

2024



The Annual Comprehensive Financial Report

for fiscal years ended
June 30, 2024 and 2023

Missouri Department of Transportation
An agency of the State of Missouri



www.modot.org

Annual Comprehensive Financial Report

for the fiscal year ended
June 30, 2024

Prepared by the Financial Services Division
under the direction of
Brenda Morris, CPA, Chief Financial Officer
and Todd Grosvenor, Financial Services Director

Missouri Department of Transportation
105 West Capitol Avenue
Jefferson City, MO 65102
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**Missouri Department
of Transportation**
an agency of the State of Missouri

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Introductory Section



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Missouri Department of Transportation
Ed Hassinger, P.E., Interim Director

1.888.ASK MODOT (275.6636)

September 30, 2024

The Honorable Michael L. Parson, Governor
Members of the Missouri Legislature
Members of the Missouri Highways and Transportation Commission
Citizens of the State of Missouri

The Missouri Department of Transportation (MoDOT or the Department) is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Department for the fiscal year ended June 30, 2024.

Revised Statutes of Missouri, Section 21.795, require the Department, an agency of the state of Missouri, to have a financial statement audit performed annually by an independent certified public accountant. In fulfillment of this requirement, as well as bond requirements, the Department prepared this ACFR and contracted with the independent auditing firm of RubinBrown, LLP to audit the financial statements.

The objective of the independent audit is to provide reasonable assurance the financial statements are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the Department's financial statements for the fiscal year ended June 30, 2024, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Their report is presented as the first component in the financial section of this report.

GAAP requires management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement Management's Discussion and Analysis, which can be found immediately following the report of the independent auditors and should be read in conjunction with it.

The ACFR comprises all funds from which MoDOT spends including certain other state agencies' spending as allowed by Missouri law. Only MoDOT appropriations are reported for General Revenue and Budget Stabilization funds. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Department.

To provide a reasonable basis for making these representations, the Department has established a comprehensive internal control framework designed to protect the Department's assets from loss, theft or misuse and to compile reliable information for the preparation of the financial statements in conformity with GAAP. The Department's internal control includes both automated controls, which are an integral component of the financial accounting system, and comprehensive policies and procedures. In addition, the Department's Audits and Investigations Division is an independent audit unit that performs audits of the various districts and divisions of the Department.

Because the cost of internal controls should not outweigh their benefits, the Department's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements.

To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds. All disclosures necessary to enable the reader to gain an understanding of the Department's financial activities have been included.

Profile of the Department

MoDOT works to provide a world-class transportation system that is safe, innovative, reliable and dedicated to a prosperous Missouri. The Department is responsible for designing, building, operating and maintaining Missouri's transportation system - the seventh largest in the United States with approximately 33,811 miles of highway and 10,392 bridges and culverts. The Department also works to improve airports, river ports, railroads, public transit systems and pedestrian and bicycle travel.

In 1979, voters of the State passed a constitutional amendment merging the State Highway Department with the Department of Transportation, becoming the Missouri Highways and Transportation Department. In 1996, the Missouri Highways and Transportation Department became the Missouri Department of Transportation by legislative action. The Missouri Highways and Transportation Commission (MHTC or Commission), a six-member bipartisan board, governs the Department. Commission members are appointed by the governor and are confirmed by the Missouri Senate. No more than three commission members may be of the same political party. The Commission appoints the MoDOT director.

The Commission is responsible for the annual update of the Department's five-year Statewide Transportation Improvement Program (STIP) and awards contracts for highway projects. The Commission has authority to issue bonds secured by highway revenues.

As shown on the organizational chart following this letter, the Department is organized by divisions and districts. The divisions represent a variety of disciplines and provide direction and oversight of the activities in the districts and support to the Department. These activities include the design and construction of highways and facilities, transportation planning including the five-year STIP, maintenance and safety of the existing highway system and activities related to other modes of transportation, such as aviation, railways, river ports, freight, transit, and bicycle and pedestrian facilities. The districts represent seven geographical regions of the state of Missouri and are responsible for providing projects and services to the citizens of Missouri.

Budgetary Controls

The Commission approves the appropriation submittal provided to the State Legislature for all governmental funds reported by MoDOT with the exception of those funds appropriated to other state agencies and to the Office of Administration for certain fringe benefits. The request is developed with input from the districts and divisions. In accordance with article IV, § 30(b), the Commission has the sole discretion to spend moneys in the State Road Fund. In recent history, additional spending authority limitations have been added through the legislative budget process. These limitations, which could be considered unconstitutional, have reduced the Commission and Department's flexibility to adjust spending due to weather, emergency and market conditions of construction and operations and could, if continued, lead to organizational difficulties in fulfilling its mission. Other state funds administered by the Commission are subject to appropriation by the General Assembly. All appropriations are approved by the legislature during the legislative session ending in May to be effective in the subsequent budget year.

The Department relies on the statewide accounting system to control total expenditures by appropriation utilizing features in the system to ensure budgetary compliance. An additional budgetary control in place includes management using reports to monitor spending by program, division and appropriation.

Missouri Economy

Missouri's transportation system impacts the state's economy. Missouri businesses depend on roadways, railways, waterways and airports to move their products and services both nationally and globally. An efficient, well-connected transportation system helps attract new businesses to our communities and helps existing businesses maintain a competitive edge with easy customer access, minimal shipping costs and strong links to a diverse workforce. The Department believes investments in transportation creates jobs and provides opportunities for advancement to all Missouri citizens.

Missouri employment decreased during fiscal year 2024. Per the Missouri Economic and Research Information Center (MERIC), in fiscal year 2024, the unemployment rate increased to 3.7 percent in June 2024. This compares to an unemployment rate of 2.6 and 2.8 percent in June 2023 and June 2022, respectively. Compared to the national trend, both the Missouri and United States unemployment rates increased, but Missouri's rate ended .4 percentage points lower in June of 2024 than the national rate of 4.1 percent. While the unemployment rate increased, the number of jobs increased in fiscal year 2024 compared to fiscal year 2023. Per MERIC, employment gains occurred over the previous year in most areas including mining, logging and construction; manufacturing; trade, transportation and utilities; information; financial activities; education and health services; leisure and hospitality; and government. The exception included professional and business services, which showed employment losses. Personal income in the first quarter of 2024 shows an increase over the previous year of 4.0 percent. Consumer confidence decreased in fiscal year 2024 over 2023, which indicates that consumers are less optimistic about the economy than in the previous year.

MoDOT contributes to the economy in the areas of job creation, personal income growth and new value added to the economy. Please see the summary chart below for the last nine STIPs:

STIP Year	Road and Bridge Investment (in millions)	Investment other Modes (in millions)	Total Investment (in millions)*	Additional annual jobs created	Average salary per job created	New personal income (in millions)	New value added to the economy (in millions)
2025-2029	\$10,080.0	\$664.2	\$10,744.2	10,494	\$56,956	\$598.0	\$806.0
2024-2028	\$10,114.9	\$531.5	\$10,646.4	10,448	\$56,886	\$594.0	\$772.0
2023-2027	\$9,194.0	\$544.5	\$9,738.5	9,313	\$58,190	\$542.0	\$735.0
2022-2026	\$6,692.4	\$351.3	\$7,043.7	6,124	\$60,420	\$370.0	\$499.0
2020-2024	\$5,773.1 (\$4,620.0 are awards)	\$390.2	\$6,163.3	4,940	\$53,846	\$266.0	\$379.0
2019-2023	\$5,525.4 (\$4,500.0 are awards)	\$385.2	\$5,910.6	4,746	\$53,839	\$255.5	\$363.7
2018-2022	\$5,608.4 (\$4,450.0 are awards)	\$418.5	\$6,026.9	4,578	\$55,377	\$253.5	\$353.2
2017-2021**			\$5,451.5	4,343	\$52,452	\$227.8	\$316.0
2016-2020**			\$3,040.7	2,836	\$53,074	\$150.5	\$188.1

*Includes only programmed projects.

**Only total investment is available for this STIP.

These statistics show the impact to the economy by the increased STIP investment.

Federal funds are the largest source of transportation revenue. The Department's share of state fuel tax collections, the second largest revenue source, increased 11.8 percent in 2024, which includes the annual incremental addition of 2.5 cents per gallon, as enacted by Senate Bill 262 by the General Assembly. The 2024 state fuel tax receipts are more than collections in 2023, the year with the highest collections. Prior to the 2021 legislative session, the motor fuel tax rate was last raised in 1996 and is not indexed to keep pace with inflation. Motor vehicle and driver licensing fees decreased 5.2 percent from 2023. Vehicle and driver licensing fees, similar to motor fuel taxes, are not indexed to keep pace with inflation. House Bill 499, passed by the legislature in 2019, increased fees, but the entire increase was dedicated to administrative costs of fee offices, with zero added revenue dedicated to transportation funding. Motor vehicle sales tax receipts increased 3.1 percent from 2023. Overall, state collections for the Department increased 5.2 percent in 2024 compared to 2023.

On November 15, 2021, the President signed into law the Infrastructure Investment and Jobs Act (IIJA), also referred to as the Bipartisan Infrastructure Law (BIL), which authorizes the federal surface transportation programs for highways, highway safety, transit and rail for the five-year period from 2022 through 2026. The IIJA is funded with receipts into the Highway Trust Fund, transfers from the General Fund and additional funding offsets. The IIJA is five-year legislation to improve the nation's surface transportation infrastructure, including roads, bridges, transit systems and rail transportation network.

The act reforms and strengthens transportation programs, refocuses on national priorities, provides long-term funding certainty and more flexibility for states and local governments, streamlines project approval processes and maintains a strong commitment to safety. For the first three years of IJA, Missouri's annual apportionments have increased approximately 26 percent compared to the last year of the prior transportation act, the Fixing America's Surface Transportation (FAST) Act.

Construction and Condition of the System

Missouri's 2025-2029 STIP was approved by the Commission in July 2024. The STIP awards for road and bridge projects total \$7,320.0 million and makes maintaining the existing system a priority in an effort to keep Missouri's transportation system in its current condition. While this year's STIP is aimed at meeting asset management goals, the opportunities to expand the system – widening a busy two-lane road to four lanes to reduce congestion and make systematic safety improvements, or building a new roadway or interchange to help promote business development and bring jobs to the state – are growing. The Missouri General Assembly during its 2024 legislative session approved significant General Revenue and General Revenue look-alike funds for specific transportation projects including reappropriation of \$2.8 billion to provide three lanes of traffic in both directions on I-70 between Wentzville and Blue Springs and \$577.5 million for improvements to I-44. This historical investment will be transformational for the state of Missouri.

In December 2023, Missouri's major roads were 89.9 percent in good condition. Minor roads with greater than 400 vehicles traveling on them per day was 80.5 percent in good condition as of December 2023, a significant improvement from December 2012 when only 69.3 percent were in good condition. Low volume highways, having less than 400 vehicles traveling on them per day, was 78.6 percent in good condition at December 2023. Perhaps the greatest variation in condition by District exists with low volume roads attributable to extreme weather and flooding. Approximately, 5,105 of 10,142 miles of low volume roads which are funded by MoDOT's operating budget are not eligible for federal reimbursement because they function to serve the local community rather than to connect communities. In addition, another 2,114 of minor roads are also not eligible for federal reimbursement for a total of 7,219 miles. This places great strain on limited operating budgets and results in local dissatisfaction with inconsistent conditions. Fortunately, the 2025–2029 STIP continues to have a historic investment in the state's minor and low-volume pavement and bridges at \$1.94 billion over the next five years, including \$100 million of General Revenue funds. Also, as of December 2023, 759 of the 10,392 bridges are in poor condition, which is an improvement over previous years. This improvement is a result of the Governor's Focus on Bridges program to improve 250 bridges around the state.

Major Projects

Including design and project development costs, the fiscal year 2025-2029 STIP totals \$14.6 billion, the largest program in Missouri history, with more than 1,400 planned construction projects. The five-year program also includes a historic investment from General Revenue funds to widen and improve Interstate 70 (I-70), improve Interstate 44 (I-44), fix low-volume minor roads and upgrade railroad safety crossings. This funding delivers positive trends for the first time in many years.

Inflation in construction costs had a significant impact on the number of projects MoDOT could deliver in 2023. For 2024, while pricing has not decreased, inflation has returned to more normal levels. Accordingly, the STIP adjusts the schedule for more than 216 projects in 2025 compared to over 400 projects in 2024, enabling MoDOT to absorb inflation and maintain project commitments.

The General Assembly and the Governor approved as part of the fiscal year 2024 budget a total of \$2.8 billion to improve the I-70 corridor. Specifically, the budget includes funds for the costs to plan, design, construct, reconstruct, rehabilitate and repair three lanes in each direction on approximately 200 miles of I-70 from Blue Springs to Wentzville. Of the total amount, \$1.4 billion of General Revenue comes in the form of cash and spending authority. An additional \$1.4 billion of bonding authority was provided with debt service to be paid from General Revenue. Bond proceeds are not to exceed \$1.4 billion, annual debt service payments are not to exceed \$136.0 million annually and the term of any bonds issued should not exceed 15 years. The safety and economic prosperity of Missouri depends, in part, on an I-70 that grows along with the state and the nation. These funds were reappropriated for fiscal year 2025.

The General Assembly and the Governor approved as part of the fiscal year 2025 budget a total of \$577.5 million to improve the I-44 corridor. Of the total amount, \$213.75 million of General Revenue comes in the form of cash and spending authority. An additional \$363.75 million of bonding authority was provided with debt service to be paid from General Revenue. Bond proceeds are not to exceed \$363.75 million, annual debt service payments are not to exceed \$44.0 million annually and the term of any bonds issued should not exceed 10 years. These improvements will help improve safety.

In addition to this historic investment, the General Assembly and the Governor also approved General Revenue or General Revenue look-alike funds for other specific projects around the state including low-volume minor roads, an environmental impact study for Interstate 44, interchanges, road improvements, ports and airports.

Currently in Missouri, there are 1,422 public rail crossings without lights or gates. Of those passive crossings, only 22 cross state roads. The Governor and the General Assembly have prioritized the need to address these passive crossings with the approval of \$49.0 million in the fiscal year 2025 budget. This scale of funding will allow a focus on corridor wide safety improvements to make the most benefit for Missourians.

Major Operation Challenges

The Department has faced some challenges in the last few years. As mentioned previously, additional spending authority limitations have been added through the legislative budget process. These limitations have reduced the Commission and Department's flexibility to adjust spending due to weather, emergency and market conditions of construction and operations and could, if continued, lead to organizational difficulties fulfilling its mission. In December 2021, the Commission filed a petition for a declaratory judgement in the Cole County Circuit Court to confirm the authority of the Commission to access and use the State Road Fund granted by Article IV, Section 30(b).1 of the Missouri Constitution. This section gives the Commission broad access to the State Road Fund that is needed to fulfill its constitutional responsibilities, including its duty to hire and retain the employees necessary to maintain, design and construct Missouri highways. The trial court agreed with the Commission's interpretation of the Constitution; however, the Attorney General appealed that decision and the case is currently awaiting a decision in the Missouri Courts of Appeal.

The Department continues to try to address issues with employee pay. Effective July 1, 2022, the Commission approved a partial market compensation plan within the limits of the approved appropriations. The market adjustment was not an across-the-board flat pay increase for all employees, but was based on an analysis of each position's pay compared to the market. As part of the actions, the Department moved employees through the ranges based on tenure. With implementation of the market adjustment and the cost-of-living adjustments approved by the Governor and General Assembly, the Department is beginning to see a positive impact on hiring and the reduction of vacancies.

The number of vacancies for July 2023 totaled 506. By June 2024, the number of vacancies were 245. That decrease is over 50 percent of the previous year's vacancy total; however, MoDOT's employee turnover rate for fiscal year 2024 was 14.24 percent, up from 13.97 percent in fiscal year 2023. This increase indicates that more terminations are occurring than the previous year, but the Department is compensating by hiring more employees than previous. Since the market adjustment, no adjustments have been done related to tenure. This information indicates the Department's attention needs to be on retention and focusing on things like the continuation of the market plan and moving employees through salary ranges based on tenure.

The estimated cost of turnover, which includes hard costs, soft costs and leave payouts, for fiscal year 2024 was \$48.01 million, up from \$46.97 million in fiscal year 2023. The Commission and the Department continue to monitor the situation and believe more work is needed in this area to mitigate salary compression issues, improve employee satisfaction and morale, increase retention, improve recruitment and reduce costs associated with employee turnover.

The combination of an increase in the motor fuel tax rate and the increase with the federal reauthorization has resulted in a significantly larger construction program. This increased investment is welcomed; however, the challenge with hiring and retaining the needed staff to manage this larger construction program and to maintain the infrastructure asset once it is built will be the challenge the department faces for the next several years.

Long-term Financial Planning

The Department's 2025 budget, \$8.5 billion, approved by the Commission in June, is approximately \$1.3 billion more than the Department's 2024 budget, primarily because of the larger construction program, the Improve I-70 Program, the Forward 44 Program, additional General Revenue for the rural routes program and additional funding for General Assembly designated and funded projects. The construction program has grown over the last several years to ensure all federal funds allocated to Missouri are invested in the transportation system. In the coming years, the construction program is expected to remain stable as the Department spends down the cash balance in the State Road Fund to fully match the federal funds allocated to Missouri. The funds spent will be focused on maintaining the current transportation system with several targeted investments.

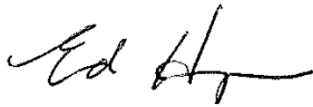
Other Information

The Department is required to undergo an annual Single Audit in accordance with the provisions of the Single Audit Act Amendments of 1996 and the Office of Management and Budget published 2 CFR (Code of Federal Regulations) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Department's information will be included in the state of Missouri's Single Audit for the fiscal year ended June 30, 2024.

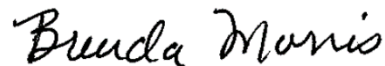
Acknowledgements

This ACFR is published to demonstrate our intention to maintain the highest quality standards of public accountability. This report could not have been prepared without the leadership of the Commission and the dedicated efforts of MoDOT employees. The commitment and professionalism of the Financial Services Division staff contributed significantly to the timely preparation of the 2024 report.

Respectfully submitted,



Ed Hassinger, P.E.
Interim Director



Brenda Morris, CPA
Chief Financial Officer

Principal Officials

as of June 30, 2024

Commission

W. Dustin Boatwright	Chairman
Warren K. Erdman	Vice Chair
Gregg C. Smith	Member
Daniel Hegeman	Member
Francis Slay	Member
Ann Marie Baker	Member
Pamela Harlan	Secretary

MoDOT

Patrick K. McKenna ¹	Director
Ed Hassinger ²	Deputy Director/Chief Engineer
Eric Schroeter	Assistant Chief Engineer
Lester Woods	Chief Administrative Officer
Brenda Morris	Chief Financial Officer
Becky Allmeroth	Chief Safety and Operations Officer
Rich Tiemeyer ³	Chief Counsel
Misty Volkart	Audits and Investigations Director
Bryan Hartnagel	State Bridge Engineer
Brandi Baldwin	State Construction and Materials Engineer
Linda Wilson-Horn	Communications Director
Kenneth Voss	State Design Engineer
Andria Hendricks	Equal Opportunity and Diversity Director
Melissa Stuedle	External Civil Rights Director
Todd Grosvenor	Financial Services Director
Ben Reeser	General Services Director
Jay Wunderlich	Governmental Relations Director
Ashley Halford	Human Resources Director
Jason Volkart	Information Systems Director
Darin Hamelink	State Maintenance Director
Aaron Hubbard	Motor Carrier Services Director
Jerica Holtsclaw	Multimodal Operations Director
Nicole Hood ⁴	State Highway Safety and Traffic Engineer
Chris Engelbrecht	Safety and Emergency Management Director
Llans Taylor	Transportation Planning Director

Districts

Marty Liles	Northwest District Engineer
Paula Gough	Northeast District Engineer
Chris Redline	Kansas City District Engineer
Machelle Watkins	Central District Engineer
Tom Blair	St. Louis District Engineer
Stacy Reese	Southwest District Engineer
Mark Croarkin	Southeast District Engineer

¹Patrick McKenna resigned as Director effective September 20, 2024.

²Ed Hassinger was appointed Interim Director effective August 23, 2024.

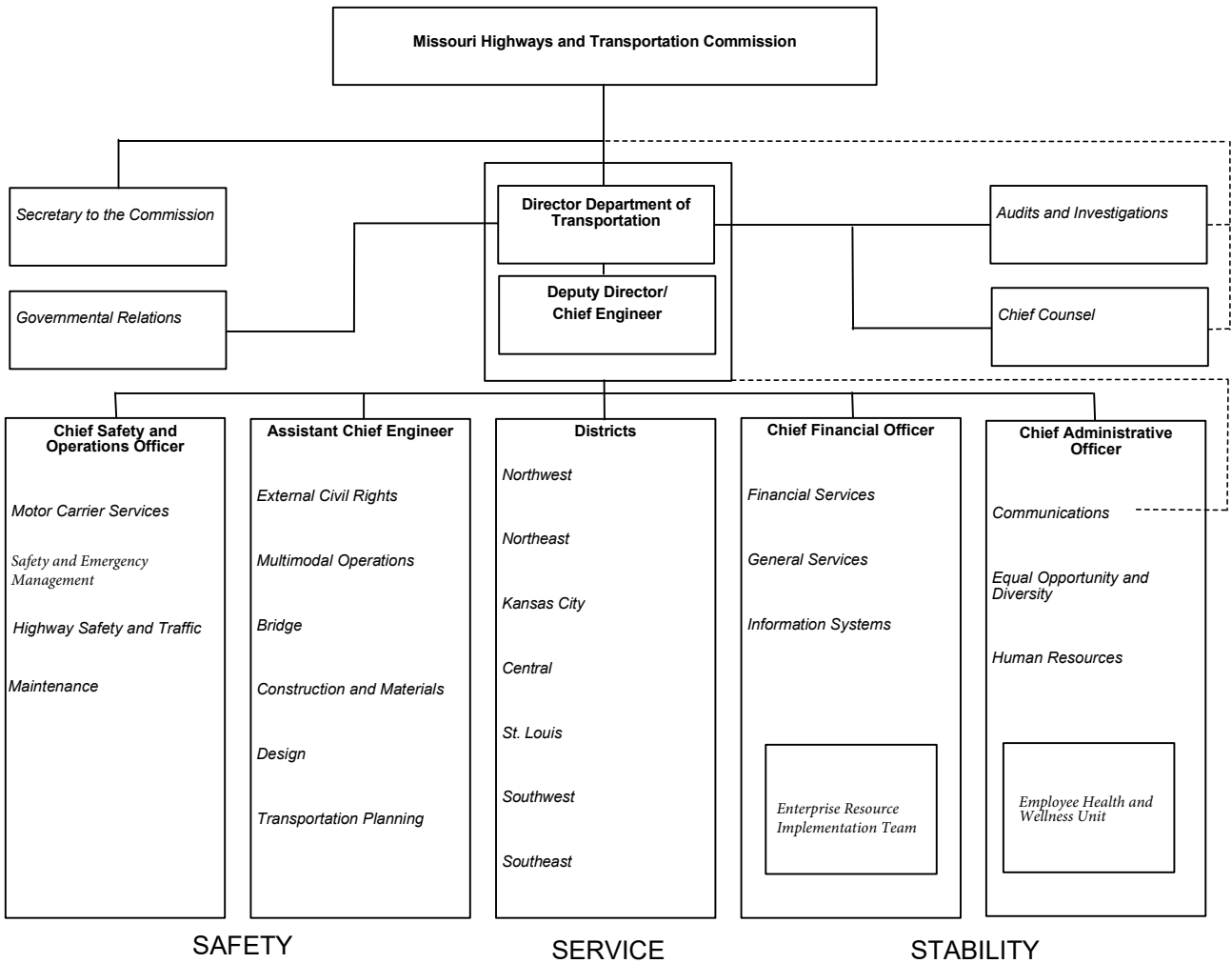
³Terri Parker became Chief Counsel effective August 1, 2024.

⁴Nicole Hood resigned as State Highway Safety and Traffic Engineer effective June 30, 2024. This position was filled by Jon Nelson effective July 1, 2024.

Organizational Chart

June 30, 2024

Missouri Department of Transportation



Financial Section



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Independent Auditors' Report

Missouri Highways and Transportation Commission
Missouri Department of Transportation
Jefferson City, Missouri

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Missouri Department of Transportation (the Department) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

We conducted our 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our reports. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis Of A Matter Relating To Restatement

As described in Note 16, the 2023 financial statements have been restated to correct the balance and activity related to capital assets and net investment in capital assets and to reclassify cash and investments and interest receivable. Our opinion is not modified with respect to these matters.

Responsibilities Of Management For The Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department'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.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 GAAS and *Government Auditing Standards*, we

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

Financial Reporting Entity

As discussed in Note 1, the financial statements of the Missouri Department of Transportation are intended to present the financial position, the changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of the State of Missouri that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Missouri as of June 30, 2024 and 2023, and the changes in its financial position and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 22 through 35, the Budgetary Comparison Schedules on pages 92 through 94, the Schedule of Proportionate Share of Net Pension Liability and the Schedule of Pension Contributions on page 95, the Schedule of Proportionate Share of Total Other Post-Employment Benefit Liability and the Schedule of Proportionate Share of Total Other Post-Employment Benefit Contributions on page 96 and the Schedule of Changes in the Department’s Total Other Post-Employment Benefit Liability and Related Ratios on page 98 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department’s basic financial statements. The combining financial statements and the budgetary comparison schedules and reconciliations - debt service and nonmajor governmental funds 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, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Department'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

RubinBrown LLP

September 30, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

The following section of our annual financial report presents our discussion and analysis of the Department's (or MoDOT's) financial performance during the year. It is intended to assist you in understanding how the various statements relate to each other and provide an objective and easily readable analysis of the Department's financial activities based on currently known facts, decisions and conditions. We encourage readers to consider the information presented here in conjunction with the letter of transmittal included in the introductory section and information presented in the Department's financial statements and notes, which follow this section. No new Governmental Accounting Standards Board standards with financial statement impact were applicable to MoDOT for fiscal year 2024.

FINANCIAL HIGHLIGHTS

Government-wide Highlights

- The net position of the Department at the close of the fiscal year was \$33.1 billion compared to \$31.6 billion at 2023 (as restated). The Department's net position increased \$1.5 billion, or 4.9 percent, for fiscal year 2024 from 2023 (as restated). This is compared to an increase of \$1.1 billion, or 3.7 percent, for fiscal year 2023 from 2022 (as restated). The increase in net position can be attributed to an increase in cash and cash equivalents and investments and capital assets. Of the fiscal year 2024 net position amount, \$363.5 million represents the amount available for highways and transportation uses and \$32.8 billion represents the Department's net investment in capital assets. Of the fiscal year 2023 net position amount (as restated), \$203.9 million represents the amount available for highways and transportation uses and \$31.4 billion represents the Department's net investment in capital assets.
- The majority of the Department's assets are capital assets, which totaled \$34.0 billion and \$33.0 billion for fiscal years 2024 and 2023 (as restated), respectively. This represents a 3.3 percent increase for 2024 from 2023 (as restated) and a 2.9 percent increase for 2023 (as restated) from 2022 (as restated). The increase in capital assets is attributed to a larger construction program. Average construction awards have grown from \$382.0 million in the 2016-2020 Statewide Transportation Improvement Program (STIP) to \$1.9 billion in the 2025-2029 STIP.
- Non-current liabilities of the Department at the close of fiscal years 2024 and 2023 total \$2.6 billion and \$3.0 billion, respectively. In fiscal year 2024, noncurrent liabilities decreased \$429.6 million. The decrease can be attributed to scheduled debt repayments and a decrease in the department's OPEB liability.

Fund Highlights

- At the close of the fiscal year, the Department's governmental funds combined ending fund balance is \$2.2 billion for fiscal year 2024, \$1.8 billion for fiscal year 2023 and \$1.4 billion for fiscal year 2022 (as restated).
- For fiscal year 2024, 97.5 percent of the Department's governmental fund balance is available for spending at the Commission's discretion in accordance with the purpose of the funds compared to 97.1 percent in fiscal year 2023. The nonspendable fund balance related to prepaid items and inventories increased from \$52.4 million in fiscal year 2023 to \$55.3 million in fiscal year 2024.
- The proprietary funds combined net position is \$47.0 million at the close of the fiscal year, compared to \$59.9 million in 2023. Restricted investments at the close of fiscal years 2024 and 2023 totaled \$0.2 million, respectively, resulting in unrestricted net position of \$46.8 million and \$59.7 million for fiscal years 2024 and 2023, respectively. The decrease in the net position of the proprietary funds is due to expenditures exceeding revenue by \$21.2 million. The increase in expenditures can be attributed to higher highway general liability and workers' compensation claims.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Department's basic financial statements, which include three components: (1) **government-wide financial statements**, (2) **fund financial statements** and (3) **notes to the financial statements**. This section also contains required supplementary information and combining financial statements.

Government-wide Financial Statements (Reporting the Department as a Whole)

The government-wide financial statements are designed to provide readers an overall picture of the Department's financial position. The statements provide both current and noncurrent information about the Department's financial status, which assists the reader in assessing the Department's economic condition at the end of the fiscal year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which are similar to methods followed by most private-sector businesses. These statements take into account all of the current year's revenues and expenses, even if the related cash has not been received or paid. The government-wide financial statements include two statements: The Statements of Net Position and the Statements of Activities. These statements take a much longer view of the Department's finances than do the fund-level statements.

- The *Statements of Net Position* combine and consolidate all of the Department's assets and deferred outflows and liabilities and deferred inflows, except fiduciary funds, with the difference between the two reported as "net position". This includes current financial resources, capital assets and long-term obligations. Over time, increases or decreases in net position indicate whether the Department's financial health is improving or deteriorating, respectively. Fiduciary fund resources are not reported as they are not available to support Department programs.
- The *Statements of Activities* present information showing how the Department's net position changed during the fiscal year. The Department reports changes in net position as soon as the event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The Department's basic services are reported as governmental activities, including administration; fleet, facilities and information systems; safety and operations; program delivery; other modal systems; and other activities. Taxes, fees and federal grants finance most of these activities.

This report includes two schedules that reconcile the amounts reported on the governmental fund financial statements (prepared using the modified accrual basis of accounting and current financial resources measurement focus) with the governmental activities on the appropriate government-wide statements (prepared using the accrual basis of accounting and economic resources measurement focus). The following summarizes the impact of utilizing GASB Statement 34 reporting:

- Other long-term assets that are not available to pay for current period expenditures are not reported on governmental fund statements.
- Internal service fund activities are reported as governmental activities on the government-wide statements, but reported separately as proprietary funds in the fund financial statements.
- Unless currently due and payable, long-term liabilities, such as lease obligations, compensated absences and others, appear as liabilities only on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures on the governmental fund statements.
- Bond, note and lease issuances result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outlays represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

In addition, deferred inflows and outflows of resources are related to transactions that have occurred, but are not yet recognized in the financial statements as revenues or expenses, are also included in these schedules.

Fund Financial Statements (Reporting the Department's Major Funds)

The fund financial statements provide detailed information about the major individual funds. A fund is an accounting entity with a self-balancing set of accounts the Department uses to keep track of specific sources of funding and spending for a particular purpose. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal and contractual requirements. All of the funds of the Department can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. It is important to note these fund categories use different accounting approaches and should be interpreted differently.

- **Governmental Funds** Most of the basic services provided by the Department are reported in governmental funds. Reporting focuses on how financial resources flow in and out of the funds and amounts remaining at year-end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. These statements provide a detailed short-term view of the Department's general governmental operations and the basic services it provides. This information should help determine whether there are more or less current financial resources available for the Department's current needs. Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare these statements with the governmental activities information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund Balance Sheets and the governmental fund Statements of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities in the government-wide statements. These reconciliations are presented on the page immediately following the governmental fund financial statements.

The Department reports three major governmental funds. Information is presented separately in the governmental funds Balance Sheets and the governmental funds Statements of Revenues, Expenditures and Changes in Fund Balances for the State Highways and Transportation Department Fund (Highway Fund), the State Road Fund (Road Fund) and the State Road Bond Fund. The Highway and Road funds are special revenue funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State Road Bond Fund is a debt service fund, which was constitutionally established to receive monies from the state's motor vehicle sales tax and is used to fund the repayment of bonds. Data from other funds are combined into a single, aggregated presentation as nonmajor governmental funds. Examples of the nonmajor funds include statutorily established funds for multimodal activities. Individual fund data for each of these nonmajor governmental funds is provided within combining financial statements following the Notes to the Financial Statements.

- **Proprietary Funds** When the Department charges customers for some of the services it provides, whether to outside customers, other agencies, or to units within the Department, these funds are reported in proprietary funds. These funds are used to show activities that operate more like those found in the private sector and utilize full accrual accounting, like the government-wide statements.

The Department has two internal service funds: Missouri Highways and Transportation Commission (MHTC) Self Insurance Plan and the MoDOT and Missouri State Highway Patrol (MSHP) Medical and Life Insurance Plan. Individual data for each of these funds is provided within the combining financial statements following the Notes to the Financial Statements. Internal service fund activities are reported as governmental activities on the government-wide statements with eliminations made to remove the effect of the interfund activity.

- **Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the Department. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Department's activities. These fiduciary funds account for monies held on behalf of various political subdivisions and other interested parties.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements, which discuss particular accounts in more detail, can be found immediately following the Statement of Changes in Fiduciary Net Position.

Required Supplementary Information

A section of *Required Supplementary Information* follows the Notes to the Financial Statements. This section includes budgetary comparisons and a separate reconciliation between the fund balances for budgetary purposes and the fund balances as presented for the major special revenue funds in the governmental fund financial statements. The Budgetary Comparison has been provided for the Department's two major special revenue funds to demonstrate compliance with this budget. The legal authority for approval of the Department's budget and amendments for all funds, except the Road Fund, rests with the State Legislature. The authority for the Road Fund rests with the Commission.

Also included are schedules that report information about the pension plan and OPEB liability, contributions and the funding progress of the MoDOT and MSHP Medical and Life Insurance Plan.

Combining Statements

The *Combining Statements* section presents statements reporting individual and total columns for nonmajor governmental funds and proprietary (internal service) funds. This information is presented only in summary form in the basic financial statements.

Budgetary Comparison Schedules and Reconciliations

The *Budgetary Comparison Schedules and Reconciliations* section includes budgetary comparisons and reconciliations between the fund balances for budgetary purposes and the fund balances as presented for the major debt service and nonmajor special revenue funds in the governmental fund financial statements. The legal authority for approval of these budgets and amendments rests with the state legislature.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statements of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Department's financial health. The following tables, graphs and analyses discuss the financial position and changes in financial position for the Department as a whole as of and for the fiscal years ended June 30, 2024, 2023 (as restated) and 2022 (as restated). The Department's combined net position increased \$1.5 billion over the course of this fiscal year's operations, an increase of 4.9 percent. This compares to an increase of \$1.1 billion in 2023 (as restated) from 2022 (as restated).

The following table reflects the condensed financial information derived from the Statements of Net Position as of June 30, 2024, 2023 (as restated) and 2022 (as restated):

(Amounts in millions)	<u>2024</u>	<u>2023</u> (as restated)	<u>2022</u> (as restated)	<u>Percent Change 2024-2023</u>
Assets				
Current and other assets	\$ 2,606	\$ 2,274	\$ 1,906	14.6%
Capital assets, net	<u>34,043</u>	<u>32,962</u>	<u>32,034</u>	3.3
Total assets	<u>36,649</u>	<u>35,236</u>	<u>33,940</u>	4.0
Deferred Outflows of Resources				
Deferred bond refunding	2	4	7	(50.0)
Pension related items	328	226	248	45.1
Other postemployment benefits	<u>78</u>	<u>106</u>	<u>134</u>	(26.4)
Total deferred outflows of resources	<u>408</u>	<u>336</u>	<u>389</u>	21.4
Liabilities				
Current liabilities	722	623	624	15.9
Noncurrent liabilities	<u>2,578</u>	<u>3,008</u>	<u>2,916</u>	(14.3)
Total liabilities	<u>3,300</u>	<u>3,631</u>	<u>3,540</u>	(9.1)
Deferred Inflows of Resources				
Deferred bond refunding*	---	---	---	---
Lease revenues	3	1	1	200.0
Pension obligations	127	135	226	(5.9)
Other postemployment benefits	<u>504</u>	<u>229</u>	<u>99</u>	120.1
Total deferred inflows of resources	<u>634</u>	<u>365</u>	<u>326</u>	73.7
Net Position				
Net investment in capital assets	32,759	31,372	30,695	4.4
Restricted (internal service fund requirements set by legislation and highways and transportation uses)	364	204	---	78.4
Unrestricted	<u>---</u>	<u>---</u>	<u>(232)</u>	---
Total net position	<u>\$33,123</u>	<u>\$31,576</u>	<u>\$30,463</u>	4.9%

*Due to rounding, deferred inflows related to bond refunding does not show on this table.

The total assets of the Department were \$36.6 billion with deferred outflows of resources of \$408.1 million, while total liabilities were \$3.3 billion, with deferred inflows of resources of \$634.5 million, resulting in a net position of \$33.1 billion. Total assets increased \$1.4 billion in 2024, compared to a \$1.3 billion increase in 2023 (as restated) from 2022 (as restated). Cash and cash equivalents and investments increased \$243.7 million in fiscal year 2024. The increase can be attributed to the November 2023 issuance of bonds for the Improve I-70 Program. Capital assets increased \$1.1 billion in fiscal year 2024 due to a larger construction program.

Total liabilities decreased \$330.0 million in 2024, compared to a \$90.7 million increase in 2023 from 2022. Noncurrent liabilities decreased due to scheduled debt repayment and a decrease in the Department's OPEB liability. The OPEB liability decreased \$379.4 million in fiscal year 2024 is due to a change in the administration of Medicare benefits, which resulted in a significant savings in the Department's medical claims liability.

The largest portion of the Department's net position, \$32.8 billion, is the investment in capital assets (i.e., land, buildings, equipment, infrastructure and other) less any related debt outstanding needed to acquire or construct the asset. The Department uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remainder is restricted for internal service fund requirements set by legislation and highways and transportation uses.

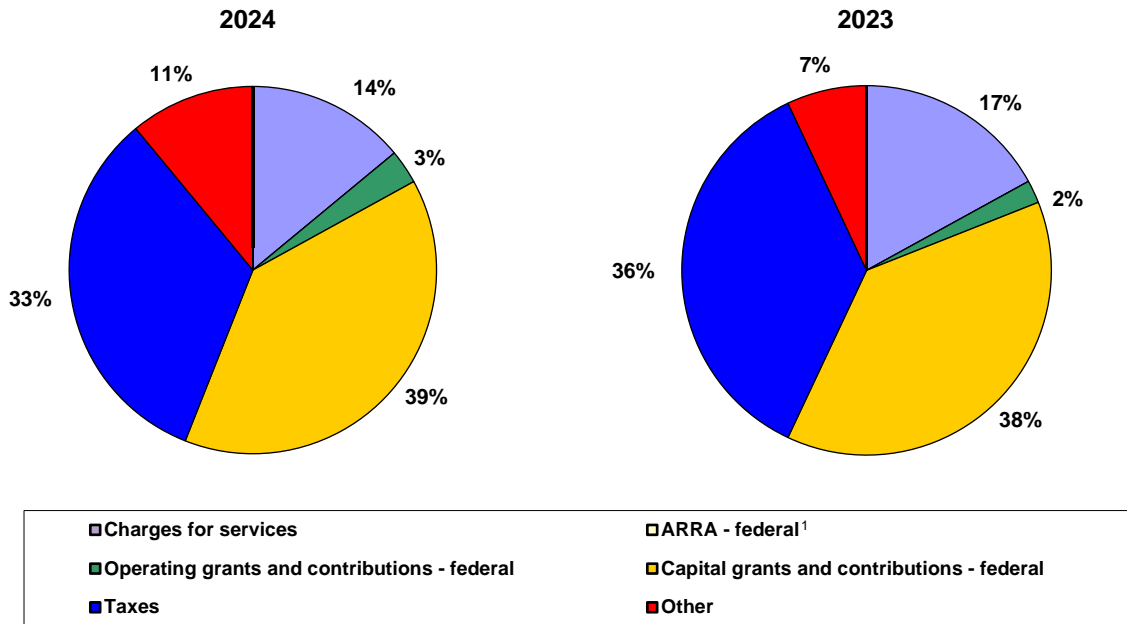
Statements of Activities

The following condensed financial information was derived from the government-wide Statements of Activities and reflects how the Department's net position changed during the year, compared to the prior years. The information is for the fiscal years ended June 30, 2024, 2023 (as restated) and 2022 (as restated):

(Amounts in millions)	<u>2024</u>	<u>2023</u> (as restated)	<u>2022</u> (as restated)	<u>Percent Change 2024 -2023</u>
Revenues				
Program revenues				
Charges for services	\$ 503	\$ 529	\$ 486	(4.9)%
American Recovery and Reinvestment Act	10	11	11	(9.1)
Operating grants and contributions – federal government	93	77	86	20.8
Capital grants and contributions – federal government	1,420	1,160	932	22.4
General revenues				
Taxes	1,214	1,116	999	8.8
Investment earnings (loss)	106	8	(61)	1,225.0
Miscellaneous	323	193	81	67.4
Total revenues	<u>3,669</u>	<u>3,094</u>	<u>2,534</u>	18.6
Expenses				
Program expenses				
Administration	9	7	4	28.6
Fleet, facilities and information systems	35	37	34	(5.4)
Safety and operations	430	415	385	3.6
Program delivery	269	212	178	26.9
Multimodal operations	124	97	101	27.8
Interest on debt	62	56	56	10.7
Other state agencies	301	265	237	13.6
Self insurance (workers' compensation and liability)	31	22	23	40.9
Medical and life insurance	147	148	158	(0.7)
Pension	111	78	82	42.3
Other postemployment benefits	(58)	(2)	34	2,800.0
Depreciation on assets	661	646	620	2.3
Total expenses	<u>2,122</u>	<u>1,981</u>	<u>1,912</u>	7.1
Changes in net position	1,547	1,113	622	39.0
Net position, beginning of year	<u>31,576</u>	<u>30,463</u>	<u>29,841</u>	3.7
Net position, end of year	<u>\$33,123</u>	<u>\$31,576</u>	<u>\$30,463</u>	4.9%

Governmental Activities

The following chart depicts revenues of the governmental activities, as a percent, for the fiscal years ended June 30, 2024 and 2023 (as restated):



¹ARRA – federal revenues made up less than 1.0 percent of total revenues for fiscal years 2024 and 2023.

Revenues for the year increased \$576.0 million compared to an increase of \$559.3 million in 2023 from 2022 (as restated). Federal grants revenue, including capital grants and contributions, increased \$275.6 million from fiscal year 2023. The increase in federal revenue is attributed to an increase in contractor payments and the timing of reimbursements related to project expenditures associated with a larger construction program.

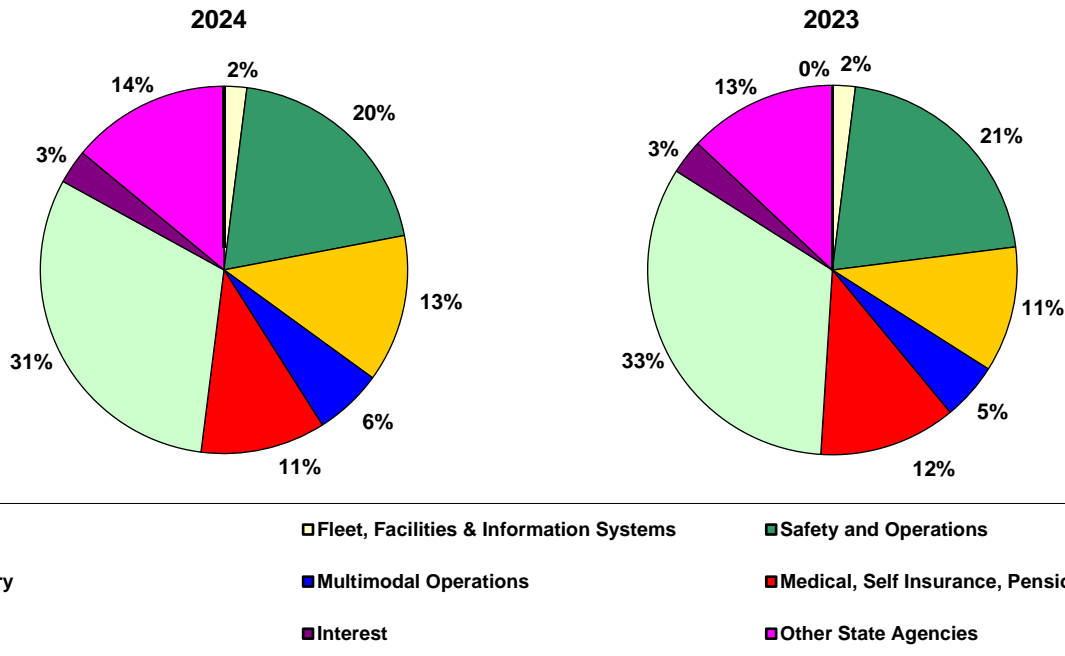
The following three revenue sources provided \$3.1 billion, or 85.5 percent, of the Department’s revenues:

- Charges for services, including licenses, fees, permits and cost reimbursements: \$503.0 million
- Federal Highway Administration capital grants: \$1.4 billion
- Sales and fuel taxes: \$1.2 billion

In 2023, these same revenue sources provided \$2.8 billion, or 90.7 percent (as restated), of the Department’s revenues. The decrease from 90.7 percent in fiscal year 2023 compared to 85.5 percent in fiscal year 2024 is due to the general assembly’s increased investment of general revenue funds in roads and bridges.

Taxes remained one of the larger portions of revenue for the Department. Taxes overall increased 8.7 percent with fuel taxes increasing 12.1 percent. The increase in fuel taxes is due to the enactment of Senate Bill 262 which increases the motor fuel tax by 2.5 cents per gallon starting October 1, 2021 and increasing 2.5 cents each July 1 until the tax is fully phased in on July 1, 2025. Sales tax revenues increased 3.9 percent in fiscal year 2024 from 2023 due to an increase in motor vehicle sales along with a rise in the cost of vehicles due to inflation.

The following chart depicts expenses of the governmental activities for the fiscal years ended June 30, 2024 and 2023 (as restated):



¹Administration expenses made up less than 1.0 percent of total expenses for fiscal years 2024 and 2023.

Expenses for the year increased \$142.6 million, or 7.2 percent. The biggest increases in expenses are for program delivery, other state agencies and multimodal. Program Delivery expenses are higher due to an increase in expenditures not specifically tied to a project, such as salaries and fringe benefits not charged to a construction project, training and projects to repair guard rail and guard cable. The costs tied to construction projects are included in capital assets and appear in depreciation expense. Depreciation increased due to the Department's construction program growing. Expenses for other state agencies are higher due to an increase in expenditures for salaries and fringe benefits, property and improvements and equipment. Multimodal expenses are higher due to increased federal funding and the timing of reimbursement requests for aviation, port, freight, rail and transit projects.

The Department's expenses for Program Delivery and Safety and Operations of the state's highway system totaled \$699.7 million and \$627.1 million in 2024 and 2023, respectively. This represents 33.0 percent and 31.7 percent of the total expenses for 2024 and 2023, respectively.

FUND FINANCIAL ANALYSIS

As previously mentioned, the Department uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of highlights from the fund financial statements. The purpose of the Department's governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources.

Governmental Funds

The fund balances of the governmental funds at the end of fiscal year 2024 was \$2.2 billion, \$1.8 billion at the end of fiscal year 2023 and \$1.4 billion at the end of fiscal year 2022 (as restated). Revenues from the federal government increased \$285.0 million from 2023. Federal government revenues increased in fiscal year 2024 due to higher contractor payments and the timing of reimbursements related to project expenditures associated with a larger construction program. The Department spent \$483.6 million more in 2024. Most of this increase is related to the Department's growing construction program.

State Highways and Transportation Department Fund: The Highway Fund was established by statute to receive revenues derived from the use of state highways. The fund pays the costs incurred to collect revenues received and to administer and enforce state motor vehicle laws and traffic regulations. As shown on the Balance Sheets, the fund ended the fiscal year with assets of \$173.0 million, liabilities of \$13.6 million, deferred inflows of resources \$4.2 million and a restricted fund balance of \$155.2 million. The Constitution requires the balance of funds remaining after other state agency expenditures be transferred to the Road Fund.

As shown on the Statements of Revenues, Expenditures and Changes in Fund Balances of the governmental funds, the Highway Fund had \$965.4 million in revenues, compared to \$889.0 million from 2023. The increase is from higher motor vehicle fuel tax receipts. In 2023, revenues were \$75.1 million more than 2022.

State Road Fund: The Road Fund was constitutionally established to receive monies from highway user fees transferred from the Highway Fund, the motor vehicle sales tax, the federal government and other revenues. This is the primary operating fund of the Department and pays to construct, improve and maintain the state highway system and to administer the Commission and the Department. The fund ended the year with assets of \$2.1 billion, an increase of \$316.1 million from 2023. This compares to an increase in 2023 of \$354.2 million from 2022 (as restated). Deferred inflows of resources for the fund were \$23.8 million compared to \$10.7 million in fiscal year 2023. Liabilities totaled \$201.8 million, a decrease of \$52.3 million from 2023, and fund balances totaled \$1.8 billion, an increase of \$355.3 million from 2023 compared to an increase of \$359.8 million in 2023 from 2022 (as restated).

State Road Bond Fund: The Road Bond Fund was constitutionally established to receive monies from the state's motor vehicle sales tax. Monies are used to fund the repayment of bonds issued by the Commission. The fund was established in fiscal year 2006 as a debt service fund. At the end of this fiscal year, total assets were \$154.1 million, compared to \$167.7 million in 2023. The American Recovery and Reinvestment Act of 2009 (ARRA) revenue represents the federal government subsidy received for the Build America Bonds issued in 2010. Sales tax revenue increased \$9.1 million in 2024. Expenditures of the Road Bond Fund were \$263.0 million in 2024 compared to \$162.3 million in 2023.

Proprietary Funds

The Department's internal service funds consist of the MHTC Self Insurance Fund (workers' compensation, fleet liability and general liability) and the MoDOT and MSHP Medical and Life Insurance Plan. The self insurance fund receives premiums from the Department for fleet and general liability claims and from the Department, MSHP and MoDOT and Patrol Employees' Retirement System (MPERS) for workers' compensation claims. The Department, MSHP, MPERS and plan members pay premiums to the medical and life insurance fund.

As shown on the Statements of Net Position – Proprietary Funds, total assets increased \$2.2 million in 2024 compared to a decrease of \$14.8 million in 2023. Total current liabilities of the proprietary funds at the end of 2024 were \$45.0 million, an increase of \$2.9 million from 2023. Total pending self insurance claims and incurred but not reported claims increased \$15.0 million compared to a \$2.1 million decrease in 2023 from 2022.

Total net position of the internal service funds decreased at the end of the current fiscal year to \$47.0 million, compared to \$59.9 million in fiscal year 2023. Highway workers' compensation and general liability expenses increased \$8.0 million in fiscal year 2024.

The largest operating expenses of the proprietary funds, medical and prescription drug benefits, totaled \$129.8 million compared to \$131.1 million in 2023. This accounts for 73.0 percent of the total operating expenses, compared to 77.1 percent in 2023. This \$1.3 million decrease compares to a \$11.6 million decrease in 2023 from 2022. The change in net position of the Self Insurance Fund was a decrease of \$5.7 million in fiscal year 2024 compared to a decrease in net position of \$4.5 million in fiscal year 2023. The operating loss for the MHTC Self Insurance Fund was \$11.3 million in 2024 compared to a loss of \$4.8 million in 2023. The operating loss can be attributed to an increase in highway general liability and workers' compensation claims. The change in net position of the medical and life insurance plan was a negative \$7.2 million in fiscal year 2024 compared to a negative change in net position of \$6.7 million in fiscal year 2023. The operating loss is due to expenditures exceeding revenue by \$9.8 million.

Fiduciary Funds

The Department's fiduciary funds are used to account for monies held on behalf of various political subdivisions and other interested parties. These funds act as clearing accounts and thus have a net position of zero.

SIGNIFICANT EVENTS FOR THE YEAR ENDED JUNE 30, 2024

The Commission awarded a contract for the Bootheel Bridge Bundle project in August 2020. This project replaced or rehabilitated 17 bridges, 13 of which were included in the Focus on Bridges Program, for a budget of \$25.5 million. The project was completed in October 2023.

The Fixing Access to Rural Missouri (FARM) Bridge Program replaced a total of 31 bridges in Northern Missouri. The project was awarded in May 2020 and the budget was \$26.0 million. The project was complete June of 2024.

The I-270 North Project, costing \$278.0 million, addresses safety, congestion and system condition issues on I-270 north and the outer roads between US 67 (Lindbergh Boulevard) and Bellefontaine Road. The project was awarded in November 2019 and construction began in the spring of 2020. The project was completed in June of 2024.

During the 2019 legislative session, Governor Parson recommended, and the legislature approved a concurrent resolution to fund 250 bridge projects, bridges that were already programmed for repair or replacement in the current STIP. This program has been titled, Focus on Bridges. The legislation authorized the use of General Revenue to repay the Commission issued debt of \$301.0 million in bonds to repair or replace 215 bridges, contingent on the department receiving funding in the form of a federal Infrastructure for Rebuilding America (INFRA) grant. The bonds would be paid back over a seven-year period. In July 2019, the Department learned it had been awarded an \$81.2 million INFRA grant. The acceptance of the grant in October 2019 triggered the first issuance of bonds for this program with the second issuance occurring in November of 2021. In addition, the legislature appropriated \$50.0 million of General Revenue to address additional bridges. The program was completed in December 2023.

The General Assembly and the Governor approved as part of the fiscal year 2024 budget a total of \$2.8 billion to improve the I-70 corridor. Specifically, the budget includes funds for the costs to plan, design, construct, reconstruct, rehabilitate and repair three lanes in each direction on approximately 200 miles of I-70 from Blue Springs to Wentzville. Of the total amount, \$1.4 billion of General Revenue comes in the form of cash and spending authority. An additional \$1.4 billion of bonding authority was provided with debt service to be paid from General Revenue. Bond proceeds are not to exceed \$1.4 billion, annual debt service payments are not to exceed \$136.0 million annually and the term of any bonds issued should not exceed 15 years. The entire project is expected to be completed by the end of 2030.

On November 1, 2023, the Commission authorized the issuance of an estimated \$384.0 million in State Appropriations Mega Projects State Road Bonds, Series A 2023. The State Appropriations Mega Projects lien was a newly created bonding program in October 2023 for those times when the General Assembly and the Governor decide to appropriate debt service from General Revenue or another revenue source that is not State Road Fund or State Road Bond Fund to fund transportation projects. On November 14, 2023, the Commission sold \$381.6 million of bonds to get \$390.2 million in proceeds. The bonds bear interest payable semiannually with a true-interest-cost of 3.198 percent. The bonds are due in annual installments beginning on May 1, 2024. The bonds were issued with ratings of Aa1, AA+ and AA+ from Moody's Investor Services, Inc., S&P Global Ratings and Fitch Ratings, Inc., respectively. The bonds are payable from and secured primarily from General Revenue appropriated by the legislature.

The I-70 Columbia to Kingdom City project will add an additional lane to both eastbound and westbound I-70 for 20 miles. Additionally, for the project there will be significant interchange improvements to the I-70 and US 63 and I-70 and US 54 interchanges. The project has an expected budget of \$420.0 million. The project was awarded in February 2024 and is expected to be completed in December 2027.

During the 2019 legislative session, Governor Parson recommended, and the legislature passed \$50.0 million of General Revenue funds for a new Transportation Cost-Share Program. This program, a cooperative effort between the Department and the Department of Economic Development, allowed anyone to apply for cost-share funds for transportation projects on public roads that generate economic benefit to the state. The Department received 48 applications requesting \$91.7 million in funds. Sixteen projects were initially selected by the Commission in January 2020 and an additional project was approved in April 2020. Due to budget constraints, the fiscal year 2021 General Revenue funding available for the Transportation Cost-Share program was reduced to \$25.0 million. The remaining \$25.0 million has been made available in the State Road Fund as a result of funds that were redirected because of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Seventeen projects have been awarded for construction and eleven of those have been completed. The program is expected to be completed by December 2025.

During the 2022 legislative session, Governor Parson recommended, and the legislature passed, an additional \$75.0 million of General Revenue funds for the Transportation Cost-Share Program. The Department received 41 applications requesting \$150.4 million in funds. Twenty-eight projects were awarded funding by the Commission in January 2023. Six projects have been awarded for construction and one of those has been completed. The program is expected to be completed by December 2027.

The I-70 INFRA Discretionary Grant improvements to the Lance Corporal Leon Deraps I-70 Missouri River (Rocheport) Bridge and Climbing Lanes at Mineola Hill has begun. The Mineola Hill project to add climbing lanes to I-70 in the area of Mineola Hill to help accommodate slower traffic on the hills cost \$14.4 million and was completed in June of 2021. The bridge replacement with a \$240.0 million budget was awarded in July 2021. This project replaces one interstate bridge over the Missouri River near Rocheport, Missouri with two new bridges and one interstate overpass at Route BB. The new westbound I-70 bridge is open to traffic in both directions and the Route BB overpass replacement was opened to traffic in November 2023. The eastbound bridge is expected to be completed and open to traffic by the end of December 2024. The project is expected to be completed by July 2025.

In February 2021, the Buck O'Neil Bridge replacement and interchange improvements was awarded. The project's budget totals \$257.9 million with \$72.5 million provided by the City of Kansas City along with a \$25.0 million Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant obtained by the City. Construction started in August 2021 and is anticipated to be completed in December 2024.

The I-70 Cave Springs to Fairgrounds in St. Charles County project will provide connectivity, safety and efficiency improvements to four miles of the I-70 network at an estimated budget of \$63.4 million. The project was awarded in February 2022 and has an anticipated completion date of November 2024.

The I-44 Corridor Bridge Bundle project will improve 25 poor condition bridges on or adjacent to the I-44 corridor. The project has an estimated budget of \$38.5 million. The project was awarded in January 2022 and has an anticipated completion date of October 2024.

Taney County Route 86 Long Creek Bridge project over Table Rock Lake will replace the existing Route 86 bridge, which has had to be closed periodically due to its condition. The project has a budget of \$66.5 million and will be completed by the summer of 2025.

The Chester Bridge over the Mississippi River is being replaced. A design-build team was selected in March of 2023. The project's budget is \$307.0 million. Construction started in early September of 2023 with an expected completion date set for December 2026.

The Chain of Rocks Bridge carrying I-270 over the Mississippi River in St. Louis is a border bridge partnership with the state of Illinois leading the project. The project improves an interchange and replaces the obsolete river bridge. This project has an anticipated budget of \$532.0 million with MoDOT's share being \$225.0 million and has an expected completion date of the fall of 2026.

The I-55 Project will make pavement and bridge improvements on I-55 from Route M to one mile south of US 67. The project will add a third lane to northbound and southbound I-55 from Route Z to US 67 and will make operations and safety improvements on US 67 between US 61 and Buck Creek Road. Within the project limits, 14 bridges will be replaced, 12 bridges will be rehabilitated and one new bridge will be added. The contract amount is \$206.0 million, and the project was awarded in July 2023. Construction began in February 2024 and the project is expected to be completed by December 2026.

The Northwest Bridge Bundle project will improve 31 poor condition bridges in seven of the 20 Northwest District counties. The project has a budget of \$30.0 million, was awarded in December 2023 and is expected to be completed by December 2026.

The Safety Improvements Project in the St. Louis District will reduce fatal and serious injury crashes on roads in Jefferson County, St. Louis County and St. Louis City by making targeted safety improvements to roads. The project has an estimated budget of \$52.0 million, was awarded in January 2024, and has an anticipated completion date of June 2026.

In fiscal year 2024, the Department like other entities have been impacted by increased costs as a result of inflation which is impacting products utilized in daily maintenance operations. While not as significant as the past two years, for the last three years, fiscal years 2024, 2023 and 2022, construction project bid amounts, and, subsequent construction awards, have been more than budgeted amounts, which is a change from the previous seven years. The Department has successfully used a variety of innovations, which focus on getting the most value for each tax dollar, to minimize the impacts of rising costs. These innovations include:

- practical design, governed by three ground rules – safety, communication and quality – delivers “good” projects everywhere, instead of “perfect” projects somewhere;
- value engineering, a systematic process to review and provide recommendations to improve value while addressing the project's purpose and need;
- alternate bidding of materials on specific projects;
- design-build procurement;
- alternate technical concepts allowing the bidder to propose design changes with bid submittal; and
- packaging of bids to increase competition among bidders.

The Department is recognized nationally by other departments of transportation for its performance management system and practical design efforts. In fact, the Federal Highway Administration has acknowledged the Department's performance management system as a noteworthy practice because it achieves accountability and transparency, aligns performance measures and strategic goals and is an outcome-based performance management tool.

Even with the use of the tools listed above, because of inflation, the schedules for more than 400 projects needed to be adjusted in the 2024-2028 STIP. The total inflation impact to the 2024-2028 STIP totaled \$1.2 billion.

CAPITAL ASSETS AND LONG-TERM OBLIGATION ADMINISTRATION

Capital Assets

The Department's investment in capital assets for its governmental activities as of June 30, 2024, totals \$62.5 billion, with accumulated depreciation of \$28.5 billion and a net value of \$34.0 billion. The net value represents an increase of \$1.1 billion from fiscal year 2023 (as restated), compared to an increase of \$927.6 million in 2023 (as restated) from 2022 (as restated). These assets are summarized in the table below. Additional information about the Department's capital assets is presented in the Notes to the Financial Statements.

(Amounts in millions)	<u>2024</u>	<u>2023</u> (as restated)	<u>2022</u> (as restated)	<u>Percent Change 2024-2023</u>
Land and permanent easements	\$ 2,644	\$ 2,641	\$ 2,632	0.2%
Equipment in progress	15	---	---	100.0
Software in progress	4	2	1	100.0
Construction in progress	61	52	57	17.3
Infrastructure in progress	3,750	2,861	2,145	31.1
Land improvements	8	9	10	(11.1)
Land, right to use	1	1	1	---
Buildings	144	148	145	(2.7)
Buildings, right to use	1	1	1	---
Software	3	5	8	(40.0)
Software, right to use	6	---	---	100.0
Vehicles and equipment	285	268	243	6.3
Temporary easements	5	4	5	25.0
IT infrastructure, right to use	22	25	23	(12.0)
Infrastructure	<u>27,094</u>	<u>26,945</u>	<u>26,763</u>	0.5
Total	<u>\$34,043</u>	<u>\$32,962</u>	<u>\$32,034</u>	3.3%

*Due to rounding, vehicles and equipment, right to use does not show on this table.

As provided by generally accepted accounting principles (GAAP), the Department records its infrastructure assets at actual or estimated historical cost. Included in infrastructure are 33,811 miles of highways and 10,392 bridges and culverts that the Department is responsible for maintaining.

The STIP sets the specific construction projects the Department will undertake in the next five years. It covers highways and bridges, transit, aviation, rail, waterways, enhancements and other projects. The program, updated annually, is dynamic with adjustments made to project plans during the life of the STIP based on needs and goals of the Department. The Commission approves amendments during the fiscal year as circumstances require.

Long-Term Obligation Administration

The following table presents a summary of the Department’s long-term obligations for governmental activities. Additional information about the Department’s long-term obligations is presented in the Notes to the Financial Statements.

(Amounts in millions)	<u>2024</u>	<u>2023</u>	<u>2022</u> (as restated)	<u>Percent Change 2024-2023</u>
State road bonds	\$1,506	\$1,483	\$1,265	1.6%
Premium on bonds	58	73	48	(20.5)
Advances from other entities	41	27	6	51.9
Lease obligations	29	30	27	(3.3)
Subscription obligations	4	---	---	100.0
Compensated absences	39	39	35	---
Other liabilities	<u>1</u>	<u>1</u>	<u>---</u>	---
Total obligations	1,678	1,653	1,381	1.5
Current portion of obligations	<u>418</u>	<u>268</u>	<u>263</u>	56.0
Total noncurrent obligations	<u>\$1,260</u>	<u>\$1,385</u>	<u>\$1,118</u>	(9.0)%

The Department’s total noncurrent obligations, excluding pending self insurance claims, incurred but unreported claims, pension and other postemployment benefit obligations decreased \$124.6 million from 2023, compared to an increase of \$266.9 million in 2023 from 2022. At the end of the current fiscal year, state road bonds total \$1.5 billion, or 89.7 percent, of the total obligations. Revenues collected under Article IV, Section 30(a) and (b) of the Missouri Constitution, revenues collected from federal highway reimbursements and appropriations of General Revenue made by the legislature are used for the repayment of bonds. These revenues are state highway user fees, including fuel taxes, sales taxes, licenses and fees and federal highway reimbursements. Principal payments are due on various dates through fiscal year 2033.

The notes issued balance in the table above includes an advance from a local entity and a loan from the Missouri Transportation Finance Corporation (MTFC). The advance from the local entity is related to a construction project that was accelerated to meet the needs of the users. The principal payment of \$476,000 is due to St. Charles County in fiscal year 2026. The MTFC loan is being used to replace the Lance Corporal Leon Deraps I-70 Missouri River (Rocheport) Bridge and for the Climbing Lanes at Mineola Hill project. Principal payments on the current loan disbursement amount of \$40.3 million are due in fiscal years 2024 through 2029.

At the end of fiscal year 2024, the Department had \$29.2 million and \$3.8 million in obligations for leasing and subscription-based information technology arrangements, respectively. Principal payments are due on various dates through fiscal year 2050.

RECENT EVENTS AND FUTURE BUDGETS

The Department’s fiscal year 2025 budget for all funds was approved by the Legislature in May 2024 and signed into law by the Governor in June 2024. The fund level is the legal level of control for the State Road Fund, with approval of the State Road Fund budget by the Commission. The Commission approved the budget for all funds in June 2024, with a total spending plan of \$8.5 billion, which equals the amount approved by the legislature. The fiscal year 2025 budget is more than the fiscal year 2024 budget by \$1.3 billion, primarily because of the inclusion of funds for the Forward Interstate 44 projects and the General Assembly Designated and Funded Projects. Program funds over the next several years will continue to focus on taking care of the existing transportation system with several targeted investments.

Annually, the Department prepares a financial forecast that is used to develop its STIP. MoDOT’s 2025-2029 STIP presents a multi-year plan that uses available cash balances to meet current federal funding investment levels and includes any General Assembly designated and funded projects approved by the Governor. The result is an increase in construction awards. Even with the higher contractor awards, the funds available will be focused primarily on maintaining the current transportation system with several targeted investments. The financial forecast will be refreshed in the fall and will determine the projected awards for the upcoming years.

Several large segments associated with the Improve I-70 Program will be awarded in the upcoming year. The I-70 Warrenton to Wentzville project will add an additional lane to both eastbound and westbound I-70 for 19 miles. The project will also include interchange improvements to the I-70 and I-64 interchange and the I-70 and Route T/W interchange. A new interchange will be constructed within I-

70 and Wright City. A third lane will also be added to eastbound and westbound I-64 from I-70 to Route K. The project is expected to be awarded in November 2024 with design and construction beginning in December 2024. Expected project completion is December 2028. The project has an estimated budget of \$627.0 million and includes a mixture of General Revenue and STIP funding.

The I-70 Blue Springs to Odessa project will add an additional lane to both eastbound and westbound I-70 for 18 miles. This project will also include an interchange improvement within I-70 and the City of Odessa. The project is expected to be awarded in May 2025 with design and construction starting the same month. The expected project completion is December 2027. The project has an estimated budget of \$325.0 million with a mixture of General Revenue and STIP funding.

While not a part of the General Revenue funded segment of the Improve I-70 Program, the Improve I-70 Kansas City Design-Build Project will be done in conjunction with the Improve I-70 Program projects. This project will provide corridor improvements on I-70 from the Paseo Boulevard to US 40/31st Street, in western Jackson County. The anticipated improvements include improving safety and reliability; replacing or rehabilitating worn out infrastructure, including pavement and bridges; and improving accessibility and connectivity for the local community. The project has an estimated budget of \$237.0 million was awarded in August 2024 and has an expected completion date of December 2028.

As part of the fiscal year 2025 budget, the General Assembly and the Governor approved a total of \$577.5 million to improve the I-44 corridor. Of the total amount, \$213.75 million of General Revenue comes in the form of cash and spending authority. An additional \$363.75 million of bonding authority was provided with debt service to be paid from General Revenue. Bond proceeds are not to exceed \$363.75 million, annual debt service payments are not to exceed \$44.0 million annually and the term of any bonds issued should not exceed 10 years. These funds will address some of the most critical improvements needed in the corridor.

The Kaysinger Basin Bridge Bundle project will improve up to 25 poor condition bridges in seven counties in the Southwest District. The project has an estimated budget of \$38.0 million, an expected award date of March 2025, and an anticipated completion date of November 2027.

ECONOMIC CONDITIONS

The current economic environment presents government entities, including state transportation departments, with challenges. The National and Missouri's economy was interrupted in the spring of 2020 because of a global pandemic. The global pandemic resulted in many citizens that were not serving in critical functions being asked to shelter in place. The economy has rebounded and normalized some in fiscal years 2021 through 2024; however, in fiscal year 2023, the economy saw significant inflation. In fiscal year 2024, the economy still saw some inflation, but it was not as significant and was in more normal expected ranges. Consumer confidence decreased in fiscal year 2024, which indicates that consumers are less optimistic about the economy than they were last year. The unemployment rate in Missouri increased in 2024, but continues to be relatively low. The 2024 state fuel tax receipts are more than collections in 2023, the year with the highest collections. The bidding environment for fiscal year 2024 continued to be challenging. While overall construction prices improved, awarded projects still came in above estimates. If construction award prices continue to increase like they did in fiscal year 2023, in the future, decisions will need to be made regarding the timing of projects and additional strategies to ensure fiscal constraint of the construction program. During the previous five fiscal years, 2020-2024, 2,134 highway and bridge construction projects estimated at \$6.3 billion were awarded for \$6.7 billion, a 4.9 percent difference. By comparison, the fiscal year 2024 construction projects were estimated at \$1.514 billion and were awarded for \$1.544 billion, a 2.0 percent difference.

CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Missouri Department of Transportation's interested parties, including citizens, taxpayers, customers, investors and creditors, with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the Missouri Department of Transportation, Financial Services Division, P.O. Box 270, Jefferson City, MO 65102. This report is also included in the Report to the Joint Committee on Transportation Oversight and is available on the Department's website at www.modot.org.



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Government-wide Financial Statements

Statements of Net Position

June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u> <u>(as restated)</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 428,373,977	\$ 460,573,961
Investments	1,604,030,226	1,328,153,745
Restricted cash and investments	200,000	---
State taxes and fees receivables	212,909,326	192,447,314
Federal government receivables	118,821,651	93,786,524
Interest receivable	10,904,692	6,757,150
Miscellaneous receivables, net	75,263,166	26,739,877
Lease receivable	635,961	663,955
Loans receivable	117,897	115,542
Inventories	53,088,761	50,230,157
Prepaid rents	2,245,885	2,137,789
Total current assets	<u>2,506,591,542</u>	<u>2,161,606,014</u>
Noncurrent assets		
Investments	97,053,255	111,119,011
Restricted cash and investments	---	200,000
Lease receivable	2,586,540	547,895
Loans receivable	171,815	289,712
Capital assets		
Assets not being depreciated	6,472,950,742	5,555,187,028
Assets being depreciated, net	<u>27,570,115,448</u>	<u>27,406,555,047</u>
Total noncurrent assets	<u>34,142,877,800</u>	<u>33,073,898,693</u>
Total assets	<u>36,649,469,342</u>	<u>35,235,504,707</u>
Deferred Outflows of Resources		
Bond refunding	2,064,414	4,142,803
Pension related items	328,125,704	226,401,496
Other postemployment benefits obligation	77,881,235	105,450,443
Asset retirement obligations	44,000	53,000
Total deferred outflows of resources	<u>408,115,353</u>	<u>336,047,742</u>
Liabilities		
Current liabilities		
Accounts payable	150,108,278	183,896,134
Accrued payroll	31,708,623	29,520,633
Accrued interest payable	12,278,375	20,410,715
Deposits	1,593,182	2,397,719
Unearned revenue	53,960,431	66,721,754
Pending self insurance claims	19,864,000	18,648,000
Incurred but not reported claims	17,244,000	15,680,000
Other postemployment benefits obligation	17,560,000	17,160,000
Financing and other obligations	417,966,891	268,216,023
Total current liabilities	<u>722,283,780</u>	<u>622,650,978</u>
Noncurrent liabilities		
Pending self insurance claims	48,668,083	39,331,155
Incurred but not reported claims	18,484,000	15,567,000
Net pension liability	891,638,345	829,471,937
Other postemployment benefits obligation	359,426,149	738,794,476
Financing and other obligations	<u>1,259,972,989</u>	<u>1,384,611,918</u>
Total noncurrent liabilities	<u>2,578,189,566</u>	<u>3,007,776,486</u>
Total liabilities	<u>3,300,473,346</u>	<u>3,630,427,464</u>
Deferred Inflows of Resources		
Deferred bond refunding	57,881	170,872
Lease revenues	3,222,501	1,211,850
Pension related items	127,170,525	134,745,810
Other postemployment benefits obligation	504,068,175	228,719,543
Total deferred inflows of resources	<u>634,519,082</u>	<u>364,848,075</u>
Net Position		
Net investment in capital assets	32,758,871,093	31,372,177,676
Restricted for:		
Internal service fund requirements set by legislation	200,000	200,000
Highways and transportation	<u>363,521,174</u>	<u>203,899,234</u>
Total net position	<u>\$33,122,592,267</u>	<u>\$31,576,276,910</u>

The notes to the financial statements are an integral part of these statements.

Statements of Activities

Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023 (as restated)
Transportation Program Expenses		
Administration	\$ 8,967,868	\$ 7,331,330
Fleet, facilities and information systems	35,424,348	36,799,205
Safety and operations	430,464,147	415,079,664
Program delivery	269,203,639	212,014,535
Multimodal operations	123,915,116	96,989,454
Interest	62,105,794	55,940,098
Other state agencies	301,565,134	263,773,037
Self insurance	31,067,564	22,439,688
Medical and life insurance	146,794,249	147,671,334
Pension	110,689,883	77,630,552
Other postemployment benefits	(58,116,409)	(1,673,067)
Depreciation	661,020,304	646,498,469
Total transportation program expenses	<u>2,123,101,637</u>	<u>1,980,494,299</u>
Transportation Program Revenues		
Charges for services		
Licenses, fees and permits	332,184,648	346,392,023
Intergovernmental/cost reimbursements/miscellaneous	136,076,948	141,693,905
Interest	356,296	10,839
Member insurance premiums	34,834,442	40,412,084
Total charges for services	<u>503,452,334</u>	<u>528,508,851</u>
Federal government		
American Recovery and Reinvestment Act	9,654,118	10,613,957
Operating	93,240,507	76,640,072
Capital	1,420,420,361	1,160,413,756
Total federal government	<u>1,523,314,986</u>	<u>1,247,667,785</u>
Total transportation program revenues	<u>2,026,767,320</u>	<u>1,776,176,636</u>
Net expense of transportation program	<u>(96,334,317)</u>	<u>(204,317,663)</u>
General Revenues		
Fuel taxes	737,885,844	658,470,246
Sales taxes	474,947,662	457,118,736
Unrestricted investment earnings (loss)	105,928,979	8,160,011
Donated assets	23,459,214	10,943,573
State appropriations	309,158,937	187,182,248
Gain on lease modification	132	1,214
Loss on sale of capital assets	(8,731,094)	(4,660,412)
Total general revenues	<u>1,642,649,674</u>	<u>1,317,215,616</u>
Changes in Net Position	1,546,315,357	1,112,897,953
Net Position, beginning of year, as previously reported	31,576,276,910	30,452,435,546
Restatement of net position	---	10,943,411
Net Position, beginning of year, as restated	<u>31,576,276,910</u>	<u>30,463,378,957</u>
Net Position, end of year	<u>\$33,122,592,267</u>	<u>\$31,576,276,910</u>

The notes to the financial statements are an integral part of these statements.



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Fund Financial Statements

Balance Sheets
Governmental Funds
 June 30, 2024 and 2023

	2024				
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,401,117	\$ 363,480,120	\$ 23,265,264	\$17,061,605	\$ 406,208,106
Investments	11,685,687	1,434,870,726	104,711,985	17,263,965	1,568,532,363
State taxes and fees receivables	153,666,485	32,877,032	24,990,811	1,374,998	212,909,326
Federal government receivables	---	113,400,057	---	5,421,594	118,821,651
Interest Receivable	441,439	8,773,469	1,132,362	142,627	10,489,897
Miscellaneous receivables, net	4,843,525	59,830,648	---	6,763,040	71,437,213
Lease receivable	---	3,222,501	---	---	3,222,501
Loans receivable	---	---	---	289,712	289,712
Due from other funds	---	111,005	---	---	111,005
Inventories	---	53,088,761	---	---	53,088,761
Prepaid rents	---	2,245,885	---	---	2,245,885
Total assets	\$ 173,038,253	\$2,071,900,204	\$154,100,422	\$48,317,541	\$2,447,356,420
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 3,726,060	\$ 134,181,518	\$ ---	\$12,185,502	\$ 150,093,080
Accrued payroll	9,863,856	21,665,191	---	179,576	31,708,623
Deposits	---	1,593,182	---	---	1,593,182
Unearned revenue	---	44,361,345	---	1,731,688	46,093,033
Due to other funds	---	---	---	111,005	111,005
Total liabilities	13,589,916	201,801,236	---	14,207,771	229,598,923
Deferred Inflows of Resources					
Lease revenues	---	3,222,501	---	---	3,222,501
Unavailable revenues	4,225,262	20,564,718	212,730	32,000	25,034,710
Total deferred inflows of resources	4,225,262	23,787,219	212,730	32,000	28,257,211
Fund balances					
Nonspendable – inventories and prepaid rent	---	55,334,646	---	---	55,334,646
Unassigned	---	---	---	(31,999)	(31,999)
Restricted – highways and transportation	155,223,075	1,790,977,103	153,887,692	34,109,769	2,134,197,639
Total fund balances	155,223,075	1,846,311,749	153,887,692	34,077,770	2,189,500,286
Total liabilities, deferred inflows of resources and fund balances	\$ 173,038,253	\$2,071,900,204	\$154,100,422	\$48,317,541	\$ 2,447,356,420

2023

State Highways and Transportation Department Fund	State Road Fund (as restated)	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds (as restated)
\$ 2,180,902	\$ 386,692,358	\$ 32,574,485	\$ 15,996,768	\$ 437,444,513
7,635,806	1,173,010,671	114,115,683	14,838,611	1,309,600,771
141,439,331	29,442,386	20,515,902	1,049,695	192,447,314
---	89,975,180	---	3,811,344	93,786,524
223,214	5,605,416	512,497	99,680	6,440,807
3,101,617	17,428,146	---	2,614,438	23,144,201
---	1,211,850	---	---	1,211,850
---	---	---	405,254	405,254
---	79,351	---	---	79,351
---	50,230,157	---	---	50,230,157
---	2,137,789	---	---	2,137,789
<u>\$ 154,580,870</u>	<u>\$1,755,813,304</u>	<u>\$167,718,567</u>	<u>\$ 38,815,790</u>	<u>\$2,116,928,531</u>
\$ 3,157,180	\$ 174,201,448	\$ ---	\$ 6,456,550	\$ 183,815,178
9,292,306	20,083,263	---	145,064	29,520,633
---	2,397,719	---	---	2,397,719
---	57,390,305	---	1,672,602	59,062,907
---	---	---	79,351	79,351
<u>12,449,486</u>	<u>254,072,735</u>	<u>---</u>	<u>8,353,567</u>	<u>274,875,788</u>
---	1,211,850	---	---	1,211,850
<u>3,028,817</u>	<u>9,478,163</u>	<u>---</u>	<u>---</u>	<u>12,506,980</u>
<u>3,028,817</u>	<u>10,690,013</u>	<u>---</u>	<u>---</u>	<u>13,718,830</u>
---	52,367,946	---	---	52,367,946
---	---	---	---	---
<u>139,102,567</u>	<u>1,438,682,610</u>	<u>167,718,567</u>	<u>30,462,223</u>	<u>1,775,965,967</u>
<u>139,102,567</u>	<u>1,491,050,556</u>	<u>167,718,567</u>	<u>30,462,223</u>	<u>1,828,333,913</u>
<u>\$ 154,580,870</u>	<u>\$1,755,813,304</u>	<u>\$167,718,567</u>	<u>\$ 38,815,790</u>	<u>\$2,116,928,531</u>

The notes to the financial statements are an integral part of these statements.



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Reconciliation of the Governmental Funds Balance Sheets to the Statements of Net Position

Governmental Funds

June 30, 2024 and 2023

	<u>Total</u>	
	<u>2024</u>	<u>2023</u> <u>(as restated)</u>
Fund balances – total governmental funds	\$ 2,189,500,286	\$ 1,828,333,913
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets, net of accumulated depreciation of \$28,471,430,371 and \$27,975,418,750 in 2024 and 2023 (as restated), respectively, used in governmental activities are not financial resources, and therefore, are not reported in the funds.	34,043,066,190	32,961,742,075
Amounts resulting from the difference calculated between the reacquisition price and the net carrying amount of refunded bonds, reported as deferred outflows of resources, are not reported in the funds.	2,064,414	4,142,803
Amounts resulting from the difference calculated between the reacquisition price and the net carrying amount of refunded bonds, reported as deferred inflows of resources, are not reported in the funds.	(57,881)	(170,872)
Some revenue will be collected after the availability period and is deferred in the fund statements; however, it is recognized in the government-wide statements.	25,034,710	12,506,980
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included only in the statements of net position.		
Medical and life insurance plan	34,633,464	41,824,663
Self insurance plan	12,381,594	18,122,831
Certain changes in the net pension liability, other postemployment benefits liability and asset retirement obligations are amortized over time and are not reported in the funds.		
Net pension liability	200,955,179	91,655,686
Other postemployment benefits obligations	(426,186,940)	(123,269,100)
Asset retirement obligations	44,000	53,000
Certain liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.		
Financing and other obligations	(1,677,939,880)	(1,652,827,941)
Net pension liability	(891,638,345)	(829,471,937)
Other postemployment benefits obligations	(376,986,149)	(755,954,476)
Accrued interest payable	<u>(12,278,375)</u>	<u>(20,410,715)</u>
Total net position – governmental activities	<u>\$33,122,592,267</u>	<u>\$31,576,276,910</u>

Statements of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Years Ended June 30, 2024 and 2023

	2024				
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Fuel taxes	\$ 737,587,443	\$ 100,672	\$ ---	\$ 197,729	\$ 737,885,844
Sales taxes	2,290,334	226,950,174	233,159,776	12,547,378	474,947,662
Licenses, fees and permits	218,157,821	111,297,590	---	2,729,237	332,184,648
Intergovernmental/cost reimbursements/miscellaneous	4,592,870	106,410,797	---	2,804,273	113,807,940
Investment earnings	2,812,979	82,897,236	11,195,328	809,477	97,715,020
American Recovery and Reinvestment Act	---	4,842,230	4,811,888	---	9,654,118
State government	---	24,140,295	---	285,018,642	309,158,937
Federal government	---	<u>1,423,644,246</u>	---	<u>93,208,507</u>	<u>1,516,852,753</u>
Total revenues	<u>965,441,447</u>	<u>1,980,283,240</u>	<u>249,166,992</u>	<u>397,315,243</u>	<u>3,592,206,922</u>
Expenditures					
Administration	---	60,870,207	---	---	60,870,207
Fleet, facilities and information systems	---	48,052,286	---	---	48,052,286
Safety and operations	---	531,052,191	---	26,526,908	557,579,099
Program delivery	---	328,192,013	---	4,882,983	333,074,996
Multimodal operations	---	1,361,936	---	124,403,601	125,765,537
Capital outlay	1,237,793	1,676,090,620	---	56,268,216	1,733,596,629
Debt service - principal	1,446,866	180,387,844	191,830,000	---	373,664,710
Debt service - interest	1,000,470	20,058,780	71,167,867	---	92,227,117
Other state agencies	<u>335,094,123</u>	---	---	---	<u>335,094,123</u>
Total expenditures	<u>338,779,252</u>	<u>2,846,065,877</u>	<u>262,997,867</u>	<u>212,081,708</u>	<u>3,659,924,704</u>
Excess of revenues over (under) expenditures	<u>626,662,195</u>	<u>(865,782,637)</u>	<u>(13,830,875)</u>	<u>185,233,535</u>	<u>(67,717,782)</u>
Other Financing Sources (Uses)					
Notes issued	---	25,304,085	---	---	25,304,085
Bonds issued	---	381,610,000	---	---	381,610,000
Premium on bonds	---	9,288,971	---	---	9,288,971
Leases	1,023,053	---	---	---	1,023,053
SBITAs	---	5,681,036	---	---	5,681,036
Capital asset sales	---	5,977,010	---	---	5,977,010
Transfers in	---	793,182,728	---	---	793,182,728
Transfers out	<u>(611,564,740)</u>	---	---	<u>(181,617,988)</u>	<u>(793,182,728)</u>
Total other financing sources (uses)	<u>(610,541,687)</u>	<u>1,221,043,830</u>	---	<u>(181,617,988)</u>	<u>428,884,155</u>
Net Changes in Fund Balances	16,120,508	355,261,193	(13,830,875)	3,615,547	361,166,373
Fund Balances, beginning of year	<u>139,102,567</u>	<u>1,491,050,556</u>	<u>167,718,567</u>	<u>30,462,223</u>	<u>1,828,333,913</u>
Fund Balances, end of year	<u>\$ 155,223,075</u>	<u>\$ 1,846,311,749</u>	<u>\$ 153,887,692</u>	<u>\$ 34,077,770</u>	<u>\$ 2,189,500,286</u>

The notes to the financial statements are an integral part of these statements.

2023

State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 658,059,101	\$ 127,058	\$ ---	\$ 284,087	\$ 658,470,246
1,873,733	218,047,916	224,022,265	13,174,822	457,118,736
226,054,191	117,688,781	---	2,650,051	346,393,023
1,712,886	133,421,317	---	367,890	135,502,093
1,328,354	6,425,440	(88,190)	15,087	7,680,691
---	7,454,095	3,159,862	---	10,613,957
---	---	---	187,182,248	187,182,248
---	<u>1,155,090,333</u>	---	<u>76,771,629</u>	<u>1,231,861,962</u>
<u>889,028,265</u>	<u>1,638,254,940</u>	<u>227,093,937</u>	<u>280,445,814</u>	<u>3,034,822,956</u>
---	55,043,837	---	---	55,043,837
---	48,066,702	---	---	48,066,702
---	504,839,449	---	24,270,151	529,109,600
---	267,001,807	---	3,199,884	270,201,691
---	988,774	---	97,399,306	98,388,080
4,313,000	1,466,667,319	---	104,057,282	1,575,037,601
1,319,538	106,797,148	132,015,000	---	240,131,686
1,019,516	34,676,928	30,239,340	---	65,935,784
<u>294,393,478</u>	---	---	---	<u>294,393,478</u>
<u>301,045,532</u>	<u>2,484,081,964</u>	<u>162,254,340</u>	<u>228,926,623</u>	<u>3,176,308,459</u>
<u>587,982,733</u>	<u>(845,827,024)</u>	<u>64,839,597</u>	<u>51,519,191</u>	<u>(141,485,503)</u>
---	24,395,890	---	---	24,395,890
---	453,005,000	---	---	453,005,000
---	47,643,184	---	---	47,643,184
4,313,000	7,167	---	---	4,320,167
---	7,208,895	---	---	7,208,895
---	---	---	---	---
---	673,324,067	---	---	673,324,067
<u>(627,787,366)</u>	---	---	<u>(45,536,701)</u>	<u>(673,324,067)</u>
<u>(623,474,366)</u>	<u>1,205,584,203</u>	---	<u>(45,536,701)</u>	<u>536,573,136</u>
(35,491,633)	359,757,179	64,839,597	5,982,490	395,087,633
<u>174,594,200</u>	<u>1,131,293,377</u>	<u>102,878,970</u>	<u>24,479,733</u>	<u>1,433,246,280</u>
<u>\$ 139,102,567</u>	<u>\$ 1,491,050,556</u>	<u>\$167,718,567</u>	<u>\$ 30,462,223</u>	<u>\$1,828,333,913</u>

The notes to the financial statements are an integral part of these statements.



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Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Statements of Activities

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u> (as restated)
Net changes in fund balances – total governmental funds	\$ 361,166,373	\$ 395,087,633
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statements of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and donated assets (\$1,757,055,843 and \$1,585,981,174 for 2024 and 2023, respectively) exceed depreciation (\$661,020,304 and \$646,498,469 for 2024 and 2023, respectively) in the current period.	1,096,035,539	939,482,705
In the statements of activities, only the gain (loss) on the sale of the assets is reported, whereas, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.	(14,711,424)	(11,890,409)
Certain revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	12,527,730	(636,542)
Certain pension related expenses, not applicable to the current period, are reported as deferred outflows of resources in the government-wide financial statements.	157,822,968	145,318,506
Certain OPEB related expenses, not applicable to the current period, are reported as deferred outflows of resources in the government-wide financial statements.	17,934,078	17,108,103
Proceeds from the issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	373,664,710	240,131,686
Lease modifications	3,452	22,316
Bonds issued	(381,610,000)	(453,005,000)
Notes payable issued	(25,304,085)	(24,395,890)
Leases issued	(1,023,053)	(4,320,167)
SBITAs issued	(5,681,036)	---
Bond premium	(9,288,971)	(47,643,184)
Some expenses reported in the statements of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	166,256	(4,144,384)
Interest expense recognition	30,121,323	9,995,686
Claims and judgments	---	(1,007,814)
Pension expense	(110,689,883)	(77,630,552)
Other postemployment benefits obligations	58,116,409	1,673,067
Pollution remediation obligations	(2,593)	(1,131)
Internal service funds are used by management for the medical and life insurance plan and the self insurance plan. The net revenue (expense) of certain internal service funds is reported with governmental activities.		
Medical and life insurance plan	(7,191,199)	(6,718,207)
Self insurance plan	(5,741,237)	(4,528,469)
Changes in net position – governmental activities	<u>\$1,546,315,357</u>	<u>\$1,112,897,953</u>

The notes to the financial statements are an integral part of these statements.

Statements of Net Position

Proprietary Funds

June 30, 2024 and 2023

	<u>Internal Service Funds</u>	
	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 22,165,871	\$23,129,448
Investments	35,497,863	18,552,974
Restricted investments	200,000	---
Interest receivable	414,795	316,343
Miscellaneous receivables	<u>3,825,953</u>	<u>3,595,676</u>
Total current assets	<u>62,104,482</u>	<u>45,594,441</u>
Noncurrent assets		
Investments	97,053,255	111,119,011
Restricted investments	---	200,000
Total noncurrent assets	<u>97,053,255</u>	<u>111,319,011</u>
Total assets	<u>159,157,737</u>	<u>156,913,452</u>
Liabilities		
Current liabilities		
Accounts payable	15,198	80,956
Unearned revenue	7,867,398	7,658,847
Pending self insurance claims	19,864,000	18,648,000
Incurred but not reported claims	<u>17,244,000</u>	<u>15,680,000</u>
Total current liabilities	<u>44,990,596</u>	<u>42,067,803</u>
Noncurrent liabilities		
Pending self insurance claims	48,668,083	39,331,155
Incurred but not reported claims	<u>18,484,000</u>	<u>15,567,000</u>
Total noncurrent liabilities	<u>67,152,083</u>	<u>54,898,155</u>
Total liabilities	<u>112,142,679</u>	<u>96,965,958</u>
Net Position		
Restricted net position	200,000	200,000
Unrestricted net position	<u>46,815,058</u>	<u>59,747,494</u>
Total net position	<u>\$ 47,015,058</u>	<u>\$ 59,947,494</u>

Statements of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Years Ended June 30, 2024 and 2023

	<u>Internal Service Funds</u>	
	<u>2024</u>	<u>2023</u>
Operating Revenues		
Self insurance premiums		
Highway workers' compensation	\$ 9,000,000	\$ 8,500,000
Highway patrol workers' compensation	3,000,000	2,400,000
Highway fleet vehicle liability	3,000,000	2,500,000
Highway general liability	4,000,000	4,000,000
Medical insurance premiums		
State	95,566,359	88,233,807
Member	34,834,442	40,412,084
Other	<u>7,306,091</u>	<u>12,328,296</u>
Total operating revenues	<u>156,706,892</u>	<u>158,374,187</u>
Operating Expenses		
Self insurance programs		
Highway workers' compensation	5,988,988	5,327,022
Highway patrol workers' compensation	3,031,185	1,590,965
Highway fleet vehicle liability	2,019,894	2,719,524
Highway general liability	18,981,767	11,622,826
Other	1,045,730	1,179,351
Medical and life insurance program		
Insurance premiums	7,879,493	7,575,247
Medical benefits	99,125,199	94,885,256
Prescription drug benefits	30,684,893	36,217,628
Professional fees	648,677	825,205
Administrative services	<u>8,455,987</u>	<u>8,167,998</u>
Total operating expenses	<u>177,861,813</u>	<u>170,111,022</u>
Operating loss	<u>(21,154,921)</u>	<u>(11,736,835)</u>
Nonoperating Revenues		
Net appreciation (depreciation) and investment income	<u>8,222,485</u>	<u>490,159</u>
Total nonoperating revenues	<u>8,222,485</u>	<u>490,159</u>
Changes in Net Position	(12,932,436)	(11,246,676)
Net Position, beginning of year	<u>59,947,494</u>	<u>71,194,170</u>
Net Position, end of year	<u>\$ 47,015,058</u>	<u>\$ 59,947,494</u>

The notes to the financial statements are an integral part of these statements.

Statements of Cash Flows

Proprietary Funds

Years Ended June 30, 2024 and 2023

	<u>Internal Service Funds</u>	
	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Receipts from interfund services provided	\$ 156,476,615	\$ 157,154,448
Payments for interfund services used	(152,468,940)	(163,409,800)
Payments to suppliers	<u>(10,216,153)</u>	<u>(10,216,054)</u>
Net cash used in operating activities	<u>(6,208,478)</u>	<u>(16,471,406)</u>
Cash Flows From Investing Activities		
Proceeds from sale and maturities of investments	32,676,935	34,824,873
Purchases of investments	(31,105,251)	(15,295,070)
Interest received	3,796,142	3,112,710
Investment fees	<u>(122,925)</u>	<u>(134,729)</u>
Net cash provided by (used in) investing activities	<u>5,244,901</u>	<u>22,507,784</u>
Net increase (decrease) in cash and cash equivalents	(963,577)	6,036,378
Cash and Cash Equivalents, beginning of year	<u>23,129,448</u>	<u>17,093,070</u>
Cash and Cash Equivalents, end of year	<u>\$ 22,165,871</u>	<u>\$ 23,129,448</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (21,154,921)	\$ (11,736,835)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Receivables	(230,278)	(1,219,739)
Accounts and claims payable	14,968,170	(2,144,771)
Unearned revenue	<u>208,551</u>	<u>(1,370,061)</u>
Net cash used in operating activities	<u>\$ (6,208,478)</u>	<u>\$ (16,471,406)</u>
Noncash Items Impacting Recorded Assets		
Increase (decrease) in fair value of investments	<u>\$ 4,450,816</u>	<u>\$ (2,494,816)</u>

Statements of Fiduciary Net Position

Fiduciary Funds

June 30, 2024 and 2023

Custodial Funds

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$3,589,980	\$4,705,122
Miscellaneous receivables, net	<u>871,908</u>	<u>566,962</u>
Total assets	<u>\$4,461,888</u>	<u>\$5,272,084</u>
Liabilities		
Deposits	\$ 167,117	\$ 704,787
Due to Non-MoDOT state funds	1,353,320	1,060,904
Due to other jurisdictions	<u>2,941,451</u>	<u>3,506,393</u>
Total liabilities	<u>\$4,461,888</u>	<u>\$5,272,084</u>
Net Position	<u>\$ ---</u>	<u>\$ ---</u>

The notes to the financial statements are an integral part of these statements.

Statements of Changes in Fiduciary Net Position

Fiduciary Funds

Years Ended June 30, 2024 and 2023

	<u>Custodial Funds</u>	
	<u>2024</u>	<u>2023</u>
Additions		
Licenses, fees and permit collections for other governments	\$ 82,404,492	\$ 83,493,497
Fuel taxes for other governments	48,483,625	57,352,862
Carrier refunds	<u>4,950,982</u>	<u>1,231,620</u>
Total additions	<u>135,839,099</u>	<u>142,077,979</u>
Deductions		
Licenses, fees and permit collections due to other governments	82,404,492	83,493,497
Fuel taxes due to other governments	48,483,625	57,352,862
Carrier refunds	<u>4,950,982</u>	<u>1,231,620</u>
Total deductions	<u>135,839,099</u>	<u>142,077,979</u>
Net increase (decrease) in Fiduciary Net Position	---	---
Net Position, beginning of year	---	---
Net Position, end of year	\$ <u>---</u>	\$ <u>---</u>

Notes to the Financial Statements



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Note 1: Summary of Significant Accounting Policies

The State Highway Department was created in 1913 to act as the agent of the state of Missouri (the state) for public roads. The State Highway Commission was created in 1921 with the passage of the Centennial Road Law and was charged with the administration of the network of connecting state highways, including their location, design, construction, and maintenance.

In 1979, Missouri voters passed a constitutional amendment merging the State Highway Department with the Department of Transportation. By statute, the resulting department was named the Missouri Highways and Transportation Department. The constitutional amendment gave the Highways and Transportation Commission (the MHTC or Commission) the authority over all state transportation programs and facilities. The Commission is a bipartisan body of six members appointed by the Governor, with the consent of the Senate, for a term of six years. In 1996, by legislative action, the Missouri Highways and Transportation Department became the Missouri Department of Transportation (MoDOT or Department).

In 2002, several functions from other state agencies were combined with MoDOT. This consolidation was the result of legislative action and the Governor's Executive Order, which created the "One-Stop Shop" for motor carrier services (MCS), railroad operators and over dimension and overweight permitting. In 2003, by Governor's Executive Order, the Division of Highway Safety was transferred from the Department of Public Safety to MoDOT. Legislation passed in 2014 to recognize that 2003 reorganization, transferring all the authority, powers, duties, and functions of the Division of Highway Safety relating to the motorcycle safety program, the driver improvement program, the ignition interlock program, and other state highway safety programs from the Department of Public Safety to the Commission and Department. In 2006, the unit that audits motor carrier operators was transferred to MoDOT from the Department of Revenue. This unit is responsible for auditing International Fuel Tax Agreement tax returns and International Registration Plan applications.

(A) Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statements 39, 61, and 80, establishes the criteria to be used for defining primary governments, component units and related organizations. The Department does not meet the GASB's criteria to be reported as its own primary government or other stand-alone government and is part of the primary government of the state. Like other state agencies, the Department is included in the financial statements of the state. These financial statements report the funds from which MoDOT spends; therefore, these financial statements do not purport to, and do not present fairly the financial position of the State of Missouri and the changes in its financial position and cash flows, where applicable. The nonmajor Multimodal Fund includes only MoDOT appropriations from the state's General fund. The nonmajor MCS Federal Fund reports the activity of the Motor Carrier Safety Assistance Program.

Certain legally separate organizations are involved in transportation-related projects, such as the Missouri Transportation Finance Corporation (MTFC) and other transportation corporations. Although these organizations cooperate with the Department to meet their objectives and are included in the financial statements of the state as blended or discretely presented component units, they are not part of the Department's defined reporting entity.

The state's Annual Comprehensive Financial Report may be obtained by writing to the state of Missouri, Office of Administration, Division of Accounting, P. O. Box 809, Jefferson City, MO 65102, or may be accessed online at www.ao.mo.gov/acct.

(B) Government-wide and Fund Financial Statements

1. Government-wide Financial Statements

The government-wide statements of net position and statements of activities report the overall financial activities of the Department, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The financial activities of the Department consist only of governmental activities, which are primarily supported by state taxes and intergovernmental revenues.

The Department administers a single program – transportation. The statements of activities demonstrate the degree to which the direct expenses of that function are offset by program revenues. Direct expenses are those that are clearly identifiable with the function. Program revenues include (a) charges paid by the recipients of goods or services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of the program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the Department's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Department reports the following governmental funds:

State Highways and Transportation Department Fund (Highway Fund) – This special revenue fund was established by Section 226.200, Revised Statutes of Missouri (RSMo.) to receive revenues derived from the use of state highways. This fund pays the costs incurred to collect that revenue, to administer and enforce any state motor vehicle laws or traffic regulations and to provide other related functions.

State Road Fund (Road Fund) – This special revenue fund was constitutionally established to receive monies from the state's motor vehicle sales tax, the federal government, transfers from the Highway Fund and other related revenues. Disbursements consist of costs incurred to construct, improve and maintain the state highway system and for debt service payments.

State Road Bond Fund – This debt service fund was constitutionally established to receive monies from the state's motor vehicle sales tax. Monies are used for the repayment of bonds issued by the Commission to fund the construction and reconstruction of the state highway system or for refunded bonds.

Nonmajor Funds – The remaining funds are considered nonmajor. They are special revenue funds, which account for grants and other resources whose use is restricted for a particular purpose.

The Department reports the following additional fund types:

Internal Service Funds – These proprietary funds account for the financing of services provided to other funds within the Department and other participating agencies on a cost-reimbursement basis. These funds are used to account for medical and life insurance coverage and self-insurance activities. Department activity comprises the majority of these funds. These funds are included in the government-wide statements by eliminating off-setting revenues and expenses.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Department. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Department's activities. These fiduciary funds account for monies held on behalf of various political subdivisions and other interested parties.

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

1. Government-wide Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange include fuel taxes, sales taxes, Medicare Part D gap coverage federal subsidies, grants, entitlements and donations. On an accrual basis, revenues from fuel taxes and sales taxes are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenues from Medicare Part D gap coverage, based on the current funding levels from the federal government, are recognized in the fiscal year in which the revenue-generating transactions occur. Because potential retroactive adjustments to the federal subsidies are not measurable, revenue impacts are recognized in the fiscal period in which adjustments are made by the federal government. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

2. Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, all revenue sources are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department, consistent with the state of Missouri, considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are recorded as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The Department's operating revenues and expenses generally result from providing services in connection with the internal service funds' principal ongoing operations. The principal operating revenues are charges for insurance premiums. Operating expenses include self-insurance claims, benefits claims, insurance premiums and administrative expenses. Investment income is reported as nonoperating revenue.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources as needed.

Fiduciary funds report the custodial funds of the Department in accordance with GASB 84 *Fiduciary Activities*.

(D) Financial Statement Element Attributes

1. Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments include:

- Cash
- Repurchase agreements, which are investments with original maturities of three months or less
- Pooled monies with the State Treasurer's Office

Repurchase agreements, certificates of deposit, and overnight commercial paper held by the State Treasurer's Office are reported at amortized cost. All other investments are reported at fair value.

2. Inventories

Inventories, primarily consisting of maintenance materials, are valued at cost using the weighted average method. Inventories are recorded in the governmental funds as expenditures when consumed rather than when purchased.

3. Interfund Transactions

The Department reports the following types of interfund transactions:

Interfund services provided and used – This consists of sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and as expenditures or expenses in purchaser funds. This internal activity is included in the government-wide statements by eliminating off-setting revenues and expenses.

Transfers – This consists of flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

4. Capital Assets

Capital assets, such as land, buildings, equipment and infrastructure assets, are reported at cost (or estimated historical cost) as governmental activities in the government-wide financial statements. Infrastructure assets are those assets that are normally immovable and of value to the citizens of the state of Missouri, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The Department capitalizes assets with an expected useful life of more than one year with a cost greater than \$5,000 for equipment and software and \$15,000 for buildings and land improvements. No dollar threshold is set for land, easements and infrastructure. Donated capital assets are recorded at their acquisition value at the date of the donation.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense, including amortization of leased capital and intangible assets, is recorded in the government-wide financial statements.

Capital assets are depreciated or amortized on the straight-line method over the asset's estimated useful life. There is no depreciation recorded for land, permanent easements, software in progress, construction in progress and infrastructure in progress. Generally, estimated useful lives are as follows:

Vehicles, machinery and equipment	1 to 20 years
Buildings and other improvements	10 to 50 years
Infrastructure	12 to 58 years
Software	5 years
Temporary Easements	3 years

5. Leasing Arrangements

The Department is a lessee for noncancellable leases of land, buildings, equipment and information technology (IT) infrastructure. The Department recognizes lease liabilities for contracts with \$5,000 or more in total future lease payments. For arrangements where the Department is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the Department's right to use an underlying asset for the lease term and lease liabilities represent the Department's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made and the RTU assets are amortized on a straight-line basis over its useful life.

The Department monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. The associated assets are reported with capital assets and the lease liabilities are reported with long-term debt on the statement of net position.

Fund statements report an expenditure and other financing source in the period the lease is initially recognized. The expenditure and other financing source are measured as noted in the previous paragraph. Subsequent governmental fund lease payments are accounted for consistent with principles of debt service payments on long-term debt.

The Department is a lessor for noncancellable leases of building space and right of way land. For arrangements in which the Department is the lessor, a lease receivable and a deferred inflow of resources are recognized at the commencement of the noncancellable lease term on both the department-wide and fund statements. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term related to future periods. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Department monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The Department uses the average interest rate from the Missouri Highways and Transportation Commission's outstanding bonds as of June 30 when the implicit rate in the lease is not known for all leases managed by the Department. For leases managed by other state agencies in the State Highways and Transportation Department Fund, the average interest rate of all outstanding bonds for the state of Missouri as of June 30 is used when the implicit rate is unknown. The Department includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Department will exercise the option for all leases. The Department has not recognized RTU assets and lease liabilities for leases with terms 12 months or less.

6. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources consist of the consumption of net position that is applicable to a future reporting period and so will not be recognized as an outflow of resources until then. Deferred outflows of resources related to refunding long-term debt, certain pension and other postemployment benefits (OPEB) contributions, other pension and OPEB related deferrals and asset retirement obligations are reported in the statement of net position. The deferred bond refunding amount results from the difference in the carrying value of refunded debt and its reacquisition price and is amortized over the shorter of the life of the refunded or refunding debt. The deferrals related to pension and OPEB obligations include pension and OPEB contributions made to the plan between the

measurement date of the pension and OPEB obligations and the end of the fiscal year, differences between projected and actual earnings on pension plan investments and the change in proportional share of MoDOT's participation in the plans. Asset retirement obligations are reported as deferred outflows of resources to be recognized in future years as the disposal costs of nuclear gauges are incurred.

In addition to liabilities, financial statements may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period and so will not be recognized as inflow of resources until then. Deferred inflows of resources in the fund financial statements are reported as receivables when the corresponding revenues are unavailable. Deferred inflows of resources include federal reimbursements, cost reimbursements, other miscellaneous receivables and leases. For the government-wide financial statements, deferred inflows of resources relate to certain changes in pension and OPEB obligations that are amortized over future periods. Pension-related items that impact deferred inflows of resources in the government-wide financial statements include changes in actuarial assumptions, investment income and demographic/economic assumptions. Other postemployment benefits items that affect deferred inflows of resources include changes in actuarial assumptions. Deferred inflows of resources presented in the government-wide financial statements also include gains on bond refundings amortized over the life of the bond, which is recognized in future periods, and leases.

7. Deposits and Unearned Revenue

Deposits consist of amounts held to ensure permit work, such as driveway installations, is completed to MoDOT specifications. Upon approval, the deposits are returned.

Unearned revenue consists of amounts collected in advance of the year in which earned. In the government-wide and governmental funds, local shares of project costs and property sales down-payments are held until work or contract completion. In the internal service funds, employee and employer medical insurance premiums received a month in advance are held for the subsequent month's coverage.

8. Compensated Absences

Under the terms of the Department's personnel policy, Department employees are granted 10 to 14 hours of annual leave per month. Additionally, certain employees can accrue a maximum of 240 hours of compensatory time for unpaid overtime. Employees have accrued annual leave and compensatory time available amounting to \$39,255,931 and \$39,422,187 as of June 30, 2024 and 2023, respectively, recorded in the government-wide financial statements. Because employees are not paid for accumulated sick leave upon retirement or termination, no liability has been recorded for this leave.

9. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Pollution Remediation Obligations

MoDOT estimates the components of expected pollution remediation activities and determines whether expected outlays for those components should be accrued as a liability and expensed or, if appropriate, capitalized. Pollution remediation obligations are measured at the current cost of future activities and are valued using the expected cash flow method, which measures the liability based on probability-weighted amounts. The determined liabilities could change over time due to changes in costs of goods and services, changes in remediation technology or changes in laws and regulations governing the remediation efforts.

11. Asset Retirement Obligations

The Department's financial statements reflect the accrual of asset retirement obligations. The Department's obligation to retire nuclear gauge capital assets totaled \$44,000 and \$53,000 as of June 30, 2024 and 2023, respectively. Nuclear gauges are used to measure physical properties of materials during construction projects. Nuclear density gauges are used to measure density of fill materials to ensure that the embankment, subgrade or other earthwork structures are built within specification to support its intended design load. The nuclear asphalt content gauges are used to determine asphalt content of our mixes to ensure contractor mixes meet design specification. All types of nuclear gauges have the anticipated useful life of 15 years.

12. Pensions

Pension-related expenses, liabilities, deferred outflows of resources and deferred inflows of resources have been determined on the same basis as they are reported by the MoDOT and Patrol Employees' Retirement System (MPERS). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit term. Investments are reported at fair value.

13. Other Postemployment Benefits

Other postemployment benefit-related expenses, liabilities, deferred outflows of resources and deferred inflows of resources have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit term.

14. Fund Balances

In the fund financial statements, fund balances are displayed as follows:

Nonspendable – This consists of State Road Fund balances of \$55,334,646 and \$52,367,946 at June 30, 2024 and 2023, respectively, representing prepaid rent on leases and subscriptions and inventories held.

Unassigned – This consists of deficit fund balances in the Multimodal Federal Fund of \$31,999 as of June 30, 2024. The deficit balance related to the timing of expenditures and receipt of federal funds. There was no unassigned balance as of June 30, 2023.

Restricted – This consists of fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Total restricted fund balances of \$2,134,197,639 and \$1,775,965,967 at June 30, 2024 and 2023, respectively, were restricted by enabling legislation.

15. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This consists of assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Total restricted net position at June 30, 2024 and 2023 (as restated), \$363,721,174 and \$204,099,234, respectively, were restricted by enabling legislation or by outside parties.

Unrestricted – This consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. There is no unrestricted net position as of June 30, 2024 and 2023.

16. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses or expenditures and other changes in net position or fund balances during the reporting period. Actual results could differ from those estimates.

Note 2: Deposits and Investments

Cash and investments include amounts held by the State Treasurer's Office as required by the state constitution for all state funds of the primary government. Interest income earned on cash and investments in the State Treasury, as well as investment amounts, are allocated to the funds based on the respective investment and cash balances. In addition, cash and investments also include funds held in depository banks, as allowed by state statute.

By policy, investments may include linked deposits, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements and reverse repurchase agreements, U.S. Treasury obligations and federal agency securities. The Department's investments are reported at fair value. While the majority of the Department's investments are pooled in the State Treasury or with the Department of Revenue, a portion is held at banks outside the State Treasury. At June 30, 2024 and 2023, the Department's portfolio of non-pooled funds had \$132,751,118 and \$129,871,985, respectively, of uninsured, unregistered investments held in the Commission's or State's name.

At June 30, 2024 and 2023, the Department had cash on hand of funds held at the State Treasury of \$362,425,571 and \$385,826,485, respectively, and bank balances of \$401,628,261 and \$390,275,846, respectively. At June 30, 2024 and 2023, the Department had cash on hand with banks outside of the State Treasury of \$69,538,386 and \$79,452,598, respectively, and bank balances of \$72,462,510 and \$83,066,985, respectively.

Interest Rate Risk – The State Treasurer's Office policy states it will minimize the risk that the market value of investments will fall due to changes in general interest rates by maintaining an effective duration of less than 3.5 years and holding at least 30.0 percent of the portfolio's total market value in securities with a maturity of 12 months or less. MoDOT's policy for the investment portfolios of non-pooled funds states they are to be structured so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. At June 30, 2024 and June 30, 2023, the total non-pooled investments of \$124,193,622 and \$126,282,171, respectively, were highly sensitive to interest rate changes because the investments are callable or subject to prepayment. The effective maturities are disclosed based on assumptions provided by the Department's investment advisor.

Credit Risk – The State Treasurer's Office policy states it will minimize the risk of loss due to the failure of a security issuer or backer by pre-approving financial institutions, companies, brokers and dealers and conducting regular credit monitoring and due diligence. MoDOT's policy for the investment portfolios of non-pooled funds states they are to be limited to the safest types of securities, as described above. The policies for both portfolios require diversification so potential losses on individual securities will be minimized.

Concentration of Credit Risk – The policies of both the State Treasurer's Office and the Department state investments are to be diversified and limits are set to minimize the risk of loss resulting from excess concentration in a specific maturity, issuer or class of security. The asset allocation is periodically reviewed by the State Treasurer and the Department's investment advisor. At June 30, 2024 and 2023, no investments in any one organization (other than those issued or sponsored by the U.S. Government and those in pooled investments) represented 5.0 percent of total investments.

At June 30, 2024, the Department's cash and investments consisted of the following:

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds	Internal Service Funds	Fiduciary Funds
Cash and investments:						
Cash and investments pooled in the State Treasury	\$ 443,865	\$ 54,501,680	\$ 3,977,347	\$14,839,430	\$ ---	\$ ---
Cash deposited with banks	---	43,782,535	---	---	25,089,995	---
U.S. agency obligations	9,697,161	1,190,702,117	86,893,390	13,861,465	124,193,622	---
U.S. Treasury obligations	1,595,059	195,855,255	14,292,850	2,034,599	8,357,496	---
Repurchase agreements	2,448,888	300,695,874	21,943,762	2,777,415	---	---
Certificates of deposit	---	---	---	319	---	---
Commercial paper	---	---	---	541,958	---	---
Total	<u>\$ 14,184,973</u>	<u>\$ 1,785,537,461</u>	<u>\$ 127,107,349</u>	<u>\$ 34,055,186</u>	<u>\$ 157,641,113</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State Treasury	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	3,589,980
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	---	---
Total	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 200,000</u>	<u>\$ 3,589,980</u>

At June 30, 2023, the Department's cash and investments consisted of the following:

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds	Internal Service Funds	Fiduciary Funds
Cash and investments:						
Cash in the State Treasury	\$ ---	\$ ---	\$ ---	\$14,475,928	\$ ---	\$ ---
Cash deposited with banks	---	51,618,028	---	---	26,743,835	---
U.S. agency obligations	6,982,889	1,072,709,787	104,357,968	12,397,190	126,282,171	---
U.S. Treasury obligations	652,917	100,300,884	9,757,715	1,407,503	3,389,814	---
Repurchase agreements	2,204,142	338,599,833	32,940,494	2,055,449	---	---
Certificates of deposit	---	---	---	260	---	---
Commercial paper	---	---	---	406,410	---	---
Total	<u>\$ 9,839,948</u>	<u>\$ 1,563,228,532</u>	<u>\$ 147,056,177</u>	<u>\$ 30,742,740</u>	<u>\$ 156,415,820</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State Treasury	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	4,705,122
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	---	---
Total	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 200,000</u>	<u>\$ 4,705,122</u>

The tables above represent the bank value of deposits; whereas, the cash and cash equivalent amounts presented in the financial statements represent the carrying value of deposits. The investment balances in the table above represent all investments, including investments with an original maturity of 92 days or less.

The maturities of mortgage-backed investments have been estimated based on the weighted average life of the investment type. Estimated maturities will differ from actual maturities because issuers may have the right to call or prepay obligations.

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs comprised of quoted prices for similar assets or liabilities in active markets. Level 3 inputs are significant unobservable inputs. The Department's participation in the State Treasurer's Office cash and investment pool is reported at fair value based on the Department's proportional share of the pool's assets.

At June 30, 2024, the Department's investments held in depository banks and allocation of State Treasurer's Office pooled funds have the following maturities:

<u>Investment by Type</u>	<u>Total Investments</u>	<u>Investment Maturities (in years)</u>			<u>Fair Value Measurements</u>	
		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Level 1</u>	<u>Level 2</u>
Repurchase agreements	\$ 327,865,939	\$327,865,939	\$ ---	\$ ---	\$327,865,939	\$ ---
U.S. Treasury obligations	222,335,259	123,166,229	99,169,030	---	222,335,259	---
U.S. agency obligations	1,425,347,755	118,089,251	1,303,856,610	3,401,894	---	1,425,347,755
Certificates of deposit	319	319	---	---	319	---
Commercial paper	541,958	541,958	---	---	---	541,958
	<u>\$1,976,091,230</u>	<u>\$569,663,696</u>	<u>\$1,403,025,640</u>	<u>\$3,401,894</u>	<u>\$550,201,517</u>	<u>\$1,425,889,713</u>

At June 30, 2023, the Department's investments held in depository banks and allocation of State Treasurer's Office pooled funds have the following maturities:

<u>Investment by Type</u>	<u>Total Investments</u>	<u>Investment Maturities (in years)</u>			<u>Fair Value Measurements</u>	
		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Level 1</u>	<u>Level 2</u>
Repurchase agreements	\$ 375,799,918	\$375,799,918	\$ ---	\$ ---	\$375,799,918	\$ ---
U.S. Treasury obligations	115,708,833	191,604	113,366,011	2,151,218	115,708,833	---
U.S. agency obligations	1,322,730,005	179,675,341	1,136,982,045	6,072,619	---	1,322,730,005
Certificates of deposit	260	---	260	---	260	---
Commercial paper	406,410	406,410	---	---	---	406,410
	<u>\$1,814,645,426</u>	<u>\$556,073,273</u>	<u>\$1,250,348,316</u>	<u>\$8,223,837</u>	<u>\$491,509,011</u>	<u>\$1,323,136,415</u>

At June 30, 2024, the Department's investments held in depository banks and allocation of State Treasurer's Office pooled funds have the following ratings:

<u>Investment by Type</u>	<u>Rating</u>		<u>Total Investments</u>
	<u>Moody's</u>	<u>S&P</u>	
Repurchase agreements	Unrated	Unrated	\$ 327,865,939
U.S. Treasury obligations	Aaa	AA+	222,335,259
U.S. agency obligations	Aaa	AA+	1,306,665,313
U.S. agency obligations	Unrated	Unrated	118,682,442
Certificates of deposit	Aaa	AA+	319
Commercial paper	P-1	A-1+	473,710
Commercial paper	Unrated	A-1	68,248
			<u>\$1,976,091,230</u>

At June 30, 2023, the Department's investments held in depository banks and allocation of State Treasurer's Office pooled funds have the following ratings:

<u>Investment by Type</u>	<u>Rating</u>		<u>Total Investments</u>
	<u>Moody's</u>	<u>S&P</u>	
Repurchase agreements	Unrated	Unrated	\$ 375,799,918
U.S. Treasury obligations	Aaa	AA+	115,708,833
U.S. agency obligations	Aaa	AA+	1,320,892,894
U.S. agency obligations	Unrated	Unrated	1,837,111
Certificates of deposit	Aaa	AA+	260
Commercial paper	P-1	A-1+	172,507
Commercial paper	Unrated	Unrated	233,903
			<u>\$1,814,645,426</u>

Note 3: Receivables

The reimbursement receivables consist of billings to outside entities for repayment of expenditures incurred by MoDOT. Also included are miscellaneous receivables from contractors and others. The reimbursement receivables are shown net of an allowance for doubtful accounts of \$149,730 and \$407,261 at June 30, 2024 and 2023, respectively. The Department provides an allowance based upon a review of the outstanding receivables, historical collection information and existing economic conditions.

The contributions receivable consists of amounts due from participating employers and members in the Department's insurance and risk management plans. The federal government receivable represents funds to be received on federally participating projects. The loans receivable represents loans to cities and counties for nonhighway-related projects, such as airport improvements.

Receivables at June 30, 2024 for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued on next page):

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds
State taxes and fees	\$153,666,485	\$ 32,877,032	\$24,990,811	\$ 1,374,998
Federal government	---	113,400,057	---	5,421,594
Interest	441,439	8,773,469	1,132,362	142,627
Miscellaneous:				
Reimbursements	4,843,525	59,830,648	---	6,763,040
Contributions	---	---	---	---
Total miscellaneous	<u>4,843,525</u>	<u>59,830,648</u>	<u>---</u>	<u>6,763,040</u>
Leases	---	3,222,501	---	---
Loans	---	---	---	<u>289,712</u>
Total receivables	<u>\$158,951,449</u>	<u>\$218,103,707</u>	<u>\$26,123,173</u>	<u>\$13,991,971</u>

Receivables at June 30, 2023 (as reclassified) for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued on next page):

	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Funds
State taxes and fees	\$141,439,331	\$ 29,442,386	\$20,515,902	\$ 1,049,695
Federal government	---	89,975,180	---	3,811,344
Interest	223,214	5,605,416	512,497	99,680
Miscellaneous:				
Reimbursements	3,101,617	17,428,146	---	2,614,438
Contributions	---	---	---	---
Total miscellaneous	<u>3,101,617</u>	<u>17,428,146</u>	<u>---</u>	<u>2,614,438</u>
Leases	---	1,211,850	---	1,211,850
Loans	---	---	---	<u>405,254</u>
Total receivables	<u>\$144,764,162</u>	<u>\$143,662,978</u>	<u>\$21,028,399</u>	<u>\$ 7,980,411</u>

Receivables at June 30, 2024 for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued from prior page):

	Internal Service Funds	Total	Due Within One Year
State taxes and fees	\$ ---	\$212,909,326	\$212,909,326
Federal government	---	118,821,651	118,821,651
Interest receivable	414,795	10,904,692	10,904,692
Miscellaneous:			
Reimbursements	1,601,975	73,039,188	73,039,188
Contributions	<u>2,223,978</u>	<u>2,223,978</u>	<u>2,223,978</u>
Total miscellaneous	<u>3,825,953</u>	<u>75,263,166</u>	<u>75,263,166</u>
Leases	---	3,222,501	635,961
Loans	---	<u>289,712</u>	<u>117,897</u>
Total receivables	<u>\$4,240,748</u>	<u>\$421,411,048</u>	<u>\$418,652,693</u>

Receivables at June 30, 2023 (as reclassified) for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued from prior page):

	Internal Service Funds	Total	Due Within One Year
State taxes and fees	\$ ---	\$192,447,314	\$192,447,314
Federal government	---	93,786,524	93,786,524
Interest receivable	316,343	6,757,150	6,757,150
Miscellaneous:			
Reimbursements	1,602,601	24,746,802	24,746,802
Contributions	<u>1,993,075</u>	<u>1,993,075</u>	<u>1,993,075</u>
Total miscellaneous	<u>3,595,676</u>	<u>26,739,877</u>	<u>26,739,877</u>
Leases	---	1,211,850	1,211,850
Loans	---	<u>405,254</u>	<u>115,542</u>
Total receivables	<u>\$3,912,019</u>	<u>\$321,347,969</u>	<u>\$320,510,362</u>

Note 4: Leases

(A) Lessee

The Department and/or other state agencies who utilize the State Highways and Transportation Fund have entered into lease arrangements for 105 radio communication towers (IT infrastructure), 35 buildings, 11 parcels of land and two pieces of equipment. The lease contracts expire at various dates through 2050, assuming that all renewal options are exercised. The right to use assets are intangible assets and are recorded in capital assets as right-to-use building, land, equipment and IT infrastructure assets as noted in Footnote 6. During fiscal year 2024, the Department and/or other state agencies paid \$1,521,404 in lease payments.

Future minimum lease payments required under the lease arrangements at June 30, 2024 were as follows:

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$ 1,509,235	\$ 951,746	\$ 2,460,981
2026	1,434,385	902,690	2,337,075
2027	1,528,030	853,039	2,381,069
2028	1,518,322	801,915	2,320,237
2029	1,412,038	752,569	2,164,607
2030-2034	8,180,912	2,981,338	11,162,250
2035-2039	9,945,002	1,491,878	11,436,880
2040-2044	3,218,077	192,892	3,410,969
2045-2049	356,228	46,478	402,706
2050	<u>84,037</u>	<u>1,556</u>	<u>85,593</u>
	<u>\$29,186,266</u>	<u>\$8,976,101</u>	<u>\$38,162,367</u>

(B) Lessor

The Department has entered into arrangements to lease 40 parcels of land and six buildings owned by the Department. The lease contracts expire at various dates through fiscal year 2043, assuming that all renewal options are exercised by the lessee. During fiscal year 2024, the Department received \$411,284 in lease revenue.

The following is an analysis of future minimum lease revenue due under the lease arrangements:

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$ 635,961	\$ 80,120	\$ 716,081
2026	621,245	63,556	684,801
2027	603,981	46,970	650,951
2028	585,705	30,605	616,310
2029	362,495	15,696	378,191
2030-2034	129,656	50,594	180,250
2035-2039	148,781	31,469	180,250
2040-2043	<u>134,677</u>	<u>9,523</u>	<u>144,200</u>
	<u>\$3,222,501</u>	<u>\$328,533</u>	<u>\$3,551,034</u>

Note 5: Subscription-Based Information Technology Arrangements

The Department has entered into six subscription-based information technology arrangements (SBITA) for various cloud-based computing arrangements. The payments for SBITA contracts are due at various dates through fiscal year 2028, while the subscription terms continue through various dates through fiscal year 2029, assuming all renewal options are exercised. The right to use intangible assets are recorded as capital assets as noted in Footnote 6. Additionally, the department has entered into various short-term SBITAs. A short-term SBITA is a SBITA that has a maximum possible term of 12 months or less, including any options to extend. The Department recognizes short-term subscription payments as outflows of resources (expenditures) and as an asset if the subscription payments are made in advance. During fiscal year 2024, the Department paid \$4,645,333 in subscription payments.

Future minimum subscription payments required under the SBITA arrangements at June 30, 2024 were as follows:

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$1,809,534	\$105,468	\$1,915,002
2026	1,862,554	54,974	1,917,528
2027	68,149	3,001	71,150
2028	<u>50,206</u>	<u>1,401</u>	<u>51,607</u>
	<u>\$3,790,443</u>	<u>\$164,844</u>	<u>\$3,955,287</u>

Note 6: Capital Assets

Changes in capital assets for the year ended June 30, 2024 are summarized below:

	<u>Beginning Balance (as restated)</u>	<u>Additions</u>	<u>Deletions/ Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Nondepreciable capital assets					
Land and permanent easements	\$ 2,640,225,752	\$ 545,910	\$ 2,052,331	\$ 4,978,324	\$ 2,643,697,655
Equipment in progress	---	13,531,813	---	1,689,294	15,221,107
Software in progress	1,987,938	1,768,154	---	(242,553)	3,513,539
Construction in progress	51,915,693	15,300,708	---	(6,484,418)	60,731,983
Infrastructure in progress	<u>2,861,057,645</u>	<u>1,631,979,084</u>	---	<u>(743,250,271)</u>	<u>3,749,786,458</u>
Total nondepreciable capital assets	<u>5,555,187,028</u>	<u>1,663,125,669</u>	<u>2,052,331</u>	<u>(743,309,624)</u>	<u>6,472,950,742</u>
Depreciable/amortizable capital assets					
Land improvements	31,303,899	178,486	445,086	---	31,037,299
Land – Right to use	1,288,376	13,810	---	---	1,302,186
Buildings	318,399,133	3,082,662	1,832,958	1,018,460	320,667,297
Buildings – Right to use	1,525,995	859,120	211,149	---	2,173,966
Software	37,152,940	297,953	983,409	242,553	36,710,037
Software – Right to use	---	5,799,136	---	---	5,799,136
Equipment and vehicles	663,135,011	65,078,275	61,223,187	(1,270,588)	665,719,511
Equipment and vehicles – Right to use	253,083	---	---	---	253,083
Temporary easements	6,737,803	3,054,657	1,809,767	68,928	8,051,621
IT Infrastructure – Right to use	30,144,794	364,862	55,191	---	30,454,465
Infrastructure	<u>54,292,032,763</u>	<u>15,201,213</u>	<u>111,107,029</u>	<u>743,250,271</u>	<u>54,939,377,218</u>
Total depreciable/amortizable capital assets	<u>55,381,973,797</u>	<u>93,930,174</u>	<u>177,667,776</u>	<u>743,309,624</u>	<u>56,041,545,819</u>
Accumulated depreciation/amortization					
Land improvements	22,011,501	1,035,201	262,801	---	22,783,901
Land – Right to use	303,903	126,089	---	---	429,992
Buildings	170,381,653	8,185,731	1,670,514	---	176,896,870
Buildings – Right to use	824,987	422,614	207,829	---	1,039,772
Software	32,162,038	2,434,257	960,218	---	33,636,077
Software – Right to use	---	178,562	---	---	178,562
Equipment and vehicles	394,776,408	39,988,457	54,122,204	---	380,642,661
Equipment and vehicles – Right to use	168,326	62,974	---	---	231,300
Temporary easements	2,346,249	2,235,871	1,809,767	---	2,772,353
IT Infrastructure – Right to use	5,960,421	2,213,409	55,191	---	8,118,639
Infrastructure	<u>27,346,483,264</u>	<u>604,137,139</u>	<u>105,920,159</u>	---	<u>27,844,700,244</u>
Total accumulated depreciation/amortization	<u>27,975,418,750</u>	<u>661,020,304</u>	<u>165,008,683</u>	---	<u>28,471,430,371</u>
Total depreciable/amortizable capital assets, net	<u>27,406,555,047</u>	<u>(567,090,130)</u>	<u>12,659,093</u>	<u>743,309,624</u>	<u>27,570,115,448</u>
Total net capital assets	<u>\$32,961,742,075</u>	<u>\$1,096,035,539</u>	<u>\$ 14,711,424</u>	\$ ---	<u>\$34,043,066,190</u>

Changes in capital assets for the year ended June 30, 2023 (as restated) are summarized below:

<u>Beginning Balance (as restated)</u>	<u>Additions (as restated)</u>	<u>Deletions/ Retirements (as restated)</u>	<u>Transfers (as restated)</u>	<u>Ending Balance (as restated)</u>
\$ 2,631,695,328	\$ 2,023,681	\$ 3,695,200	\$ 10,201,943	\$ 2,640,225,752
---	---	---	---	---
1,088,847	1,130,994	---	(231,903)	1,987,938
57,269,541	9,724,314	---	(15,078,162)	51,915,693
<u>2,144,594,118</u>	<u>1,497,892,813</u>	<u>---</u>	<u>(781,429,286)</u>	<u>2,861,057,645</u>
<u>4,834,647,834</u>	<u>1,510,771,802</u>	<u>3,695,200</u>	<u>(786,537,408)</u>	<u>5,555,187,028</u>
31,152,686	66,571	---	84,642	31,303,899
1,126,337	200,384	38,345	---	1,288,376
308,339,230	6,032,701	764,375	4,791,577	318,399,133
1,468,563	226,735	169,303	---	1,525,995
37,599,315	751,359	1,429,637	231,903	37,152,940
633,118,616	62,673,566	32,657,171	---	663,135,011
253,083	---	---	---	253,083
6,342,634	1,365,009	969,840	---	6,737,803
26,335,441	3,893,047	83,694	---	30,144,794
<u>53,559,956,583</u>	<u>---</u>	<u>49,353,106</u>	<u>781,429,286</u>	<u>54,292,032,763</u>
<u>54,605,692,488</u>	<u>75,209,372</u>	<u>85,465,471</u>	<u>786,537,408</u>	<u>55,381,973,797</u>
20,944,571	1,066,930	---	---	22,011,501
221,384	120,864	38,345	---	303,903
162,963,449	8,114,074	695,870	---	170,381,653
634,062	339,126	148,201	---	824,987
29,305,926	4,280,246	1,424,134	---	32,162,038
390,197,069	36,046,518	31,467,179	---	394,776,408
105,352	62,974	---	---	168,326
1,249,817	2,066,272	969,840	---	2,346,249
3,835,778	2,208,337	83,694	---	5,960,421
<u>26,796,733,135</u>	<u>592,193,128</u>	<u>42,442,999</u>	<u>---</u>	<u>27,346,483,264</u>
<u>27,406,190,543</u>	<u>646,498,469</u>	<u>77,270,262</u>	<u>---</u>	<u>27,975,418,750</u>
<u>27,199,501,945</u>	<u>(571,289,097)</u>	<u>8,195,209</u>	<u>786,537,408</u>	<u>27,406,555,047</u>
<u>\$32,034,149,779</u>	<u>\$ 939,482,705</u>	<u>\$11,890,409</u>	<u>\$ ---</u>	<u>\$32,961,742,075</u>

Note 7: Risk Management

The Department is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition, various lawsuits against the Department arise incident to the Department's normal operations. These risks have been classified as workers' compensation, vehicle liability, general liability, condemnation and inverse condemnation, contractor suits, employment suits, environmental regulatory liability and levy and drainage district suits. It is the policy of the Department to manage its risks internally, with the exception of purchased earthquake and major building insurance policies. No insurance settlements exceeded coverage in the last three years. In addition, all state employees and officers are covered by the state's Legal Expense Fund.

(A) Workers' Compensation, Vehicle and General Liabilities

The Department sets aside assets for the settlement of workers' compensation, vehicle liability and general liability claims in an internal service fund, the MHTC Self Insurance Fund. Section 537.610, RSMo. limits the liability of the state and its public entities on claims within the scope of Sections 537.600 to 537.650, RSMo., except for those claims governed by the provisions of the Missouri Workers' Compensation Law, Chapter 287, RSMo. The limits were \$3,370,137 and \$3,258,368 for all claims arising out of a single accident or occurrence, and \$505,520 and \$488,755 for any one person in a single accident or occurrence, at June 30, 2024 and 2023, respectively, as set by the Missouri Department of Insurance.

Estimated pending self insurance claims represent the expected losses to be realized on known claims pending and include minor non-incremental claims adjustment expenses. Estimated unreported claims represent expected losses or claims incurred but not reported. Amounts are reported based on actuarial calculations. Liabilities for incurred losses related to workers' compensation and general and vehicle liability claims are reported at their discounted value, assuming an investment yield of 2.0 percent.

Changes in pending self insurance claims and incurred but not reported claims for workers' compensation, vehicle and general liability during the past three years are:

	<u>Beginning Balance</u>	<u>Current Claims and Estimate Changes</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2024	\$80,926,155	\$30,021,834	\$16,387,906	\$94,560,083
2023	80,727,426	21,260,337	21,061,608	80,926,155
2022	77,812,752	22,055,387	19,140,713	80,727,426

(B) Other Claims

Claims for condemnation and inverse condemnation, contractor suits, levy and drainage district suits, environmental regulatory liability and employment suits are paid from the State Road Fund. Liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. As listed in the Financing and Other Obligations note disclosure, the Department has approximately \$1,007,814 in claims and judgments payable at June 30, 2024 and 2023. The Department is involved in other such suits for which no liability has been recorded, as a probable loss has not occurred. The aggregate potential liability of all claims deemed probable or possible to result in a loss was estimated to be approximately \$11,627,814 and \$10,313,314 as of June 30, 2024 and 2023, respectively. These estimates are within a range of \$3,062,957 to \$22,769,814 and \$1,307,814 to \$20,109,814 as of June 30, 2024 and 2023, respectively.

Note 8: Medical and Life Insurance Plan

The MoDOT and Missouri State Highway Patrol (MSHP) Insurance Plan (the Medical and Life Insurance Plan) Internal Service Fund accounts for the medical coverage provided on a self insured basis and life insurance benefits underwritten by commercial insurance companies. These benefits are available to employees, retirees, certain disabled employees, spouses, certain dependents and survivors of deceased employees and retirees of the Department, the MSHP and the MoDOT and Patrol Employees' Retirement System (MPERS). Changes to plan benefits and funding are required to be approved by the Commission. Incurred but not reported claims of \$9,700,000 and \$8,300,000 were reported in the Medical and Life Insurance Plan as of June 30, 2024 and 2023, respectively.

Claims incurred but not reported represent estimated unreported claims. This liability is established from an actuarial report, which is based on data provided by the Department and claims administrators. Changes in the incurred but not reported claims liability during the past three years are:

	<u>Beginning Balance</u>	<u>Current Claims and Estimate Changes</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2024	\$ 8,300,000	\$ 129,810,092	\$ 128,410,092	\$ 9,700,000
2023	10,600,000	131,102,884	133,402,884	8,300,000
2022	11,900,000	142,713,275	144,013,275	10,600,000

Note 9: Pension Plan

(A) General Information about the Pension Plan

1. Plan Description

MPERS provides retirement, death and disability benefits. MPERS was established in accordance with Section 104.020, RSMo., and is administered by an 11-member Board of Trustees. The plan is administered in accordance with the requirements of a cost sharing, multiple-employer, public employee retirement plan under the Revised Statutes of Missouri. MPERS is a part of the state of Missouri financial reporting entity and is included in the State's financial reports as a component unit shown as a pension trust fund. As a separate legal entity, MPERS issues its own stand-alone financial report, which provides detailed information regarding actuarial assumptions and funding progress. Copies may be requested from the MoDOT and Patrol Employees' Retirement System, P.O. Box 1930, Jefferson City, Missouri 65102, or can be found online at www.mpers.org.

2. Benefits Provided

Employees eligible to be members of MPERS are those working in a position that normally requires the performance of duties for at least 1,040 hours annually. Benefits are designated by state statute. Any amendments to the plan require changes in state statute. MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan and the Year 2000 Plan - 2011 Tier.

Closed Plan - Employees covered by the Closed Plan are fully vested for benefits upon receiving five years of creditable service. The base benefit in the Closed Plan is equal to 1.6 percent multiplied by the final average pay multiplied by years of creditable service. For members employed prior to August 28, 1997, Cost of Living Allowances (COLAs) are provided annually based on 80.0 percent of the increase in the Consumer Price Index for all urban consumers for the United States (CPI-U). The minimum rate is 4.0 percent and the maximum rate is 5.0 percent, until the cumulative amount of COLAs equals 65.0 percent of the original benefit. Thereafter, the 4.0 percent minimum rate is eliminated and the annual COLA rate will be equal to 80.0 percent of the increase in the CPI-U (annual maximum of 5.0 percent). For members employed on or after August 28, 1997, COLAs are provided annually based on 80.0 percent of the increase in the CPI-U, up to a maximum rate of 5.0 percent. This benefit structure is closed to new entrants.

Year 2000 Plan - Employees covered by the Year 2000 Plan are fully vested for benefits upon earning five years of creditable service. The base benefit in the Year 2000 Plan is equal to 1.7 percent multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80 receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8 percent multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80.0 percent of the increase in the CPI-U, up to a maximum rate of 5.0 percent. This benefit structure is closed to new entrants.

Year 2000 Plan - 2011 Tier - Employees covered by the Year 2000 Plan – 2011 Tier are fully vested for benefits upon earning 10 years of creditable service. Legislation passed during the 2017 legislative session reduced the 10-year vesting period for 2011 Tier members to 5 years effective July 1, 2018. The base benefit in the 2011 Tier is equal to 1.7 percent multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90 receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8 percent multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80.0 percent of the change in the CPI-U, up to a maximum rate of 5.0 percent.

3. Contributions

Employer contributions paid to the system are determined by an actuary and are set by the Board. Annual contribution amounts are designed to fund in advance the benefits designated by state statute. Employee contribution amounts are designated by state statute. New employees hired for the first time on or after January 1, 2011 (Year 2000 Plan-2011 Tier) contribute 4.0 percent of their pay. The Department's contribution rate to MPERS for both fiscal years 2024 and 2023 was 58.0 percent of eligible (covered) payroll. Required employer contributions totaling \$156,891,155 and \$144,460,527 for fiscal years 2024 and 2023, respectively, represent funding of normal costs and amortization of the unfunded accrued liability. Actual contributions made were 100.0 percent of required contributions. The fiscal year 2023 contribution rate was based on a 4-year closed amortization period for unfunded retiree liabilities and a 19-year closed amortization period for other unfunded liabilities.

(B) Actuarial Information

The total pension liability was determined by actuarial valuations as of June 30, 2023 and 2022, using the following actuarial assumptions, applied to all prior periods included in the measurements:

	<u>2023</u>	<u>2022</u>
Inflation	2.25%	2.25%
Salary increases	3.00% to 10.00%	3.00% to 12.45%
Investment rate of return	6.50%	6.50%
Cost-of-living adjustments	1.80% compound	1.80% compound

The mortality tables for 2023 and 2022, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the RP-2014 Healthy Annuitant Mortality Tables projected to 2023 using projection scales MP-2017. Pre-retirement mortality used was RP-2014 Employee Mortality Tables projected to 2023 using projection scales MP-2017 multiplied by a factor of 65 percent. Post-retirement disabled mortality used was the RP-2014 Disabled Retiree Annuitant Mortality Table projected to 2023 using projection scale MP-2017.

The actuarial assumptions used in the 2023 and 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2017 - June 30, 2022 and July 1, 2013 – June 30, 2017, respectively.

The Board of Trustees establishes MPERS' policy in regard to the allocation of invested assets and may amend the policy. The following is MPERS' asset allocation policy as of June 30, 2023 and 2022:

<u>Asset Class</u>	<u>2023</u>	<u>2022</u>
Global equity	40.0%	40.0%
Private equity	10.0	10.0
Fixed income	22.5	22.5
Real assets	10.0	10.0
Real estate	10.0	10.0
Opportunistic debt	7.5	7.5

The long-term (30-year) 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(ies). The estimated long-term expected real rates of return for each major asset class included in MPERS' target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	<u>2022</u>
Global equity	3.00%	3.40%
Private equity	6.40	7.40
Fixed income	2.00	1.40
Opportunistic debt	5.90	5.60
Real assets	3.60	3.70
Real estate	2.60	2.00

A single discount rate of 6.5 percent was used to measure the total pension liability for fiscal years 2023 and 2022. This single discount rate was based on the expected rate of return on pension plan investments of 6.5 percent for fiscal years 2023 and 2022, respectively. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Department's proportional share of the plan's net pension liability, calculated using a single discount rate of 6.5 percent for fiscal years 2023 and 2022, as well as what the Department's proportional share of the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher for the valuations as of June 30, 2023 and 2022.

	<u>1 Percent Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1 Percent Increase (7.50%)</u>
The Department's proportionate share of the net pension liability 2023	\$1,254,650,231	\$891,638,345	\$591,835,158
	<u>1 Percent Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1 Percent Increase (7.50%)</u>
The Department's proportionate share of the net pension liability 2022	\$1,153,656,682	\$829,471,937	\$559,597,424

(C) Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Department reported a liability of \$891.6 million and \$829.5 million for its proportionate share of the net pension liability at June 30, 2024 and 2023, respectively. The net pension liability was measured as of June 30, 2023 and June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. The Department's proportion of the net pension liability was based on the Department's contributions to the pension plan relative to the contributions of all participating departments, for the respective periods. At June 30, 2023 and 2022, the Department's proportion was 62.45 percent and 61.74 percent, respectively, which was an increase of 0.71 percent from the measurement period of June 30, 2021 to June 30, 2022 and an increase from the measurement period of June 30, 2020 to June 30, 2021 of 0.75 percent. The Department recognized pension expense of \$110.7 million and \$77.6 million for the years ended June 30, 2024 and 2023, respectively.

The Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 103,611,957	\$ 4,563,734	\$ 8,120,993	\$ 8,455,773
Changes in proportion and differences between employer contributions and share of contributions	7,972,976	3,875,566	1,527,355	7,294,332
Net difference between projected and actual investment earnings on pension plan investment	---	118,731,225	---	118,995,705
Changes in Actuarial Assumptions	59,649,616	---	72,292,621	---
Contributions subsequent to measurement date	<u>156,891,155</u>	<u>---</u>	<u>144,460,527</u>	<u>---</u>
Total	<u>\$ 328,125,704</u>	<u>\$ 127,170,525</u>	<u>\$ 226,401,496</u>	<u>\$ 134,745,810</u>

Deferred outflows and inflows of resources resulting from contributions subsequent to the measurement date will be recognized as a change to the net pension liability in each subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>2024 Net Deferred Outflows of Resources</u>	<u>2023 Net Deferred Inflows of Resources</u>
2024	\$ ---	\$ (4,359,412)
2025	28,760,630	(6,261,927)
2026	(16,669,667)	(51,144,589)
2027	40,344,653	8,961,087
2028	<u>(8,371,592)</u>	<u>---</u>
Total	<u>\$44,064,024</u>	<u>\$(52,804,841)</u>

Note 10: Other Postemployment Benefits (OPEB)

(A) General Information about the OPEB Plan

1. Plan Description

The Department provides a portion of healthcare insurance through the Medical and Life Insurance Plan, as discussed in Note 8, Medical and Life Insurance Plan, in accordance with Section 104.270, RSMo. As part of the Medical and Life Insurance Plan, health care benefits are provided to both active employees and retirees. For purposes of reporting OPEB costs and obligations in accordance with GASB Statement 75, the OPEB Insurance Plan (the Plan) is disclosed within the state of Missouri reporting entity as a single employer plan. In the Department’s financial report the Plan is reported as a cost sharing multiple employer plan, as it includes the Department; Missouri State Highway Patrol; and the MoDOT and Patrol Employees Retirement System (MPERS). Only the Department’s proportionate share is shown on the Department’s financial statements.

The Plan is not a separate legal entity and is self-insured. The Plan does not maintain assets in a trust and pays expenses on a pay-as-you-go basis. The criteria for a special funding situation are not met. The plan assets are neither legally protected from creditors nor are they dedicated to providing OPEB benefits. The Department has no legal obligation to pay the benefits; therefore, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

2. Benefits Provided

Eligible members are employees who retire from the Department who participated in the Medical and Life Insurance Plan when they were an active employee and had a minimum of five years creditable service. The Plan provides healthcare insurance benefits. Coverage categories include retirees, certain disabled employees, spouses, certain dependents and survivors of deceased employees and retirees.

Participants covered by the Plan at July 1, 2023:	
Retirees or beneficiaries currently receiving benefit payments	4,622
Retirees entitled to but not yet receiving benefit payments	31
Active employees	<u>4,475</u>
Total participants	<u>9,128</u>

3. Contributions

The medical insurance benefits and employer and member contribution amounts are recommended by the Medical and Life Insurance Plan's Board of Trustees and are approved by the Commission. The Commission contributes a percentage of medical premiums for retirees. For those who retired on or prior to January 1, 2015, an amount ranging from 40-57 percent of the premium is contributed, dependent on the level of coverage. Medical premiums for employees who retire on or after January 1, 2015 are based on total years of service with the Commission contributing 2.0 percent per year of service, not to exceed 50 percent of the total premium, with the retiree responsible for the remaining balance of the premiums. Required employer contributions totaling \$17,949,619 and \$17,115,215 were made for fiscal years 2024 and 2023, respectively.

(B) Actuarial Information

The OPEB liability for June 30, 2024 was determined based on the actuarial valuation as of July 1, 2023. The OPEB liability for June 30, 2023 was determined based on the actuarial valuation as of July 1, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of July 1, 2022. The total OPEB liabilities were determined using the following actuarial assumptions and other inputs:

	<u>2024</u>	<u>2023</u>
Inflation	2.00%	2.00%
Salary increases	3.00%	2.50%
Discount rate	3.65%	3.54%
Healthcare cost trend rates:	7.50% for 2023, decreasing to 4.56% through 2033	6.10% for 2021, decreasing to 4.60% through 2027
Retirees' share of benefit-related costs:	43-90% of projected health insurance premiums for retirees.	43-90% of projected health insurance premiums for retirees.

The inflation rate was based on the actuary's estimate of inflation as of July 1, 2023. The salary increases were based on projected salaries, which include COLA's, provided by the Department. The discount rate was based on Bond Buyer General Obligation 20-Bond Municipal Bond Index. Mortality rates were based on the Pub-2010 Public Retirement Plans Safety Employees Mortality Table weighted by Headcount project by MP-2021 for July 1, 2023. The actuarial assumptions used in July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2023 to 3.65 percent in 2024.

The following presents the impact of interest rate sensitivity on the total OPEB liability for the fiscal years ended June 30, 2024 and 2023.

	<u>1 Percent Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1 Percent Increase (4.65%)</u>
Total OPEB liability 2024	\$427,731,123	\$376,986,149	\$335,573,032
	<u>1 Percent Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1 Percent Increase (4.54%)</u>
Total OPEB liability 2023	\$894,903,645	\$755,954,476	\$647,540,239

The following illustrates the impact of healthcare cost trend sensitivity on the total OPEB liability for the Department for fiscal year ended June 30, 2024.

<u>Measurement Date</u> <u>July 1, 2023</u>	<u>1 Percent Decrease (6.50%)</u>	<u>Current Trend Rates (7.50%)</u>	<u>1 Percent Increase (8.50%)</u>
Total OPEB liability	\$330,734,887	\$376,986,149	\$434,171,968

The following illustrates the impact of healthcare cost trend sensitivity on the total OPEB liability for the Department for fiscal year ended June 30, 2023.

<u>Measurement Date</u> <u>July 1, 2022</u>	<u>1 Percent Decrease (5.10%)</u>	<u>Current Trend Rates (6.10%)</u>	<u>1 Percent Increase (7.10%)</u>
Total OPEB liability	\$630,936,387	\$755,954,476	\$919,062,631

(C) Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Department's total OPEB Liability is \$376,986,149 and \$755,954,476 at June 30, 2024 and 2023, respectively. The measurement date of the liability for June 30, 2024 and 2023 was July 1, 2023 and 2022, respectively. The liability was based on the population of each employer.

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 755,954,476	\$ 932,683,577
Changes for the year		
Service cost	16,902,812	26,558,264
Changes of benefit terms	---	---
Differences between expected and actual experience	(16,231,572)	(4,714,058)
Interest	27,059,116	20,535,013
Changes in assumptions or other inputs	(389,599,009)	(201,922,918)
Benefit payments	<u>(17,099,674)</u>	<u>(17,185,402)</u>
Net changes	<u>(378,968,327)</u>	<u>(176,729,101)</u>
Balance, June 30	\$ <u>376,986,149</u>	\$ <u>755,954,476</u>

A breakout of the current and noncurrent portion of the total OPEB liability at June 30, 2024 and 2023 is listed below:

	<u>2024</u>	<u>2023</u>
Other postemployment benefit obligation - current	\$ 17,560,000	\$ 17,160,000
Other postemployment benefit obligation - noncurrent	<u>359,426,149</u>	<u>738,794,476</u>
Total	\$ <u>376,986,149</u>	\$ <u>755,954,476</u>

(D) OPEB Expense/(Benefit) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the Department recognized a total OPEB benefit of \$58,116,409 and \$1,673,067, respectively. A breakdown of the OPEB expense/(benefit) is provided below.

	<u>2024</u>	<u>2023</u>
Reconciliation of OPEB Expense/(Benefit)		
Service Cost	\$ 16,902,812	\$ 26,558,264
Interest	27,059,116	20,535,013
Amortization of Deferred Inflow Changes in Assumptions	(14,283,722)	(11,518,548)
Amortization of Deferred Inflow Changes in Liability		
(Gain)/Loss	<u>(87,794,615)</u>	<u>(37,247,796)</u>
Total OPEB expenses/(benefits)	\$ <u>(58,116,409)</u>	\$ <u>(1,673,067)</u>

The Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ 36,049,330	\$ ---	\$ 34,101,480
Changes of assumptions or other inputs	59,931,616	468,018,845	88,335,228	194,618,063
Benefit payments subsequent to measurement date	<u>17,949,619</u>	<u>---</u>	<u>17,115,215</u>	<u>---</u>
Total	<u>\$77,881,235</u>	<u>\$504,068,175</u>	<u>\$105,450,443</u>	<u>\$228,719,543</u>

Benefit payments subsequent to the measurement date are recognized as a reduction in the total OPEB liability in the Department's subsequent year reporting.

For the year ended June 30, 2024 and 2023, amounts are reported as deferred inflows of resources related to OPEB and will be recognized as a decrease in OPEB expense. The 2024 and 2023 amounts are as follows:

Year	2024	2023
2024	\$ ---	\$ (32,941,952)
2025	(94,424,304)	(25,287,919)
2026	(83,517,075)	(14,380,690)
2027	(106,284,213)	(37,147,828)
2028	(99,762,311)	(30,625,926)
2029	<u>(60,148,656)</u>	<u>---</u>
Total	<u>\$(444,136,559)</u>	<u>\$(140,384,315)</u>

Note 11: Financing and Other Obligations

Changes in long-term obligations for the year ended June 30, 2024 were as follows:

Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
State road bonds ¹	\$1,483,270,000	\$381,610,000	\$358,780,000	\$ 1,506,100,000	\$378,145,000
Notes issued	26,895,890	25,304,085	11,472,713	40,727,262	8,803,477
Leases	29,688,069	1,023,053	1,524,856	29,186,266	1,509,235
Subscriptions	---	5,681,036	1,890,593	3,790,443	1,809,534
Claims and judgments	1,007,814	---	---	1,007,814	1,007,814
Compensated absences	39,422,187	26,525,575	26,691,831	39,255,931	26,691,831
Pollution remediation	5,131	2,593	---	7,724	---
Asset retirement obligations	<u>53,000</u>	<u>---</u>	<u>9,000</u>	<u>44,000</u>	<u>---</u>
	<u>\$1,580,342,091</u>	<u>\$440,146,342</u>	<u>\$400,368,993</u>	<u>\$1,620,119,440</u>	<u>\$417,966,891</u>
Unamortized premium				<u>57,820,440</u>	
				<u>\$1,677,939,880</u>	

¹The Department had \$351,422,781 in unspent bond proceeds as of June 30, 2024.

Changes in long-term obligations for the year ended June 30, 2023 were as follows:

<u>Obligation</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
State road bonds ¹	\$1,265,170,000	\$453,005,000	\$234,905,000	\$1,483,270,000	\$230,045,000
Notes issued	6,333,751	24,395,890	3,833,751	26,895,890	11,472,713
Leases	26,783,153	4,320,167	1,415,251	29,688,069	1,420,202
Claims and judgments	---	1,007,814	---	1,007,814	1,007,814
Compensated absences	35,277,803	28,413,547	24,269,163	39,422,187	24,269,163
Pollution remediation	4,000	1,131	---	5,131	1,131
Asset retirement obligations	<u>64,000</u>	<u>---</u>	<u>11,000</u>	<u>53,000</u>	<u>---</u>
	<u>\$1,333,632,707</u>	<u>\$511,143,549</u>	<u>\$264,434,165</u>	<u>\$1,580,342,091</u>	<u>\$268,216,023</u>
Unamortized premium				<u>72,485,850</u>	
				<u>\$1,652,827,941</u>	

¹The Department had \$18,803,479 in unspent bond proceeds as of June 30, 2023.

Information related to claims and judgments and compensated absences can be found in the Summary of Significant Accounting Policies Note and the Risk Management Note.

Payments on State Road bonds are made from the State Road Fund and the State Road Bond Fund. Compensated absences are made by the governmental funds from which the related salaries are paid. All other long-term obligation payments are liquidated from the State Road Fund.

Under Constitutional Amendment 3, approved by Missouri voters on November 2, 2004, the authority of the Commission to issue State Road bonds is not subject to statutory provisions.

Senate Concurrent Resolution 14, signed by the Governor on June 10, 2019, authorized MoDOT to issue \$301.0 million in bonds to repair or replace 215 bridges. The bonds will be paid back with General Revenue funds appropriated by the legislature over a seven-year period.

During fiscal year 2021, MoDOT executed a loan agreement with the Missouri Transportation Finance Corporation (MTFC) for \$62.5 million with an interest rate of 1.06 percent on the unpaid principal balance. MoDOT will use the loan proceeds for improvements to the Lance Corporal Leon Deraps I-70 Missouri River (Rocheport) Bridge and Climbing Lanes at Mineola Hill. The first disbursement of \$24.4 million was made on August 1, 2022. The second disbursement of \$24.8 million was made on August 1, 2023. The final disbursement of \$13.3 million is scheduled for on or after August 1, 2024. Annual payments to the MTFC began on August 1, 2023 in the amount of \$9.2 million, including interest, and continue through August 1, 2029.

During the 2023 legislative session, the General Assembly passed and the Governor signed legislation that made available \$2.8 billion in General Revenue Fund monies (\$1.4 billion in cash and \$1.4 billion in bonding authority) to fund the costs to plan, design, construct, reconstruct, rehabilitate and repair three lanes in each direction on approximately 200 miles of I-70, from Blue Springs to Wentzville (the "Improve I-70 Program"). The bonds will be paid back with General Revenue funds appropriated by the legislature.

(A) State Road Bonds**1. Bonded Debt Detail**

	<u>2024</u>	<u>2023</u>
Series B 2009 Federal Reimbursement State Road bonds, originally issued for \$404,375,000, to finance federally-eligible projects, including the Safe and Sound bridge program, due in annual installments of \$23,175,000 to \$43,250,000 beginning in 2022 through 2033; interest varying from 4.80 percent to 5.45 percent, exclusive of expected U.S. Treasury subsidy; secured by revenues collected from federal highway reimbursements.	\$ 332,665,000	\$ 357,310,000
Series C 2009 State Road bonds, originally issued for \$300,000,000, to finance projects pursuant to Amendment 3 due in annual installments of \$19,070,000 to \$28,015,000 beginning in 2017 through 2029; interest varying from 4.31 percent to 5.63 percent, exclusive of expected U.S. Treasury subsidy; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	130,545,000	154,075,000
Series B 2010 Federal Reimbursement State Road bonds, originally issued for \$56,135,000, to finance federally-eligible projects, including the new Mississippi River Bridge in St. Louis and the Safe and Sound bridge program, due in annual installments of \$11,290,000 to \$15,425,000 beginning in 2022 through 2025; interest varying from 4.72 percent to 5.02 percent, exclusive of expected U.S. Treasury subsidy; secured by revenues collected from federal highway reimbursements.	15,425,000	30,365,000
Series A 2014 First Lien Refunding State Road bonds, originally issued for \$589,015,000, to advance refund certain portions of Series A & B 2006 First Lien State Road bonds; due in annual installments of \$18,810,000 to \$104,510,000 beginning May 1, 2017 through 2026; interest varying from 2.00 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	204,045,000	298,860,000
Series B 2014 Second Lien Refunding State Road bonds, originally issued for \$311,975,000, to advance refund certain portions of Series 2007 Second Lien State Road bonds; due in annual installments of \$3,130,000 to \$68,350,000 beginning May 1, 2018 through 2025; interest varying from 3.00 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	3,130,000	7,375,000
Series A 2019 Federal Reimbursement Refunding State road bonds, originally issued for \$102,705,000, to current refund certain portions of Series A 2008 and Series A 2009 Federal Reimbursement State Road bonds; due in annual installments of \$10,000,000 to \$30,410,000 beginning May 1, 2020 through 2025; interest of 5.00 percent; secured by revenues collected from federal highway reimbursements.	11,580,000	22,605,000
Series B 2019 Third Lien State Road bonds, originally issued for \$178,370,000, to finance a portion of the Focus on Bridges Program, due in annual installments of \$19,335,000 to \$37,285,000 beginning November 1, 2020 through 2026; interest rate at 5.00 percent; secured by revenues collected from the State Road Fund and State Road Bond Fund.	67,415,000	87,740,000
Series A 2021 Third Lien State Road bonds, originally issued for \$88,955,000, to finance a portion of the Focus on Bridges Program, due in annual installments of \$15,465,000 to \$19,775,000 beginning November 1, 2022 through 2026; interest rate at 5.00 percent; secured by revenues collected from the State Road Fund and State Road Bond Fund.	54,045,000	71,935,000

Series A 2022 Third Lien State Road bonds, originally issued for \$453,005,000, to finance a portion of the Focus on Bridges Program, due in annual installments of \$18,630,000 to \$59,020,000 beginning May 1, 2024 through 2033; interest rate from 4.00 to 5.00 percent; secured by revenues collected from the State Road Fund and State Road Bond Fund.	434,375,000	453,005,000
Series A 2023 State Appropriations Mega Projects State Road Bonds, originally issued for \$381,610,000, to finance a portion of the Improve I-70 Program, due in annual installments of \$123,355,000 to \$129,520,000 beginning May 1, 2024 through May 1, 2026; interest rate of 5.00 percent; secured by revenues collected from the State Road Fund and State Road Bond Fund.	<u>252,875,000</u>	<u>---</u>
	<u>\$1,506,100,000</u>	<u>\$1,483,270,000</u>

2. Tax Status of Bonds

Tax-Exempt issuances: The Refunding Series A 2014 bonds are First Lien bonds. The Refunding Series B 2014 are Second Lien bonds. The Series B 2019, A 2021 and A 2022 bonds are Third Lien Bonds. The Refunding Series A 2019 bonds have a lien on federal highway reimbursement revenues. The Series A 2023 bonds have a first lien on State Appropriations Revenue. As tax-exempt issuances, these bonds are subject to federal arbitrage regulations.

Taxable issuances: The Series B 2009 and B 2010 bonds are liens on federal highway reimbursement revenues. The Series C 2009 bonds are Third Lien bonds. These bonds are taxable Build America Bonds as established under the American Recovery and Reinvestment Act of 2009.

3. Bond Debt Maturity

Annual debt service requirements to maturity are indicated in the following schedule. The interest payments for the Build America Bonds are shown excluding the expected receipt of interest subsidy payments from the U.S. Treasury.

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$ 378,145,000	\$ 67,134,517	\$ 445,279,517
2026	375,920,000	49,251,379	425,171,379
2027	144,235,000	31,345,211	175,580,211
2028	109,580,000	25,903,816	135,483,816
2029	114,180,000	21,247,218	135,427,218
2030-2033	<u>384,040,000</u>	<u>41,021,728</u>	<u>425,061,728</u>
	<u>\$1,506,100,000</u>	<u>\$235,903,869</u>	<u>\$1,742,003,869</u>

4. Pledged Revenues

Pledged revenues for the year ended June 30, 2024 were as follows:

(Amounts in thousands)

<u>Bond Lien Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Pledged Revenue Type⁴</u>	<u>Net Pledged Revenue</u>	<u>Term of Commitment</u>
Federal Reimbursement ¹	\$ 50,610	\$18,375	\$ 68,985	Federal Highway Reimbursements	\$1,270,816	2024 – 2033
First, Second, Third Lien ²	179,435	59,649	239,084	Article IV, Section 30(b) of the Missouri Constitution	1,043,687	2024 – 2033
State Appropriations Mega Projects Lien ³	<u>128,735</u>	<u>7,254</u>	<u>135,989</u>	Mega Projects State Appropriations	<u>135,996</u>	2024 – 2026
	<u>\$358,780</u>	<u>\$85,278</u>	<u>\$444,058</u>		<u>\$2,450,499</u>	

¹ Bonds issued 2009 (2009 B), 2010 (2010 B), 2019 (2019 A)

² Bonds issued 2014 (2014 A, 2014 B), 2009 (2009 C), 2019 (2019 B), 2021 (2021 A), 2022 (2022 A)

³ Bonds issued 2023 (2023 A)

⁴ Pledged revenues include collections of motor vehicle sales tax, motor fuel sales tax, licensing fees and permits and appropriations of General Revenue for repayment of bonds. Pledged federal revenue include federal aid reimbursements or federal fund obligations for road and bridge projects.

Pledged revenues for the year ended June 30, 2023 were as follows:

(Amounts in thousands)

<u>Bond Lien Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Pledged Revenue Type⁴</u>	<u>Net Pledged Revenue</u>	<u>Term of Commitment</u>
Senior Lien ¹	\$ 17,665	\$ 883	\$ 18,548	Article IV, Section 30(b) of the Missouri Constitution	\$ 800,944	2023 – 2024
Federal Reimbursement ²	48,870	24,240	73,110	Federal Highway Reimbursements	1,048,448	2023 – 2033
First, Second, Third Lien ³	<u>168,370</u>	<u>39,127</u>	<u>207,497</u>	Article IV, Section 30(b) of the Missouri Constitution	<u>1,049,689</u>	2023 – 2030
	<u>\$234,905</u>	<u>\$64,250</u>	<u>\$299,155</u>		<u>\$2,899,081</u>	

¹ Bonds issued 2010 (2010 C)

² Bonds issued 2009 (2009 B), 2010 (2010 A, 2010 B), 2019 (2019 A)

³ Bonds issued 2014 (2014 A, 2014 B), 2009 (2009 C), 2019 (2019 B), 2021 (2021 A)

⁴ Pledged revenues include collections of motor vehicle sales tax, motor fuel sales tax, licensing fees and permits and appropriations of General Revenue for repayment of bonds.

(B) Notes Issued

1. Notes Issued Detail

	<u>2024</u>	<u>2023</u>
St. Charles County: for corridor improvements from Cave Springs to Fairgrounds, bridge rehabilitations over I70 at Zumbehl and Cave Springs and modify interchange configuration at First Capitol; \$2.5 million of principal due each year during state fiscal year 2022, 2023 and 2024; no interest will accrue.	\$ ---	\$ 2,500,000
Missouri Transportation Finance Corporation: to replace the Lance Corporal Leon Deraps I-70 Missouri River (Rocheport) Bridge and to build the climbing lanes at Mineola Hill; annual payments are due August 1st beginning in state fiscal year 2024 and continuing through fiscal year 2026; 1.06 percent interest will accrue on unpaid principal balance.	40,251,262	24,395,890
St. Charles County; to construct a new north outer road and relocate ramps from Route 94 to Zumbehl Road; \$476,000 of principal due during fiscal year 2026; no interest will accrue.	<u>476,000</u>	<u>---</u>
	<u>\$40,727,262</u>	<u>\$26,895,890</u>

2. Notes Issued Debt Maturity

Annual debt service requirements to maturity for all notes issued are indicated in the following schedule.

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2025	\$ 8,803,477	\$ 427,833	\$ 9,231,310
2026	9,233,237	333,347	9,566,584
2027	8,850,064	240,520	9,090,584
2028	8,943,874	146,709	9,090,583
2029	<u>4,896,610</u>	<u>52,046</u>	<u>4,948,656</u>
	<u>\$40,727,262</u>	<u>\$1,200,455</u>	<u>\$41,927,717</u>

(C) Pollution Remediation Obligations

MoDOT is involved in remediation activities related to buildings and grounds caused by contamination and a fuel leak. The potential for additional pollution remediation exists; however, any future remediation obligations are not yet estimable.

Note 12: Tax Revenues

Tax revenues for the fiscal years 2024 and 2023 were as follows:

	<u>State Highways and Transportation Department Fund</u>	<u>State Road Fund</u>	<u>State Road Bond Fund</u>	<u>Nonmajor Funds</u>	<u>Total 2024</u>
Fuel taxes	\$737,587,443	\$ 100,672	\$ ---	\$ 197,729	\$ 737,885,844
Sales taxes	<u>2,290,334</u>	<u>226,950,174</u>	<u>233,159,776</u>	<u>12,547,378</u>	<u>474,947,662</u>
Total tax revenue	<u>\$739,877,777</u>	<u>\$227,050,846</u>	<u>\$233,159,776</u>	<u>\$12,745,107</u>	<u>\$1,212,833,506</u>

	<u>State Highways and Transportation Department Fund</u>	<u>State Road Fund</u>	<u>State Road Bond Fund</u>	<u>Nonmajor Funds</u>	<u>Total 2023</u>
Fuel taxes	\$658,059,101	\$ 127,058	\$ ---	\$ 284,087	\$ 658,470,246
Sales taxes	<u>1,873,733</u>	<u>218,047,916</u>	<u>224,022,265</u>	<u>13,174,822</u>	<u>457,118,736</u>
Total tax revenue	<u>\$659,932,834</u>	<u>\$218,174,974</u>	<u>\$224,022,265</u>	<u>\$13,458,909</u>	<u>\$1,115,588,982</u>

Taxes are remitted by the Missouri Department of Revenue to the Department subsequent to collection. The Department receives the following taxes:

- **Fuel taxes** are paid on the sale of gasoline, aviation fuel used in propelling aircraft with reciprocating engines and diesel fuel. The taxes are authorized by Sections 142.010 – 142.350, 155.080 and 155.090, and 142.362 – 142.621, RSMo. The tax rate on gasoline and diesel fuels increased from \$0.22 per gallon to \$0.245 per gallon on July 1, 2023. The State receives 75.0 percent of the first \$0.11 and 70.0 percent of the next \$0.135. The remaining tax is distributed to cities and counties. In addition, the Department receives the entire tax on aviation fuel of \$0.09 per gallon.
- **Sales taxes** are paid on the purchase of any new or used motor vehicle or trailer, on vehicles purchased out of state and titled in Missouri and on the sale of a vehicle between individuals within Missouri. The taxes are authorized by Sections 144.070 and 144.440, RSMo. The general sales tax rate is 3.0 percent and Proposition C tax (Section 144.701, RSMo.) is 1.0 percent, for a total of 4.0 percent. The Department receives 75.0 percent of the motor vehicle sales tax. The remainder is distributed to cities, counties and school districts. In addition, the Department receives sales tax on jet fuel, limited to a maximum of \$10.0 million annually.

Note 13: Interfund Transactions

State statute (226.200, RSMo.) requires the transfer of unspent monies in the Highway Fund to the State Road Fund on a monthly basis. Transfers for the years ended June 30, 2024 and 2023, including were as follows:

	2024		2023	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
State Highways and Transportation Department Fund	\$ ---	\$611,564,740	\$ ---	\$627,787,366
State Road Fund	793,182,728	---	673,324,067	---
Nonmajor Funds	---	181,617,988	---	45,536,701
Total transfers	<u>\$793,182,728</u>	<u>\$793,182,728</u>	<u>\$673,324,067</u>	<u>\$673,324,067</u>

The due to/from amounts in the Road Fund and non-major funds represent interfund services provided and used. Amounts receivable/payable as of June 30, 2024 and 2023 were as follows:

	2024		2023	
	<u>Receivable</u>	<u>Payable</u>	<u>Receivable</u>	<u>Payable</u>
State Road Fund	\$111,005	\$ ---	\$ 79,351	\$ ---
Nonmajor Funds	---	111,005	---	79,351
Total due to/from	<u>\$111,005</u>	<u>\$ 111,005</u>	<u>\$ 79,351</u>	<u>\$ 79,351</u>

Note 14: Commitments and Contingencies

(A) Unemployment Benefits

The Department is subject to the Missouri Employment Security Law. Department employees who qualify are entitled to benefit payments during periods of unemployment. The Department is required to reimburse the Division of Employment Security for benefit payments made to its former employees. The Department has identified no practical method of estimating the amount of future benefit payments that may be made to former employees for wage credits earned prior to June 30, 2024 and 2023. Consequently, this potential obligation is not included in the accompanying basic financial statements. Total reimbursements made by the Department were \$35,775 and \$51,209 for fiscal years 2024 and 2023, respectively.

(B) Construction Commitments

The Department had construction awards outstanding for both state and federal participating projects at June 30, 2024 and 2023 amounting to approximately \$2,363,196,551 and \$2,078,863,375, respectively. The federal portion of this total was \$817,500,807 and \$1,285,053,061, or approximately 34.6 percent and 61.8 percent, for 2024 and 2023, respectively.

(C) Federal Funding

The Department receives federal grants that are subject to review and audit by federal grantor agencies. This could result in requests for reimbursement by the grantor agency for any expenditures disallowed under grant terms. The Department believes such disallowances, if any, would be immaterial.

Note 15: Accounting Pronouncements

MoDOT implemented and GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 99, *Omnibus 2022*, in fiscal year 2024 with no impact to the financial statements.

Note 16: Restatement

The Department has restated its 2023 financial statements for the following:

- Investments pooled in the State Treasury for certain governmental funds were reclassified from cash and cash equivalents to investments for the fiscal year ended June 30, 2023. As a result, cash and cash equivalents decreased \$1.3 billion and investments increased by the same amount. There was no effect to net position or fund balances related to this change.
- Interest receivable balances are now being reported separately from miscellaneous receivables on the statement of net position in the government-wide statements and the balance sheet in the fund statements. As a result, interest receivable increased by \$6.8 million for the fiscal year ended June 30, 2023 and miscellaneous receivables decreased by the same amount. There was no effect to net position or fund balances related to this change.
- Net position in the government-wide financial statements was reclassified to account for unspent bond proceeds at June 30, 2023. Therefore, net investment in capital assets was understated \$18.8 million and unrestricted net position was overstated by the same amount. There was no effect to total net position related to this change.
- During fiscal year 2024, the Department determined that accumulated depreciation for infrastructure assets was overstated. Therefore, capital assets, net of depreciation, and net investment in capital assets were understated by \$30.8 million, depreciation expense was overstated by \$19.9 million and beginning net position was understated by \$10.9 million for the fiscal year ended June 30, 2023.

The net effect of these adjustments is shown in the tables below:

Government-wide financial statements	June 30, 2023			June 30, 2023
	<u>As Originally Stated</u>	<u>Error Correction</u>	<u>Reclassification</u>	<u>As Restated</u>
Statement of Net Position				
Cash and cash equivalents	\$ 1,770,174,732	\$ ---	\$(1,309,600,771)	\$ 460,573,961
Investments	18,552,974	---	1,309,600,771	1,328,153,745
Interest receivable	---	---	6,757,150	6,757,150
Miscellaneous receivables, net	33,497,027	---	(6,757,150)	26,739,877
Assets being depreciated, net	27,375,745,871	30,809,176	---	27,406,555,047
Total assets	35,204,695,531	30,809,176	---	35,235,504,707
Net Investment in capital assets	31,322,565,021	49,612,655	---	31,372,177,676
Restricted for highways and transportation	222,702,713	(18,803,479)	---	203,899,234
Total net position	\$ 31,545,467,734	\$ 30,809,176	---	\$31,576,276,910
Statement of Activities				
Depreciation/amortization expense	\$ 666,364,234	\$ (19,865,765)	\$ ---	\$ 646,498,469
Total program expenses	2,000,360,064	(19,865,765)	---	1,980,494,299
Net expense of program	(224,183,428)	19,865,765	---	(204,317,663)
Change in net position	1,093,032,188	19,865,765	---	1,112,897,953
Net Position, beginning of year	30,452,435,546	10,943,411	---	30,463,378,957
Net Position, end of year	\$ 31,545,467,734	\$ 30,809,176	---	\$31,576,276,910

Fund financial statements

State Highways and Transportation Fund	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Cash and cash equivalents	\$ 9,816,708	\$ ---	\$ (7,635,806)	\$ 2,180,902
Investments	---	---	7,635,806	7,635,806
Interest receivable	---	---	223,214	223,214
Miscellaneous receivables, net	3,324,831	---	(223,214)	3,101,617
State Road Fund	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Cash and cash equivalents	\$1,559,703,029	\$ ---	\$ (1,173,010,671)	\$ 386,692,358
Investments	---	---	1,173,010,671	1,173,010,671
Interest receivable	---	---	5,605,416	5,605,416
Miscellaneous receivables, net	23,033,562	---	(5,605,416)	17,428,146
State Road Bond Fund	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Cash and cash equivalents	\$ 146,690,168	\$ ---	\$ (114,115,683)	\$ 32,574,485
Investments	---	---	114,115,683	114,115,683
Interest receivable	---	---	512,497	512,497
Miscellaneous receivables, net	512,497	---	(512,497)	---
STAR Loan Fund	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Cash and cash equivalents	\$ 3,919,261	\$ ---	\$ (3,433,230)	\$ 486,031
Investments	---	---	3,433,230	3,433,230
Interest receivable	---	---	29,420	29,420
Miscellaneous receivables, net	29,420	---	(29,420)	---
Aviation Trust Fund	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Cash and cash equivalents	\$ 13,019,757	\$ ---	\$ (11,405,381)	\$ 1,614,376
Investments	---	---	11,405,381	11,405,381
Interest receivable	---	---	70,260	70,260
Miscellaneous receivables, net	70,260	---	(70,260)	---
Proprietary Funds	June 30, 2023 As Originally Stated	Error Correction	Reclassification	June 30, 2023 As Restated
Balance Sheet				
Interest receivable	\$ ---	\$ ---	\$ 316,343	\$ 316,343
Miscellaneous receivables, net	3,912,019	---	(316,343)	3,595,676

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedules – State Highways
and Transportation Department Fund
Year Ended June 30, 2024
With Summarized Financial Information for 2023

	Budgeted Amounts		Actual	Variances Between Final Budget and Actual	
	Original	Final		2024	2023
Budgetary fund balance, beginning of year	\$ 10,369,888	\$ 10,369,888	\$ 10,369,888	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	732,697,945	732,697,945	723,950,624	(8,747,321)	51,584,970
License, fees and permits	223,753,607	223,753,607	219,850,314	(3,903,293)	8,077,299
Vehicle sales taxes	2,669,638	2,669,638	2,290,334	(379,304)	92,576
Interest	587,481	587,481	2,491,350	1,903,869	171,335
Intergovernmental/cost reimbursements/miscellaneous	<u>3,357,242</u>	<u>3,357,242</u>	<u>4,047,407</u>	<u>690,165</u>	<u>376,715</u>
Amount available for Appropriation	<u>973,435,801</u>	<u>973,435,801</u>	<u>962,999,917</u>	<u>(10,435,884)</u>	<u>60,302,895</u>
Charges to appropriations (outflows)					
Appropriations spent by other state agencies	<u>394,771,000</u>	<u>394,771,000</u>	<u>336,711,481</u>	<u>58,059,519</u>	<u>15,750,797</u>
Total charges to appropriations	<u>394,771,000</u>	<u>394,771,000</u>	<u>336,711,481</u>	<u>58,059,519</u>	<u>15,750,797</u>
Transfers to State Road Fund	<u>(813,945,000)</u>	<u>(813,945,000)</u>	<u>(611,564,740)</u>	<u>202,380,260</u>	<u>86,157,634</u>
Budgetary fund balance, end of year	<u>\$(235,280,199)</u>	<u>\$(235,280,199)</u>	<u>\$ 14,723,696</u>	<u>\$250,003,895</u>	<u>\$162,211,326</u>

Required Supplementary Information

Budgetary Comparison Schedules – State Road Fund, State Road I-70 Fund Bond Proceeds Fund and State Road Fund I-70 Project Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Budgeted Amounts		Actual	Variances Between Final Budget and Actual	
	Original	Final		2024	2023
Budgetary fund balance, beginning of year	\$1,593,019,738	\$1,593,019,738	\$1,593,019,738	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	189,055	189,055	100,673	(88,382)	(5,465)
License, fees and permits	100,106,393	100,106,393	112,012,691	11,906,298	22,990,558
Vehicle sales taxes	209,170,998	209,170,998	222,605,401	13,434,403	12,654,302
Interest	14,571,842	14,571,842	50,024,478	35,452,636	3,080,795
Intergovernmental/cost reimbursements/miscellaneous	232,996,975	232,996,975	108,963,033	(124,033,942)	26,160,764
Bond proceeds	390,204,140	390,204,140	390,204,140	---	(24,396,000)
Federal government	<u>1,403,362,000</u>	<u>1,403,362,000</u>	<u>1,396,995,484</u>	<u>(6,366,516)</u>	<u>(109,908,800)</u>
Amount available for Appropriation	<u>3,943,621,141</u>	<u>3,943,621,141</u>	<u>3,873,925,638</u>	<u>(69,695,503)</u>	<u>(69,423,846)</u>
Charges to appropriations (outflows)					
Administration					
Personal service	23,246,740	23,246,740	21,605,859	1,640,881	2,501,073
Expense and equipment	6,636,988	6,636,988	2,959,555	3,677,433	3,660,031
Safety and Operations					
Personal service	178,514,697	178,514,697	161,529,364	16,985,333	21,747,635
Expense and equipment	277,955,857	277,955,857	264,320,564	13,635,293	810,454
Program Delivery					
Personal service	88,938,770	88,938,770	80,039,514	8,899,256	12,204,150
Expense and equipment	28,170,889	28,170,889	25,612,190	2,558,699	1,602,984
Program	2,381,919,003	2,381,919,003	1,962,352,313	419,566,690	263,863,091
Fleet, facilities and information systems					
Personal service	14,286,083	14,286,083	12,679,860	1,606,223	1,879,524
Expense and equipment	105,756,667	105,756,667	97,567,799	8,188,868	9,109,251
Multimodal operations					
Personal service	653,101	653,101	598,840	54,261	28,759
Expense and equipment	42,200	42,200	22,262	19,938	8,770
Program	176,000	176,000	176,000	---	---
Fringe benefits					
Retirement and long-term disability	178,233,086	178,233,086	154,850,970	23,382,116	28,137,808
Medical, life insurance and EAP	54,899,439	54,899,439	46,484,921	8,414,518	12,426,048
Retiree medical insurance	18,739,968	18,739,968	17,949,619	790,349	1,514,753
Workers' compensation	9,227,380	9,227,380	9,000,000	227,380	100,082
Other fringe benefits	<u>34,045,323</u>	<u>34,045,323</u>	<u>23,904,569</u>	<u>10,140,754</u>	<u>5,615,090</u>
Total charges to appropriations	<u>3,401,442,191</u>	<u>3,401,442,191</u>	<u>2,881,654,199</u>	<u>519,787,992</u>	<u>365,209,503</u>
Transfers from Highway Fund	813,945,000	813,945,000	611,564,740	(202,380,260)	(86,157,634)
Transfer from State Treasury Fund	205,383,295	205,383,295	205,381,010	(2,285)	(301,225)
Transfers from Multimodal Funds ¹	<u>1,078,134</u>	<u>1,078,134</u>	<u>377,274</u>	<u>(700,860)</u>	<u>(790,209)</u>
Total Transfers	<u>1,020,406,429</u>	<u>1,020,406,429</u>	<u>817,323,024</u>	<u>(203,083,405)</u>	<u>(87,249,068)</u>
Budgetary fund balance, end of year	<u>\$1,562,585,379</u>	<u>\$1,562,585,379</u>	<u>\$1,809,594,463</u>	<u>\$247,009,084</u>	<u>\$208,536,589</u>

¹ The transfers from Multimodal Funds reimburse the State Road Fund for the use of MoDOT employees and equipment funded by the State Road Fund in providing support to the Multimodal Division as it carries out its transportation responsibilities in the areas of aviation, railroads, transit, freight and waterways. Transfers are accounting entries only and will allow the Multimodal Division to reimburse the State Road Fund from other non-highway funds without double counting expenditures.

Required Supplementary Information

Budget Basis to GAAP Reconciliations and Disclosure

Years Ended June 30, 2024 and 2023

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis for 2024:

	State Highways and Transportation Department Fund	State Road Fund
Fund balance, budgetary basis	\$ 14,723,696	\$1,809,594,463
Receivables	158,951,449	218,103,707
Due from other funds	---	111,005
Inventories	---	53,088,761
Prepaid rents	---	2,245,885
Payables	(13,589,916)	(155,846,709)
Deposits	---	(1,593,182)
Unearned revenue	---	(44,361,345)
Unavailable revenues	(4,225,262)	(23,787,219)
Cash adjustments – Local Fund	---	43,782,535
Lapse period adjustments, revenue	(187,117)	187,117
Change in fair value of investments	<u>(449,775)</u>	<u>(55,213,269)</u>
Fund balance, GAAP basis	<u>\$ 155,223,075</u>	<u>\$1,846,311,749</u>

The following are reconciliations of the differences between the State's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis for 2023 (as restated):

	State Highways and Transportation Department Fund	State Road Fund (as restated)
Fund balance, budgetary basis	\$ 10,373,736	\$1,593,139,292
Receivables	144,764,162	143,662,978
Due from other funds	---	79,351
Inventories	---	50,230,157
Prepaid rents	---	2,137,789
Payables	(12,449,486)	(194,284,711)
Deposits	---	(2,397,719)
Unearned revenue	(3,028,817)	(57,390,305)
Unavailable revenues	---	(10,690,013)
Cash adjustments – Local Fund	---	51,618,028
Change in fair value of investments	<u>(557,028)</u>	<u>(85,054,291)</u>
Fund balance, GAAP basis	<u>\$139,102,567</u>	<u>\$1,491,050,556</u>

Budgetary Principles and Presentation

The budgetary comparison schedules are presented on the State's budgetary basis of accounting. Under this basis, revenues are recognized when cash is received. Expenditures are recognized for cash disbursements made during the fiscal year and for cash adjustments made in the lapse period, as defined by the Office of Administration.

All governmental funds reported by MoDOT have legally adopted annual budgets. The legal authority for approval of the Department's budget and amendments for the State Highways and Transportation Department Fund rests with the State Legislature. The Commission approves the State Road Fund budget and amendments. The fund level is the legal level of control for the State Road Fund. However, at any time, the Commission may approve the Department to spend more or less than the State Legislature or the fund level of the State Road Fund, which will drive the Department's budget to be higher or lower than the other legal limits.

The Department develops its budget through processes involving the districts and the central office divisions. Upon Commission approval, the legislative submittal is sent to the Office of Administration by October 1 and is forwarded to the Governor's Office. The Governor develops a recommendation regarding the budget and forwards both the budget request and the recommendation to the Legislature. The Legislature generally acts on budget matters between January and May. The Governor has veto authority and generally acts on those matters in June. The Commission approves the budget in June based on the levels approved by the General Assembly and then the Commission approves amendments, if needed, to reflect any vetoes made by the Governor.

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability (NPL)

<u>Actuarial Valuation Date</u>	<u>MoDOT's Proportion of NPL</u>	<u>MoDOT's Share of NPL</u>	<u>MoDOT's Covered Payroll</u>	<u>MoDOT's NPL as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2023	62.45%	\$ 891,638,345	\$250,299,278	356.23%	69.68%
6/30/2022	61.74	829,471,937	226,890,383	365.58	69.54
6/30/2021	61.70	826,871,121	221,755,933	372.87	69.15
6/30/2020	62.59	1,083,118,704	227,815,246	475.44	57.71
6/30/2019	62.35	1,006,396,262	226,173,147	444.97	60.02
6/30/2018	62.39	1,040,233,956	219,256,041	474.44	58.13
6/30/2017	62.01	1,012,417,855	219,668,223	460.88	57.06
6/30/2016	62.03	1,097,719,514	212,224,044	517.25	52.96
6/30/2015	62.23	1,061,941,581	212,044,879	500.81	54.08
6/30/2014	63.79	1,079,844,816	213,845,536	504.96	53.63

Required Supplementary Information

Schedule of Pension Contributions

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as of Percentage of Covered Payroll</u>
2024	\$156,891,155	\$156,891,155	\$ ---	\$269,757,832	58.16%
2023	144,460,527	144,460,527	---	250,299,278	58.00
2022 ¹	130,469,863	130,469,863	---	226,890,383	58.00
2021	127,707,962	127,707,962	---	221,755,933	58.00
2020	131,366,043	131,366,043	---	227,815,246	58.00
2019 ²	130,420,220	130,420,220	---	226,173,147	58.00
2018	127,168,503	127,168,503	---	219,256,041	58.00
2017	127,407,569	127,407,569	---	219,668,223	58.00
2016	123,196,057	123,196,057	---	212,224,044	58.05
2015	124,597,572	124,597,572	---	212,044,879	58.76

¹For the plan year ended June 30, 2021, there were no changes to the plan's benefit terms. Economic assumptions lowered to 6.50 percent investment return.

²For the plan year ended June 30, 2018, there were no changes to the plan's benefit terms. Assumed rates of withdrawal, disability, retirement and wage increases due to merit and longevity were adjusted to more closely track experience. Mortality tables were updated to use the RP-2014 Healthy Annuitant, Employee and Disabled Retiree Annuitant tables projected to 2022 using scale MP-2017. Economic assumptions lowered to 7.00% investment return, 3.00% wage inflation and 2.25% price inflation. Other miscellaneous changes were made for potential survivor benefits, sick leave, etc.

Required Supplementary Information

Schedule of Proportionate Share of Total OPEB Liability Last 10 Fiscal Years* (Dollar amounts in thousands)

<u>Fiscal Year</u>	<u>Department's Proportion of Total OPEB Liability</u>	<u>Department's Proportionate Share of the Total OPEB Liability</u>	<u>Department's Covered Employee Payroll</u>	<u>Department's Proportionate Share of The Total OPEB Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2024	100.0%	\$376,986	\$256,698	147%	n/a
2023	100.0	755,955	232,969	324	n/a
2022	100.0	932,684	234,924	397	n/a
2021	100.0	935,765	234,924	398	n/a
2020	100.0	738,785	232,227	318	n/a
2019	100.0	772,732	226,598	341	n/a
2018	100.0	776,187	226,826	342	n/a
2017	100.0	825,952	220,401	383	n/a

*The amounts presented for each fiscal year were determined as of the measurement date. This schedule will ultimately present ten years of data when available.

The Insurance Plan is an internal service fund of the Department and is funded on a pay-as-you-go basis. The Plan is not a trust and does not have a fiduciary net position.

Required Supplementary Information

Schedule of Proportionate Share of Total OPEB Contributions Last 10 Fiscal Years* (Dollar amounts in thousands)

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency/Excess</u>	<u>Department's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2024	\$---	\$17,950	\$---	\$256,698	7.0%
2023	---	17,115	---	232,969	7.3
2022	---	17,636	---	234,924	7.5
2021	---	17,661	---	234,924	7.5
2020	---	17,558	---	232,227	7.6
2019	---	17,623	---	226,598	7.8
2018	---	17,146	---	226,826	7.6
2017	---	15,985	---	220,401	7.3

*The amounts presented for each year were determined as of the fiscal year end. This schedule will ultimately present ten years of data when available.

The Insurance Plan is an internal service fund of the Department and is financed on a pay-as-you go basis. The Plan's funding is not based on covered payroll; the required information is displayed for information purposes. Refer to the Medical and Life Insurance Plan and Other Postemployment Benefits disclosures in the Notes to the Financial Statements for further information on the Insurance Plan.

No assets have been accumulated in a trust to pay related benefits.



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Required Supplementary Information

Schedule of Changes in the Department's Total OPEB Liability and Related Ratios* (Dollar amounts in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service cost	16,903	26,558	26,108	17,405
Interest	27,059	20,535	21,064	26,236
Changes of benefit terms	---	---	---	---
Difference between expected and actual experience	(16,231)	(4,714)	(23,792)	(2,646)
Changes of assumptions or other inputs	(389,600)	(201,923)	(8,825)	173,546
Benefit payments	<u>(17,100)</u>	<u>(17,185)</u>	<u>(17,636)</u>	<u>(17,561)</u>
Net change in total OPEB liability	(378,969)	(176,729)	(3,081)	196,980
Total OPEB liability beginning	755,955	932,684	935,765	738,785
Total OPEB liability ending	376,986	755,955	932,684	935,765
Covered employee payroll	256,698	232,969	234,924	234,924
Total OPEB liability as a percentage of covered payroll	147%	324%	397%	398%

There were no changes in benefit terms. The change in assumption was the discount rate.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each fiscal year. Discount rates used for fiscal years 2024 and 2023 were 3.65 percent and 3.54 percent, respectively.

No assets have been accumulated in a trust to pay related benefits.

* This schedule will ultimately present ten years of data when available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
24,600	25,561	31,492
30,520	27,481	24,779
---	---	---
(36,658)	(1,758)	---
(34,827)	(37,482)	(110,051)
<u>(17,582)</u>	<u>(17,257)</u>	<u>(15,985)</u>
(33,947)	(3,455)	(69,765)
772,732	776,187	845,952
738,785	772,732	776,187
232,227	226,598	226,823
318%	341%	342%



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Combining Financial Statements Nonmajor Governmental Funds

Combining Balance Sheets

Nonmajor Governmental Funds – Special Revenue

June 30, 2024
With Summarized Financial Information for 2023

	Multimodal Federal and Stimulus Fund	State General Revenue and Budget Stabilization Fund	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	MCS Federal Fund
Assets						
Cash and cash equivalents	\$1,740,108	\$ ---	\$5,827,796	\$ 2,183,392	\$ 584,381	\$ 433,748
Investments	---	---	---	13,618,891	3,645,074	---
State taxes and fees receivable	---	---	666,423	602,666	---	---
Federal government receivable	1,655,241	---	---	---	---	686,942
Interest receivable	---	---	---	107,633	34,994	---
Miscellaneous receivables, net	---	6,752,232	---	---	---	---
Loans receivable	---	---	---	---	289,712	---
Total assets	<u>\$3,395,349</u>	<u>\$6,752,232</u>	<u>\$6,494,219</u>	<u>\$16,512,582</u>	<u>\$4,554,161</u>	<u>\$1,120,690</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$1,578,130	\$6,752,232	\$ 528	\$ 12,145	\$ ---	\$ 686,942
Accrued payroll	43,961	---	11,968	43,864	---	---
Unearned revenue	1,731,688	---	---	---	---	---
Due to other funds	33,150	---	8,027	33,968	---	---
Total liabilities	<u>3,386,929</u>	<u>6,752,232</u>	<u>20,523</u>	<u>89,977</u>	<u>---</u>	<u>686,942</u>
Deferred Inflows of Resources						
Unavailable revenues	32,000	---	---	---	---	---
Total deferred inflows of resources	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances						
Unassigned	(31,999)	---	---	---	---	---
Restricted – highways and transportation	8,419	---	6,473,696	16,422,605	4,554,161	433,748
Total fund balances	<u>(23,580)</u>	<u>---</u>	<u>6,473,696</u>	<u>16,422,605</u>	<u>4,554,161</u>	<u>433,748</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$3,395,349</u>	<u>\$6,752,232</u>	<u>\$6,494,219</u>	<u>\$16,512,582</u>	<u>\$4,554,161</u>	<u>\$1,120,690</u>

Grade Crossing Safety Fund	Railroad Expense Fund	Highway Safety Fund	Motorcycle Safety Fund	Total	
				2024	2023
\$4,561,223	\$1,134,894	\$ 297,302	\$298,761	\$17,061,605	\$ 15,996,768
---	---	---	---	17,263,965	14,838,611
105,909	---	---	---	1,374,998	1,049,695
---	---	3,079,411	---	5,421,594	3,811,344
---	---	---	---	142,627	99,680
611	2,000	8,197	---	6,763,040	2,614,438
---	---	---	---	289,712	405,254
<u>\$4,667,743</u>	<u>\$1,136,894</u>	<u>\$3,384,910</u>	<u>\$298,761</u>	<u>\$48,317,541</u>	<u>\$38,815,790</u>
\$ 99,689	\$ 7,313	\$3,045,767	\$ 2,756	\$12,185,502	\$ 6,456,550
---	45,419	34,364	---	179,576	145,064
---	---	---	---	1,731,688	1,672,602
---	35,860	---	---	111,005	79,351
<u>99,689</u>	<u>88,592</u>	<u>3,080,131</u>	<u>2,756</u>	<u>14,207,771</u>	<u>8,353,567</u>
---	---	---	---	32,000	---
---	---	---	---	32,000	---
---	---	---	---	(31,199)	---
<u>4,568,054</u>	<u>1,048,302</u>	<u>304,779</u>	<u>296,005</u>	<u>34,109,769</u>	<u>30,462,223</u>
<u>4,568,054</u>	<u>1,048,302</u>	<u>304,779</u>	<u>296,005</u>	<u>34,077,770</u>	<u>30,462,223</u>
<u>\$4,667,743</u>	<u>\$1,136,894</u>	<u>\$3,384,910</u>	<u>\$298,761</u>	<u>\$48,317,541</u>	<u>\$38,815,790</u>

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds – Special Revenue

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Multimodal Federal and Stimulus Fund	State General Revenue and Budget Stabilization Fund	State Transportation Fund	Aviation Trust Fund	State Transportation Assistance Revolving Fund	MCS Federal Fund
Revenues						
Fuel taxes	\$ ---	\$ ---	\$ ---	\$ 197,729	\$ ---	\$ ---
Sales taxes	---	---	6,217,592	6,329,786	---	---
Licenses, fees and permits	---	---	---	---	---	---
Intergovernmental/cost reimbursements/miscellaneous	2,798,567	---	---	2,248	---	92
Investment earnings	---	---	8,491	598,503	200,594	---
State government	---	285,018,642	---	---	---	---
Federal government	66,672,402	---	---	---	---	4,183,005
Total revenues	<u>69,470,969</u>	<u>285,018,642</u>	<u>6,226,083</u>	<u>7,128,266</u>	<u>200,594</u>	<u>4,183,097</u>
Expenditures						
Current						
Safety and operations	---	---	---	---	---	4,042,720
Program delivery	---	4,882,983	---	---	---	---
Multimodal operations	69,505,732	43,937,154	5,204,051	3,968,247	368	---
Capital outlay	---	54,957,790	---	---	---	---
Total expenditures	<u>69,505,732</u>	<u>103,777,927</u>	<u>5,204,051</u>	<u>3,968,247</u>	<u>368</u>	<u>4,042,720</u>
Excess of revenues over (under) expenditures	<u>(34,763)</u>	<u>181,240,715</u>	<u>1,022,032</u>	<u>3,160,019</u>	<u>200,226</u>	<u>140,377</u>
Other Financing Sources (Uses)						
Transfers out	(98,714)	(181,240,715)	(29,022)	(127,796)	---	---
Total other financing sources (uses)	<u>(98,714)</u>	<u>(181,240,715)</u>	<u>(29,022)</u>	<u>(127,796)</u>	<u>---</u>	<u>---</u>
Net Changes in Fund Balances	(133,477)	---	993,010	3,032,223	200,226	140,377
Fund Balances, beginning of year	<u>109,897</u>	<u>---</u>	<u>5,480,686</u>	<u>13,390,382</u>	<u>4,353,935</u>	<u>293,371</u>
Fund Balances, end of year	<u>\$ (23,580)</u>	<u>\$ ---</u>	<u>\$ 6,473,696</u>	<u>\$ 16,422,605</u>	<u>\$ 4,554,161</u>	<u>\$ 433,748</u>

Grade Crossing Safety Fund	Railroad Expense Fund	Highway Safety Fund	Motorcycle Safety Fund	Total	
				2024	2023
\$ ---	\$ ---	\$ ---	\$ ---	\$ 197,729	\$ 284,087
---	---	---	---	12,547,378	13,174,822
1,288,919	1,238,849	---	201,469	2,729,237	2,650,051
---	1,749	1,617	---	2,804,273	367,890
1,889	---	---	---	809,477	15,087
---	---	---	---	285,018,642	187,182,248
---	---	<u>22,353,100</u>	---	<u>93,208,507</u>	<u>76,771,629</u>
<u>1,290,808</u>	<u>1,240,598</u>	<u>22,354,717</u>	<u>201,469</u>	<u>397,315,243</u>	<u>280,445,814</u>
---	---	22,454,476	29,712	26,526,908	24,270,151
---	---	---	---	4,882,983	3,199,884
577,546	1,210,503	---	---	124,403,601	97,399,306
<u>1,310,426</u>	---	---	---	<u>56,268,216</u>	<u>104,057,282</u>
<u>1,887,972</u>	<u>1,210,503</u>	<u>22,454,476</u>	<u>29,712</u>	<u>212,081,708</u>	<u>228,926,623</u>
<u>(597,164)</u>	<u>30,095</u>	<u>(99,759)</u>	<u>171,757</u>	<u>185,233,535</u>	<u>51,519,191</u>
---	(121,741)	---	---	(181,617,988)	(45,536,701)
---	(121,741)	---	---	(181,617,988)	(45,536,701)
(597,164)	(91,646)	(99,759)	171,757	3,615,547	5,982,490
<u>5,165,218</u>	<u>1,139,948</u>	<u>404,538</u>	<u>124,248</u>	<u>30,462,223</u>	<u>24,479,733</u>
<u>\$4,568,054</u>	<u>\$1,048,302</u>	<u>\$ 304,779</u>	<u>\$ 296,005</u>	<u>\$ 34,077,770</u>	<u>\$ 30,462,223</u>



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Combining Financial Statements Proprietary Funds

Combining Statements of Net Position

Proprietary Funds – Internal Service

June 30, 2024

With Summarized Financial Information for 2023

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2024	2023
Assets				
Current assets				
Cash and cash equivalents	\$12,556,875	\$ 9,608,996	\$ 22,165,871	\$ 23,129,448
Investments	12,195,458	23,302,405	35,497,863	18,552,974
Restricted investments	---	200,000	200,000	---
Interest receivable	82,011	332,784	414,795	316,343
Miscellaneous receivables	<u>3,825,953</u>	---	<u>3,825,953</u>	<u>3,595,676</u>
Total current assets	<u>28,660,297</u>	<u>33,444,185</u>	<u>62,104,482</u>	<u>45,594,441</u>
Noncurrent assets				
Investments	23,544,263	73,508,992	97,053,255	111,119,011
Restricted investments	---	---	---	200,000
Total noncurrent assets	<u>23,544,263</u>	<u>73,508,992</u>	<u>97,053,255</u>	<u>111,319,011</u>
Total assets	<u>52,204,560</u>	<u>106,953,177</u>	<u>159,157,737</u>	<u>156,913,452</u>
Liabilities				
Current liabilities				
Accounts payable	3,698	11,500	15,198	80,956
Unearned revenue	7,867,398	---	7,867,398	7,658,847
Pending self insurance claims	---	19,864,000	19,864,000	18,648,000
Incurred but not reported claims	<u>9,700,000</u>	<u>7,544,000</u>	<u>17,244,000</u>	<u>15,680,000</u>
Total current liabilities	<u>17,571,096</u>	<u>27,419,500</u>	<u>44,990,596</u>	<u>42,067,803</u>
Noncurrent liabilities				
Pending self insurance claims	---	48,668,083	48,668,083	39,331,155
Incurred but not reported claims	---	<u>18,484,000</u>	<u>18,484,000</u>	<u>15,567,000</u>
Total noncurrent liabilities	---	<u>67,152,083</u>	<u>67,152,083</u>	<u>54,898,155</u>
Total liabilities	<u>17,571,096</u>	<u>94,571,583</u>	<u>112,142,679</u>	<u>96,965,958</u>
Net Position				
Restricted net position	---	200,000	200,000	200,000
Unrestricted net position	<u>34,633,464</u>	<u>12,181,594</u>	<u>46,815,058</u>	<u>59,747,494</u>
Total net position	<u>\$34,633,464</u>	<u>\$ 12,381,594</u>	<u>\$ 47,015,058</u>	<u>\$ 59,947,494</u>

Combining Statements of Revenues, Expenses and Changes in Net Position

Proprietary Funds – Internal Service

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2024	2023
Operating Revenues				
Self insurance premiums				
Highway workers' compensation	\$ ---	\$ 9,000,000	\$ 9,000,000	\$ 8,500,000
Highway patrol workers' compensation	---	3,000,000	3,000,000	2,400,000
Highway fleet vehicle liability	---	3,000,000	3,000,000	2,500,000
Highway general liability	---	4,000,000	4,000,000	4,000,000
Medical insurance premiums				
State	95,566,359	---	95,566,359	88,233,807
Member	34,834,442	---	34,834,442	40,412,084
Other	<u>6,565,193</u>	<u>740,898</u>	<u>7,306,091</u>	<u>12,328,296</u>
Total operating revenues	<u>136,965,994</u>	<u>19,740,898</u>	<u>156,706,892</u>	<u>158,374,187</u>
Operating Expenses				
Self insurance programs				
Highway workers' compensation	---	5,988,988	5,988,988	5,327,022
Highway patrol workers' compensation	---	3,031,185	3,031,185	1,590,965
Highway fleet vehicle liability	---	2,019,894	2,019,894	2,719,524
Highway general liability	---	18,981,767	18,981,767	11,622,826
Other	---	1,045,730	1,045,730	1,179,351
Medical and life insurance program				
Insurance premiums	7,879,493	---	7,879,493	7,575,247
Medical benefits	99,125,199	---	99,125,199	94,885,256
Prescription drug benefits	30,684,893	---	30,684,893	36,217,628
Professional fees	648,677	---	648,677	825,205
Administrative services	<u>8,455,987</u>	<u>---</u>	<u>8,455,987</u>	<u>8,167,998</u>
Total operating expenses	<u>146,794,249</u>	<u>31,067,564</u>	<u>177,861,813</u>	<u>170,111,022</u>
Operating income (loss)	<u>(9,828,255)</u>	<u>(11,326,666)</u>	<u>(21,154,921)</u>	<u>(11,736,835)</u>
Nonoperating Revenues				
Net appreciation and investment income	<u>2,637,056</u>	<u>5,585,429</u>	<u>8,222,485</u>	<u>490,159</u>
Total nonoperating revenues	<u>2,637,056</u>	<u>5,585,429</u>	<u>8,222,485</u>	<u>490,159</u>
Changes in Net Position	(7,191,199)	(5,741,237)	(12,932,436)	(11,246,676)
Net Position, beginning of year	<u>41,824,663</u>	<u>18,122,831</u>	<u>59,947,494</u>	<u>71,194,170</u>
Net Position, end of year	<u>\$ 34,633,464</u>	<u>\$ 12,381,594</u>	<u>\$ 47,015,058</u>	<u>\$ 59,947,494</u>

Combining Statements of Cash Flows

Proprietary Funds – Internal Service

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2024	2023
Cash Flows From Operating Activities				
Receipts from interfund services provided	\$ 136,735,717	\$ 19,740,898	\$ 156,476,615	\$ 157,154,448
Payments for interfund services used	(136,081,034)	(16,387,906)	(152,468,940)	(163,409,800)
Payments to suppliers	<u>(9,158,923)</u>	<u>(1,057,230)</u>	<u>(10,216,153)</u>	<u>(10,216,054)</u>
Net cash provided by (used in) operating activities	<u>(8,504,240)</u>	<u>2,295,762</u>	<u>(6,208,478)</u>	<u>(16,471,406)</u>
Cash Flows From Investing Activities				
Proceeds from sale and maturities of investments	9,329,288	23,347,647	32,676,935	34,824,873
Purchases of investments	(701,983)	(30,403,268)	(31,105,251)	(15,295,070)
Interest received	1,245,219	2,550,923	3,796,142	3,112,710
Investment fees	<u>(37,764)</u>	<u>(85,161)</u>	<u>(122,925)</u>	<u>(134,729)</u>
Net cash provided by (used in) investing activities	<u>9,834,760</u>	<u>(4,589,859)</u>	<u>5,244,901</u>	<u>22,507,784</u>
Net increase (decrease) in cash and cash equivalents	1,330,520	(2,294,097)	(963,577)	6,036,378
Cash and Cash Equivalents, beginning of year	<u>11,226,355</u>	<u>11,903,093</u>	<u>23,129,448</u>	<u>17,093,070</u>
Cash and Cash Equivalents, end of year	<u>\$ 12,556,875</u>	<u>\$ 9,608,996</u>	<u>\$ 22,165,871</u>	<u>\$ 23,129,448</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (9,828,255)	\$(11,326,666)	\$ (21,154,921)	\$ (11,736,835)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Receivables	(230,278)	---	(230,278)	(1,219,739)
Accounts and claims payable	1,345,742	13,622,428	14,968,170	(2,144,771)
Unearned revenue	<u>208,551</u>	<u>---</u>	<u>208,551</u>	<u>(1,370,061)</u>
Net cash provided by (used in) operating activities	<u>\$ (8,504,240)</u>	<u>\$ 2,295,762</u>	<u>\$ (6,208,478)</u>	<u>\$ (16,471,406)</u>
Noncash Items Impacting Recorded Assets				
Increase (decrease) in fair value of investments	<u>\$ 1,456,143</u>	<u>\$ 2,994,673</u>	<u>\$ 4,450,816</u>	<u>\$ (2,494,816)</u>

Budgetary Comparison
Schedules and
Reconciliations
Debt Service and Nonmajor
Governmental Funds

Budgetary Comparison Schedule and Reconciliation

Debt Service – State Road Bond Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$154,976,028	\$154,976,028	\$ ---	\$ ---
Resources (inflows)				
Vehicle sales taxes	214,899,364	228,684,867	13,785,503	12,982,482
Interest	1,645,677	6,425,818	4,780,141	289,784
Incidentals	<u>10,022,783</u>	---	<u>(10,022,783)</u>	---
Amount available for appropriation	<u>381,543,852</u>	<u>390,086,713</u>	<u>8,542,861</u>	<u>13,272,266</u>
Charges to appropriations (outflows)				
Bond principal and interest payments	<u>258,159,881</u>	<u>258,067,958</u>	<u>91,923</u>	<u>42,178,416</u>
Total charges to appropriations	<u>258,159,881</u>	<u>258,067,958</u>	<u>91,923</u>	<u>42,178,416</u>
Budgetary fund balance, end of year	<u>\$123,383,971</u>	<u>\$132,018,755</u>	<u>\$ 8,634,784</u>	<u>\$55,450,682</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$132,018,755
Receivables	26,123,173
Unavailable revenues	(212,730)
Change in fair value of investments	<u>(4,041,506)</u>
GAAP basis fund balance, end of year	<u>\$153,887,692</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – Multimodal Federal and Stimulus Funds and ARPA

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$ 1,853,410	\$ 1,853,410	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost reimbursement/miscellaneous	---	3,057,699	3,057,699	714,002
Federal government	<u>209,820,309</u>	<u>65,811,624</u>	<u>(144,008,685)</u>	<u>(157,563,763)</u>
Amount available for appropriation	<u>211,673,719</u>	<u>70,722,733</u>	<u>(140,950,986)</u>	<u>(156,849,761)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	642,455	483,962	158,493	26,334
Fringe benefits				
Retirement and long-term disability	372,820	275,080	97,740	21,736
Medical and life insurance	94,817	84,303	10,514	147
Other fringe benefits	136,473	35,261	101,212	6,300
Expense and equipment	442,402	167,049	275,353	320,639
Program	<u>209,820,309</u>	<u>67,936,970</u>	<u>141,883,339</u>	<u>157,518,841</u>
Total charges to appropriations	<u>211,509,276</u>	<u>68,982,625</u>	<u>142,526,651</u>	<u>157,893,997</u>
Budgetary fund balance, end of year	\$ <u>164,443</u>	\$ <u>1,740,108</u>	\$ <u>1,575,665</u>	\$ <u>1,044,236</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$ 1,740,108
Receivables	1,655,241
Payables	(1,622,091)
Unearned revenues	(1,731,688)
Deferred revenues	(32,000)
Due to other funds	<u>(33,150)</u>
GAAP basis fund balance, end of year	\$ <u>(23,580)</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – State General Revenue and Budget Stabilization Funds

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$ ---	\$ ---	\$ ---	\$ ---
Resources (inflows)				
State government	<u>260,286,577</u>	<u>99,629,325</u>	<u>(160,657,252)</u>	<u>(121,826,479)</u>
Amount available for appropriation	<u>260,286,577</u>	<u>99,629,325</u>	<u>(160,657,252)</u>	<u>(121,826,479)</u>
Charges to appropriations (outflows)				
Safety and operations Program	----	----	---	---
Multimodal operations Program	128,646,203	43,951,980	84,694,223	27,707,235
Program delivery Program	<u>131,640,374</u>	<u>55,677,345</u>	<u>75,963,029</u>	<u>94,119,244</u>
Total charges to appropriations	<u>260,286,577</u>	<u>99,629,325</u>	<u>160,657,252</u>	<u>121,826,479</u>
Budgetary fund balance, end of year	\$ <u>---</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>---</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$ ---
Receivables	6,752,232
Payables	<u>(6,752,232)</u>
GAAP basis fund balance, end of year	\$ <u>---</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental - State Transportation Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$ 4,954,718	\$ 4,954,718	\$ ---	\$ ---
Resources (inflows)				
Sales taxes	6,099,000	6,098,248	(752)	357,169
Interest	1	8,491	8,490	(111,286)
Intergovernmental/cost reimbursement/ miscellaneous	1	---	(1)	(1,733)
Amount available for appropriation	<u>11,053,720</u>	<u>11,061,457</u>	<u>7,737</u>	<u>244,150</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	198,601	165,467	33,134	13,136
Fringe benefits				
Retirement and long-term disability	115,278	93,851	21,427	4,918
Medical and life insurance	27,234	29,267	(2,033)	631
Other fringe benefits	22,536	13,573	8,963	2,039
Expense and equipment	137,047	51,370	85,677	39,943
Program	<u>7,186,844</u>	<u>4,880,133</u>	<u>2,306,711</u>	<u>59,876</u>
Total charges to appropriations	<u>7,687,540</u>	<u>5,233,661</u>	<u>2,453,879</u>	<u>120,543</u>
Budgetary fund balance, end of year	<u>\$ 3,366,180</u>	<u>\$ 5,827,796</u>	<u>\$2,461,616</u>	<u>\$ 364,693</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$5,827,796
Receivables	666,423
Payables	(12,496)
Due to other funds	<u>(8,027)</u>
GAAP basis fund balance, end of year	<u>\$6,473,696</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental - Aviation Trust Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$13,555,987	\$13,555,987	\$ ---	\$ ---
Resources (inflows)				
Fuel taxes	259,000	198,271	(60,729)	29,108
Sales taxes	6,683,000	6,106,147	(576,853)	1,159,514
Interest	393,000	425,129	32,129	71,391
Intergovernmental/cost				
Reimbursements/miscellaneous	6,000	2,248	(3,752)	(19,811)
Federal government	---	---	---	(4,729)
Amount available for appropriation	<u>20,896,987</u>	<u>20,287,782</u>	<u>(609,205)</u>	<u>1,235,473</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	619,994	581,222	38,772	36,106
Fringe benefits				
Retirement and Long-Term	359,878	332,895	26,983	41,359
Disability				
Medical and Life Insurance	91,365	68,534	22,831	28,568
Other Fringe Benefits	77,677	48,328	29,349	14,971
Expense and equipment	281,341	253,946	27,395	56,919
Program	10,000,000	2,800,343	7,199,657	8,997,014
Total charges to appropriations	<u>11,430,255</u>	<u>4,085,268</u>	<u>7,344,987</u>	<u>9,174,937</u>
Budgetary fund balance, end of year	<u>\$ 9,466,732</u>	<u>\$16,202,514</u>	<u>\$6,735,782</u>	<u>\$10,410,410</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$16,202,514
Receivables	710,299
Payables	(56,009)
Due to other funds	(33,968)
Change in fair value of investments	<u>(400,231)</u>
GAAP basis fund balance, end of year	<u>\$16,422,605</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – State Transportation Assistance Revolving Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$4,080,678	\$4,080,678	\$ ---	\$ ---
Resources (inflows)				
Interest	9,000	140,725	131,725	24,826
License, Fees, and Permits	116,000	---	(116,000)	
Intergovernmental/cost reimbursements/miscellaneous	---	115,542	115,542	1,228
Amount available for appropriation	<u>4,205,678</u>	<u>4,336,945</u>	<u>131,267</u>	<u>26,054</u>
Charges to appropriations (outflows)				
Multimodal operations				
Expense and equipment	369	369	---	124
Program	1,000,000	---	1,000,000	1,000,000
Total charges to appropriations	<u>1,000,369</u>	<u>369</u>	<u>1,000,000</u>	<u>1,000,124</u>
Budgetary fund balance, end of year	<u>\$3,205,309</u>	<u>\$4,336,576</u>	<u>\$1,131,267</u>	<u>\$1,026,178</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$4,336,576
Receivables	324,706
Change in fair value of investments	<u>(107,121)</u>
GAAP basis fund balance, end of year	<u>\$4,554,161</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – MCS Federal Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$ 293,371	\$ 293,371	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost				
reimbursements/miscellaneous	---	92	92	48
Federal government	<u>5,500,691</u>	<u>3,904,747</u>	<u>(1,595,944)</u>	<u>(2,342,902)</u>
Amount available for appropriation	<u>5,794,062</u>	<u>4,198,210</u>	<u>(1,595,852)</u>	<u>(2,342,854)</u>
Charges to appropriations (outflows)				
Safety and Operations				
Program	<u>5,500,691</u>	<u>3,764,462</u>	<u>1,736,229</u>	<u>2,518,630</u>
Total charges to appropriations	<u>5,500,691</u>	<u>3,764,462</u>	<u>1,736,229</u>	<u>2,518,630</u>
Budgetary fund balance, end of year	<u>\$ 293,371</u>	<u>\$ 433,748</u>	<u>\$ 140,377</u>	<u>\$ 175,776</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$433,748
Receivables	686,942
Payables	<u>(686,942)</u>
GAAP basis fund balance, end of year	<u>\$433,748</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – Grade Crossing Safety Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$5,069,656	\$5,069,656	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	1,380,000	1,306,056	(73,944)	27,564
Intergovernmental/cost reimbursements/miscellaneous Interest	---	---	---	(1,000)
Interest	---	1,889	1,889	(54,367)
Amount available for appropriations	<u>6,449,656</u>	<u>6,377,601</u>	<u>(72,055)</u>	<u>(27,803)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Expense and equipment	21,156	21,156	---	4,835
Program	3,000,000	1,795,222	1,204,778	2,664,659
Total charges to appropriations	<u>3,021,156</u>	<u>1,816,378</u>	<u>1,204,778</u>	<u>2,669,494</u>
Budgetary fund balance, end of year	<u>\$3,428,500</u>	<u>\$4,561,223</u>	<u>\$1,132,723</u>	<u>\$2,641,691</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$4,561,223
Receivables	106,520
Payables	(99,689)
GAAP basis fund balance, end of year	<u>\$4,568,054</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – Railroad Expense Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$1,204,617	\$1,204,617	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	1,220,000	1,238,848	18,848	(703)
Intergovernmental/cost reimbursements/miscellaneous	---	1,749	1,749	(18,743)
Amount available for appropriation	<u>2,424,617</u>	<u>2,445,214</u>	<u>20,597</u>	<u>(19,446)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	722,468	585,876	136,592	97,866
Fringe benefits				
Retirement and Long-Term Disability	419,295	325,067	94,228	64,370
Medical and Life Insurance	111,304	94,442	16,862	19,958
Other Fringe Benefits	120,168	51,874	68,294	10,125
Expense and equipment	874,485	253,061	621,424	660,892
Total charges to appropriations	<u>2,247,720</u>	<u>1,310,320</u>	<u>937,400</u>	<u>853,211</u>
Budgetary fund balance, end of year	<u>\$ 176,897</u>	<u>\$1,134,894</u>	<u>\$957,997</u>	<u>\$833,765</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$1,134,894
Receivables	2,000
Payables	(52,732)
Due to other funds	(35,860)
GAAP basis fund balance, end of year	<u>\$1,048,302</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – Highway Safety Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$ 396,341	\$ 396,341	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost reimbursements/miscellaneous	---	1,617	1,617	3,945
Federal government	<u>22,960,744</u>	<u>21,913,886</u>	<u>(1,046,858)</u>	<u>(2,122,509)</u>
Amount available for appropriation	<u>23,357,085</u>	<u>22,311,844</u>	<u>(1,045,241)</u>	<u>(2,118,564)</u>
Charges to appropriations (outflows)				
Safety and Operations				
Personal service	493,356	447,881	45,475	32,719
Fringe benefits				
Retirement and Long-Term Disability	286,376	241,981	44,395	37,418
Medical and Life Insurance	64,009	57,531	6,478	4,478
Other Fringe Benefits	53,838	36,334	17,504	3,954
Expense and equipment Program	62,582	19,146	43,436	36,254
Total charges to appropriations	<u>22,000,583</u>	<u>21,211,669</u>	<u>788,194</u>	<u>1,876,198</u>
	<u>22,960,744</u>	<u>22,014,542</u>	<u>945,482</u>	<u>1,991,021</u>
Budgetary fund balance, end of year	\$ <u>396,341</u>	\$ <u>297,302</u>	\$ <u>(99,759)</u>	\$ <u>(127,543)</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

Reconciliation to GAAP	Actual 2024
Budgetary fund balance, end of year	\$ 297,302
Receivables	3,087,608
Payables	<u>(3,080,131)</u>
GAAP basis fund balance, end of year	\$ <u>304,779</u>

Budgetary Comparison Schedule and Reconciliation

Nonmajor Governmental – Motorcycle Safety Fund

Year Ended June 30, 2024

With Summarized Financial Information for 2023

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2024	2023
Budgetary fund balance, beginning of year	\$124,248	\$124,248	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	<u>199,183</u>	<u>201,469</u>	<u>2,286</u>	<u>(8,758)</u>
Amount available for appropriation	<u>323,431</u>	<u>325,717</u>	<u>2,286</u>	<u>(8,758)</u>
Charges to appropriations (outflows)				
Safety and operations				
Expense and equipment	3,157	3,156	1	591
Program	<u>250,000</u>	<u>23,800</u>	<u>226,200</u>	<u>15,560</u>
Total charges to appropriations	<u>253,157</u>	<u>26,956</u>	<u>226,201</u>	<u>16,151</u>
Budgetary fund balance, end of year	<u>\$ 70,274</u>	<u>\$298,761</u>	<u>\$228,487</u>	<u>\$ 7,393</u>

The following reconciliation is the difference between the state's budgetary basis and accounting principles generally accepted in the United States of America (GAAP) basis:

	Actual 2024
Reconciliation to GAAP	
Budgetary fund balance, end of year	\$298,761
Payables	<u>(2,756)</u>
GAAP basis fund balance, end of year	<u>\$296,005</u>

Statistical Section



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Index and Overview Statistical Section

Financial Trends

These schedules are intended to assist in understanding and assessing the Department's financial performance over time.

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Sources:

Unless otherwise stated, information in the following tables is derived from the Missouri Department of Transportation (MoDOT) annual financial reports for the years shown.

Note:

The objective of this statistical section is to provide users with historical perspective by presenting information for multiple years. Schedules originate with the year that the Department began tracking the information, the tracking process or data collection system changed, or it became administratively feasible to report retroactively.



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Financial Trends

Net Position – Government-wide

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
2024	\$32,758,871	\$363,721	\$ ---	\$33,122,592
2023	31,372,178	204,099	---	31,576,277
2022	30,695,167	300	(232,088)	30,463,379
2021	30,081,129	300	(239,694)	29,841,735
2020	29,429,629	300	(540,436)	28,889,493
2019	29,025,481	300	(833,571)	28,192,210
2018	28,532,242	300	(854,851)	27,677,691
2017	28,001,891	300	(489,615)	27,512,576
2016	27,470,765	300	(424,498)	27,046,567
2015	27,079,459	300	(475,196)	26,604,563

Notes:

Amounts for 2015 include restatement of beginning balances due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, and to correct errors related to infrastructure in progress, infrastructure and infrastructure depreciation.

Amounts for fiscal years 2015, 2016, 2017 and 2018 were restated to correct errors related to infrastructure in progress, infrastructure and depreciation.

Amounts for fiscal year 2018 beginning balances were restated due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Amounts for fiscal year 2019 were restated due to the implementation of GASB 84, *Fiduciary Activities*.

Amounts for fiscal year 2020 were restated for prior period adjustments.

Amounts for fiscal years 2021 and 2023 were restated for an error correction.

Amounts for fiscal year 2022 were restated for an error correction and the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

Financial Trends

Changes in Net Position – Government-wide

Years Ended June 30

(Amounts in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Transportation Program Expenses				
Administration	\$ 8,968	\$ 7,331	\$ 4,067	\$ 1,233
Fleet, facilities and information systems	35,424	36,799	33,841	33,026
Safety and operations	430,464	415,080	385,360	339,587
Program delivery	269,204	212,015	178,212	176,679
Multimodal operations	123,915	96,989	101,258	95,340
Interest	62,106	55,940	55,724	62,545
Other state agencies	301,565	263,773	236,367	187,985
Self insurance	31,068	22,440	23,105	28,141
Medical and life insurance	146,794	147,671	157,386	149,675
Pension obligations	110,690	77,631	81,681	128,335
Other postemployment benefit obligations	(58,116)	(1,673)	33,608	35,597
Depreciation	<u>661,020</u>	<u>646,499</u>	<u>620,939</u>	<u>592,143</u>
Total transportation program expenses	<u>2,123,102</u>	<u>1,980,495</u>	<u>1,911,548</u>	<u>1,830,286</u>
Transportation Program Revenues				
Charges for services				
Licenses, fees and permits	332,185	346,392	342,710	345,691
Member insurance premiums	136,077	141,694	96,270	58,837
Other	<u>35,190</u>	<u>40,423</u>	<u>46,942</u>	<u>47,263</u>
Total charges for services	503,452	528,509	485,922	451,791
Federal government				
American Recovery and Reinvestment Act	9,654	10,614	11,529	11,860
Operating	93,241	76,640	86,454	91,643
Capital	<u>1,420,420</u>	<u>1,160,414</u>	<u>931,556</u>	<u>1,252,881</u>
Total federal government	<u>1,523,315</u>	<u>1,247,668</u>	<u>1,029,539</u>	<u>1,356,384</u>
Total transportation program revenues	<u>2,026,767</u>	<u>1,776,177</u>	<u>1,515,461</u>	<u>1,808,175</u>
Net expense of transportation program	<u>(96,335)</u>	<u>(204,318)</u>	<u>(396,087)</u>	<u>(22,111)</u>
General Revenues				
Fuel taxes	737,886	658,470	584,824	504,371
Sales and use taxes	474,948	457,119	414,472	443,561
Unrestricted investment earnings	105,929	8,160	(60,538)	800
State appropriations	309,159	187,182	73,633	57,914
Donated assets	23,459	10,944	9,507	---
Gain (loss) on lease modification	---	1	---	---
Gain (loss) on sale of capital assets	<u>(8,731)</u>	<u>(4,660)</u>	<u>(3,281)</u>	<u>(4,457)</u>
Total general revenues	<u>1,642,650</u>	<u>1,317,216</u>	<u>1,018,617</u>	<u>1,002,189</u>
Changes in Net Position	<u>\$1,546,315</u>	<u>\$1,112,898</u>	<u>\$ 622,530</u>	<u>\$ 980,078</u>

Notes:

Government-wide financial statements are prepared on a full accrual basis and include transactions related to capital assets and long-term obligations. These statements also include the effects of eliminating off-setting revenues and expenses related to the Department's internal service funds.

Amounts for 2015, 2017 and 2018 include restatements to correct errors related to infrastructure in progress, infrastructure and infrastructure depreciation.

Amounts for fiscal year 2018 beginning balances were restated due to the implementation of GASB 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*.

Amounts for fiscal year 2019 were restated due to the implementation of GASB 84, *Fiduciary Activities*.

Amounts for fiscal year 2020 were restated for prior period adjustments.

Amounts for fiscal years 2021 and 2023 were restated for an error correction.

Amounts for fiscal year 2022 were restated for an error correction and the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 11,241	\$ 14,133	\$ 8,890	\$ 24,255	\$ 25,374	\$ 24,672
31,036	33,329	30,820	28,961	18,088	29,865
360,106	356,189	362,107	345,807	328,987	329,098
184,358	196,633	229,248	210,252	258,846	274,462
85,832	92,945	86,224	100,952	93,500	84,259
66,973	75,581	82,922	93,643	104,190	112,690
212,480	228,881	224,811	234,614	225,148	226,370
13,155	12,456	21,315	9,671	21,604	21,376
140,749	134,871	143,637	123,668	111,561	106,453
107,973	85,991	76,746	87,675	78,196	91,858
19,104	28,669	38,289	43,615	44,005	50,179
<u>568,021</u>	<u>545,753</u>	<u>520,620</u>	<u>498,595</u>	<u>474,320</u>	<u>454,219</u>
<u>1,801,028</u>	<u>1,805,431</u>	<u>1,825,629</u>	<u>1,801,708</u>	<u>1,783,819</u>	<u>1,805,501</u>
322,385	324,714	314,074	304,982	310,073	290,319
47,366	47,665	47,072	44,803	41,989	39,870
<u>100,453</u>	<u>61,638</u>	<u>87,171</u>	<u>74,825</u>	<u>68,200</u>	<u>55,454</u>
470,204	434,017	448,317	424,610	420,262	385,643
12,142	12,379	12,617	19,450	18,160	14,628
73,685	80,079	69,465	78,484	77,468	82,521
<u>973,625</u>	<u>873,877</u>	<u>949,145</u>	<u>847,191</u>	<u>826,329</u>	<u>763,952</u>
<u>1,059,452</u>	<u>966,335</u>	<u>1,031,227</u>	<u>945,125</u>	<u>921,957</u>	<u>861,101</u>
<u>1,529,656</u>	<u>1,400,352</u>	<u>1,479,544</u>	<u>1,369,735</u>	<u>1,342,219</u>	<u>1,246,744</u>
<u>(271,372)</u>	<u>(405,079)</u>	<u>(346,085)</u>	<u>(431,973)</u>	<u>(441,600)</u>	<u>(558,757)</u>
497,662	512,454	521,273	512,713	517,366	493,076
376,818	363,664	378,765	363,279	350,372	335,420
25,787	30,468	8,662	3,854	9,101	10,569
67,116	19,494	13,912	22,136	14,216	15,010
---	---	---	---	---	---
---	---	---	---	---	---
<u>1,272</u>	<u>(14,519)</u>	<u>(11,675)</u>	<u>(13,028)</u>	<u>(7,451)</u>	<u>(15,212)</u>
<u>968,655</u>	<u>911,561</u>	<u>910,937</u>	<u>888,954</u>	<u>883,604</u>	<u>838,863</u>
\$ <u>697,283</u>	\$ <u>506,482</u>	\$ <u>564,852</u>	\$ <u>456,981</u>	\$ <u>442,004</u>	\$ <u>280,106</u>

Financial Trends

Changes in Fund Balances – Governmental Funds

Years Ended June 30

(Amounts in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues				
Fuel taxes	\$ 737,886	\$ 658,470	\$ 584,824	\$ 504,371
Sales and use taxes	474,947	457,119	414,472	443,561
Licenses, fees and permits	332,185	346,393	342,709	345,870
Intergovernmental/cost reimbursements/miscellaneous	113,808	135,502	73,024	49,789
Investment earnings	97,715	7,681	(52,687)	488
American Recovery and Reinvestment Act	9,654	10,614	11,529	11,860
State government	309,159	187,182	73,633	57,914
Federal government	<u>1,516,853</u>	<u>1,231,862</u>	<u>1,017,643</u>	<u>1,345,263</u>
Total revenues	<u>3,592,207</u>	<u>3,034,823</u>	<u>2,465,147</u>	<u>2,759,116</u>
Expenditures				
Administration	60,870	55,044	52,105	49,571
Fleet, facilities and information systems	48,052	48,067	44,408	42,638
Safety and operations	557,579	529,110	496,561	448,624
Program delivery	333,075	270,202	231,823	231,324
Multimodal operations	125,766	98,388	102,670	96,584
Capital outlay	1,733,597	1,575,036	1,091,190	1,019,631
Debt service - principal	373,665	240,132	236,379	215,475
Debt service - interest	92,227	65,936	74,235	85,485
Other state agencies	<u>335,094</u>	<u>294,393</u>	<u>267,219</u>	<u>219,126</u>
Total expenditures	<u>3,659,925</u>	<u>3,176,308</u>	<u>2,596,590</u>	<u>2,408,458</u>
Excess of revenues over (under) expenditures	(67,718)	(141,485)	(131,443)	350,658
Other Financing Sources (Uses)				
Notes issued	25,304	24,396	8,834	136
Bonds issued	381,610	453,005	88,955	---
Refunding bonds issued	---	---	---	---
Refunding bonds escrow payment	---	---	---	---
Premium on bonds	9,289	47,643	11,439	---
Leases	1,023	4,320	632	---
SBITA	5,681	---	---	---
Capital asset sales	5,977	7,209	4,560	4,397
Transfers in	793,183	673,324	547,656	525,674
Transfers out	<u>(793,183)</u>	<u>(673,324)</u>	<u>(547,656)</u>	<u>(525,674)</u>
Total other financing sources (uses)	<u>428,884</u>	<u>536,573</u>	<u>114,420</u>	<u>4,533</u>
Net Changes in Fund Balances	\$ <u>361,166</u>	\$ <u>395,088</u>	\$ <u>(17,023)</u>	\$ <u>355,191</u>
Debt service as a percentage of noncapital expenditures	24%	19%	21%	22%
Debt service as a percentage of total revenues	13%	10%	13%	11%

Notes:

Governmental fund financial statements are prepared on a modified accrual basis to report changes in net current financial resources. These statements differ from cash-based budget reports primarily because revenues are recognized if they are collected within 60 days of the end of the fiscal year and expenditures are recorded when the related liability is incurred, except that certain long-term obligations are recognized to the extent they have matured.

Amounts for 2015 include restatements of capital outlay and construction expenses related to adjustments made to infrastructure.

Amounts for fiscal year 2019 were restated due to the implementation of GASB 84, *Fiduciary Activities*.

Amounts for fiscal year 2020 were restated for prior period adjustments.

Amounts for fiscal year 2021 were restated for an error correction.

Amounts for fiscal year 2022 were restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 497,661	\$ 512,454	\$ 521,273	\$ 512,714	\$ 517,366	\$ 493,076
376,818	363,664	378,765	363,279	350,372	335,420
322,245	324,714	314,073	305,001	310,073	290,319
96,374	53,711	77,023	63,372	67,565	51,017
20,422	24,220	8,553	3,565	6,359	8,655
12,142	12,379	12,617	19,449	18,160	14,758
67,116	19,494	13,912	22,136	14,216	15,010
<u>1,045,115</u>	<u>959,101</u>	<u>1,019,594</u>	<u>923,970</u>	<u>907,421</u>	<u>841,855</u>
<u>2,437,893</u>	<u>2,269,737</u>	<u>2,345,810</u>	<u>2,213,486</u>	<u>2,191,532</u>	<u>2,050,110</u>
57,742	61,251	55,773	50,824	51,365	50,713
40,578	43,428	40,278	38,272	38,744	38,980
478,519	470,912	474,914	456,464	435,964	434,328
240,407	254,929	283,592	278,781	296,946	327,776
87,018	94,183	87,452	102,144	94,647	85,363
1,003,221	835,059	854,871	711,180	690,878	714,888
169,244	209,355	200,237	308,650	175,103	188,913
82,414	92,870	102,274	117,312	125,274	128,536
<u>243,641</u>	<u>260,140</u>	<u>255,141</u>	<u>262,666</u>	<u>251,143</u>	<u>251,408</u>
<u>2,402,784</u>	<u>2,322,127</u>	<u>2,354,532</u>	<u>2,326,293</u>	<u>2,160,064</u>	<u>2,220,905</u>
35,109	(52,390)	(8,722)	(112,807)	31,468	(170,795)
---	---	---	---	---	3,619
178,370	---	---	---	---	---
---	102,705	---	---	---	---
23,143	(111,483)	---	---	---	---
---	9,148	---	---	---	---
---	---	---	17	114	18
---	---	---	---	---	---
18,705	5,307	9,089	5,442	11,889	5,422
532,562	487,872	461,293	459,141	460,974	460,003
<u>(532,562)</u>	<u>(487,872)</u>	<u>(461,293)</u>	<u>(459,141)</u>	<u>(460,974)</u>	<u>(460,003)</u>
<u>220,218</u>	<u>5,677</u>	<u>9,089</u>	<u>5,459</u>	<u>12,003</u>	<u>9,059</u>
\$ <u>255,327</u>	\$ <u>(46,713)</u>	\$ <u>367</u>	\$ <u>(107,348)</u>	\$ <u>43,471</u>	\$ <u>(161,736)</u>
18%	20%	20%	26%	20%	21%
10%	13%	13%	19%	14%	15%

Financial Trends

Fund Balances – Governmental Funds

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Nonspendable*</u>	<u>Restricted - Highways and Transportation</u>	<u>Unassigned</u>	<u>Total</u>
2024	\$55,335	\$2,134,197	\$ (32)	\$2,189,500
2023	52,368	1,775,966	---	1,828,334
2022	48,261	1,386,273	(1,288)	1,433,246
2021	41,855	1,409,272	(1,511)	1,449,616
2020	36,172	1,087,154	(1,064)	1,122,262
2019	32,866	834,747	(678)	866,935
2018	33,738	872,201	(328)	905,611
2017	38,790	866,455	---	905,245
2016	39,614	972,979	---	1,012,593
2015	37,574	931,548	---	969,122

Notes:

*The nonspendable fund balance represents prepaid assets and inventories held.

Amounts for fiscal year 2019 were restated due to the implementation of GASB 84, *Fiduciary Activities*.

Amounts for fiscal year 2020 were restated for prior period adjustments.

Amounts for fiscal year 2021 were restated for an error correction.

Amounts for fiscal year 2022 were restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

Financial Trends

Expenditures of Federal Awards

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Roads and Bridges</u>	<u>Multimodal</u>	<u>Motor Carriers</u>	<u>Highway Safety</u>	<u>Total</u>
2023	\$1,156,305	\$65,279	\$12,839	\$20,137	\$1,254,560
2022	926,876	68,080	9,107	17,219	1,021,282
2021	1,249,086	64,476	---	15,083	1,328,645
2020	971,961	54,943	5,055	16,221	1,048,180
2019	871,910	58,154	4,226	15,740	950,030
2018	946,350	59,464	4,688	13,713	1,024,215
2017	844,971	61,564	4,627	16,782	927,944
2016	823,800	63,301	4,157	17,170	908,428
2015	761,537	56,670	3,828	35,039	857,074
2014	843,571	65,095	3,374	31,199	943,239

Source:

MoDOT Schedule of Expenditures of Federal Awards prepared for inclusion in the State Auditor's single audit report for the state of Missouri

Notes:

Expenditures include State Emergency Management Agency amounts.

Fiscal year 2024 data is not yet available.

Revenue Capacity Revenue Base – State Motor Fuel Taxes

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Gallons</u>	<u>Net State Receipts</u>	<u>Distribution</u>		
			<u>Cities</u>	<u>Counties</u>	<u>MoDOT</u>
2024	\$4,150,229	\$1,001,690	\$150,310	\$127,329	\$724,051
2023	4,163,617	941,753	137,900	114,657	689,196
2022	4,219,292	733,673	113,963	91,253	528,457
2021	3,975,135	673,206	101,456	79,577	492,173
2020	4,078,058	692,372	104,067	81,617	506,688
2019	4,161,176	706,383	106,010	83,142	517,231
2018	4,145,912	705,833	105,364	82,637	517,832
2017	4,129,221	699,355	105,590	82,815	510,950
2016	4,107,558	697,580	104,130	81,663	511,787
2015	4,009,046	680,045	103,909	81,487	494,649

Source:

MoDOT Financial Services Division

Notes:

Amounts are provided on a cash basis.

Dollar amounts are shown net of motor fuel tax refunds.

Revenue Capacity

Revenue Rates – State Motor Fuel Taxes

Years Ended June 30

(Cents per Gallon)

<u>Year</u>	<u>Total Fuel Tax Rate</u>	<u>Local Governments</u>	<u>MoDOT</u>
2024	24.50	6.80	17.70
2023	22.00	6.05	15.95
2022	19.50	5.30	14.20
2021	17.00	4.55	12.45
2020	17.00	4.55	12.45
2019	17.00	4.55	12.45
2018	17.00	4.55	12.45
2017	17.00	4.55	12.45
2016	17.00	4.55	12.45
2015	17.00	4.55	12.45

Source:

MoDOT Financial Services Division

Note:

The 2021 enactment of Senate Bill 262 increases the state motor fuel tax beginning with 2.5 cents in October 2021 and increases by 2.5 cents on July 1 each year until reaching an additional 12.5 cents per gallon on July 1, 2025. When fully implemented, Missouri's state gas tax will be 29.5 cents.

Revenue Capacity

Principal Revenue Suppliers – State Motor Fuel Taxes

Year Ended June 30

(Amounts in Thousands)

	<u>2024</u>	<u>2015</u>
Gallons from top ten suppliers	3,893,903	3,464,260
Net revenue from top ten suppliers	\$ 876,128	\$ 588,924
Net revenue from all suppliers	\$1,001,690	\$ 680,045
Percentage from top ten suppliers	87%	87%

Sources:

Net revenue from top ten suppliers: Missouri Department of Revenue

Net revenue from all suppliers: MoDOT Financial Services Division

Remainder of information is extrapolated

Notes:

Top ten supplier information is released by the Department of Revenue only in the aggregate. Information on individual suppliers is not available. There were 114 total suppliers in fiscal year 2024.



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Debt Capacity Ratios of Outstanding Debt

Years Ended June 30

(Amounts in Thousands Except Per Capita)

<u>Year</u>	<u>Debt Outstanding at June 30</u>				
	<u>Road Bonds</u>	<u>Notes Issued</u>	<u>Leases</u>	<u>Subscriptions</u>	<u>Total</u>
2024	\$1,506,100	\$40,727	\$29,186	\$3,790	\$1,579,803
2023	1,483,270	26,896	29,688	---	1,539,854
2022	1,265,170	6,334	26,783	---	1,298,287
2021	1,408,715	136	---	---	1,408,851
2020	1,624,190	---	---	---	1,624,190
2019	1,614,420	644	1	---	1,615,065
2018	1,832,370	644	37	---	1,833,051
2017	2,032,555	644	89	---	2,033,288
2016	2,341,150	644	127	---	2,341,921
2015	2,509,620	7,230	60	---	2,516,910

Sources:

Personal Income: United States Department of Commerce, Bureau of Economic Analysis

Population: United States Department of Commerce, Census Bureau

Notes:

Personal income and population are reported on a calendar year basis within the applicable fiscal year.

Amounts for fiscal year 2020 were restated for prior period adjustments.

<u>Ratio of Debt to Income</u>		<u>Ratio of Debt to Population</u>	
<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Per Capita</u>
\$385,864,800	0.41%	6,196	\$255
358,840,300	0.43	6,178	249
335,960,100	0.39	6,168	210
312,530,400	0.45	6,152	229
308,154,100	0.53	6,137	265
289,111,800	0.56	6,126	264
269,859,000	0.68	6,114	300
268,379,000	0.76	6,093	334
263,751,000	0.89	6,084	385
255,748,000	0.98	6,064	415

Debt Capacity Pledged Revenue Coverage Related to Revenue Bonds

Years Ended June 30

(Amounts in Thousands Except Coverage)

Year	Senior Bond Revenues (1)	Operating Expenses (2)	Senior Net Pledged Revenues Available	Senior Lien Bonds		
				Principal	Interest	Coverage
2024	\$1,306,747	\$491,745	\$ 815,002	\$ ---	\$ ---	---
2023	1,282,115	435,921	846,194	17,665	883	45.62
2022	1,087,747	398,126	689,621	16,815	1,724	37.20
2021	1,089,034	345,925	743,109	16,020	2,519	40.08
2020	979,849	395,582	584,267	15,270	3,288	31.48
2019	977,222	389,546	587,676	61,200	6,347	9.00
2018	994,132	383,969	610,163	58,455	9,270	9.01
2017	973,349	388,116	585,233	54,545	16,534	8.23
2016	968,300	372,800	595,500	51,965	19,090	8.38
2015	934,340	373,739	560,601	50,395	21,555	7.79

Year	Federal Reimbursement Revenues (5)	Expenses	Federal Reimbursement Bonds Net Pledged Revenues	Federal Reimbursement		
				Principal	Interest (6)	Coverage
2024	\$1,270,816	\$---	\$1,270,816	\$50,610	\$18,375	18.42
2023	1,047,777	---	1,047,777	48,870	16,768	15.96
2022	807,057	---	807,057	47,210	18,477	12.29
2021	1,150,479	---	1,150,479	44,020	21,114	17.66
2020	862,489	---	862,489	42,340	22,436	13.31
2019	780,220	---	780,220	42,235	24,849	11.63
2018	823,757	---	823,757	40,470	26,663	12.27
2017	699,433	---	699,433	38,795	28,374	10.41
2016	692,366	---	692,366	37,325	29,840	10.31
2015	624,417	---	624,417	36,000	31,203	9.29

Source:
MoDOT Financial Services Division

Notes:

(1) Senior Bond Revenues consist of various percentages of the state motor fuel tax, sales and use taxes and motor vehicle fees, as set by the state's constitution and statutes. Revenues are reported net of refunds and exclude sales tax revenue deposited into the State Road Bond Fund.

(2) Operating Expenses consist of retirement benefit costs, the cost of enforcement of motor vehicle laws and the cost of collection of taxes and fees. The cost of collection reflects actual expenditures and does not reflect any Missouri Department of Revenue refunds associated with spending over the three percent cap during previous years.

(3) First, Second, Third Lien Revenues consist of sales taxes deposited into the State Road Bond Fund and appropriations of General Revenue for repayment of bonds.

(4) First, Second, Third Lien Net Pledged Revenues consist of excess Senior Net Pledged Revenues and sales tax deposited into the State Road Bond Fund.

(5) Federal Reimbursement Revenues exclude American Recovery and Reinvestment Act revenue and amounts passed through to other political entities. For debt service coverage calculation purposes, excess First, Second, Third Lien Net Revenues are not included.

(6) Federal reimbursement interest is reported net of federal subsidies associated with Build America Bonds.

First, Second, Third Lien Revenues (3)	First, Second, Third Lien Net Pledged Revenues (4)	First Lien			Second Lien			Third Lien		
		Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	Coverage
\$228,685	\$1,043,687	\$94,815	\$14,911	9.51	\$ 4,245	\$ 306	9.13	\$80,375	\$44,432	4.37
222,044	1,049,690	86,795	19,228	9.90	22,430	1,428	8.08	59,145	15,277	5.14
202,564	873,645	72,285	22,827	9.19	36,820	3,269	6.46	59,370	15,085	4.17
224,111	948,681	49,465	25,290	12.69	50,545	5,776	7.24	55,425	21,268	4.57
179,845	745,554	21,860	26,363	15.46	68,350	9,164	5.93	20,780	12,636	4.81
178,003	718,133	20,985	27,335	14.86	64,755	12,393	5.72	20,180	9,108	4.64
182,763	725,200	19,955	28,314	15.02	61,700	15,461	5.78	19,605	9,715	4.69
179,788	693,943	18,810	29,009	14.51	59,550	19,721	5.46	19,070	10,279	4.44
170,460	694,905	22,520	30,039	13.22	56,660	22,507	5.28	---	10,276	4.89
162,858	651,509	53,940	30,044	7.76	13,555	21,768	5.46	15,660	10,308	4.48

Mega Projects State Appropriations Bonds

Year	Mega Projects State Appropriations	Excess Net Pledged State Revenues	Federal Reimbursement Bonds Net Pledged Revenues	Principal	Interest (6)	Coverage
2024	\$135,996	\$804,603	\$1,270,193	\$128,735	\$7,254	6.92
2023	---	---	---	---	---	---
2022	---	---	---	---	---	---
2021	---	---	---	---	---	---
2020	---	---	---	---	---	---
2019	---	---	---	---	---	---
2018	---	---	---	---	---	---
2017	---	---	---	---	---	---
2016	---	---	---	---	---	---
2015	---	---	---	---	---	---

Demographic and Economic Information Population, Personal Income and Unemployment Rate

Years Ended December 31

(Amounts in Thousands)

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2023	6,196	\$385,864,800	\$62	2.9%
2022	6,178	358,840,300	58	2.2
2021	6,168	335,960,100	54	3.4
2020	6,152	312,530,400	51	5.0
2019	6,137	308,154,100	50	3.4
2018	6,126	289,111,800	47	2.3
2017	6,114	269,859,000	44	3.3
2016	6,093	268,379,000	44	4.0
2015	6,084	263,751,000	43	3.9
2014	6,064	255,748,000	42	5.1

Sources:

Population: United States Department of Commerce, Census Bureau

Personal Income, Per Capita Personal Income and Unemployment Rate: United States Department of Commerce, Bureau of Economic Analysis

Demographic and Economic Information

Employment Sectors

Years Ended December 31

(Amounts in Thousands)

	2023			2014		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Trade, transportation and utilities	583	1	19%	536	1	19%
Education and health services	518	2	17	428	3	16
Government	443	3	15	441	2	16
Professional and business services	372	4	12	358	4	13
Leisure and hospitality	309	5	10	278	5	10
Manufacturing	288	6	10	261	6	10
Financial activities	188	7	6	165	7	6
Construction, natural resources and mining	149	8	5	112	9	4
Other services	116	9	4	114	8	4
Information	<u>49</u>	10	<u>2</u>	<u>57</u>	10	<u>2</u>
Total	<u>3,015</u>		<u>100%</u>	<u>2,750</u>		<u>100%</u>

Source:

United States Department of Commerce, Bureau of Economic Analysis

Note:

Information on employers is provided at the more general level of employment sectors, rather than the top ten specific employers of the state of Missouri. This data is more relevant to the mission of a transportation system.

Demographic and Economic Information

Gross Domestic Product by Industry

Years Ended December 31

(Amounts in Millions)

	2023			2014		
	<u>GDP</u>	<u>Rank</u>	<u>Percentage</u>	<u>GDP</u>	<u>Rank</u>	<u>Percentage</u>
Financial activities	\$ 81,602	1	20%	\$ 56,217	2	19%
Trade, transportation and utilities	80,334	2	19	65,606	1	21
Professional and business services	54,078	3	13	35,521	5	12
Manufacturing	48,289	4	11	36,089	3	12
Government	43,744	5	10	34,788	4	12
Education and health services	43,110	6	10	28,190	6	9
Construction, natural resources and mining	20,621	7	5	10,752	9	3
Leisure and hospitality	19,881	8	5	11,224	8	4
Information	14,798	9	4	12,191	7	4
Other services	10,450	10	2	6,723	10	2
Agriculture, forestry, fishing and hunting	<u>5,399</u>	11	<u>1</u>	<u>5,186</u>	11	<u>2</u>
Total	<u>\$422,306</u>		<u>100%</u>	<u>\$302,487</u>		<u>100%</u>

Source:

United States Department of Commerce, Bureau of Economic Analysis

Demographic and Economic Information

Licensed Drivers with Population Data

Years Ended June 30

(Amounts in Thousands)

<u>Year</u>	<u>Licensed Drivers</u>	<u>Change in Licensed Drivers</u>	<u>Population</u>	<u>Change in Population</u>
2023	4,308	18	6,196	28
2022	4,290	15	6,168	16
2021	4,275	15	6,152	15
2020	4,260	(14)	6,137	11
2019	4,274	(1)	6,126	12
2018	4,273	(2)	6,114	21
2017	4,275	25	6,093	9
2016	4,250	37	6,084	20
2015	4,213	(82)	6,064	20
2014	4,295	15	6,044	22

Sources:

Licensed Drivers: Missouri Department of Revenue for federal reporting

Population: United States Department of Commerce, Census Bureau

Notes:

Fiscal year 2024 licensed drivers' data is not yet available.

Population is reported on a calendar year basis within the applicable fiscal year.

Demographic and Economic Information Vehicle Registrations with Fuel Tax Receipts

Years Ended June 30

(Amounts in Thousands Except Fuel Tax Receipts per Registration)

<u>Fiscal Year</u>	<u>Registrations</u>	<u>Percentage Change in Registrations</u>	<u>Net State Fuel Tax Receipts</u>	<u>Percentage Change in Fuel Tax Receipts</u>	<u>Fuel Tax Receipts per Registration</u>
2023	6,665	1.1%	\$941,753	28.4%	\$141
2022	6,590	(2.8)	733,673	(2.1)	111
2021	6,775	2.8	673,206	(2.8)	99
2020	6,590	0.4	692,372	(2.0)	105
2019	6,562	0.8	706,383	0.1	108
2018	6,511	(1.0)	705,833	0.9	108
2017	6,580	(3.2)	699,355	0.3	106
2016	6,795	1.6	697,580	2.6	103
2015	6,689	4.7	680,045	2.6	104
2014	6,390	(6.1)	667,361	1.9	106

Sources:

Registrations: Missouri Department of Revenue, Missouri State Highway Patrol and MoDOT for federal reporting

Fuel Tax Receipts: MoDOT Financial Services Division, cash basis

Note:

Fiscal year 2024 registrations data is not yet available.

Operating Information

Demand and Level of Service Indicators

Years Ended December 31

<u>Year</u>	<u>Daily Vehicle Miles Traveled (Amounts in Thousands)</u>			<u>Population (Amounts in Thousands)</u>	<u>Average Daily Miles Per Capita</u>
	<u>State Highways</u>	<u>Non-State Highways</u>	<u>Total Public Highways</u>		
2023	148,269	71,696	219,965	6,196	35.5
2022	145,387	70,745	216,132	6,178	35.0
2021	142,430	74,639	217,069	6,168	35.2
2020	127,865	69,602	197,467	6,155	32.1
2019	142,330	73,309	215,639	6,137	35.1
2018	140,915	67,462	208,377	6,126	34.0
2017	141,938	66,038	207,976	6,114	34.0
2016	139,361	64,807	204,168	6,093	33.5
2015	136,129	60,849	196,978	6,084	32.4
2014	134,056	60,293	194,349	6,064	32.1

Sources:

Daily Vehicle Miles Traveled: MoDOT Transportation Planning Division

Population: United States Department of Commerce, Census Bureau

Operating Information

Demand and Level of Service Indicators

Years Ended June 30

Year	Travel Information by Mode			
	Freight Tonnage (Amounts in Millions)(1)(2)	Number of Transit Passengers	Number of River Runner Rail Passengers	Number of Airline Passengers (Amounts in Millions) (2)
2024	n/a-cy	n/a-src	182,300	n/a-src
2023	673	35,295,344	145,400	13.7
2022	658	32,887,525	114,300	12.2
2021	758	30,000,000	57,700	9.5
2020	670	47,600,000	118,000	5.6
2019	679	56,100,000	156,000	14.3
2018	695	58,600,000	173,000	14.1
2017	690	62,500,000	171,000	13.5
2016	819.0	59,100,000	172,000	12.8
2015	808.3	62,800,000	185,600	11.9

Source:

Bureau of Transportation Statistics and the Corps of Engineers

Notes:

- (1) Data is estimated and provides generalized trends and movements.
- (2) Measured on a calendar year basis.
- (3) Negative numbers mean final project cost was less than the amount budgeted for the project.
- (4) Prior years data may be updated for information received in subsequent years.
- (5) No data collection for this measure occurred in 2020 for 2019.

n/a-cy: Not available - calendar year basis.

n/a-src: Not available - external source provides data.

<u>Road and Bridge Projects</u>		<u>Safety</u>		
<u>Percent of Programmed Project Cost As Compared To Final Project Cost (3)</u>	<u>Percent of Projects Completed on Time</u>	<u>Number of Fatalities from Traffic Crashes (2) (4)</u>	<u>Number of Serious Injuries from Traffic Crashes (2) (4)</u>	<u>Percent of Stripes on Major Roads In Good Condition (2) (5)</u>
2.30%	76%	n/a-cy	n/a-cy	n/a-cy
(2.90)	79	991	5,221	n/a-cy
(4.30)	84	1,057	5,051	70.8%
(4.30)	69	1,016	5,268	58.3
(9.20)	76	987	4,788	48.0
(4.10)	75	881	4,489	n/a
(6.00)	75	921	4,717	31.9
(0.50)	68	932	4,886	77.0
(2.65)	68	947	4,743	89.8
(5.56)	67	870	4,573	53.8

Operating Information

Capital Asset Indicators ⁽¹⁾

Years Ended December 31

<u>Year</u>	<u>Centerline Miles</u>	<u>Percentage of Major Highways In Good Condition</u>	<u>Number of Bridges in Poor Condition ⁽²⁾</u>
2023	33,811	89.9%	759
2022	33,809	89.2	804
2021	33,826	90.3	823
2020	33,830	90.6	837
2019	33,832	91.1	893
2018	33,838	91.5	909
2017	33,859	91.6	922
2016	33,856	90.1	883
2015	33,873	90.4	866
2014	33,892	89.2	852

Sources:

MoDOT Tracker – Measures of Departmental Performance

Centerline miles provided by Transportation Planning Division

Notes:

(1) Assets of non-highway modes are not owned by the state. MoDOT administers funds to those entities, primarily through federal and state grants.

(2) In 2017, MoDOT revised the definition of bridges in 'poor condition' to better align with FHWA standards. Fiscal years 2012-2016 have been restated to reflect the revision.

Operating Information

Capital Asset Indicators

Years Ended December 31

<u>Functional Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rural										
Interstate	841	847	847	842	842	842	842	842	842	842
Freeway/expressway	1,100	1,125	1,125	1,125	1,125	1,125	1,125	1,020	926	920
Principal arterial	1,866	1,883	1,883	1,888	1,877	1,876	1,876	1,958	2,029	2,043
Minor arterial	3,958	3,970	3,972	3,967	3,980	3,980	3,976	3,935	3,959	3,953
Major collector	15,966	15,978	15,961	15,962	15,971	15,972	15,977	16,138	16,137	16,134
Minor collector	5,960	5,980	5,981	5,981	5,979	5,978	5,979	5,940	5,943	5,946
Local	962	972	996	991	983	980	980	925	927	923
Urban										
Interstate	544	538	538	538	538	538	538	538	538	538
Freeway/expressway	508	483	483	483	483	483	483	476	468	461
Principal arterial	659	640	641	640	638	640	643	646	654	689
Minor arterial	589	565	569	574	577	584	587	591	597	582
Major collector	499	485	479	483	477	485	487	520	523	517
Minor collector	61	58	57	57	56	56	56	22	22	23
Local	298	285	294	299	306	299	310	305	308	321
Total centerline miles	<u>33,811</u>	<u>33,809</u>	<u>33,826</u>	<u>33,830</u>	<u>33,832</u>	<u>33,838</u>	<u>33,859</u>	<u>33,856</u>	<u>33,873</u>	<u>33,892</u>
Statewide Composite										
Interstate	1,385	1,385	1,385	1,380	1,380	1,380	1,380	1,379	1,380	1,380
Freeway/expressway	1,608	1,608	1,608	1,608	1,608	1,608	1,609	1,496	1,394	1,381
Arterial	7,071	7,058	7,065	7,069	7,072	7,080	7,081	7,130	7,239	7,267
Collector	22,487	22,501	22,478	22,483	22,483	22,491	22,499	22,621	22,625	22,620
Local	1,260	1,257	1,290	1,290	1,289	1,279	1,290	1,230	1,235	1,244
Total centerline miles	<u>33,811</u>	<u>33,809</u>	<u>33,826</u>	<u>33,830</u>	<u>33,832</u>	<u>33,838</u>	<u>33,859</u>	<u>33,856</u>	<u>33,873</u>	<u>33,892</u>

Operating Information

Employee Full-Time Equivalents (FTE)*

Years Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District offices	4,005	3,749	4,220	4,302	4,537	4,655	4,572	4,597	4,493	4,610
Central office	<u>802</u>	<u>721</u>	<u>729</u>	<u>712</u>	<u>732</u>	<u>754</u>	<u>759</u>	<u>755</u>	<u>763</u>	<u>771</u>
Total	<u>4,807</u>	<u>4,470</u>	<u>4,949</u>	<u>5,014</u>	<u>5,269</u>	<u>5,409</u>	<u>5,331</u>	<u>5,352</u>	<u>5,256</u>	<u>5,381</u>

*A full-time equivalent is the total amount of hours worked or paid leave divided by 2,080 hours.

Other Information



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**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards***

Missouri Highways and Transportation Commission
Missouri Department of Transportation
Jefferson City, Missouri

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Missouri Department of Transportation (the Department), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control Over Financial Reporting

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

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Department'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.

RubinBrown LLP

September 30, 2024