              |
| Foreign ABS                        | -                  | 102,559             | 1,030           | 103,589             |
| Foreign corporate bonds            | -                  | 256,842             | -               | 256,842             |
| Foreign currency forward contracts | -                  | 1,357               | -               | 1,357               |
| Foreign equity investments         | 147                | -                   | -               | 147                 |
| Foreign government bonds           | -                  | 197,851             | 287             | 198,138             |
| Futures contracts                  | 6,168              | -                   | -               | 6,168               |
| Money market mutual fund           | 282,726            | -                   | -               | 282,726             |
| Municipal bonds                    | -                  | 17,027              | -               | 17,027              |
| Options contracts purchased        | 2,022              | -                   | -               | 2,022               |
| Repurchase agreement               | -                  | 37,000              | -               | 37,000              |
| Securities lending collateral      | -                  | 53,684              | -               | 53,684              |
| Swaps                              | -                  | 33,942              | -               | 33,942              |
| U.S. corporate bonds               | -                  | 328,356             | -               | 328,356             |
| U.S. Government agency bonds       | -                  | 2,581               | -               | 2,581               |
| U.S. Government agency CMO         | -                  | 89,309              | -               | 89,309              |
| U.S. Government agency CMO IO      | -                  | 9,516               | -               | 9,516               |
| U.S. Government agency MBS         | -                  | 557,768             | -               | 557,768             |
| U.S. Government agency TBAs        | -                  | 278,624             | -               | 278,624             |
| U.S. Treasury issues               | -                  | 547,374             | -               | 547,374             |
| U.S. TIPS                          | -                  | 15,842              | -               | 15,842              |
| Total                              | <u>\$ 302,505</u>  | <u>\$ 2,752,457</u> | <u>\$ 4,953</u> | <u>3,059,915</u>    |
| Commingled debt funds              |                    |                     |                 | <u>174,575</u>      |
| Total                              |                    |                     |                 | <u>\$ 3,234,490</u> |
| <b>Liabilities</b>                 | <b>Level 1</b>     | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>        |
| Foreign currency forward contracts | \$ -               | \$ (5,373)          | \$ -            | \$ (5,373)          |
| Futures contracts                  | (9,189)            | -                   | -               | (9,189)             |
| Options contracts written          | (2,720)            | -                   | -               | (2,720)             |
| Swaps                              | -                  | (23,405)            | -               | (23,405)            |
| Total                              | <u>\$ (11,909)</u> | <u>\$ (28,778)</u>  | <u>\$ -</u>     | <u>\$ (40,687)</u>  |

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| <b>Assets</b>                      | <b>2024</b>       |                     |                |                     |
|------------------------------------|-------------------|---------------------|----------------|---------------------|
|                                    | <b>Level 1</b>    | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
| Bank loans                         | \$ -              | \$ 3,120            | \$ -           | \$ 3,120            |
| Corporate ABS residual             | -                 | 1,094               | -              | 1,094               |
| Corporate ABS                      | -                 | 53,932              | -              | 53,932              |
| Corporate CMO                      | -                 | 71,968              | -              | 71,968              |
| Corporate preferred securities     | 11,384            | -                   | -              | 11,384              |
| Foreign ABS                        | -                 | 112,946             | -              | 112,946             |
| Foreign corporate bonds            | -                 | 273,674             | -              | 273,674             |
| Foreign currency forward contracts | -                 | 5,826               | -              | 5,826               |
| Foreign equity investments         | 369               | -                   | -              | 369                 |
| Foreign government bonds           | -                 | 233,006             | -              | 233,006             |
| Futures contracts                  | 6,271             | -                   | -              | 6,271               |
| Money market mutual fund           | 58,044            | -                   | -              | 58,044              |
| Municipal bonds                    | -                 | 12,057              | -              | 12,057              |
| Options contracts purchased        | 1,869             | 121                 | -              | 1,990               |
| Repurchase agreement               | -                 | 21,000              | -              | 21,000              |
| Securities lending collateral      | -                 | 48,614              | -              | 48,614              |
| Swaps                              | -                 | 24,928              | -              | 24,928              |
| U.S. corporate bonds               | -                 | 306,350             | -              | 306,350             |
| U.S. Government agency bonds       | -                 | 2,035               | -              | 2,035               |
| U.S. Government agency CMO         | -                 | 93,028              | -              | 93,028              |
| U.S. Government agency CMO IO      | -                 | 9,974               | -              | 9,974               |
| U.S. Government agency MBS         | -                 | 543,408             | -              | 543,408             |
| U.S. Government agency TBAs        | -                 | 216,730             | -              | 216,730             |
| U.S. Treasury issues               | -                 | 518,814             | -              | 518,814             |
| U.S. TIPS                          | -                 | 11,814              | -              | 11,814              |
| Total                              | <u>\$ 77,937</u>  | <u>\$ 2,564,439</u> | <u>\$ -</u>    | <u>2,642,376</u>    |
| Commingled debt funds              |                   |                     |                | <u>165,991</u>      |
| Total                              |                   |                     |                | <u>\$ 2,808,367</u> |
| <b>Liabilities</b>                 | <b>Level 1</b>    | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
| Foreign currency forward contracts | \$ -              | \$ (1,245)          | \$ -           | \$ (1,245)          |
| Futures contracts                  | (6,604)           | -                   | -              | (6,604)             |
| Options contracts written          | (2,884)           | (115)               | -              | (2,999)             |
| Securities sold short              | -                 | (26,054)            | -              | (26,054)            |
| Swaps                              | -                 | (21,950)            | -              | (21,950)            |
| Total                              | <u>\$ (9,488)</u> | <u>\$ (49,364)</u>  | <u>\$ -</u>    | <u>\$ (58,852)</u>  |

The Pool's investments in commingled debt funds were measured at the NAV as of June 30, 2025 and 2024. These commingled debt funds invest in certain niche sectors, particularly ones that are not a significant percentage to the Pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would be otherwise difficult to achieve. These funds offer daily liquidity.

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**CORE FIXED INCOME POOL**

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The main objective of this Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. This Pool's investment objective is to outperform the Bloomberg U.S. Aggregate Bond Index over three- to five-year periods, net of external investment management fees. JP Morgan Investment Advisors, Inc. manages this Pool.

BRIM's amount invested in the Core Fixed Income Pool of \$7,297 and \$9,207 at June 30, 2025 and 2024, respectively, and represented approximately 0.3% and 0.4%, respectively, of total investments in this Pool.

***Credit Risk***

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account investment. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The Pool holds some securities that have not received a rating from the aforementioned rating organizations. These securities have been listed as not rated in the table below. The absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

The following table provides credit ratings for the Pool's fixed income investments as of June 30:

| <b>Rating</b>                  | <b>Fair Value</b>   |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>2025</b>         | <b>2024</b>         |
| AAA                            | \$ 80,792           | \$ 76,420           |
| AA                             | 1,390,202           | 1,265,263           |
| A                              | 210,315             | 219,003             |
| BBB                            | 417,554             | 383,552             |
| BB                             | 9,905               | 8,036               |
| B                              | 203                 | 1,037               |
| CCC                            | 106                 | 114                 |
| C                              | -                   | 646                 |
| Total rated                    | 2,109,077           | 1,954,071           |
| Not rated                      | 121,334             | 125,305             |
| Withdrawn                      | 16,076              | 1,497               |
| Total fixed income investments | <u>\$ 2,246,487</u> | <u>\$ 2,080,873</u> |

***Concentration of Credit Risk***

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2025 and 2024, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

***Custodial Credit Risk***

At June 30, 2025 and 2024, the Pool held no securities that were subject to custodial credit risk. Securities on loan are collateralized to a minimum of 102%, and the collateral is held by the WVIMB's custodian in the name of the WVIMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

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**Interest Rate Risk**

The Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment and Cash Collateral Account Investment. As of June 30, 2025 and 2024, the money market mutual fund had a WAM of 45 days and 35 days, respectively. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2025 and 2024, the WAM for the Cash Collateral Account was 1 day and 3 days, respectively.

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

The following table provides the weighted average effective duration for the Pool's fixed income investments as of June 30:

| <b>Investment Type</b>                    | <b>2025</b>         |                                   | <b>2024</b>         |                                   |
|-------------------------------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|
|                                           | <b>Fair Value</b>   | <b>Effective Duration (Years)</b> | <b>Fair Value</b>   | <b>Effective Duration (Years)</b> |
| Corporate asset backed issues             | \$ 227,337          | 2.0                               | \$ 234,021          | 2.1                               |
| Corporate CMO                             | 102,426             | 2.2                               | 87,553              | 2.2                               |
| Corporate CMO interest-only               | 90                  | 0.6                               | 105                 | 1.6                               |
| Corporate CMO principal-only              | 1,512               | 0.0*                              | 5,380               | 0.5                               |
| Foreign asset backed issues               | 2,469               | 0.0*                              | 2,346               | 0.0*                              |
| Foreign corporate bonds                   | 199,174             | 4.2                               | 166,741             | 4.1                               |
| Foreign government bonds                  | 10,746              | 7.7                               | 5,786               | 9.3                               |
| Municipal bonds                           | 8,429               | 8.1                               | 8,480               | 9.0                               |
| U.S. corporate bonds                      | 370,172             | 7.6                               | 365,052             | 7.3                               |
| U.S. Government agency CMO                | 111,974             | 5.0                               | 116,733             | 5.1                               |
| U.S. Government agency CMO interest-only  | 1,026               | 8.5                               | 1,173               | 8.5                               |
| U.S. Government agency CMO principal-only | 1,520               | 5.0                               | 1,746               | 5.2                               |
| U.S. Government agency MBS                | 509,204             | 6.0                               | 480,710             | 6.1                               |
| U.S. Treasury bonds                       | 700,408             | 8.7                               | 605,047             | 8.2                               |
| Total fixed income investments            | <u>\$ 2,246,487</u> |                                   | <u>\$ 2,080,873</u> |                                   |

\*Rounds to less than 0.05

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2025 and 2024, the Pool held \$957,559 and \$929,767, respectively, of these securities. This represents approximately 43% and 45%, respectively, of the value of the Pool's fixed income securities.

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***Foreign Currency Risk***

None of the securities held by the Pool are exposed to foreign currency risk.

***Fair Value Measurements***

The tables below summarize the valuation of the investment securities in accordance with GASB Statement No.72 fair value hierarchy levels as of June 30:

| <b>Assets</b>                 | <b>2025</b>      |                     |                |                     |
|-------------------------------|------------------|---------------------|----------------|---------------------|
|                               | <b>Level 1</b>   | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
| Corporate ABS                 | \$ -             | \$ 227,337          | \$ -           | \$ 227,337          |
| Corporate CMO                 | -                | 102,426             | -              | 102,426             |
| Corporate CMO IO              | -                | 90                  | -              | 90                  |
| Corporate CMO PO              | -                | 1,512               | -              | 1,512               |
| Foreign ABS                   | -                | 2,469               | -              | 2,469               |
| Foreign corporate bonds       | -                | 199,174             | -              | 199,174             |
| Foreign government bonds      | -                | 10,746              | -              | 10,746              |
| Money market mutual fund      | 19,939           | -                   | -              | 19,939              |
| Municipal bonds               | -                | 8,429               | -              | -                   |
| Securities lending collateral | -                | 69,937              | -              | 69,937              |
| U.S. corporate bonds          | -                | 370,172             | -              | 370,172             |
| U.S. Government agency CMO    | -                | 111,974             | -              | 111,974             |
| U.S. Government agency CMO IO | -                | 1,026               | -              | 1,026               |
| U.S. Government agency CMO PO | -                | 1,520               | -              | 1,520               |
| U.S. Government agency MBS    | -                | 509,205             | -              | 509,205             |
| U.S. Treasury issues          | -                | 700,408             | -              | 700,408             |
| <b>Total</b>                  | <b>\$ 19,939</b> | <b>\$ 2,314,425</b> | <b>\$ -</b>    | <b>\$ 2,334,364</b> |

| <b>Assets</b>                 | <b>2024</b>      |                     |                |                     |
|-------------------------------|------------------|---------------------|----------------|---------------------|
|                               | <b>Level 1</b>   | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
| Corporate ABS                 | \$ -             | \$ 234,021          | \$ -           | \$ 234,021          |
| Corporate CMO                 | -                | 87,553              | -              | 87,553              |
| Corporate CMO IO              | -                | 105                 | -              | 105                 |
| Corporate CMO PO              | -                | 5,380               | -              | 5,380               |
| Foreign ABS                   | -                | 2,346               | -              | 2,346               |
| Foreign corporate bonds       | -                | 166,741             | -              | 166,741             |
| Foreign government bonds      | -                | 5,786               | -              | 5,786               |
| Money market mutual fund      | 17,014           | -                   | -              | 17,014              |
| Municipal bonds               | -                | 8,480               | -              | 8,480               |
| Securities lending collateral | -                | 93,136              | -              | 93,136              |
| U.S. corporate bonds          | -                | 365,052             | -              | 365,052             |
| U.S. Government agency CMO    | -                | 116,733             | -              | 116,733             |
| U.S. Government agency CMO IO | -                | 1,173               | -              | 1,173               |
| U.S. Government agency CMO PO | -                | 1,746               | -              | 1,746               |
| U.S. Government agency MBS    | -                | 480,710             | -              | 480,710             |
| U.S. Treasury issues          | -                | 605,047             | -              | 605,047             |
| <b>Total</b>                  | <b>\$ 17,014</b> | <b>\$ 2,174,009</b> | <b>\$ -</b>    | <b>\$ 2,191,023</b> |

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**HEDGE FUND POOL**

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The Pool was established to hold the WVIMB's investments in hedge funds. The objective of the Pool is to reduce risk through diversification of participants' assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Funds Composite Index plus 100 Basis points. The secondary benchmark is the FTSE 3 Month US T-Bill Index plus 500 basis points. Albourne America, LLC has been retained by the WVIMB to provide consulting services for this investment strategy.

BRIM's amount invested in the Hedge Fund Pool of \$12,258 and \$14,918 at June 30, 2025 and 2024, respectively, represented approximately 0.4% and 0.5%, respectively, of total investments in this Pool.

***Investment Risk***

The Pool holds investments in hedge funds might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. The Pool is restricted from investing more than 10 percent of the value of the pool with any single manager. At June 30, 2025 and 2024, the pool was in compliance with this restriction and was not exposed to concentration of credit risk.

***Fair Value Measurements***

GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as the practical expedient for the year ended June 30, 2025 and 2024. All of the Pool's investments in hedge funds were valued using the NAV. As such, they have not been categorized in the fair value hierarchy for 2025 and 2024.

GAAP does not require the Pool to categorize investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. All of the Pool's investments in hedge funds were valued using the NAV, and as such, they have not been categorized in the fair value hierarchy. The following table presents information on investments measured at the NAV as of June 30, 2025:

The following tables present information on investments measured at the NAV as of June 30:

| <u>Hedge Fund Strategies</u>          | <u>2025</u>         |                             |                                 |
|---------------------------------------|---------------------|-----------------------------|---------------------------------|
|                                       | <u>Fair Value</u>   | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Directional <sup>(a)</sup>            | \$ 515,109          | Mthly, Quarterly            | 5 to 65 days                    |
| Equity long/short <sup>(b)</sup>      | 599,947             | Quarterly                   | 45 to 180 days                  |
| Event-driven <sup>(c)</sup>           | 482,911             | Quarterly, Annually         | 60 to 180 days                  |
| Long-biased <sup>(d)</sup>            | 108,768             | Mthly                       | 90 days                         |
| Multi-strategy <sup>(e)</sup>         | 318,279             | Mthly/Quarterly             | 60 days                         |
| Relative-value <sup>(f)</sup>         | <u>1,085,422</u>    | Weekly, Quarterly           | 5 to 90 days                    |
|                                       | 3,110,436           |                             |                                 |
| In liquidation <sup>(g)</sup>         | <u>18,605</u>       |                             |                                 |
| Total investments measured at the NAV | <u>\$ 3,129,041</u> |                             |                                 |

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| <u>Hedge Fund Strategies</u>          | <u>2024</u>         |                             |                                 |
|---------------------------------------|---------------------|-----------------------------|---------------------------------|
|                                       | <u>Fair Value</u>   | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Directional <sup>(a)</sup>            | \$ 272,735          | Mthly, Quarterly            | 5 to 65 days                    |
| Equity long/short <sup>(b)</sup>      | 515,378             | Quarterly                   | 45 to 90 days                   |
| Event-driven <sup>(c)</sup>           | 230,051             | Quarterly                   | 180 days                        |
| Long-biased <sup>(d)</sup>            | 93,166              | Mthly                       | 90 days                         |
| Multi-strategy <sup>(e)</sup>         | 1,421,905           | Mthly/Qtly/Semi-annually    | 45 to 90 days                   |
| Relative-value <sup>(f)</sup>         | <u>285,057</u>      | Weekly, Quarterly           | 5 to 60 days                    |
|                                       | 2,818,292           |                             |                                 |
| In liquidation <sup>(g)</sup>         | <u>28,291</u>       |                             |                                 |
| Total investments measured at the NAV | <u>\$ 2,846,583</u> |                             |                                 |

(a) Directional strategies employ various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.

(b) An equity long/short strategy involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. At June 30, 2025 and 2024, investments representing approximately 76% and 75%, respectively, of the fair value of the investments in this strategy were subject to maximum withdrawal restrictions.

(c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. The sole fund in this investment strategy is subject to maximum withdrawal restrictions.

(d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.

(e) Multi-strategy managers combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk and leverage risk. Investments representing approximately 100% in 2025 and 78% in 2024 of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

(f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights and security types range broadly across equity, fixed income, derivative, or other security types. Fixed Income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 85% and 53% in 2025 and 2024, respectively, of the fair value of the instruments in this strategy are subject to maximum withdrawal restrictions.

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(g) Funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

**TREASURY INFLATION PROTECTION SECURITIES (TIPS)**

The pool was established to offer an additional level of diversification over and above the nominal fixed income securities in an attempt to mitigate the risk of inflation. The main objective for the Pool is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. Through May 31, 2023, the Pool's performance was measured against the Bloomberg U.S. Treasury Inflation Protection Index on an annualized basis over rolling three- to five-year periods, gross of fees. As of June 1, 2023, the Pool's performance is measured against the Bloomberg 1-10 Year Treasury Inflation Protected Securities Index on an annualized basis over rolling three- to five-year periods, gross of fees. Assets were invested in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock) through May 24, 2023. Effective May 25, 2023, assets are managed by Northern Trust Investments, Inc.

BRIM's amount invested in the TIPS Pool of \$7,206 and \$9,019 at June 30, 2025 and 2024, respectively, represented approximately 1.3% and 1.8% respectively, of total investments in this pool.

**Credit Risk**

The WVIMB limits the exposure to credit risk in the Pool's fixed income investments by primarily investing in United States Treasury inflation protected securities (U.S. TIPS). The Pool is exposed to credit risk from its money market mutual fund investment. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. As of June 30, 2025 and 2024, all of the Pool's U.S. TIPS investments had a credit rating of AA. The money market mutual fund has the highest credit rating.

**Custodial credit risk**

At June 30, 2025 and 2024, the Pool held no securities that were subject to custodial credit risk. Securities on loan are collateralized to a minimum of 102 percent and the collateral is held by the WVIMB's custodian in the name of the WVIMB. The money market mutual fund is not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB and thus not subject to custodial credit risk.

**Interest Rate risk**

The Pool is exposed to interest rate risk through its fixed income investments and money market mutual fund investment. The WVIMB monitors the interest rate risk of U.S. TIPS by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1 percent change in interest rates. As of June 30, 2025 and 2024, the effective duration for the U.S. TIPS investments was 3.6 and 3.3 years, respectively. As of June 30, 2025 and 2024, the money market mutual fund had a weighted average maturity of 45 and 35 days, respectively.

**Fair Value Measurements**

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30:

| <b>Assets</b>            | <b>2025</b>    |                |                |              |
|--------------------------|----------------|----------------|----------------|--------------|
|                          | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Money market mutual fund | \$ 99          | \$ -           | \$ -           | \$ 99        |
| U.S. TIPS                | -              | 537,350        | -              | 537,350      |

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|       |       |            |      |            |
|-------|-------|------------|------|------------|
| Total | \$ 99 | \$ 537,350 | \$ - | \$ 537,449 |
|-------|-------|------------|------|------------|

| <u>Assets</u>            | <b>2024</b>    |                |                |              |
|--------------------------|----------------|----------------|----------------|--------------|
|                          | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Money market mutual fund | \$ 83          | \$ -           | \$ -           | \$ 83        |
| U.S. TIPS                | -              | 511,976        | -              | 511,976      |
| Total                    | \$ 83          | \$ 511,976     | \$ -           | \$ 512,059   |

**PRIVATE MARKETS POOL**

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

BRIM's amount invested in the Private Markets Pool of \$6,119 and \$7,894 at June 30, 2025 and 2024, respectively, represented approximately 0.1% and 0.1% respectively, of total investments in this pool.

**Credit Risk**

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, investments in unrated private credit & income funds, and the Cash Collateral Account. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's and Moody's, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated. Credit risk associated with the unrated private credit & income funds are limited by requiring that underlying fund holdings are at least 90 percent collateralized by one or more assets of the borrower.

The following table provides credit ratings for the Pool's fixed income investments as of June 30:

| <u>Rating</u>                  | <u>2025</u> | <u>2024</u> |
|--------------------------------|-------------|-------------|
| A                              | \$ 518      | \$ 509      |
| BBB                            | 12,441      | 8,042       |
| BB                             | 1,204       | 2,667       |
| CC                             | 109         | 97          |
| Total fixed income investments | \$ 14,272   | \$ 11,315   |

**Interest Rate Risk**

The Pool is exposed to interest rate risk through its investments in U.S. corporate bonds, private credit & income funds, the money market mutual fund, and the Cash Collateral Account. The WVIMB monitors interest rate risk of U.S. corporate bonds by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1 percent change in interest

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rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds. As of June 30, 2025 and 2024, the effective duration for U.S. corporate bonds was 4.1 and 3.6 years, respectively. The WVIMB manages interest rate risk of the private credit and income funds by investing primarily in funds that originate or invest in loans that have variable or floating interest rates, most of these investments have relatively short durations, and final maturities within three- to five-years. As of June 30, 2025 and 2024, the money market mutual fund has a weighted average maturity (WAM) of 45 and 35 days, respectively. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2025 and 2024, the WAM for the Cash Collateral Account was 1 day.

**Foreign Currency Risk**

The Pool holds foreign common stock, real estate limited partnerships and funds, and cash that is denominated in foreign currencies that are exposed to foreign currency risks. The investments in private credit & income funds and private equity partnerships might be indirectly exposed to foreign currency risk.

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

| <b>Currency</b>    | <b>2025</b>                         |                                                               |                 |                     |
|--------------------|-------------------------------------|---------------------------------------------------------------|-----------------|---------------------|
|                    | <b>Foreign<br/>Common<br/>Stock</b> | <b>Real Estate<br/>Limited<br/>Partnerships<br/>and Funds</b> | <b>Cash</b>     | <b>Total</b>        |
| Australian Dollar  | \$ 6,471                            | \$ -                                                          | \$ -            | \$ 6,471            |
| British Pound      | 4,998                               | -                                                             | -               | 4,998               |
| Canadian Dollar    | 1,779                               | 78,110                                                        | -               | 79,889              |
| Euro Currency Unit | 8,452                               | 105,373                                                       | -               | 113,825             |
| Hong Kong Dollar   | 3,172                               | -                                                             | -               | 3,172               |
| Japanese Yen       | 10,201                              | -                                                             | 6               | 10,207              |
| Singapore Dollar   | 3,504                               | -                                                             | 31              | 3,535               |
| Swedish Krona      | 445                                 | -                                                             | -               | 445                 |
| Swiss Franc        | 680                                 | -                                                             | -               | 680                 |
| Total              | 39,702                              | 183,663                                                       | 37              | 223,402             |
| U.S. Dollar        | 616                                 | 2,100,717                                                     | 1,414           | 2,102,747           |
| Total              | <u>\$ 40,318</u>                    | <u>\$ 2,284,380</u>                                           | <u>\$ 1,451</u> | <u>\$ 2,326,149</u> |

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

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|                    | <b>2024</b>                         |                                                               |                  |                     |
|--------------------|-------------------------------------|---------------------------------------------------------------|------------------|---------------------|
| <b>Currency</b>    | <b>Foreign<br/>Common<br/>Stock</b> | <b>Real Estate<br/>Limited<br/>Partnerships<br/>and Funds</b> | <b>Cash</b>      | <b>Total</b>        |
| Australian Dollar  | \$ 5,164                            | \$ -                                                          | \$ -             | \$ 5,164            |
| British Pound      | 3,813                               | -                                                             | -                | 3,813               |
| Canadian Dollar    | 3,170                               | 68,949                                                        | -                | 72,119              |
| Euro Currency Unit | 6,388                               | 88,207                                                        | -                | 94,595              |
| Hong Kong Dollar   | 3,802                               | -                                                             | -                | 3,802               |
| Japanese Yen       | 8,368                               | -                                                             | 12               | 8,380               |
| Singapore Dollar   | 3,544                               | -                                                             | -                | 3,544               |
| Swedish Krona      | 1,187                               | -                                                             | -                | 1,187               |
| Swiss Franc        | 517                                 | -                                                             | -                | 517                 |
| Total              | 35,953                              | 157,156                                                       | 12               | 193,121             |
| U.S. Dollar        | -                                   | 2,062,328                                                     | 16,633           | 2,078,805           |
| Total              | <u>\$ 35,953</u>                    | <u>\$ 2,219,328</u>                                           | <u>\$ 16,645</u> | <u>\$ 2,271,926</u> |

***Fair Value Measurements***

GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2025. All of the Pool's investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds were valued using the NAV, and as such, they have not been categorized in the fair value hierarchy table.

|                                            | <b>2025</b>       |                  |                |                     |
|--------------------------------------------|-------------------|------------------|----------------|---------------------|
| <b>Assets</b>                              | <b>Level 1</b>    | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>        |
| Foreign common stock                       | \$ 40,318         | \$ -             | \$ -           | \$ 40,318           |
| Money market mutual fund                   | 124,661           | -                | -              | 124,661             |
| Securities lending collateral              | -                 | 18,646           | -              | 18,646              |
| U.S. common stock                          | 148,214           | -                | -              | 148,214             |
| U.S. corporate bonds                       | -                 | 14,272           | -              | 14,272              |
| U.S. preferred stock                       | 10,247            | -                | -              | 10,247              |
| Total                                      | <u>\$ 323,440</u> | <u>\$ 32,918</u> | <u>\$ -</u>    | 356,358             |
| Private credit & income funds              |                   |                  |                | 1,200,492           |
| Private equity partnerships                |                   |                  |                | 2,549,811           |
| Real estate limited partnerships and funds |                   |                  |                | 2,284,380           |
| Total                                      |                   |                  |                | <u>\$ 6,391,041</u> |

|                               | <b>2024</b>    |                |                |              |
|-------------------------------|----------------|----------------|----------------|--------------|
| <b>Assets</b>                 | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Foreign common stock          | \$ 35,953      | \$ -           | \$ -           | \$ 35,953    |
| Money market mutual fund      | 124,369        | -              | -              | 124,369      |
| Securities lending collateral | -              | 19,117         | -              | 19,117       |
| U.S. common stock             | 161,123        | -              | -              | 161,123      |

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|                                            |                   |                  |             |                     |
|--------------------------------------------|-------------------|------------------|-------------|---------------------|
| U.S. corporate bonds                       | -                 | 11,315           | -           | 11,315              |
| U.S. preferred stock                       | <u>9,905</u>      | <u>-</u>         | <u>-</u>    | <u>9,905</u>        |
| Total                                      | <u>\$ 331,350</u> | <u>\$ 30,432</u> | <u>\$ -</u> | 361,782             |
| Private credit & income funds              |                   |                  |             | 1,038,589           |
| Private equity partnerships                |                   |                  |             | 2,654,612           |
| Real estate limited partnerships and funds |                   |                  |             | <u>2,219,328</u>    |
| Total                                      |                   |                  |             | <u>\$ 6,274,311</u> |

The following table presents information on investments measured at the NAV as of June 30:

| Strategies                                            | Fair Value          | Unfunded<br>Commitments | 2025                                     |  | Redemption<br>Frequency <sup>(a)</sup> | Redemption<br>Notice<br>Period |
|-------------------------------------------------------|---------------------|-------------------------|------------------------------------------|--|----------------------------------------|--------------------------------|
|                                                       |                     |                         | Contractual<br>Termination<br>Date Range |  |                                        |                                |
| Private credit & income funds:                        |                     |                         |                                          |  |                                        |                                |
| Asset-backed credit <sup>(b)</sup>                    | \$ 423,309          | \$ 212,842              | 2026 to 2032                             |  | N/A                                    | N/A                            |
| Core private credit <sup>(c)</sup>                    | 634,511             | 143,708                 | 2031                                     |  | Quarterly                              | 45 days                        |
| Specialty & opportunistic credit <sup>(d)</sup>       | 142,672             | 188,277                 | 2026 to 2029                             |  | N/A                                    | N/A                            |
| Private equity partnerships:                          |                     |                         |                                          |  |                                        |                                |
| Corporate finance - buyout <sup>(e)</sup>             | 1,657,836           | 503,883                 | 2025 to 2035                             |  | N/A                                    | N/A                            |
| Corporate finance - distressed debt <sup>(f)</sup>    | 20,037              | 16,263                  | 2026                                     |  | N/A                                    | N/A                            |
| Corporate finance - growth equity <sup>(g)</sup>      | 164,443             | 76,639                  | 2025 to 2034                             |  | N/A                                    | N/A                            |
| Corporate finance - hard assets <sup>(h)</sup>        | 179,044             | 31,779                  | 2025 to 2033                             |  | N/A                                    | N/A                            |
| Corporate finance - mezzanine <sup>(i)</sup>          | 2,112               | 480                     | N/A                                      |  | N/A                                    | N/A                            |
| Corporate finance - structured capital <sup>(j)</sup> | 59,782              | 36,414                  | 2025 to 2032                             |  | N/A                                    | N/A                            |
| Corporate finance - turnaround <sup>(k)</sup>         | 104,681             | 120,868                 | 2026 to 2036                             |  | N/A                                    | N/A                            |
| Venture capital <sup>(l)</sup>                        | 361,876             | 39,275                  | 2026 to 2034                             |  | N/A                                    | N/A                            |
| Real estate limited partnerships and funds:           |                     |                         |                                          |  |                                        |                                |
| Core <sup>(m)</sup>                                   | 1,153,414           | -                       | N/A                                      |  | Quarterly                              | 45-90 days                     |
| Opportunistic <sup>(n)</sup>                          | 419,945             | 192,137                 | 2025 to 2034                             |  | N/A                                    | N/A                            |
| Value <sup>(o)</sup>                                  | <u>711,021</u>      | <u>483,853</u>          | 2025 to 2068                             |  | N/A                                    | N/A                            |
| Total                                                 | <u>\$ 6,034,683</u> | <u>\$ 2,046,236</u>     |                                          |  |                                        |                                |

The following table presents information on investments measured at the NAV as of June 30:

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| Strategies                                            | 2024         |                      |                                    |                                     |                          |
|-------------------------------------------------------|--------------|----------------------|------------------------------------|-------------------------------------|--------------------------|
|                                                       | Fair Value   | Unfunded Commitments | Contractual Termination Date Range | Redemption Frequency <sup>(a)</sup> | Redemption Notice Period |
| Private credit & income funds:                        |              |                      |                                    |                                     |                          |
| Core debt <sup>(b)</sup>                              | \$ 588,660   | \$ 122,514           | N/A                                | Quarterly                           | 45 days                  |
| Opportunistic debt <sup>(c)</sup>                     | 174,743      | 121,286              | 2029 to 2031                       | N/A                                 | N/A                      |
| Specialty credit <sup>(d)</sup>                       | 261,649      | 182,647              | 2026 to 2031                       | N/A                                 | N/A                      |
| Private equity partnerships:                          |              |                      |                                    |                                     |                          |
| Corporate finance - buyout <sup>(e)</sup>             | 1,796,982    | 549,680              | 2024 to 2035                       | N/A                                 | N/A                      |
| Corporate finance - distressed debt <sup>(f)</sup>    | 25,982       | 16,263               | 2025                               | N/A                                 | N/A                      |
| Corporate finance - growth equity <sup>(g)</sup>      | 167,116      | 91,166               | 2025 to 2031                       | N/A                                 | N/A                      |
| Corporate finance - hard assets <sup>(h)</sup>        | 128,978      | 47,031               | 2024 to 2033                       | N/A                                 | N/A                      |
| Corporate finance - mezzanine <sup>(i)</sup>          | 2,055        | 480                  | N/A                                | N/A                                 | N/A                      |
| Corporate finance - structured capital <sup>(j)</sup> | 61,236       | 22,337               | 2024 to 2028                       | N/A                                 | N/A                      |
| Corporate finance - turnaround <sup>(k)</sup>         | 100,430      | 100,687              | 2024 to 2034                       | N/A                                 | N/A                      |
| Venture capital <sup>(l)</sup>                        | 371,833      | 44,249               | 2025 to 2034                       | N/A                                 | N/A                      |
| Real estate limited partnerships and funds:           |              |                      |                                    |                                     |                          |
| Core <sup>(m)</sup>                                   | 1,167,442    | -                    | N/A                                | Quarterly                           | 45-90 days               |
| Opportunistic <sup>(n)</sup>                          | 355,393      | 245,046              | 2024 to 2034                       | N/A                                 | N/A                      |
| Value <sup>(o)</sup>                                  | 696,493      | 493,208              | 2024 to 2068                       | N/A                                 | N/A                      |
| Total                                                 | \$ 5,898,992 | \$ 2,036,594         |                                    |                                     |                          |

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Asset-backed credit funds typically invest in asset-backed loans collateralized by commercial or consumer receivables, assets, or loans, as well as other specialty types of commercial loans. This also includes real estate debt funds that invest in mezzanine or other subordinated real estate debt, and/or target higher risk properties than a typical core fund. Asset-backed credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (c) Core private credit funds are primarily senior-secured commercial loans that are on the more conservative end of the spectrum of the private credit market. This may also include funds that invest in senior real estate mortgages and other debt that is structured such that it is considered to have a core risk/return profile. The returns on core private credit investments are expected to be derived from contractual income.
- (d) Specialty & opportunistic credit funds is a broad classification that includes different types of debt strategies that have the highest risk-return profile in the private credit market. This may include strategies that invest in distressed debt, complex capital solutions, special situation loans, or market dislocations. It also includes specialized financing to specific industries that are underserved by the general debt markets. The returns on these assets are generally derived from both contractual income and an equity component.
- (e) Corporate Finance - Buyout funds acquire controlling or influential interests in companies.
- (f) Corporate Finance - Distressed Debt funds acquire the debt of companies experiencing operational or financial distress usually converting the debt to equity and exercising control of the business.
- (g) Corporate Finance - Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (h) Corporate Finance – Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (i) Corporate Finance - Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (j) Corporate Finance – Structured Capital funds combine common equity, preferred equity, fixed-income, and/or customized debt instruments to offer capital appreciation with downside protection.
- (k) Corporate Finance - Turnaround funds acquire the debt and or equity of companies experiencing operational or financial distress in order to radically reorganize and improve the business.
- (l) Venture Capital funds make investments in early stage through late stage companies, frequently start-ups in technology or healthcare.
- (m) Core funds are more conservative real estate investments that use a very modest level of financing to acquire and hold high-quality, stable properties typically located in major markets. Assets within these strategies tend to have high occupancy rates, higher credit tenants, and staggered lease terms, with a number of long-term leases expiring in five-to-ten years.

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- (n) Opportunistic funds have higher risk/return profiles and have broad strategies to achieve these types of returns. Common strategies are properties that need significant rehabilitation or a total redevelopment to transition to a different type of property (for example, converting an office building to condominiums). It may also include new development, distressed debt strategies, and more complex transactions, as well as a more traditional value-add strategy that is financed with a higher amount of leverage.
- (o) Value funds typically use more leverage than core funds and target higher return opportunities by acquiring properties that the manager believes they can add value through capital renovations to the physical facility or enhanced leasing and management activities. Most of these properties have in-place cash flow, which is expected to increase as the business plans are implemented. This could include making physical improvements to the asset that will allow it to command higher rents, increasing efforts to lease vacant space at the property to quality tenants, or improving the management of the property and thereby increasing customer satisfaction or lowering operating expenses where possible.

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**SHORT-TERM FIXED INCOME POOL**

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The main objective of the Pool is to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other WVIMB operated investment pools without sustaining capital losses while earning a small return above inflation. The Pool's benchmark, net of external investment management fees, is the FTSE 3 Month US T-Bill Index. JP Morgan Investment Advisors, Inc. manages the Pool.

BRIM's amount invested in the Short-Term Fixed Income Pool of \$5,586 and \$4,455 at June 30, 2025 and 2024, respectively, represented approximately 2.0% and 1.7%, respectively, of total investments in this Pool.

***Credit Risk***

The WVIMB limits the exposure to credit risk in the Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the Pool must have at least 10% of its assets in United States Treasury issues or remedy any deviation within two business days. At June 30, 2025, the Pool held no corporate bonds or commercial paper and approximately 9 percent of its total assets in U.S. Treasury issues. In accordance with policy, the allocation to U.S. Treasury issues was remediated within two business days, resulting in an increase to 13 percent of its total assets by July 1, 2025. At June 30, 2024, the Pool held no corporate bonds or commercial paper and approximately 31 percent of its total assets in U.S. Treasury issues. Repurchase agreements are collateralized by United States Treasury bonds. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. All of the Pool's investments had the highest credit ratings as of June 30, 2025 and 2024.

***Concentration of Credit Risk***

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2025 and 2024, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

***Custodial Credit Risk***

At June 30, 2025 and 2024, \$19 and \$0 of the pool's cash balance was exposed to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the WVIMB. All remaining investments are held by the WVIMB's custodian in the name of the WVIMB.

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***Interest Rate Risk***

The Pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The WVIMB monitors interest rate risk of the Pool by limiting the WAM of the investments of the Pool to 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

The following table provides the WAM for the different asset types in the Pool as of June 30:

| <b>Investment Type</b>       | <b>2025<br/>Carrying<br/>Value</b> | <b>WAM<br/>(Days)</b> | <b>2024<br/>Carrying<br/>Value</b> | <b>WAM<br/>(Days)</b> |
|------------------------------|------------------------------------|-----------------------|------------------------------------|-----------------------|
| Repurchase agreement         | \$ 60,859                          | 1                     | \$ 31,730                          | 1                     |
| U.S. Government agency bonds | 196,679                            | 7                     | 149,920                            | 4                     |
| U.S. Treasury bills          | 24,960                             | 15                    | 81,814                             | 17                    |
| Total investments            | <u>\$ 282,498</u>                  | 6                     | <u>\$ 263,464</u>                  | 8                     |

***Foreign Currency Risk***

The Pool has no investments that are subject to foreign currency risk.

***Fair Value Measurements***

The tables below summarize the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30:

| <b>Assets</b>                | <b>2025</b>    |                   |                | <b>Total</b>      |
|------------------------------|----------------|-------------------|----------------|-------------------|
|                              | <b>Level 1</b> | <b>Level 2</b>    | <b>Level 3</b> |                   |
| Repurchase agreement         | \$ -           | \$ 60,859         | \$ -           | \$ 60,859         |
| U.S. Government agency bonds | -              | 196,679           | -              | 196,679           |
| U.S. Treasury issues         | -              | 24,960            | -              | 24,960            |
| Total                        | <u>\$ -</u>    | <u>\$ 282,498</u> | <u>\$ -</u>    | <u>\$ 282,498</u> |

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| <b>Assets</b>                | <b>2024</b>    |                   |                |                   |
|------------------------------|----------------|-------------------|----------------|-------------------|
|                              | <b>Level 1</b> | <b>Level 2</b>    | <b>Level 3</b> | <b>Total</b>      |
| Repurchase agreement         | \$ -           | \$ 31,730         | \$ -           | \$ 31,730         |
| U.S. Government agency bonds | -              | 149,920           | -              | 149,920           |
| U.S. Treasury issues         | -              | 81,814            | -              | 81,814            |
| Total                        | <u>\$ -</u>    | <u>\$ 263,464</u> | <u>\$ -</u>    | <u>\$ 263,464</u> |

**Advanced Deposits**

**INSURANCE COMPANY AND TRUSTEE**

BRIM deposits monies with BNY, as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed income securities that are identified as "qualified assets" in the escrow agreement. The BNY advance deposit balance at June 30, 2025 and 2024 of \$294,032 and \$257,498, respectively, are presented net of amounts due from AIG for claims funding. At June 30, 2025 and 2024, amounts payable to AIG were \$4,987 and \$5,651, respectively.

The following table provides information on the weighted-average credit ratings of the advance deposits as of June 30:

| <b>Security Type</b>          | <b>2025</b>    |                |                   |                          | <b>2024</b>    |                |                   |                          |
|-------------------------------|----------------|----------------|-------------------|--------------------------|----------------|----------------|-------------------|--------------------------|
|                               | <b>Moody's</b> | <b>S&amp;P</b> | <b>Fair Value</b> | <b>Percent of Assets</b> | <b>Moody's</b> | <b>S&amp;P</b> | <b>Fair Value</b> | <b>Percent of Assets</b> |
| Corporate bonds and notes     | A1             | A+             | \$ -              | 0.00%                    | A1             | A+             | \$ 74             | 0.03 %                   |
|                               | Aa2            | AA             | -                 | 0.00                     | Aa2            | AA             | 1,255             | 0.48                     |
|                               | Aa3            | AA-            | -                 | 0.00                     | Aa3            | AA-            | 474               | 0.18                     |
|                               | Aaa            | AA+            | 817               | .3                       | Aaa            | AA+            | 968               | 0.37                     |
|                               | Aaa            | AAA            | <u>-</u>          | <u>0.00</u>              | Aaa            | AAA            | <u>951</u>        | <u>0.36</u>              |
|                               |                |                | 817               | 0.03                     |                |                | 3,722             | 1.42                     |
| U.S. Treasury bills and notes | Aa1            | NR             | 270,734           | 98.61                    | Aaa            | NR             | 245,784           | 93.36                    |
|                               | NR             | NR             | <u>-</u>          | <u>0.00</u>              | NR             | NR             | <u>7,690</u>      | <u>2.94</u>              |
|                               |                |                | 270,734           | 98.61                    |                |                | 253,474           | 96.30                    |
| U.S. Agency-debenture         | NR             | NR             | 2,118             | .77                      | NR             | NR             | 2,332             | 0.89                     |
|                               | Aaa            | AA+            | <u>-</u>          | <u>0.00</u>              | Aaa            | AA+            | <u>2,395</u>      | <u>0.92</u>              |
|                               |                |                | 2,118             | 0.77                     |                |                | 4,727             | 1.81                     |
| Money market funds            | NR             | NR             | <u>890</u>        | <u>.32</u>               | NR             | NR             | <u>1,226</u>      | <u>0.47</u>              |
| Total rated investments       |                |                | <u>\$ 274,560</u> | <u>100.00%</u>           |                |                | <u>\$ 263,149</u> | <u>100.00 %</u>          |

Additionally as of June 30, 2025 there is \$24,459 of advanced deposits in cash collateral account.

**Concentration of Credit Risk**

As per the Investment Guidelines, at the time of purchase, no more than 4.9% of its advance deposit assets can be held in securities issued by a single private corporation or association.

**Custodial Credit Risk**

At June 30, 2025 and 2024, advanced deposits include no securities that were subject to custodial credit risk.

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***Interest Rate Risk***

The following table provides the WAM for the various asset types in the advanced deposits as of June 30:

| <b>Investment Type</b>    | <b>2025</b>       |                  | <b>2024</b>       |                  |
|---------------------------|-------------------|------------------|-------------------|------------------|
|                           | <b>Fair Value</b> | <b>WAM Years</b> | <b>Fair Value</b> | <b>WAM Years</b> |
| Corporate bonds and notes | \$ 817            | 2.20             | \$ 3,722          | 1.32             |
| U.S. Treasury bills       | 270,734           | 2.59             | 253,474           | 2.97             |
| U.S. Agency debenture     | 2,119             | 4.79             | 4,728             | 3.31             |
| Money market funds        | 890               | 0.00             | 1,225             | 0.00             |
| Total rated investments   | <u>\$ 274,560</u> |                  | <u>\$ 263,149</u> |                  |

***Foreign Currency Risk***

None of the advanced deposits includes interest holds in foreign currency or interests valued in foreign currency.

***Fair Value Measurements***

The table below summarizes the valuation of the advance deposits with an insurance company and trustee in accordance with fair value hierarchy levels as of June 30:

| <b>Assets</b>             | <b>2025</b>       |                |                |              |
|---------------------------|-------------------|----------------|----------------|--------------|
|                           | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Corporate bonds and notes | \$ 817            | -              | -              | -            |
| U.S. Treasury bills       | 270,734           | -              | -              | -            |
| U.S. Agency debenture     | 2,119             | -              | -              | -            |
| Money market funds        | 890               | -              | -              | -            |
| Total                     | <u>\$ 274,560</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>  |

| <b>Assets</b>             | <b>2024</b>       |                |                |                   |
|---------------------------|-------------------|----------------|----------------|-------------------|
|                           | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>      |
| Corporate bonds and notes | \$ 3,722          | -              | -              | 3,722             |
| U.S. Treasury bills       | 253,474           | -              | -              | 251,898           |
| U.S. Agency debenture     | 4,728             | -              | -              | 4,728             |
| Money market funds        | 1,225             | -              | -              | 1,225             |
| Total                     | <u>\$ 263,149</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 261,573</u> |

The fair value tables above do not include a net escrow liability of \$4,987 and \$5,561 at June 30, 2025 and 2024, respectively. In addition, \$24,459 of advanced deposits was held in a cash collateral account as of June 30, 2025.

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## **Note 4. Unpaid Claims and Claims Adjustment Expense Liability**

BRIM establishes an estimated liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses.

The following represents changes in the estimated liability for the fiscal and policy years ended June 30:

|                                                                                         | <u>2025</u>       | <u>2024</u>       |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|
| Unpaid claims and claims adjustment expense liability at beginning of year              | \$ 292,066        | \$ 366,680        |
| Incurred claims and claims adjustment expense                                           |                   |                   |
| Provision for insured events of the current year                                        | 103,735           | 92,025            |
| Increase (decrease) in provision for insured events of prior years                      | (459)             | 11,247            |
| Total incurred claims and claims adjustment expense                                     | <u>103,276</u>    | <u>103,272</u>    |
| Payments                                                                                |                   |                   |
| Claims and claims adjustment expense attributable to insured events of the current year | (16,295)          | (14,156)          |
| Claims and claims adjustment expense attributable to insured events of prior years      | <u>(91,015)</u>   | <u>(163,730)</u>  |
| Total payments                                                                          | <u>(107,310)</u>  | <u>(177,886)</u>  |
| Total unpaid claims and claims adjustment expense liability at end of year              | <u>\$ 288,032</u> | <u>\$ 292,066</u> |

If the unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2025 and 2024 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately \$25,501 and \$23,212 for fiscal years 2025 and 2024, respectively. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. Payments related to insured events of prior years was the primary reason for the overall decrease in the reserves from the prior year.

## **Note 5. Pension Plan**

### ***Plan Description***

All full-time BRIM employees are eligible to participate in PERS, a multiple-employer defined benefit cost-sharing public employee retirement system administered by the West Virginia Consolidated Public Retirement Board (CPRB). Chapter 5, Article 10 of the West Virginia Code assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees. Benefits under PERS include deferred retirement, early retirement, death and disability benefits and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at [www.wvretirement.com](http://www.wvretirement.com).

### ***Benefits Provided***

Employees are eligible for normal retirement at age 60 with five or more years of credited service, of at least age 55 with age and service equal to 80 or greater. For all employees hired on or after July 1, 2015, qualification for normal retirement is age 62 with ten years of service or at least age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit, established by State statute, is equivalent to 2% of the employee's final average salary multiplied by years of service. Final average salary is the average of the three consecutive highest

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annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015 who have separated from employment with a participating PERS agency prior to retirement, the retirement age increases to 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 10%, 10%, and 10% for the years ended June 30, 2025, 2024, and 2023, respectively. As permitted by legislation, BRIM has elected to pay 100% of all costs relating to the Plan, including the employee's 4.5% contribution for employees hired on or before February 6, 2012. Beginning February 7, 2012, new hires are required to pay the employee's contribution of 4.5%. For all employees hired on or after July 1, 2015, the employee contribution increased to 6.0%. BRIM's contributions to the Plan were \$150, \$149, and \$154 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively.

**Net Pension Asset (Liability), Pension Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The West Virginia Consolidated Public Retirement Board (WVCPRB) administers this cost-sharing multiple-employer plan. At June 30, 2025 and 2024, BRIM reported an asset of \$149 and \$4 for its proportionate share of the net pension asset. The net pension asset reported at June 30, 2025 was measured as of June 30, 2024 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023, rolled forward to the measurement date of June 30, 2024. BRIM's proportion of the net pension asset was based on BRIM's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2024. At June 30, 2025, BRIM's proportionate share was 0.0905%, which was a decrease of 0.0071% from its proportionate share as of June 30, 2024.

For the years ended June 30, 2025 and 2024, BRIM recognized pension expense of \$78 and \$154, respectively. At June 30, 2025 and 2024, BRIM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                             | <b>2025</b>                                   |                                              | <b>2024</b>                                   |                                              |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                                             | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Net difference between projected and actual earnings on pension plan investments                            | \$ -                                          | \$ 173                                       | \$ 27                                         | \$ -                                         |
| Differences between expected and actual experience                                                          | 203                                           | -                                            | 37                                            | -                                            |
| Difference in assumptions                                                                                   | -                                             | 14                                           | 28                                            | -                                            |
| Changes in proportion and differences between BRIM's contributions and proportionate share of contributions | 5                                             | -                                            | 2                                             | -                                            |
| BRIM's contributions made subsequent to the measurement date of June 30, 2025 and 2024                      | 150                                           | -                                            | 149                                           | -                                            |
| Total                                                                                                       | <u>\$ 358</u>                                 | <u>\$ 187</u>                                | <u>\$ 243</u>                                 | <u>\$ -</u>                                  |

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Employer contributions to PERS made during the fiscal year, subsequent to the pension asset (liability) measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net pension asset (liability) in the following year. The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in the financial statements are amortized and included in pension expense over the average remaining service life, rounded to the nearest whole year, of four years.

These other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of June 30, 2025 will be recognized in pension expense (expense offset) as follows:

**Year ending June 30:**

|      |    |       |
|------|----|-------|
| 2026 | \$ | (171) |
| 2027 | \$ | 226   |
| 2028 | \$ | 10    |
| 2029 | \$ | (44)  |

***Actuarial Assumptions And Methods***

The total pension asset (liabilities) for financial reporting purposes were determined by actuarial valuation using the actuarial assumptions and methods described, as follows:

|                           | <b><u>2025</u></b>                               | <b><u>2024</u></b>                               |
|---------------------------|--------------------------------------------------|--------------------------------------------------|
| Valuation date:           | July 1, 2023 rolled forward to<br>June 30, 2024  | July 1, 2022 rolled forward to<br>June 30, 2023  |
| Inflation                 | 2.75%                                            | 2.75%                                            |
| Salary increase           | 2.75-6.75%, avg., including inflation            | 2.75-6.75%, avg., including inflation            |
| Investment rate of return | 7.25%, net of pension plan<br>investment expense | 7.25%, net of pension plan<br>investment expense |

Mortality rates were based on 108% of the 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, below-median, headcount weighted, projected with scale MP-2018 for disabled males and 117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018 for disabled females.

The economic actuarial assumptions used in the valuations were based on the results from an actual experience study for the period July 1, 2015 through June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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***Discount Rate***

The discount rate used to measure the total pension asset (liability) for the June 30, 2025 and 2024 reporting was 7.25%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current system members. Therefore, the long-term expected rate of return on system investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

***Sensitivity of BRIM'S Proportionate Share of the Net Pension Asset (Liability) to Changes in the Discount Rate***

The following presents BRIM's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.25%, as well as what BRIM's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

|                                                                                    | <b><u>1% Decrease<br/>(6.25%)</u></b> | <b><u>Current<br/>Discount<br/>Rate (7.25%)</u></b> | <b><u>1% Increase<br/>(8.25%)</u></b> |
|------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|
| BRIM's proportionate share of net pension asset (liability)<br>as of June 30, 2025 | \$ (758)                              | \$ 149                                              | \$ 915                                |

|                                                                                    | <b><u>1% Decrease<br/>(6.25%)</u></b> | <b><u>Current<br/>Discount<br/>Rate (7.25%)</u></b> | <b><u>1% Increase<br/>(8.25%)</u></b> |
|------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|
| BRIM's proportionate share of net pension asset (liability)<br>as of June 30, 2024 | \$ (907)                              | \$ 4                                                | \$ 773                                |

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**Note 6. Other Post-Employment Benefits**

***Plan Description***

BRIM participates in the West Virginia Other Postemployment Benefit Plan (Plan) is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. 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 approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees, and public retirees. Four remaining members represent the public-at-large.

The Plan had approximately 43,000 policyholders and 62,000 covered lives at June 30, 2024. BRIM currently has approximately 17 employees eligible to receive RHBT benefits.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement is: a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with PEIA. Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: 55 years of age and have 12 or more years of credited service; or be at least 60 years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon retirement. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System, and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

For additional financial information, which may be used for disclosure by participating employers, please refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at [www.peia.wv.gov](http://www.peia.wv.gov). If you have any questions about this report or need additional information, contact the RHBT Controller, Jennifer Priddy, at (304) 352-0298, ext. 20298. You can also submit your questions in writing to West Virginia Public Employees Insurance Agency, 601 57<sup>th</sup> Street, SE Suite 2, Charleston, West Virginia 25304.

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***Benefits Provided***

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

***Contributions***

Contributions into RHBT include paygo, retiree leave conversion billings, and other matters, including billing adjustments. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT the established premium rate for every active policyholder per month. In fiscal year 2024, there was no subsidization of the retirees' healthcare from paygo premiums. RHBT had significant savings with the Humana contract renewal beginning fiscal years 2022 through 2025. In addition to the Humana contract savings, RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. RHBT passed on these savings to PEIA active employers by not billing paygo in fiscal year 2024. The 5 year financial plan, which was passed by the Board in December 2021, originally had paygo to be billed at \$20M for fiscal year 2024. The prior year paygo rate for fiscal year 2023 was \$70 per active health policy per month. Other contributions such as retiree leave conversion differ by agency and are only recorded as utilized by plan participants. BRIM's contributions to RHBT were \$9, \$0, and \$27 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively.

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

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

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

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.

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

At June 30, 2025 and 2024, BRIM reported an asset of \$0 and \$26 for its proportionate share of the net OPEB asset (liability). The net OPEB asset reported at June 30, 2025 was measured as of June 30, 2024 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023. For fiscal year 2024, the net OPEB asset was measured as of June 30, 2023 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. BRIM's proportion of the net OPEB asset as of June 30, 2025 and 2024 was based on BRIM's share of contributions to the OPEB plan relative to the contributions of all employers participating in RHBT for the year ended June 30, 2024 and 2023, respectively. At June 30, 2025, BRIM's proportionate share was 0%, which was a decrease of 0.0165% from its proportionate share as of June 30, 2024.

At June 30, 2025 and 2024, BRIM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                                                             | <b>2025</b>                                  |                                             | <b>2024</b>                                  |                                             |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                                                             | <b><u>Deferred Outflows of Resources</u></b> | <b><u>Deferred Inflows of Resources</u></b> | <b><u>Deferred Outflows of Resources</u></b> | <b><u>Deferred Inflows of Resources</u></b> |
| Differences between expected and actual experience                                                          | -                                            | -                                           | -                                            | 15                                          |
| Changes in assumptions                                                                                      | -                                            | -                                           | -                                            | 15                                          |
| Changes in proportion and differences between BRIM's contributions and proportionate share of contributions | 7                                            | 7                                           | 2                                            | 34                                          |
| Reallocation of opt-out employer changes in proportionate share                                             | -                                            | -                                           | 8                                            | -                                           |
| BRIM's contributions made subsequent to the measurement date of June 30, 2024 and 2023                      | <u>9</u>                                     | <u>-</u>                                    | <u>-</u>                                     | <u>-</u>                                    |
| Total                                                                                                       | <u>\$ 16</u>                                 | <u>\$ 7</u>                                 | <u>\$ 10</u>                                 | <u>\$ 64</u>                                |

Employer contributions to RHBT made during the fiscal year, subsequent to the net OPEB asset (liability) measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net OPEB asset (liability) in the following year.

The net difference between projected and actual investment earnings on OPEB Plan investments are recognized in OPEB expense using a systematic and rational method over a closed five-year period. Differences between actual and expected experience relating to OPEB amounts are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB Plan determined as of the beginning of the measurement period. The average of the expected remaining lives is 3.4498 years.

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***OPEB Contributions by Non-Employer Contributing Entities in a Special Funding Situation***

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

The State is a non-employer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020. This funding is to the advantage of all RHBT contributing employers.

For the years ended June 30, 2025 and 2024, BRIM recognized OPEB revenue of \$0 and \$88, respectively.

For the years ended June 30, 2025 and 2024, BRIM recognized revenue (expense) of \$0 and \$19, respectively, for support provided by the State under a special funding situation.

BRIM’s reported liability for its proportionate share of the WV OPEB Plan’s net OPEB asset (liability) that reflected a reduction for the State of WV OPEB support provided to BRIM. The amount recognized BRIM as its proportionate share of the net OPEB asset (liability), the related State of West Virginia support, and the total portion of the net OPEB asset (liability) that was associated with BRIM as of June 30 was as follows.

|                                                                                                                        | <u>2025</u> | <u>2024</u>  |
|------------------------------------------------------------------------------------------------------------------------|-------------|--------------|
| BRIM’s proportionate share of the net OPEB asset (liability):                                                          | \$ -        | \$ 26        |
| State of West Virginia’s special funding proportionate share<br>of the net OPEB asset (liability) associated with BRIM | <u>-</u>    | <u>11</u>    |
| Total portion of the net OPEB asset (liability) associated<br>with BRIM                                                | <u>\$ -</u> | <u>\$ 37</u> |

***Actuarial Assumptions***

The net OPEB asset (liability) measured as of June 30, 2024 applicable to Plan Employer’s fiscal year ended June 30, 2025 financial reporting was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions:

- Inflation ..... 2.50%
- Salary increases ..... Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return ..... 7.40%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates ..... Trend rate for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2033.
- Actuarial cost method ..... Entry Age Normal Cost Method.
- Amortization method..... Level percentage of payroll over a 20-year closed period beginning June 30, 2017.

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Postretirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub- 2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the BTI.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

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

The estimates of annualized real returns assuming a 10-year horizon are summarized below:

| <b>Asset Class</b>        | <b>Long-Term<br/>Expected<br/>Real return</b> |
|---------------------------|-----------------------------------------------|
| Equity                    | 7.4%                                          |
| Fixed Income              | 3.9%                                          |
| Private Credit and Income | 7.4%                                          |
| Private Equity            | 10.0%                                         |
| Hedge Funds               | 4.5%                                          |
| Real Estate               | 7.7%                                          |

***Single Discount Rate***

A single discount rate of 7.40% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset (liability).

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***Sensitivity of BRIM'S Proportionate Share of the Net OPEB Asset (Liability) to Changes in the Discount Rate***

The following presents BRIM's proportionate share of the net OPEB asset (liability) calculated using the discount rate of 7.40%, as well as what BRIM's proportionate share of the net OPEB asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate:

|                                                                                 | <u>1% Decrease<br/>(6.40%)</u> | <u>Current<br/>Discount<br/>Rate (7.40%)</u> | <u>1% Increase<br/>(8.40%)</u> |
|---------------------------------------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| BRIM's proportionate share of net OPEB asset (liability)<br>as of June 30, 2025 | \$ -                           | \$ -                                         | \$ -                           |
|                                                                                 |                                |                                              |                                |
|                                                                                 | <u>1% Decrease<br/>(6.40%)</u> | <u>Current<br/>Discount<br/>Rate (7.40%)</u> | <u>1% Increase<br/>(8.40%)</u> |
| BRIM's proportionate share of net OPEB asset (liability)<br>as of June 30, 2024 | \$ 4                           | \$ 26                                        | \$ 50                          |

***Sensitivity of the Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rates.***

The following presents BRIM's proportionate share of the net OPEB asset (liability) of the Plan, as well as what BRIM's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower:

|                                                | <u>1% Decrease</u> | <u>Healthcare Cost<br/>Trend Rates</u> | <u>1% Increase</u> |
|------------------------------------------------|--------------------|----------------------------------------|--------------------|
| Net OPEB asset (liability) as of June 30, 2025 | \$ -               | \$ -                                   | \$ -               |
|                                                |                    |                                        |                    |
|                                                | <u>1% Decrease</u> | <u>Healthcare Cost<br/>Trend Rates</u> | <u>1% Increase</u> |
| Net OPEB asset (liability) as of June 30, 2024 | \$ 67              | \$ 26                                  | \$ (22)            |

**Note 7. Lease Arrangement**

On November 6, 2024, BRIM entered into a lease with the West Virginia Department of Administration, a related party, for 11,955 square feet at the Albert Summers building located at 1124 Smith Street, Charleston, West Virginia for an annual rent of \$212. This lease shall continue until canceled or terminated by any of the parties. BRIM can cancel upon giving 30 days written notice.

**West Virginia Board of Risk and Insurance Management**  
**(an Enterprise Fund of the State of West Virginia)**  
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**June 30, 2025 and 2024**  
**(in thousands)**

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**Note 8. Transactions with Primary Government and Component Units**

Premium revenues derived from billings to State entities, which are funded by special revenue funds and component units of the primary government, approximated \$68,254 and \$58,434 for the years ended June 30, 2025 and 2024, respectively.

BRIM is required by Senate Bill 1002 to remit amounts equal to the gross premium tax attributable to premiums collected by BRIM. These amounts are to be placed in a separate account known as "the Premium Tax Savings Fund" (Fund) maintained by the State Treasurer. Amounts remitted to the fund for the years ended June 30, 2025 and 2024 were \$4,857 and \$4,452, respectively. The balance in this fund was \$22,319 and \$17,709 at June 30, 2025 and 2024, respectively. The Fund is not included in BRIM's financial statements but is included in the general fund of the State.

**Note 9. Reinsurance (Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)**

BRIM has entered into various reinsurance agreements for excess coverage with unrelated insurance companies wherein the company assumes the liability over BRIM's limit for a ceded premium. BRIM obtains an excess policy from the commercial market, which gives boards of education a liability limit of up to \$5 million in excess of BRIM's \$1.25 million self-insured limit. BRIM also purchases an excess policy on all State and SB3 insured property over and above BRIM's \$1 million self-insured limit. These reinsurance agreements have been accounted for as a transfer of risk in the accompanying financial statements; however, BRIM is not relieved of its primary obligation to the insureds in the reinsurance transaction. BRIM had \$1,798 reinsurance and recoveries for the fiscal year ended June 30, 2025, and \$1,540 for the fiscal year ended June 30, 2024.

**Note 10. Risk Management and Risk Disclosures under GASB 102 (Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)**

BRIM is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; medical liabilities; and natural disasters. BRIM is a participant in the self-insured public entity risk pool it administers. Coverage is in the amount of \$1 million per occurrence for general liability and property damage. Health insurance coverage for BRIM's employees is obtained through its participation in health insurance coverage offered by PEIA, which provides hospital, surgical, group major medical, basic group life, accidental death, and prescription drug coverage for active and retired employees of the State and various related State and non-State agencies. BRIM has coverage for job-related injuries through a statewide workers' compensation policy with a third-party insurer.

There have been no significant reductions in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded insurance coverage in the past three years.

*Concentrations*

BRIM's operations are concentrated in providing property and casualty insurance to State agencies, county boards of education, and other governmental and nonprofit organizations. As of June 30, 2025, premium revenues derived from billings to State entities accounted for approximately \$68.3 million, representing a significant portion of total operating revenues. Additionally, BRIM's investment portfolio is managed by the West Virginia Investment

**West Virginia Board of Risk and Insurance Management**  
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Management Board (WVIMB) and Board of Treasury Investments (BTI), with substantial holdings in pooled investment vehicles and money market funds. This concentration in state-managed investment pools may expose BRIM to risks associated with changes in state investment policy or market volatility affecting these pools.

*Constraints*

BRIM operates under statutory constraints imposed by West Virginia Code, including requirements to provide specific lines of coverage (such as mine subsidence insurance) and to maintain restricted net position for certain programs. The Board is also subject to statutory requirements regarding the management of cash and investments, which must be held by WVIMB and BTI. These constraints may limit BRIM's flexibility in responding to market conditions or adjusting investment strategies. BRIM's insurance programs are further constrained by legislative mandates regarding coverage limits, premium rates, and participation eligibility.

*Vulnerability Assessment*

These concentrations and constraints were known prior to the issuance of these financial statements and are considered to expose BRIM to potential substantial financial impact. No triggering events have occurred as of the reporting date, but BRIM continues to monitor developments closely, including legislative changes, market fluctuations, and claims experience.

***Required Supplementary Information  
(in thousands)***

**West Virginia Board of Risk and Insurance Management**  
**Ten-Year Claims Development Information**  
**Fiscal and Policy Year Ended June 30**  
**(in thousands)**

The table below illustrates how BRIM's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by BRIM as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's premium revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of BRIM, including overhead and unallocated claims expense not allocable to individual claims. (3) This line shows BRIM's incurred claims and claims adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each year. (6) This section of rows shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (7) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

|                                                                                                                         | 2016      | 2017      | 2018      | 2019       | 2020       | 2021       | 2022      | 2023       | 2024       | 2025       |
|-------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|------------|------------|------------|-----------|------------|------------|------------|
| 1) Premiums and investment revenues (losses)                                                                            |           |           |           |            |            |            |           |            |            |            |
| Earned                                                                                                                  | \$ 72,706 | \$ 81,209 | \$ 85,663 | \$ 104,345 | \$ 105,385 | \$ 112,083 | \$ 52,429 | \$ 103,488 | \$ 132,326 | \$ 151,032 |
| Ceded                                                                                                                   | 6,909     | 6,681     | 6,518     | 6,627      | 6,915      | 4,438      | 4,758     | 8,969      | 14,989     | 16,053     |
| Net earned                                                                                                              | 65,797    | 74,528    | 79,145    | 97,718     | 98,470     | 107,645    | 47,671    | 94,519     | 117,337    | 134,979    |
| 2) Unallocated expenses, including administrative fees paid to third-party claims administrators                        | 7,911     | 8,290     | 8,507     | 8,684      | 9,224      | 9,171      | 9,444     | 10,352     | 10,358     | 10,404     |
| 3) Estimated incurred claims and claims adjustment expense, end of policy year                                          |           |           |           |            |            |            |           |            |            |            |
| Incurred                                                                                                                | 66,740    | 70,705    | 72,629    | 69,092     | 70,402     | 77,590     | 97,174    | 88,684     | 92,025     | 103,734    |
| Ceded                                                                                                                   | -         | -         | 596       | -          | 593        | -          | 1,000     | -          | -          | -          |
| Net incurred                                                                                                            | 66,740    | 70,705    | 72,033    | 69,092     | 69,809     | 77,590     | 96,174    | 88,684     | 92,025     | 103,734    |
| 4) Paid (cumulative) claims and claims adjustment expense as of                                                         |           |           |           |            |            |            |           |            |            |            |
| End of policy year                                                                                                      | 12,863    | 11,922    | 11,846    | 10,321     | 12,300     | 13,159     | 16,970    | 15,123     | 14,156     | 16,295     |
| One year later                                                                                                          | 23,494    | 23,067    | 22,032    | 22,279     | 21,954     | 27,860     | 32,838    | 31,619     | 32,160     |            |
| Two years later                                                                                                         | 34,585    | 37,673    | 32,994    | 38,212     | 34,527     | 42,224     | 50,598    | 54,233     |            |            |
| Three years later                                                                                                       | 44,997    | 44,538    | 41,881    | 49,610     | 44,017     | 50,745     | 63,919    |            |            |            |
| Four years later                                                                                                        | 49,631    | 50,017    | 47,127    | 55,523     | 48,863     | 58,161     |           |            |            |            |
| Five years later                                                                                                        | 51,867    | 54,902    | 50,790    | 58,915     | 52,308     |            |           |            |            |            |
| Six years later                                                                                                         | 53,474    | 56,069    | 53,808    | 62,326     |            |            |           |            |            |            |
| Seven years later                                                                                                       | 54,173    | 57,323    | 54,421    |            |            |            |           |            |            |            |
| Eight years later                                                                                                       | 54,818    | 57,661    |           |            |            |            |           |            |            |            |
| Nine years later                                                                                                        | 58,725    |           |           |            |            |            |           |            |            |            |
| 5) Reestimated ceded claims and expenses                                                                                | 2,782     | -         | 596       | -          | -          | -          | 1,000     | -          | -          | -          |
| 6) Reestimated net incurred claims and allocated claims adjustment expense                                              |           |           |           |            |            |            |           |            |            |            |
| End of policy year                                                                                                      | 66,740    | 70,705    | 72,033    | 69,092     | 69,809     | 77,590     | 96,174    | 88,684     | 92,025     | 103,734    |
| One year later                                                                                                          | 64,655    | 65,589    | 65,418    | 69,463     | 63,910     | 74,521     | 92,937    | 98,316     | 92,767     |            |
| Two years later                                                                                                         | 62,537    | 65,151    | 62,380    | 72,909     | 63,711     | 73,834     | 98,294    | 95,998     |            |            |
| Three years later                                                                                                       | 59,700    | 62,032    | 58,836    | 69,754     | 58,465     | 70,819     | 92,942    |            |            |            |
| Four years later                                                                                                        | 57,468    | 62,533    | 59,061    | 67,669     | 56,877     | 68,696     |           |            |            |            |
| Five years later                                                                                                        | 57,241    | 61,465    | 48,275    | 67,813     | 57,275     |            |           |            |            |            |
| Six years later                                                                                                         | 56,798    | 59,482    | 58,072    | 68,254     |            |            |           |            |            |            |
| Seven years later                                                                                                       | 56,353    | 59,624    | 58,320    |            |            |            |           |            |            |            |
| Eight years later                                                                                                       | 57,573    | 59,370    |           |            |            |            |           |            |            |            |
| Nine years later                                                                                                        | 61,068    |           |           |            |            |            |           |            |            |            |
| 7) (Decrease) increase in estimated net incurred claims and allocated claims adjustment expense from end of policy year | (9,167)   | (11,081)  | (13,961)  | (1,279)    | (12,932)   | (3,756)    | 2,120     | 9,632      | -          | -          |

Note: The above financial data is summarized for individual contract periods. Subsequent premium and related expense adjustments and reserve developments are recorded in the year incurred for fiscal year financial reporting, but are included in the applicable contract year for purposes of the above schedule. Accordingly, components of the change in net position as determined on a contract-year basis will differ from those included in BRIM's fiscal year financial statements.

**West Virginia Board of Risk and Insurance Management**  
**Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract**  
**Fiscal and Policy Year Ended June 30**  
**(in thousands)**

The table below presents the changes in unpaid claims and claims adjustment expense liability for BRIM's lines of business:

|                                                                                                | 2025              |                  |                    |                   | 2024              |                 |                    |                   |
|------------------------------------------------------------------------------------------------|-------------------|------------------|--------------------|-------------------|-------------------|-----------------|--------------------|-------------------|
|                                                                                                | Liability         | Property         | Mine<br>Subsidence | Total             | Liability         | Property        | Mine<br>Subsidence | Total             |
| Unpaid claims and claims adjustment expense liability at beginning of fiscal year              | \$ 281,569        | \$ 8,516         | \$ 1,981           | \$ 292,066        | \$ 356,430        | \$ 8,494        | \$ 1,756           | \$ 366,680        |
| Incurring claims and claims adjustment expense                                                 |                   |                  |                    |                   |                   |                 |                    |                   |
| Provision for insured events of the current fiscal year                                        | 88,435            | 13,500           | 1,800              | 103,735           | 81,244            | 8,708           | 2,073              | 92,025            |
| Increase in provision for insured events of prior fiscal years                                 | 4,247             | (4,734)          | 28                 | (459)             | 9,187             | 1,794           | 266                | 11,247            |
| <b>Total Incurred Claims and Claims Adjustment Expense</b>                                     | <u>92,682</u>     | <u>8,766</u>     | <u>1,828</u>       | <u>103,276</u>    | <u>90,431</u>     | <u>10,502</u>   | <u>2,339</u>       | <u>103,272</u>    |
| Payments                                                                                       |                   |                  |                    |                   |                   |                 |                    |                   |
| Claims and claims adjustment expense attributable to insured events of the current fiscal year | 12,991            | 3,004            | 300                | 16,295            | 11,535            | 1,935           | 686                | 14,156            |
| Claims and claims adjustment expense attributable to insured events of the prior fiscal years  | 88,098            | 1,657            | 1,260              | 91,015            | 153,757           | 8,545           | 1,428              | 163,730           |
| <b>Total Claims and Claims Adjustment Expense Payments</b>                                     | <u>101,089</u>    | <u>4,661</u>     | <u>1,560</u>       | <u>107,310</u>    | <u>165,292</u>    | <u>10,480</u>   | <u>2,114</u>       | <u>177,886</u>    |
| <b>Total Unpaid Claims and Claims Adjustment Expense Liability at End of the Fiscal Year</b>   | <u>\$ 273,162</u> | <u>\$ 12,621</u> | <u>\$ 2,249</u>    | <u>\$ 288,032</u> | <u>\$ 281,569</u> | <u>\$ 8,516</u> | <u>\$ 1,981</u>    | <u>\$ 292,066</u> |

**West Virginia Board of Risk and Insurance Management**  
**Schedule of Proportionate Share of the Net Pension Asset (Liability) in PERS**  
**Last Ten Fiscal Years**  
**(in thousands except percentages)**

|                                                                                                          | 2025     | 2024     | 2023     | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     |
|----------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| BRIM's proportionate (percentage) of the net pension asset (liability)                                   | 0.0905%  | 0.0976%  | 0.0991%  | 0.1018%  | 0.1008%  | 0.0995%  | 0.0964%  | 0.0767%  | 0.0833%  | 0.0836%  |
| BRIM's proportionate share of the net pension asset (liability)                                          | \$ 149   | \$ 4     | \$ (148) | \$ 894   | \$ (533) | \$ (214) | \$ (249) | \$ (331) | \$ (766) | \$ (467) |
| BRIM's covered payroll                                                                                   | \$ 1,714 | \$ 1,635 | \$ 1,606 | \$ 1,635 | \$ 1,573 | \$ 1,432 | \$ 1,275 | \$ 1,013 | \$ 1,100 | \$ 878   |
| BRIM's proportionate share of the net pension's asset (liability) as a percentage of its covered payroll | -8.69%   | -0.24%   | 9.22%    | -54.68%  | -33.88%  | -14.94%  | -19.53%  | -32.68%  | -69.64%  | -53.19%  |
| Plan fiduciary net position as a percentage of the total pension asset (liability) *                     | 101.85%  | 100.05%  | 98.24%   | 111.07%  | 92.89%   | 96.99%   | 96.33%   | 93.67%   | 86.11%   | 91.29%   |

\* This is the same percentage for all participant employers in the PERS plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

West Virginia Board of Risk and Insurance Management  
Schedule of Contributions to PERS  
Last Ten Fiscal Years  
(in thousands except percentages)

|                                                                    | 2025            | 2024            | 2023            | 2022            | 2021            | 2020            | 2019            | 2018            | 2017            | 2016            |
|--------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statutorily required contribution                                  | \$ 150          | \$ 149          | \$ 154          | \$ 156          | \$ 158          | \$ 152          | \$ 142          | \$ 138          | \$ 123          | \$ 149          |
| Contributions in relation to the statutorily required contribution | (150)           | (149)           | (154)           | (156)           | (158)           | (152)           | (142)           | (138)           | (123)           | (149)           |
| <b>Contribution Deficiency (Excess)</b>                            | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| <b>Covered Payroll</b>                                             | <u>\$ 1,721</u> | <u>\$ 1,714</u> | <u>\$ 1,635</u> | <u>\$ 1,606</u> | <u>\$ 1,635</u> | <u>\$ 1,573</u> | <u>\$ 1,432</u> | <u>\$ 1,275</u> | <u>\$ 1,013</u> | <u>\$ 1,100</u> |
| <b>Contributions as a Percentage of Covered Payroll</b>            | 8.72%           | 8.69%           | 9.42%           | 9.71%           | 9.66%           | 9.66%           | 9.92%           | 10.82%          | 12.14%          | 13.55%          |

**West Virginia Board of Risk and Insurance Management**  
**(an Enterprise Fund of the State of West Virginia)**  
**Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net**  
**Pension Asset (Liability) in PERS and Schedule of Contributions to PERS**  
**June 30, 2025 and 2024**  
**(in thousands)**

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**Note 1. Plan Amendment**

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

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For employees hired on or after July 1, 2015, qualification for normal retirement is 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater.
- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.
- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64.
- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

**West Virginia Board of Risk and Insurance Management**  
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**Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net**  
**Pension Asset (Liability) in PERS and Schedule of Contributions to PERS**  
**June 30, 2025 and 2024**  
**(in thousands)**

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**Note 2. Changes in Assumptions**

A summary of changes in key actuarial valuation assumptions utilized in the actuarial valuation are as follows:

|                             | <u>2023-2020</u>                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                 |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Projected salary increases: |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                 |
| State                       | 2.75 – 5.55%                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                 |
| Non-state                   | 3.60 – 6.75%                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                 |
| Inflation rate              | 2.75%                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                 |
| Mortality rates             | Healthy males -108% of Pub 2010<br>Non-Annuitant, Scale MP-2018<br>Healthy females-122% of Pub 2010<br>Non-Annuitant, Scale MP-2018<br>Disabled males - 118% of Pub 2010<br>Disabled annuitant, Scale MP-2018<br>Disabled females - 117% of Pub 2010<br>Disabled annuitant, Scale MP-2018 |                                                                                                                                                                                                                                                                 |
| Withdrawal rates:           |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                 |
| State                       | 2.28 – 45.63%                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                 |
| Non-state                   | 2.50 – 35.88%                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                 |
| Disability rates            | 0.005 – 0.54%                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                 |
|                             | <u>2019</u>                                                                                                                                                                                                                                                                               | <u>2018-2015</u>                                                                                                                                                                                                                                                |
| Projected salary increases: |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                 |
| State                       | 3.10 – 5.30%                                                                                                                                                                                                                                                                              | 3.00 - 4.60%                                                                                                                                                                                                                                                    |
| Non-state                   | 3.35 – 6.50%                                                                                                                                                                                                                                                                              | 3.00 - 4.60%                                                                                                                                                                                                                                                    |
| Inflation rate              | 3.00%                                                                                                                                                                                                                                                                                     | 3.00%                                                                                                                                                                                                                                                           |
| Mortality rates             | Healthy males -108% of Pub 2010<br>Non-Annuitant, Scale MP-2018<br>Healthy females-122% of Pub 2010<br>Non-Annuitant, Scale MP-2018<br>Disabled males - 118% of Pub 2010<br>Disabled annuitant, Scale MP-2018<br>Disabled females - 117% of Pub 2010<br>Disabled annuitant, Scale MP-2018 | Healthy males-110% of RP-2000<br>Non-Annuitant, Scale AA<br>Healthy females-101% of RP-2000<br>Non-Annuitant, Scale AA<br>Disabled males - 96% of RP-2000<br>Disabled annuitant, Scale AA<br>Disabled females - 107% of RP-2000<br>Disabled annuitant, Scale AA |
| Withdrawal rates:           |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                 |
| State                       | 2.275 – 45.63%                                                                                                                                                                                                                                                                            | 1.75 –35.10%                                                                                                                                                                                                                                                    |
| Non-state                   | 2.500 – 35.88%                                                                                                                                                                                                                                                                            | 2 – 35.80%                                                                                                                                                                                                                                                      |
| Disability rates            | 0.005 – 0.54%                                                                                                                                                                                                                                                                             | 0 – .675%                                                                                                                                                                                                                                                       |

**West Virginia Board of Risk and Insurance Management**  
**Schedule of Proportionate Share of the Net OPEB asset (liability) in RHBT**  
**Last Eight Fiscal Years**  
**(in thousands except percentages)**

|                                                                                                              | <u>2025</u> | <u>2024</u>  | <u>2023</u>    | <u>2022</u> | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     |
|--------------------------------------------------------------------------------------------------------------|-------------|--------------|----------------|-------------|-----------------|-----------------|-----------------|-----------------|
| BRIM's proportionate (percentage) of the net OPEB asset (liability)                                          | 0.0000%     | 0.0165%      | 0.0179%        | 0.0204%     | 0.0256%         | 0.0236%         | 0.0219%         | 0.0208%         |
| BRIM's proportionate share of the net OPEB asset (liability)                                                 | \$ -        | \$ 26        | \$ (20)        | \$ 6        | \$ (113)        | \$ (391)        | \$ (470)        | \$ (512)        |
| State's proportionate share of the net OPEB asset (liability) associated with BRIM                           | -           | 11           | (7)            | 1           | (25)            | (80)            | (97)            | (105)           |
| <b>Total</b>                                                                                                 | <u>\$ -</u> | <u>\$ 37</u> | <u>\$ (27)</u> | <u>\$ 7</u> | <u>\$ (138)</u> | <u>\$ (471)</u> | <u>\$ (567)</u> | <u>\$ (617)</u> |
| BRIM's covered-employee payroll                                                                              | \$ 953      | \$ 906       | \$ 1,036       | \$ 1,081    | \$ 1,109        | \$ 1,040        | \$ 905          | \$ 812          |
| BRIM's proportionate share of the net OPEB asset (liability) as a percentage of its covered-employee payroll | 0.00%       | -2.87%       | 1.93%          | -0.56%      | -10.19%         | -37.60%         | -51.93%         | -63.05%         |
| Plan fiduciary net position as a percentage of the total OPEB asset (liability) *                            | 102.19%     | 109.66%      | 93.59%         | 101.81%     | 73.49%          | 39.69%          | 30.98%          | 25.10%          |

\* This is the same percentage for all participant employers in the OPEB plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

Note 2: The accompanying schedules of BRIM's proportionate share of the net OPEB liability is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

**West Virginia Board of Risk and Insurance Management**  
**Schedule of Contributions to RHBT**  
**Last Nine Fiscal Years**  
**(in thousands except percentages)**

|                                                                    | 2025          | 2024          | 2023          | 2022            | 2021            | 2020            | 2019            | 2018          | 2017          |
|--------------------------------------------------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| Statutorily required contribution                                  | \$ 9          | \$ -          | \$ 27         | \$ 21           | \$ 37           | \$ 39           | \$ 45           | \$ 44         | \$ 43         |
| Contributions in relation to the statutorily required contribution | (9)           | -             | (27)          | (21)            | (37)            | (39)            | (45)            | (44)          | (43)          |
| <b>Contribution Deficiency (Excess)</b>                            | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>   | <b>\$ -</b>   |
| <b>Covered-employee Payroll</b>                                    | <b>\$ 776</b> | <b>\$ 953</b> | <b>\$ 906</b> | <b>\$ 1,036</b> | <b>\$ 1,081</b> | <b>\$ 1,109</b> | <b>\$ 1,040</b> | <b>\$ 905</b> | <b>\$ 812</b> |
| <b>Contributions as a Percentage of Covered-employee Payroll</b>   | <b>1%</b>     | <b>0%</b>     | <b>3%</b>     | <b>2%</b>       | <b>3%</b>       | <b>4%</b>       | <b>4%</b>       | <b>5%</b>     | <b>5%</b>     |

Note 1: The accompanying schedules of BRIM's contributions to RHBT is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

***Other Supplementary Information  
(in thousands)***

West Virginia Board of Risk and Insurance Management  
Combining Schedule of Net Position  
June 30, 2025  
(in thousands)

|                                                            | Other<br>Lines of<br>Business | Mine<br>Subsidence | Total             |
|------------------------------------------------------------|-------------------------------|--------------------|-------------------|
| <b>ASSETS</b>                                              |                               |                    |                   |
| <b>Current Assets</b>                                      |                               |                    |                   |
| Cash and cash equivalents                                  | \$ 23,895                     | \$ -               | \$ 23,895         |
| Advance deposits with carrier/trustee                      | 294,032                       | -                  | 294,032           |
| Receivables, net                                           | 3,338                         | -                  | 3,338             |
| Restricted cash and cash equivalents                       | -                             | 12,330             | 12,330            |
| Restricted receivables, net                                | -                             | 1,216              | 1,216             |
| <b>Total Current Assets</b>                                | <b>321,265</b>                | <b>13,546</b>      | <b>334,811</b>    |
| <b>Noncurrent Assets</b>                                   |                               |                    |                   |
| Investments                                                | 39,905                        | -                  | 39,905            |
| Restricted investments                                     | -                             | 35,935             | 35,935            |
| Net pension asset                                          | 149                           | -                  | 149               |
| Net other post-employment benefits asset                   | -                             | -                  | -                 |
| <b>Total Non Current Assets</b>                            | <b>40,054</b>                 | <b>35,935</b>      | <b>75,989</b>     |
| <b>Total Assets</b>                                        | <b>361,319</b>                | <b>49,481</b>      | <b>410,800</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                               |                    |                   |
| Pension                                                    | 358                           | -                  | 358               |
| Other Post-employment Benefits                             | 16                            | -                  | 16                |
| <b>Total Deferred Outflows of Resources</b>                | <b>374</b>                    | <b>-</b>           | <b>374</b>        |
| <b>LIABILITIES</b>                                         |                               |                    |                   |
| <b>Current Liabilities</b>                                 |                               |                    |                   |
| Estimated unpaid claims and claims adjustment expense      | 86,146                        | 1,341              | 87,487            |
| Unearned revenue                                           | 15,734                        | 2,401              | 18,135            |
| Agent commissions payable                                  | 2,032                         | -                  | 2,032             |
| Accrued expenses and other liabilities                     | 912                           | -                  | 912               |
| <b>Total Current Liabilities</b>                           | <b>104,824</b>                | <b>3,742</b>       | <b>108,566</b>    |
| <b>Noncurrent Liabilities</b>                              |                               |                    |                   |
| Estimated claims and claims adjustment expense, noncurrent | 199,635                       | 910                | 200,545           |
| Compensated absences                                       | 166                           | 7                  | 173               |
| <b>Total Noncurrent Liabilities</b>                        | <b>199,801</b>                | <b>917</b>         | <b>200,718</b>    |
| <b>Total Liabilities</b>                                   | <b>304,625</b>                | <b>4,659</b>       | <b>309,284</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                               |                    |                   |
| Pension                                                    | 187                           | -                  | 187               |
| Other Post-employment Benefits                             | 7                             | -                  | 7                 |
| <b>Total Deferred Inflows of Resources</b>                 | <b>194</b>                    | <b>-</b>           | <b>194</b>        |
| <b>NET POSITION</b>                                        |                               |                    |                   |
| Restricted                                                 |                               | 44,822             | 44,822            |
| Unrestricted                                               | 56,874                        | -                  | 56,874            |
| <b>Net Position</b>                                        | <b>\$ 56,874</b>              | <b>\$ 44,822</b>   | <b>\$ 101,696</b> |

**West Virginia Board of Risk and Insurance Management**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2025**  
**(in thousands)**

|                                              | <b>Other<br/>Lines of<br/>Business</b> | <b>Mine<br/>Subsidence</b> | <b>Total</b>     |
|----------------------------------------------|----------------------------------------|----------------------------|------------------|
| <b>Operating Revenues</b>                    |                                        |                            |                  |
| Premiums                                     | \$ 119,423                             | \$ 4,914                   | \$ 124,337       |
| Less excess coverage/reinsurance<br>premiums | (16,053)                               | -                          | (16,053)         |
| <b>Total Operating Revenues</b>              | <b>103,370</b>                         | <b>4,914</b>               | <b>108,284</b>   |
| <b>Operating Expenses</b>                    |                                        |                            |                  |
| Claims and claims adjustment expense         | 101,447                                | 1,828                      | 103,275          |
| General and administrative expense           | 5,726                                  | 133                        | 5,859            |
| <b>Total Operating Expenses</b>              | <b>107,173</b>                         | <b>1,961</b>               | <b>109,134</b>   |
| <b>Operating (Loss) Income</b>               | <b>(3,803)</b>                         | <b>2,953</b>               | <b>(850)</b>     |
| <b>Nonoperating Expenses</b>                 |                                        |                            |                  |
| Investment income                            | 22,853                                 | 3,842                      | 26,695           |
| Legislative appropriation                    | -                                      | -                          | -                |
| OPEB nonoperating loss                       | -                                      | -                          | -                |
| <b>Net Nonoperating Income</b>               | <b>22,853</b>                          | <b>3,842</b>               | <b>26,695</b>    |
| <b>Increase in Net Position</b>              | <b>\$ 19,050</b>                       | <b>\$ 6,795</b>            | <b>\$ 25,845</b> |

**West Virginia Board of Risk and Insurance Management**  
**Form 7 - Deposits Disclosure**  
**June 30, 2025**  
**(in thousands)**

|                                                                       | <b>Fair<br/>Value</b>           |
|-----------------------------------------------------------------------|---------------------------------|
| Cash with Treasurer                                                   | <u>\$ 887</u> <sup>(1)</sup>    |
| <sup>(1)</sup> Agrees to audited statement of cash flows as follows   |                                 |
| Cash with Treasurer                                                   | \$ 887 <sup>(2)</sup>           |
| Cash equivalents with BTI                                             | <u>35,338</u> <sup>(2)</sup>    |
|                                                                       | <u>\$ 36,225</u> <sup>(3)</sup> |
| <sup>(2)</sup> Agrees to Form 8-A                                     |                                 |
| <sup>(3)</sup> Agrees to audited statement of net position as follows |                                 |
| Cash and cash equivalents                                             | \$ 23,895                       |
| Restricted cash and cash equivalents                                  | <u>12,330</u>                   |
|                                                                       | <u>\$ 36,225</u>                |

**West Virginia Board of Risk and Insurance Management**  
**Form 8 - Investments Disclosure**  
**June 30, 2025**  
**(in thousands)**

| <u>Investment Pool</u>         | <u>Amount<br/>Unrestricted</u>  | <u>Amount<br/>Restricted</u>    | <u>Amount<br/>Reported</u>   | <u>Fair<br/>Value</u> |
|--------------------------------|---------------------------------|---------------------------------|------------------------------|-----------------------|
| BTI and WVIMB Investment Pools |                                 |                                 |                              |                       |
| Cash liquidity                 | \$ 23,895 <sup>(1)</sup>        | \$ 12,330 <sup>(1)</sup>        | \$ 36,225 <sup>(3)</sup>     | \$ 36,225             |
| Long-term                      | <u>39,905 <sup>(1)</sup></u>    | <u>35,935 <sup>(1)</sup></u>    | <u>75,840 <sup>(3)</sup></u> | <u>75,840</u>         |
| Total investments              | <u>\$ 63,800 <sup>(1)</sup></u> | <u>\$ 48,265 <sup>(1)</sup></u> | <u>\$ 112,065</u>            | <u>\$ 112,065</u>     |

<sup>(1)</sup> Agrees to audited statement of net position as follows

|                                                 |                                 |                                 |
|-------------------------------------------------|---------------------------------|---------------------------------|
| Investments with BTI and WVIMB                  | \$ 63,800 <sup>(1)</sup>        | \$ 48,265                       |
| Less investments classified as cash equivalents | <u>23,895</u>                   | <u>12,330</u>                   |
| Total investments                               | <u>\$ 39,905 <sup>(2)</sup></u> | <u>\$ 35,935 <sup>(2)</sup></u> |

<sup>(2)</sup> Agrees to audited statement of net position

<sup>(3)</sup> Agrees to Form 8-A

**West Virginia Board of Risk and Insurance Management**  
**Form 8-A - Deposits and Investments Disclosure**  
**June 30, 2025**  
**(in thousands)**

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

Deposits

Cash and cash equivalents as reported

Noncurrent – restricted

\$ 12,330 <sup>(1)</sup>

Unrestricted

23,895 <sup>(1)</sup>

Total cash and cash equivalents

36,225

Less investments disclosed as cash equivalents

887 <sup>(2)(3)</sup>

Fair value of deposits as disclosed on Form 7

\$ 35,338 <sup>(2)</sup>

Investments

Investments as reported

Noncurrent – restricted

\$ 35,935 <sup>(1)</sup>

Noncurrent – unrestricted

39,905 <sup>(1)</sup>

Total investments

75,840

Add investments disclosed as cash equivalents

-

Fair value of investments as disclosed on Form 8

\$ 75,840 <sup>(3)</sup>

<sup>(1)</sup> Agrees to audited statement of net position

<sup>(2)</sup> Agrees to Form 7

<sup>(3)</sup> Agrees to Form 8

**West Virginia Board of Risk and Insurance Management**  
**Form 9 - Schedule of Receivables (Other Than State Agencies)**  
**June 30, 2025**  
**(in thousands)**

|                                                                              | <u>Amount</u>               |
|------------------------------------------------------------------------------|-----------------------------|
| Accounts receivable (other than State agencies)                              |                             |
| Total accounts receivable as of June 30, 2025                                | \$ 4,554 <sup>(1)</sup>     |
| Less allowance for doubtful accounts                                         | <u>- <sup>(2)</sup></u>     |
| Net receivable                                                               | <u><u>\$ 4,554</u></u>      |
| <sup>(1)</sup> Derived from the audited statement of net position as follows |                             |
| Receivables                                                                  | \$ 3,338 <sup>(2)</sup>     |
| Restricted receivables                                                       | <u>1,216 <sup>(2)</sup></u> |
|                                                                              | <u><u>\$ 4,554</u></u>      |

<sup>(2)</sup> Agrees to the audited statement of net position

**West Virginia Board of Risk and Insurance Management**  
**Form 10 - Schedule of Accounts Receivable From Other State Agencies**  
**June 30, 2025**  
**(in thousands)**

| <b>Receivable From</b>                                | <b>Amount</b>           |
|-------------------------------------------------------|-------------------------|
| Accounts receivable from other State agencies         | \$ 24 <sup>(1)</sup>    |
| <sup>(1)</sup> Premiums due from other State agencies | \$ 24                   |
| Premiums due from other entities                      | 3,314                   |
| Total receivables                                     | \$ 3,338 <sup>(2)</sup> |

<sup>(2)</sup> Agrees to audited statement of net position

West Virginia Board of Risk and Insurance Management  
Form 13 - Schedule of Changes in Long-Term Obligations - Compensated Absences  
June 30, 2025  
(in thousands)

| <u>Type of Debt</u>                    | <u>Final<br/>Maturity<br/>Date</u> | <u>Balance<br/>June 30,<br/>2024</u> | <u>Payments</u> | <u>Other<br/>Changes</u> | <u>Balance<br/>June 30,<br/>2025</u> |
|----------------------------------------|------------------------------------|--------------------------------------|-----------------|--------------------------|--------------------------------------|
| Compensated absences –<br>annual leave | Varies                             | <u>\$ 182</u>                        | <u>\$ -</u>     | <u>\$ (9)</u>            | <u>\$ 173 <sup>(1)</sup></u>         |

<sup>(1)</sup> Agrees to audited statement of net position

## **Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

Board of Directors and Management  
West Virginia Board of Risk and Insurance Management  
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Virginia Board of Risk and Insurance Management (BRIM), which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements, and have issued our report thereon dated September 30, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered BRIM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRIM's internal control. Accordingly, we do not express an opinion on the effectiveness of BRIM'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BRIM's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

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

**Forvis Mazars, LLP**

Charleston, West Virginia  
September 30, 2025