

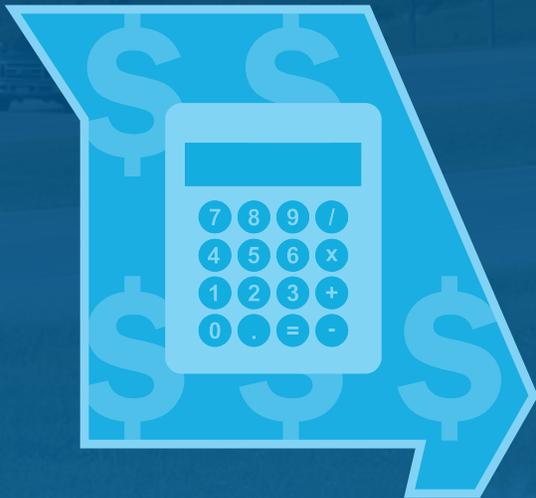
Missouri  
Department of  
Transportation

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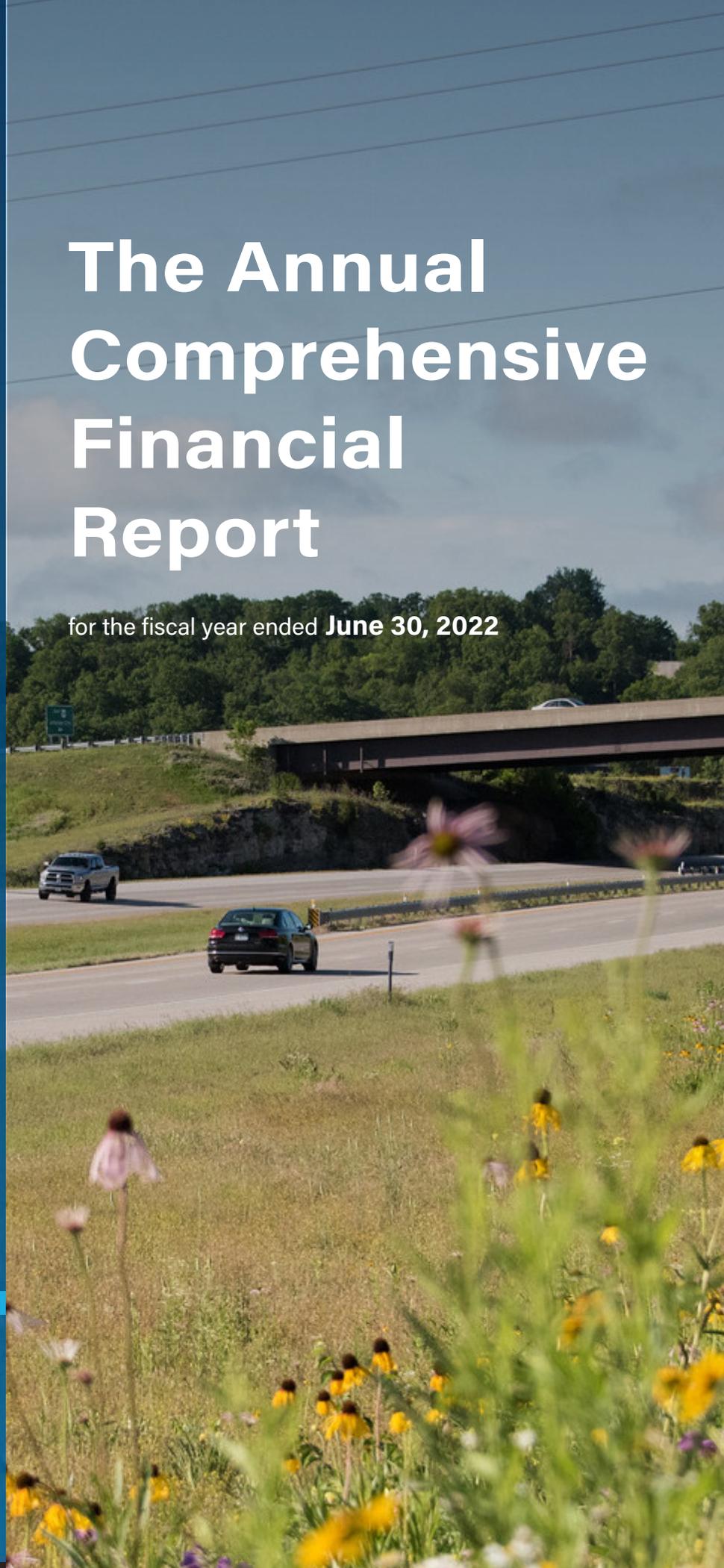


# The Annual Comprehensive Financial Report

for the fiscal year ended **June 30, 2022**



Missouri Department of Transportation  
[www.modot.org](http://www.modot.org)



# Annual Comprehensive Financial Report

for the fiscal year ended  
**June 30, 2022**

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

Missouri Department of Transportation  
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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**  
*Patrick K. McKenna, Director*

1.888.ASK MODOT (275.6636)

September 30, 2022

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, 2022.

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, 2022, 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 other state of Missouri 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 33,825 miles of highway and 10,387 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.

## Senate Bill 262

Last year, Missouri's motor fuel tax increased for the first time in 25 years. Senate Bill 262 increased Missouri's 17-cent motor fuel tax for the first time since 1996. Beginning in October 2021, the state fuel tax increased by 2.5 cents per gallon and will be phased in over five years, increasing each year by 2.5 cents until reaching the full 12.5 cents in July 2025. When fully implemented, Missouri's state fuel tax will be 29.5 cents per gallon. In total, the additional 12.5 cents will generate approximately \$500.0 million a year with \$350.0 million for the State Road Fund and \$75.0 million each for counties and cities. In the most current STIP, projects listed "at risk" could be removed with the repeal of Senate Bill 262, subject to further review during the annual STIP process with planning partners.

## Budgetary Controls

The Commission approves the appropriation request submitted 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 fulfilling its mission. In recent years, this budgetary limitation has inhibited the Commission from paying market rates to MoDOT staff and has contributed to excessive staff turnover. This path is not sustainable.** 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.

The impact of the global pandemic did not spare transportation in Missouri. Reduced traffic volumes in the early months impacted state transportation revenues and operations. In fiscal year 2021, the world began to operate during the pandemic, the transportation revenues increased and additional funding provided an opportunity to invest more funding on transportation. In fiscal year 2022, many of the revenue streams returned to more normal growth, but still the additional funding continues to provide opportunities to invest in transportation.

Missouri employment continued to increase during fiscal year 2022. Per the Missouri Economic and Research Information Center (MERIC), in fiscal year 2022, the unemployment rate decreased to 2.8 percent in June 2022. This compares to an unemployment rate of 7.9 and 4.3 percent in June 2020 and June 2021, respectively. Compared to the national trend, the Missouri unemployment rate decreased as did the United States rate, but ended .8 percentage points lower in June of 2022 than the national rate of 3.6 percent. Also, per MERIC, employment gains occurred over the previous year in most areas including mining, logging and construction; manufacturing; trade, transportation and utilities; professional and business services; and leisure and hospitality. The exceptions included financial activities; education and health services; and government which showed slight employment losses. Personal income in the first quarter of 2022 shows a decline over the previous year of 5.2 percent. Consumer confidence also decreased in fiscal year 2022 over 2021, which indicates that consumers are less optimistic about the economy than in the previous year. Consumer confidence has been trending downward since 2019.

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 seven 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)
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

\*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 15.9 percent in 2022 and includes an additional 2.5 cents per gallon collected since October 1, 2021, as enacted by Senate Bill 262 by the General Assembly. The 2022 state fuel tax receipts are more than collections in 2006, 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 5.4 percent from 2021. 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 decreased 9.3 percent from 2021. Both the decrease in motor vehicle and driver licensing fees and motor vehicle sales tax is the result of these two revenue streams returning to pre-pandemic levels after spiking in 2021. Overall, state collections for the Department increased 1.5 percent in 2022 compared to 2021.

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. Missouri's annual apportionments are estimated to increase 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 2023-2027 STIP was approved by the Commission in July 2022. The STIP awards for road and bridge projects total \$7,650.0 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, with the increase in contractor awards, 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 legislature in 2000, and Missouri voters in 2004, approved bonding authority that directed MoDOT to sell bonds and use the proceeds to improve roads and bridges. Missouri's major roads went from 47.4 percent in good condition in 2004 to 88.5 percent in December 2012. The improvement during this period can be attributed to debt financing and the impacts of the American Recovery and Reinvestment Act of 2009.

In December 2021, Missouri's major roads were 90.3 percent in good condition. Minor roads with greater than 400 vehicles traveling on them per day was 80.2 percent in good condition as of December 2021, 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 71.0 percent in good condition at December 2021. Perhaps the greatest variation in condition by District exists with low volume roads attributable to extreme weather and flooding. Approximately, 5,181 of 11,440 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 2,089 of minor roads are also not eligible for federal reimbursement for a total of 7,270 miles. This places great strain on limited operating budgets and results in local dissatisfaction with inconsistent conditions. Fortunately, the 2023 – 2027 STIP has a historic investment in the state's rural road system at \$1.98 billion over the next five years, including \$100 million of general revenue funds for the Rural Route Program. Also, as of December 2021, 823 of the 10,387 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

MoDOT replaced the I-44 bridges over the Meramec River in the St. Louis area. The project was awarded in June 2018 for \$51.1 million and was completed in June of 2022.

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 will be paid back over a seven-year period. In July 2019, the Department learned that 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. The second issuance occurred in November of 2021. In addition, the legislature appropriated \$50.0 million of General Revenue to address additional bridges. Through fiscal year 2022, 182 bridges have been replaced or rehabilitated and are opened to traffic. The program is expected to be completed by December 2023.

The MHTC selected a contractor for the Bootheel Bridge Bundle project in August 2020. This project will replace or rehabilitate 17 bridges, 13 of which are included in the Focus on Bridges Program, for an estimated budget of \$25.5 million. As of June 30, 2022, six bridges were completed. The project is expected to be completed by December 2023.

The I-270 North Project, costing \$278.0 million, will address safety, congestion and system condition issues on I-270 north and the outer roads between US 67 (Lindbergh Boulevard) and Bellefontaine Road. A design-build team selected a contractor in November 2019 and construction began in the spring of 2020. The project is expected to be completed by December 2023.

The Fixing Access to Rural Missouri (FARM) Bridge Program will replace a total of 31 bridges in Northern Missouri. The project was awarded in May 2020, the estimated budget is \$26.0 million and is expected to be completed in October 2023. As of June 30, 2022, six bridges were completed.

The I-70 INFRA Discretionary Grant improvements to the Rocheport Bridge and 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 Rocheport 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. The project is expected to be completed by December 2024.

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 \$62.4 million. The project was awarded in February 2022 and has an anticipated completion date of June 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.

The Chester Bridge over the Mississippi River will be replaced. A design-build team will be selected in the spring of 2023. The estimated cost of the project is \$266.0 million and the project is expected to be completed by the end of 2026.

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 an expected budget of \$66.5 million and will be completed by the summer of 2024.

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 million and has an expected completion date of the fall of 2026.

The I-55 Project will add lanes and make bridge rehabilitations from 1.5 miles north of Route Z to 1 mile south of Route 67. The project will make operations and safety improvements on Route 67 between Route 61 and Buck Creek Road. Within the project limits, 26 bridges will potentially be rehabilitated or replaced. The project has an estimated budget of \$206.0 million, an expected award date of May 2023 and an anticipated completion date of December 2026.

The Northwest Bridge Bundle project will improve up to 34 poor condition bridges in seven of the twenty Northwest District counties. The project has an estimated budget of \$30.0 million, an expected award date of December 2023 and an anticipated completion date of December 2026.

The Improve I-70 Boone County project consists of improvements to the I-70 and U.S. Route 63 interchange and I-70 pavement from Stadium Boulevard to the I-70 and U.S. Route 63 interchange. This project has an expected budget of \$194.4 million and is scheduled to be awarded by the end of 2023.

### **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 resolve the authority of the Commission to access and use the State Road Fund by Article IV, Section 30(b).1 of the Missouri Constitution. The Missouri Constitution gives the Commission broad access to the State Road Fund that it needs to fulfill its constitutional responsibilities, including its duty to hire and retain the employees necessary to maintain, design and construct Missouri highways.

Despite these challenges, the department continues to try and address issues with employee pay. MoDOT's employee turnover rate for fiscal year 2022 was 18.9 percent, up from 13.2 percent in fiscal year 2021. The estimated cost of turnover, which includes hard costs, soft costs and leave payouts, for fiscal year 2022 was \$55.37 million, up from \$37.2 million in fiscal year 2021. In July 2022, the Department moved forward with implementing a portion of a market adjustment plan approved by the Commission and restrained by the appropriations approved by the legislature. The market adjustment plan is intended to address issues with employee pay including modifying the salary structure to optimize it and be more competitive with market; establishing market competitive midpoints for all salary ranges; and advancing employees toward that midpoint more quickly based on tenure. 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 2023 budget, \$3.5 billion, approved by the Commission in June, is approximately \$336.0 million more than the Department's 2022 budget, primarily because of the larger construction program, additional general revenues for the rural routes program and additional funding for various multimodal purposes. 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 some targeted investment.

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

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### **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, 2022.

### **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 dedicated efforts of MoDOT employees. The commitment and professionalism of the Financial Services Division staff contributed significantly to the timely preparation of the 2022 report.

Respectfully submitted,



Patrick K. McKenna  
Director



Brenda Morris, CPA  
Chief Financial Officer

## Principal Officials

as of June 30, 2022

### **Commission**

Robert G. Brinkmann	Chairman
John W. Briscoe <sup>1</sup>	Vice Chair
Gregg C. Smith	Member
Michael T. Waters, Jr. <sup>1</sup>	Member
Terry L. Ecker	Member
W. Dustin Boatwright	Member
Pamela Harlan	Secretary

### **MoDOT**

Patrick K. McKenna	Director
Ed Hassinger	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	Chief Counsel
Misty Volkart	Audits and Investigations Director
Bryan Hartnagel	State Bridge Engineer
David Ahlvers	State Construction and Materials Engineer
Linda Wilson-Horn	Communications Director
Travis Koestner	State Design Engineer
Vacant	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
Stephen Meystrik	Human Resources Director
Beth Ring	Information Systems Director
Natalie Roark	State Maintenance Director
Jerica Holtsclaw <sup>2</sup>	Motor Carrier Services Director
Vacant <sup>2</sup>	Multimodal Operations Director
Nicole Hood	State Highway Safety and Traffic Engineer
Eric Curtit	Transportation Planning Director

### **Districts**

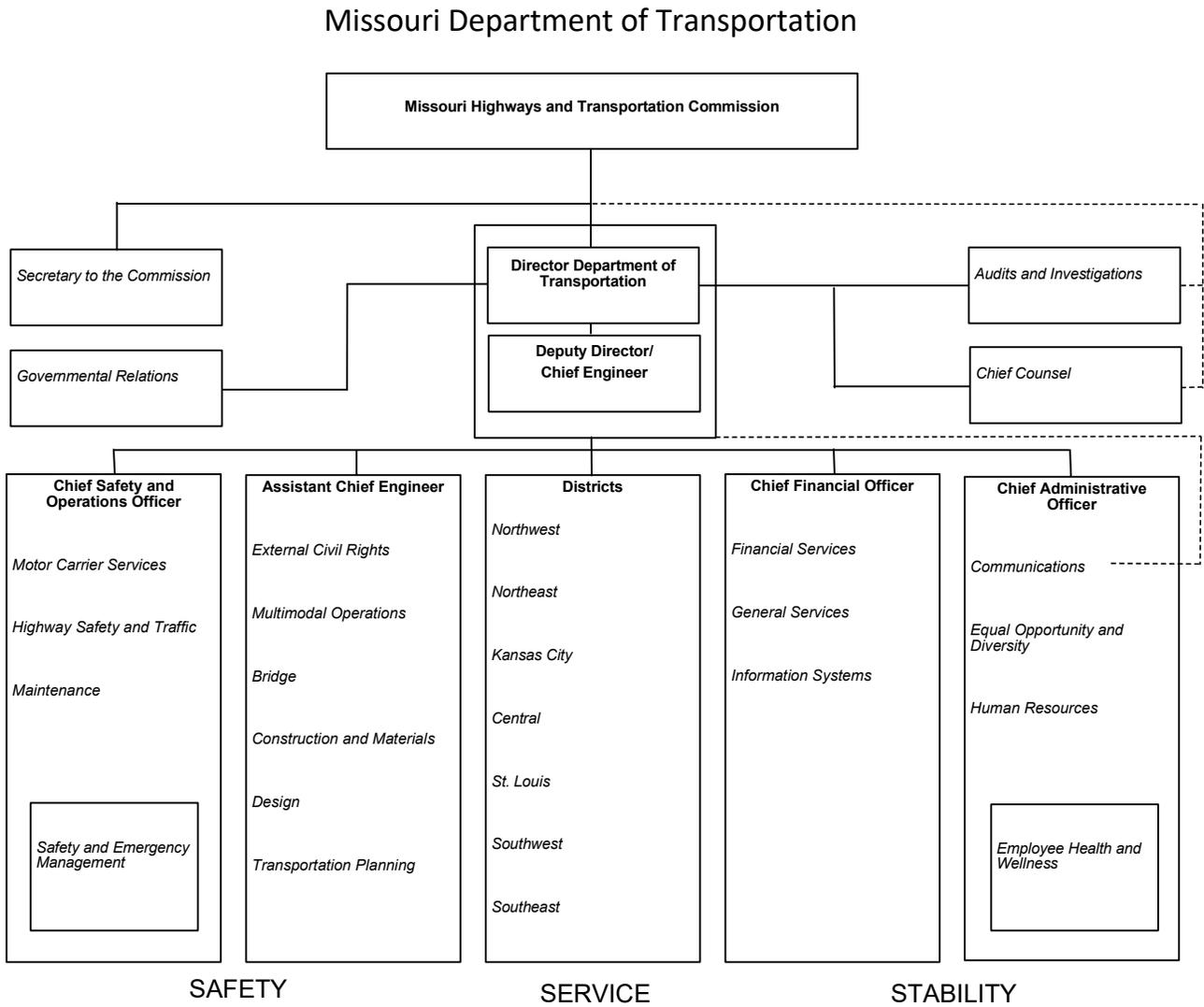
Marty Liles	Northwest District Engineer
Paula Gough	Northeast District Engineer
Chris Redline	Kansas City District Engineer
Machelle Watkins	Central District Engineer
Tom Blair	St. Louis District Engineer
Steve Campbell	Southwest District Engineer
Mark Croarkin	Southeast District Engineer

<sup>1</sup>Commissioner Warren K. Erdman and Commissioner Brian Treece were appointed by Governor Parson on August 12, 2022 to fill the vacancies previously held by John W. Briscoe and Michael T. Waters, Jr. Governor Parson withdrew the appointments on September 14, 2022.

<sup>2</sup>Jerica Holtsclaw became the Multimodal Director effective August 1, 2022.

# Organizational Chart

June 30, 2022





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# 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 year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis For Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 report. 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 14, the 2021 financial statements have been restated to correct the federal receivable balance. Our opinion is not modified with respect to this matter.

### *Emphasis Of A Matter Relating To Change In Accounting Principle*

As described in Note 15 to the financial statements, in 2022 the Department adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***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, 2022 and 2021, 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 24 through 36, the Budgetary Comparison Schedules on pages 94 through 96, the Schedule of Proportionate Share of Net Pension Liability and the Schedule of Pension Contributions on page 97, 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 98 and the Schedule of Changes in the Department’s Total Other Post-Employment Benefit Liability and Related Ratios on page 99 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 audit was 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, 2022 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, 2022

# Management's Discussion and Analysis

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## 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. The Department implemented the Government Accounting Standards Board (GASB) Statement 87, *Leases* and GASB Statement 100, *Accounting Changes and Error Corrections* in fiscal year 2022. No other new GASB standards with financial statement impact were applicable to MoDOT for fiscal year 2022.

### FINANCIAL HIGHLIGHTS

#### Government-wide Highlights

- The net position of the Department at the close of the fiscal year was \$30.4 billion compared to \$29.8 billion at 2021 (as restated). The Department's net position increased \$602.0 million, or 2.0 percent, for fiscal year 2022 from 2021 (as restated). This is compared to an increase of \$980.1 million, or 3.4 percent, for fiscal year 2021 (as restated) from 2020 (as restated). The increase in net position can be attributed to an increase in capital assets and a decrease in long term obligations for pension and state road bond obligations. Of the fiscal year 2022 and 2021 amounts, \$0.2 billion are negative unrestricted amounts which are offset by the department's investment in capital assets. The negative unrestricted net position of the governmental activities first occurred when the Department adopted GASB 68 and GASB 71 in fiscal year 2015 requiring the Department to report its proportionate share of the net pension liability. In fiscal year 2018, the Department adopted GASB 75, which required the Department to report its share of the other postemployment benefit (OPEB) liability. The addition of the net pension and total OPEB liabilities results in the Department reporting negative unrestricted net position.
- The majority of the Department's assets are capital assets, which totaled \$32.0 billion and \$31.5 billion for fiscal years 2022 and 2021, respectively. This represents a 1.5 percent increase for 2022 from 2021 and a 1.3 percent increase for 2021 from 2020. 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 \$1.5 billion in the 2023-2027 STIP.
- Non-current liabilities of the Department at the close of fiscal year 2022 and 2021 total \$2.9 billion and \$3.3 billion, respectively. In fiscal year 2022, noncurrent financing and other obligations decreased \$390.2 million. Part of the reason for the decrease is scheduled debt repayments. The remainder of the decrease is from a reduced pension liability because the retirement plan's net position increased.

#### Fund Highlights

- At the close of the fiscal year, the Department's governmental funds combined ending fund balance is \$1.4 billion for fiscal years 2022 and 2021 (as restated) and \$1.1 billion for fiscal year 2020 (as restated).
- For fiscal year 2022, 96.8 percent of the Department's governmental fund balance is available for spending at the Department's discretion in accordance with the purpose of the funds compared to 97.2 percent in fiscal year 2021 (as restated). The nonspendable fund balance related to prepaid rent and inventories increased from \$41.9 million in fiscal year 2021 to \$46.8 million in fiscal year 2022.
- The proprietary funds combined net position is \$71.2 million at the close of the fiscal year, compared to \$90.7 million in 2021. Restricted investments at the close of both years totaled \$0.3 million, resulting in unrestricted net position of \$70.9 million and \$90.4 million for fiscal years 2022 and 2021, respectively. The decrease in the net position of the proprietary funds is a combination of a reduction in the market value of investments and an increase in Highway workers' compensation claims, medical benefits expense and prescription drug benefits expense. Market value is the amount that securities can be sold in the market on any given day, and, as interest rates rise, the market value of investments decreases. Highway workers' compensation claims increased due to significant injuries and claims in the last year along with rising medical costs. The increase to medical benefits expense and prescription drug benefits expense is due to higher medical claims expenses which results from an increase in the average cost of claims compared to the prior fiscal year.

## 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, 2022, 2021 and 2020. The Department's combined net position increased \$602.0 million over the course of this fiscal year's operations, an increase of 2.0 percent. This compares to an increase of \$980.1 million in 2021 (as restated) from 2020 (as restated).

The following table reflects the condensed financial information derived from the Statements of Net Position as of June 30, 2022, 2021 and 2020:

(Amounts in millions)	<u>2022</u>	<u>2021</u> (as restated)	<u>2020</u> (as restated)	<u>Percent Change 2022-2021</u>
<b>Assets</b>				
Current and other assets	\$ 1,905	\$ 1,908	\$ 1,492	(0.2)%
Capital assets, net	<u>32,016</u>	<u>31,537</u>	<u>31,118</u>	<u>1.5</u>
<b>Total assets</b>	<u>33,921</u>	<u>33,445</u>	<u>32,610</u>	<u>1.4</u>
<b>Deferred Outflows of Resources</b>				
Deferred bond refunding	7	12	19	(41.7)
Pension related items	248	238	183	4.2
Other postemployment benefits	<u>134</u>	<u>162</u>	<u>17</u>	<u>(17.3)</u>
<b>Total deferred outflows of resources</b>	<u>389</u>	<u>412</u>	<u>219</u>	<u>(5.6)</u>
<b>Liabilities</b>				
Current liabilities	624	590	515	5.8
Noncurrent liabilities	<u>2,916</u>	<u>3,306</u>	<u>3,277</u>	<u>(11.8)</u>
<b>Total liabilities</b>	<u>3,540</u>	<u>3,896</u>	<u>3,792</u>	<u>(9.1)</u>
<b>Deferred Inflows of Resources</b>				
Deferred bond refunding	---	1	1	(100.0)
Lease revenues	1	---	---	---
Pension obligations	226	10	32	2,160.0
Other postemployment benefits	<u>99</u>	<u>108</u>	<u>142</u>	<u>(8.3)</u>
<b>Total deferred inflows of resources</b>	<u>326</u>	<u>119</u>	<u>175</u>	<u>173.9</u>
<b>Net Position</b>				
Net Investment in capital assets	30,677	30,081	29,429	2.0
Restricted (internal service fund requirements set by legislation and highways and transportation uses)*	---	---	---	---
Unrestricted	<u>(233)</u>	<u>(239)</u>	<u>(567)</u>	<u>(2.5)</u>
<b>Total net position</b>	<u>\$30,444</u>	<u>\$29,842</u>	<u>\$28,862</u>	<u>2.0%</u>

\*Due to rounding Restricted Net Position does not show on this table.

The total assets of the Department were \$33.9 billion with deferred outflows of resources of \$388.9 million, while total liabilities were \$3.5 billion, with deferred inflows of resources of \$326.9 million, resulting in a net position of \$30.4 billion. Total assets increased \$477.0 million in 2022, compared to a \$834.9 million increase in 2021 (as restated) from 2020 (as restated). Cash and cash equivalents decreased \$108.9 million in fiscal year 2022. During fiscal year 2021, the cash balance was higher due to the Department receiving federal funding related to the pandemic. Additionally, expenditures in fiscal year 2022 are \$189.3 million higher than in fiscal year 2021 resulting in a lower cash balance. Capital assets increased \$479.5 million in fiscal year 2022 due to a larger construction program.

Total liabilities decreased \$356.2 million in 2022, compared to a \$103.8 million increase in 2021 from 2020. The Department's pension liability decreased \$256.2 million in fiscal year 2022 due to an increase in the retirement plan's net position, which reduced the net pension liability. The remaining decrease in total liabilities can be attributed to debt repayment.

The largest portion of the Department's net position, \$30.7 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 negative unrestricted net position of the governmental activities first occurred when the Department adopted GASB 68 and GASB 71 in fiscal year 2015 requiring the Department to report its proportionate share of the net pension liability. In fiscal year 2018, the Department adopted GASB 75, which required the Department to report its share of the other postemployment benefit (OPEB) liability. The addition of the net pension and total OPEB liabilities results in the Department reporting negative unrestricted net position.

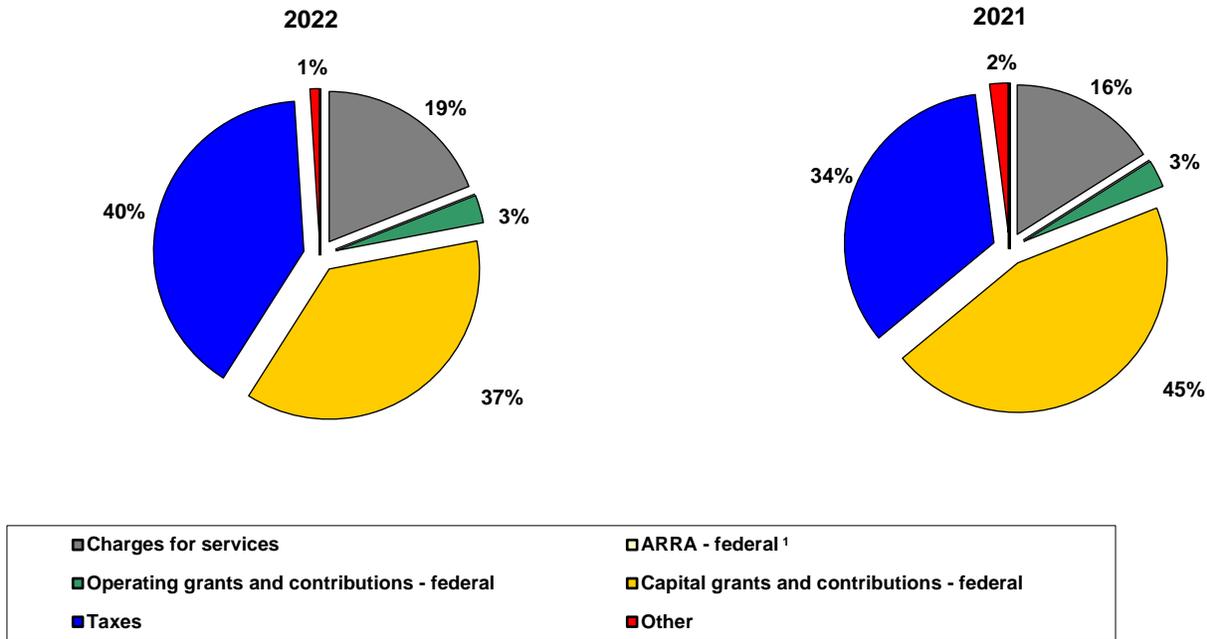
**Statements of Activities**

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, 2022, 2021 and 2020:

(Amounts in millions)	<u>2022</u>	<u>2021</u> (as restated)	<u>2020</u> (as restated)	<b>Percent Change 2022 -2021</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 486	\$ 452	\$ 470	7.5%
American Recovery and Reinvestment Act	12	12	12	---
Operating grants and contributions – federal government	86	92	74	(6.5)
Capital grants and contributions – federal government	932	1,252	947	(25.6)
General revenues				
Taxes	999	948	874	5.4
Investment earnings (loss)	(61)	1	26	(6,200.0)
Miscellaneous	<u>72</u>	<u>53</u>	<u>68</u>	<u>35.8</u>
<b>Total revenues</b>	<u>2,526</u>	<u>2,810</u>	<u>2,471</u>	<u>(10.1)</u>
<b>Expenses</b>				
Program expenses				
Administration	4	1	11	300.0
Fleet, facilities and information systems	36	33	31	9.1
Safety and operations	385	340	360	13.2
Program delivery	178	177	185	0.6
Multimodal operations	101	95	86	6.3
Interest on debt	56	63	67	(11.1)
Other state agencies	236	188	212	25.5
Self insurance (workers' compensation and liability)	23	28	13	(17.9)
Medical and life insurance	157	150	141	4.7
Pension	82	128	108	(35.9)
Other postemployment benefits	34	35	19	(2.9)
Depreciation on assets	<u>631</u>	<u>592</u>	<u>568</u>	<u>6.6</u>
<b>Total expenses</b>	<u>1,923</u>	<u>1,830</u>	<u>1,801</u>	<u>5.1</u>
<b>Changes in net position</b>	603	980	670	(38.5)
<b>Net position, beginning of year, as previously reported</b>	29,842	28,890	28,192	3.3
<b>Restatement of net position</b>	<u>(1)</u>	<u>(28)</u>	<u>---</u>	<u>(96.4)</u>
<b>Net position, beginning of year, as restated</b>	<u>29,841</u>	<u>28,862</u>	<u>28,192</u>	<u>3.4</u>
<b>Net position, end of year</b>	<u>\$30,444</u>	<u>\$29,842</u>	<u>\$28,862</u>	<u>2.0%</u>

**Governmental Activities**

The following chart depicts revenues of the governmental activities, as a percent, for the fiscal years ended June 30, 2022 and 2021:



<sup>1</sup>ARRA – federal revenues made up less than 1.0 percent of total revenues for fiscal years 2022 and 2021.

Revenues for the year decreased \$284.2 million compared to an increase of \$339.9 million in 2021 (as restated) from 2020 (as restated). Federal grants revenue, including capital grants and contributions, decreased \$326.8 million from fiscal year 2021. The decrease in federal revenue is attributed to receiving additional funding in fiscal year 2021 from the Highway Infrastructure Programs - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) passed by Congress.

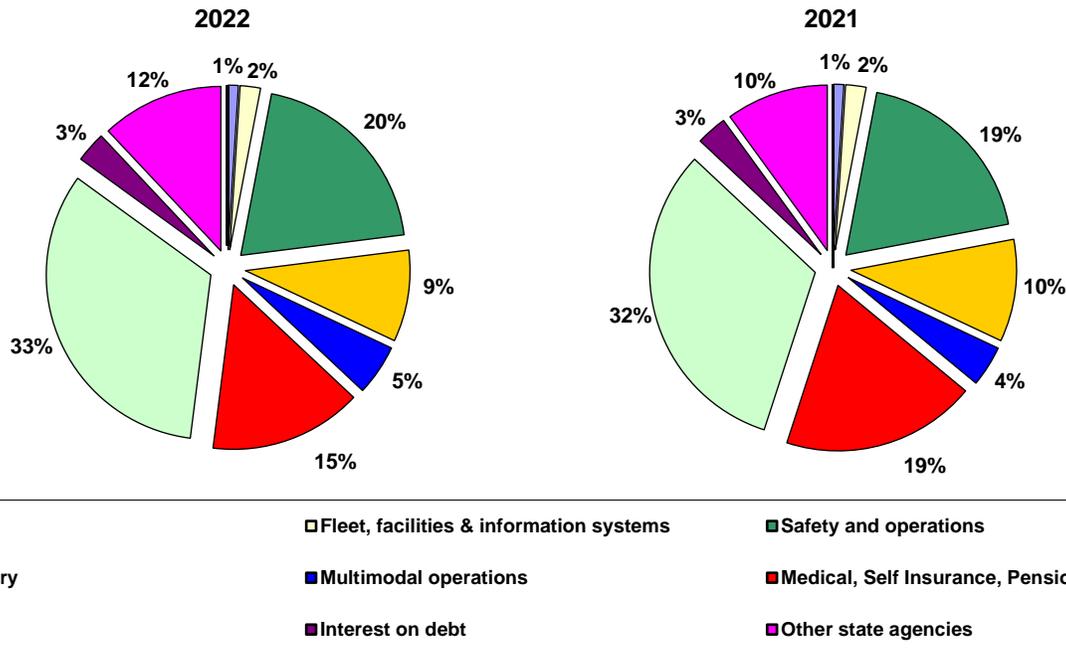
The following three revenue sources provided \$2.4 billion, or 95.7 percent, of the Department’s revenues:

- Charges for services, including licenses, fees, permits and cost reimbursements: \$486.0 million
- Federal Highway Administration capital grants: \$932.0 million
- Sales and fuel taxes: \$999.0 million

In 2021, these same revenue sources provided \$2.7 billion, or 94.4 percent, of the Department’s revenues.

Taxes remained one of the larger portions of revenue for the Department. Taxes overall increased 5.4 percent with fuel taxes increasing 16.0 percent. Part of the reason for the increase is the enactment of Senate Bill 262 which increased the motor fuel tax by 2.5 cents per gallon starting October 1, 2021. Sales tax revenues decreased 6.6 percent in fiscal year 2022 from 2021. The decrease in sales tax is the result of this revenue stream returning to pre-pandemic levels after spiking in fiscal year 2021.

The following chart depicts expenses of the governmental activities for the fiscal years ended June 30, 2022 and 2021:



Expenses for the year increased \$93.1 million, or 5.1 percent. The majority of the increase in expenses is for other state agencies. This increase is because in fiscal year 2021, \$44.3 million for highway patrol salaries were paid with the Coronavirus Aid, Relief and Emergency Security (CARES) Act fund administered by the Office of Administration rather than funds in the State Highways and Transportation Department Fund. Additionally, expenses for depreciation on assets increased due to the Department's construction program growing. Safety and operation expenses also increased in fiscal year 2022 due to increased expenditures for the Maintenance Asset Management Deficit Program to improve low volume roads, the impact of inflation on fuel and roadway materials and reduced spending in the prior fiscal year because of the COVID-19 pandemic's negative impact to state highway user revenues.

The Department's expenses for Program delivery and Safety and operations of the state's highway system totaled \$563.6 million and \$516.3 million in 2022 and 2021, respectively. This represents 29.3 percent and 28.2 percent of the total expenses for 2022 and 2021, 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 both fiscal years 2022 and 2021 (as restated) were \$1.4 billion and \$1.1 billion at the end of fiscal year 2020. Revenues from the federal government decreased \$327.6 million from 2021. Federal government revenues decreased in fiscal year 2022 due to receiving additional funding from the CRRSAA Act passed by Congress in fiscal year 2021. The Department spent \$189.3 million more in 2022.

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 \$186.5 million, liabilities of \$10.7 million, deferred inflows of resources \$1.2 million and a restricted fund balance of \$174.6 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 \$813.9 million in revenues, compared to \$735.2 million from 2021. The increase is from higher motor vehicle fuel tax receipts. In 2021, revenues were \$23.4 million more than 2020 (as restated).

**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 \$1.4 billion, a decrease of \$32.4 million from 2021 (as restated). This compares to an increase in 2021 of \$330.5 million (as restated) from 2020. Deferred inflows of resources for the fund were \$12.8 million compared to \$4.5 million in fiscal year 2021. Liabilities totaled \$257.5 million, an increase of \$27.6 million from 2021, and fund balances totaled \$1.1 billion, a decrease of \$68.4 million from 2021 (as restated) compared to an increase of \$276.0 million in 2021 from 2020 (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 \$102.9 million, compared to \$98.5 million in 2021. 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 decreased \$17.2 million in 2022. Expenditures of the Road Bond Fund were \$201.9 million in 2022 compared to \$188.4 million in 2021.

### **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 decreased \$22.0 million in 2022 compared to an increase of \$6.4 million in 2021. Total current liabilities of the proprietary funds at the end of 2022 were \$44.3 million, a decrease of \$3.3 million from 2021. Total pending self insurance claims and incurred but not reported claims increased \$1.6 million compared to a \$10.4 million increase in 2021 from 2020.

Total net position of the internal service funds decreased at the end of the current fiscal year to \$71.2 million, compared to \$90.7 million in fiscal year 2021. Highway workers' compensation and general liability expenses decreased \$5.8 million in fiscal year 2022.

The largest operating expenses of the proprietary funds, medical and prescription drug benefits, totaled \$142.7 million compared to \$135.1 million in 2021. This accounts for 79.1 percent of the total operating expenses, compared to 76.0 percent in 2021. This \$7.6 million increase compares to a \$9.7 million increase in 2021 from 2020. The change in net position of the Self Insurance Fund was a decrease of \$12.9 million in fiscal year 2022 compared to a decrease in net position of \$11.7 million in fiscal year 2021. Operating loss for the MHTC Self Insurance Fund improved from a loss of \$12.0 million in 2021 to a loss of \$7.9 million in 2022. The improvement in operating loss can be attributed to a decrease in highway general liability claims. The change in net position of the medical and life insurance plan was a negative \$6.6 million in fiscal year 2022 compared to a positive change in net position of \$4.7 million in fiscal year 2021. The operating loss can be attributed to an increase in medical benefits expense and prescription drug benefits expense and a reduction in the market value of investments.

### **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, 2022

MoDOT replaced the I-44 bridges over the Meramec River in the St. Louis area. The project was awarded in June 2018 for \$51.1 million and was completed in June of 2022.

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 that 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. The second issuance occurred in November of 2021. In addition, the legislature appropriated \$50.0 million of General Revenue to address additional bridges. Through fiscal year 2022, 182 bridges have been replaced or rehabilitated and are opened to traffic. The program is expected to be completed by December 2023.

Related to the project above, on November 3, 2021, the Commission authorized the issuance of up to \$100.0 million in Third Lien State Road Bonds, Series A 2021. On November 16, 2021, the Commission sold \$89.0 million of the authorized bonds to get \$100.0 million in proceeds. The bonds bear interest payable semiannually with a true-interest-cost of .495 percent. The bonds are due in annual installments beginning on November 1, 2022. 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.

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. 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). The program is expected to be completed by December 2024.

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. Projects are expected to be awarded by the Commission in January 2023.

The MHTC selected a contractor for the Bootheel Bridge Bundle project in August 2020. This project will replace or rehabilitate 17 bridges, 13 of which are included in the Focus on Bridges Program, for an estimated budget of \$25.5 million. As of June 30, 2022, six bridges were completed. The project is expected to be completed by December 2023.

The I-270 North Project, costing \$278.0 million, will address safety, congestion and system condition issues on I-270 north and the outer roads between US 67 (Lindbergh Boulevard) and Bellefontaine Road. A design-build team selected a contractor in November 2019 and construction began in the spring of 2020. The project is expected to be completed by December 2023.

The Fixing Access to Rural Missouri (FARM) Bridge Program will replace a total of 31 bridges in Northern Missouri. The project was awarded in May 2020, the estimated budget is \$26.0 million and is expected to be completed in October 2023. As of June 30, 2022, six bridges were completed.

The I-70 INFRA Discretionary Grant improvements to the Rocheport Bridge and 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 Rocheport 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. The project is expected to be completed by December 2024.

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 \$62.4 million. The project was awarded in February 2022 and has an anticipated completion date of June 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 an expected budget of \$66.5 million and will be completed by the summer of 2024.

In fiscal year 2022, 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 construction project bid amounts and subsequent construction awards have been less than budgeted amounts for the last seven years, in fiscal year 2022, the construction award amount was higher than the budgeted amount. 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;
- 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.

## CAPITAL ASSETS AND LONG-TERM OBLIGATION ADMINISTRATION

### Capital Assets

The Department’s investment in capital assets for its governmental activities as of June 30, 2022, totals \$59.4 billion, with accumulated depreciation of \$27.4 billion and a net value of \$32.0 billion. The net value represents an increase of \$479.5 million from fiscal year 2021, compared to an increase of \$418.6 million in 2021 from 2020. 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>2022</u>	<u>2021</u>	<u>2020</u>	<b>Percent Change 2022-2021</b>
Land and permanent easements	\$ 2,632	\$ 2,627	\$ 2,626	0.2%
Land, right to use	1	---	---	---
Software in progress	8	8	7	---
Construction in progress	60	44	32	36.4
Infrastructure in progress	2,135	1,940	1,882	10.1
Land improvements	10	11	12	(9.1)
Buildings	143	145	143	(1.4)
Buildings, right to use	1	---	---	---
Software	4	5	6	(20.0)
Vehicles and equipment	243	223	212	9.0
Vehicles and equipment, right to use*	---	---	---	---
Temporary easements	5	3	1	66.7
IT infrastructure, right to use	22	---	---	---
Infrastructure	<u>26,752</u>	<u>26,530</u>	<u>26,197</u>	<u>0.8</u>
<b>Total</b>	<b><u>\$32,016</u></b>	<b><u>\$31,536</u></b>	<b><u>\$31,118</u></b>	<b><u>1.5%</u></b>

\*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 33,825 miles of highways and 10,387 bridges and culverts that the Department is responsible for maintaining.

The Statewide Transportation Improvement Program (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>2022</u>	<u>2021</u>	<u>2020</u> (as restated)	<u>Percent Change 2022-2021</u>
State road bonds	\$1,265	\$1,409	\$1,624	(10.2)%
Premium on bonds	48	58	82	(17.2)
Advances from other entities	6	---	---	---
Lease obligations	27	---	---	---
Compensated absences	35	36	35	(2.8)
Other liabilities*	---	---	---	---
<b>Total obligations</b>	<u>1,381</u>	<u>1,503</u>	<u>1,741</u>	<u>(8.1)</u>
Current portion of obligations	<u>263</u>	<u>253</u>	<u>238</u>	<u>4.0</u>
<b>Total noncurrent obligations</b>	<u>\$1,118</u>	<u>\$1,250</u>	<u>\$1,503</u>	<u>(10.6)%</u>

\*Due to rounding Other liabilities does not show on this table.

The Department's total noncurrent obligations, excluding pending self insurance claims, incurred but unreported claims, pension and other postemployment benefit obligations decreased \$131.9 million from 2021, compared to a decrease of \$253.0 million in 2021 from 2020. At the end of the current fiscal year, state road bonds total \$1.3 billion, or 91.6 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 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 advances from other entities are related to construction projects accelerated to meet the needs of the users. Principal payments are due to other entities on various dates through in fiscal year 2024.

The Department has \$27.0 million in lease obligations at the end of fiscal year 2022. Principal payments are due on various dates through fiscal year 2050.

### RECENT EVENTS AND FUTURE BUDGETS

The Department's fiscal year 2023 budget for all funds was approved by the Legislature in May 2022 and signed into law by the Governor in June 2022. 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 2022, with a total spending plan of \$3.5 billion, which equals the amount approved by the legislature. The fiscal year 2023 budget is more than the fiscal year 2022 budget by \$336.0 million. Program funds over the next several years will continue to focus on taking care of the existing transportation system with a few targeted investments.

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. Missouri's annual apportionments are estimated to increase 26 percent compared to the last year of the prior transportation act, the Fixing America's Surface Transportation (FAST) Act.

The Missouri General Assembly passed Senate Bill 262 during the 2021 legislative session. In July 2021, the Governor signed it into law. This legislation increases the state motor fuel tax beginning with 2.5 cents in October 2021 and increasing by 2.5 cents on July 1 each fiscal year until reaching an additional 12.5 cents per gallon on July 1, 2025. In addition, the legislation increases the fees for alternative fuel decals by 20 percent each fiscal year for five years. A portion of this increase will go to cities and counties.

Annually, the Department prepares a financial forecast that is used to develop its STIP. MoDOT's 2023-2027 STIP presents a multi-year plan that uses available cash balances to meet current federal funding investment levels. 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. This means more maintenance-related activities like resurfacing and bridge repair projects rather than expansion projects. The financial forecast will be refreshed in the fall and will determine the projected awards for the upcoming years.

The Chester Bridge over the Mississippi River will be replaced. A design-build team will be selected in the spring of 2023. The estimated cost of the project is \$266.0 million and the project is expected to be completed by the end of 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 million and has an expected completion date of the fall of 2026.

The I-55 Project will add lanes and make bridge rehabilitations from 1.5 miles north of Route Z to 1 mile south of Route 67. The project will make operations and safety improvements on Route 67 between Route 61 and Buck Creek Road. Within the project limits, 26 bridges will potentially be rehabilitated or replaced. The project has an estimated budget of \$206.0 million, an expected award date of May 2023 and an anticipated completion date of December 2026.

The Northwest Bridge Bundle project will improve up to 34 poor condition bridges in seven of the twenty Northwest District counties. The project has an estimated budget of \$30.0 million, an expected award date of December 2023 and an anticipated completion date of December 2026.

The Improve I-70 Boone County project consists of improvements to the I-70 and U.S. Route 63 interchange and I-70 pavement from Stadium Boulevard to the I-70 and U.S. Route 63 interchange. This project has an expected budget of \$194.4 million and is scheduled to be awarded by the end of 2023.

## **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 some in fiscal years 2021 and 2022. Consumer confidence decreased in fiscal year 2022, which indicates that consumers are less optimistic about the economy as they were last year. The unemployment rate in Missouri has decreased. All highway user fee collections returned to pre-pandemic levels with motor fuel tax collections increasing significantly with the passage of Senate Bill 262. The 2022 state fuel tax receipts are more than collections in 2006, the year with the highest collections. The bidding environment for fiscal year 2022 was challenging. If construction award prices continue to increase like they did in fiscal year 2022, in the future, decisions will need to be made regarding the timing of projects. During the previous five fiscal years, 2018-2022, 2,146 highway and bridge construction projects estimated at \$5.0 billion were awarded for \$4.9 billion, a 2.1 percent difference. By comparison, the fiscal year 2022 construction projects were estimated at \$1.2 billion and were awarded for \$1.3 billion, a 11.5 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](http://www.modot.org).

# Government-wide Financial Statements

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## Statements of Net Position

June 30, 2022 and 2021

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u> (as restated)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,333,401,404	\$ 1,442,280,605
Investments	20,204,662	10,249,360
Restricted cash and investments	18,648,250	18,639,000
State taxes and fees receivables	225,874,891	159,861,911
Federal government receivables	96,609,117	75,848,409
Miscellaneous receivables, net	30,750,241	14,291,037
Lease receivable	463,385	---
Loans receivable	113,228	149,831
Inventories	46,354,178	41,854,776
Prepaid rents	495,377	---
Total current assets	<u>1,772,914,733</u>	<u>1,763,174,929</u>
Noncurrent assets		
Investments	131,391,942	144,217,279
Restricted cash and investments	200,000	200,000
Lease receivable	599,168	---
Loans receivable	403,953	489,539
Capital assets		
Assets not being depreciated	4,836,030,484	4,619,161,908
Assets being depreciated, net	<u>27,179,895,064</u>	<u>26,917,215,981</u>
Total noncurrent assets	<u>32,148,520,611</u>	<u>31,681,284,707</u>
<b>Total assets</b>	<u>33,921,435,344</u>	<u>33,444,459,636</u>
<b>Deferred Outflows of Resources</b>		
Bond refunding	7,299,282	11,709,715
Pension related items	247,582,680	237,661,021
Other postemployment benefits obligation	133,931,354	162,478,153
Asset retirement obligations	64,000	50,880
<b>Total deferred outflows of resources</b>	<u>388,877,316</u>	<u>411,899,769</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	141,148,836	114,715,556
Accrued payroll	26,546,255	25,591,269
Accrued interest payable	10,581,615	11,951,195
Deposits	1,471,462	1,285,526
Unearned revenue	127,781,411	131,229,122
Pending self insurance claims	17,311,000	15,213,000
Incurred but not reported claims	17,816,000	19,108,000
Other postemployment benefits obligation	17,430,000	17,610,000
Financing and other obligations	<u>263,597,859</u>	<u>252,907,943</u>
Total current liabilities	<u>623,684,438</u>	<u>589,611,611</u>
Noncurrent liabilities		
Pending self insurance claims	39,667,426	37,584,752
Incurred but not reported claims	16,533,000	17,807,000
Net pension liability	826,871,121	1,083,118,704
Other postemployment benefits obligation	915,253,577	918,155,365
Financing and other obligations	<u>1,117,693,304</u>	<u>1,249,598,398</u>
Total noncurrent liabilities	<u>2,916,018,428</u>	<u>3,306,264,219</u>
<b>Total liabilities</b>	<u>3,539,702,866</u>	<u>3,895,875,830</u>
<b>Deferred Inflows of Resources</b>		
Deferred bond refunding	336,347	551,806
Lease revenues	1,062,553	---
Pension related items	226,215,764	9,594,449
Other postemployment benefits obligation	<u>99,252,523</u>	<u>108,602,462</u>
<b>Total deferred inflows of resources</b>	<u>326,867,187</u>	<u>118,748,717</u>
<b>Net Position</b>		
Net investment in capital assets	30,676,943,123	30,081,128,828
Restricted for:		
Internal service fund requirements set by legislation	300,000	300,000
Unrestricted	<u>(233,500,516)</u>	<u>(239,693,970)</u>
<b>Total net position</b>	<u>\$30,443,742,607</u>	<u>\$29,841,734,858</u>

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

# Statements of Activities

Years Ended June 30, 2022 and 2021

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b> <b>(as restated)</b>
<b>Transportation Program Expenses</b>		
Administration	\$ 4,066,897	\$ 1,232,957
Fleet, facilities and information systems	35,887,159	33,025,919
Safety and operations	385,360,324	339,586,766
Program delivery	178,212,108	176,678,912
Multimodal operations	101,258,210	95,340,076
Interest	55,723,965	62,545,450
Other state agencies	236,367,124	187,984,518
Self insurance	23,104,737	28,141,251
Medical and life insurance	157,385,858	149,674,981
Pension	81,681,304	128,334,645
Other postemployment benefits	33,607,604	35,596,635
Depreciation	<u>630,758,314</u>	<u>592,143,550</u>
<b>Total transportation program expenses</b>	<u>1,923,413,604</u>	<u>1,830,285,660</u>
<b>Transportation Program Revenues</b>		
Charges for services		
Licenses, fees and permits	342,709,509	345,690,845
Intergovernmental/cost reimbursements/miscellaneous	96,269,804	58,836,966
Interest	8,762	---
Member insurance premiums	<u>46,933,515</u>	<u>47,262,665</u>
Total charges for services	485,921,590	451,790,476
Federal government		
American Recovery and Reinvestment Act	11,529,022	11,859,532
Operating	86,453,751	91,643,361
Capital	<u>931,555,797</u>	<u>1,252,881,419</u>
Total federal government	<u>1,029,538,570</u>	<u>1,356,384,312</u>
<b>Total transportation program revenues</b>	<u>1,515,460,160</u>	<u>1,808,174,788</u>
<b>Net expense of transportation program</b>	<u>(407,953,444)</u>	<u>(22,110,872)</u>
<b>General Revenues</b>		
Fuel taxes	584,824,493	504,371,260
Sales taxes	414,472,126	443,561,475
Unrestricted investment earnings (loss)	(60,537,969)	799,768
State appropriations	73,632,929	57,914,140
Loss on sale of capital assets	<u>(1,729,661)</u>	<u>(4,457,369)</u>
<b>Total general revenues</b>	<u>1,010,661,918</u>	<u>1,002,189,274</u>
<b>Changes in Net Position</b>	602,708,474	980,078,402
<b>Net Position, beginning of year, as previously reported</b>	29,841,734,858	28,889,492,833
<b>Restatement of net position</b>	(700,725)	(27,836,377)
<b>Net Position, beginning of year, as restated</b>	<u>29,841,034,133</u>	<u>28,861,656,456</u>
<b>Net Position, end of year</b>	<u>\$ 30,443,742,607</u>	<u>\$ 29,841,734,858</u>

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



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# Fund Financial Statements

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**Balance Sheets**  
**Governmental Funds**  
 June 30, 2022 and 2021

	2022				
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 6,225,125	\$1,200,201,433	\$ 84,126,503	\$ 25,755,273	\$1,316,308,334
State taxes and fees receivables	178,976,589	27,109,500	18,537,450	1,251,352	225,874,891
Federal government receivables	---	80,318,624	---	16,290,493	96,609,117
Lease receivable	---	1,062,553	---	---	1,062,553
Miscellaneous receivables, net	1,346,406	26,067,956	215,017	435,576	28,064,955
Loans receivable	---	---	---	517,181	517,181
Due from other funds	---	62,593	---	---	62,593
Inventories	---	46,354,178	---	---	46,354,178
Prepaid rents	---	495,377	---	---	495,377
Restricted cash and investments	---	18,548,250	---	---	18,548,250
<b>Total assets</b>	<b>\$ 186,548,120</b>	<b>\$1,400,220,464</b>	<b>\$102,878,970</b>	<b>\$ 44,249,875</b>	<b>\$1,733,897,429</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,179,510	\$ 120,982,150	\$ ---	\$17,862,720	\$ 141,024,380
Accrued payroll	8,546,054	17,871,634	---	128,567	26,546,255
Deposits	---	1,471,462	---	---	1,471,462
Unearned revenue	---	117,168,798	---	1,583,705	118,752,503
Due to other funds	---	---	---	62,593	62,593
<b>Total liabilities</b>	<b>10,725,564</b>	<b>257,494,044</b>	<b>---</b>	<b>19,637,585</b>	<b>287,857,193</b>
<b>Deferred Inflows of Resources</b>					
Lease revenues	---	1,062,553	---	---	1,062,553
Unavailable revenues	1,228,356	11,782,609	---	132,557	13,143,522
<b>Total deferred inflows of resources</b>	<b>1,228,356</b>	<b>12,845,162</b>	<b>---</b>	<b>132,557</b>	<b>14,206,075</b>
<b>Fund balances</b>					
Nonspendable – inventories	---	46,849,555	---	---	46,849,555
Unassigned	---	---	---	(1,288,443)	(1,288,443)
Restricted – highways and transportation	174,594,200	1,083,031,703	102,878,970	25,768,176	1,386,273,049
<b>Total fund balances</b>	<b>174,594,200</b>	<b>1,129,881,258</b>	<b>102,878,970</b>	<b>24,479,733</b>	<b>1,431,834,161</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 186,548,120</b>	<b>\$1,400,220,464</b>	<b>\$102,878,970</b>	<b>\$ 44,249,875</b>	<b>\$ 1,733,897,429</b>

2021

State Highways and Transportation Department Fund	State Road Fund (as restated)	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds (as restated)
\$ 28,151,293	\$1,280,472,823	\$ 77,586,404	\$ 22,590,221	\$ 1,408,800,741
113,719,021	26,921,604	18,416,549	804,737	159,861,911
---	56,849,280	2,372,652	16,626,477	75,848,409
---	---	---	---	---
759,667	7,942,240	96,581	44,818	8,843,306
---	---	---	639,370	639,370
---	66,380	---	---	66,380
---	41,854,776	---	---	41,854,776
---	---	---	---	---
---	18,539,000	---	---	18,539,000
<u>\$ 142,629,981</u>	<u>\$ 1,432,646,103</u>	<u>\$ 98,472,186</u>	<u>\$ 40,705,623</u>	<u>\$ 1,714,453,893</u>
\$ 2,271,476	\$ 92,654,175	\$ ---	\$ 17,729,982	\$ 112,655,633
8,178,817	17,291,568	---	120,884	25,591,269
---	1,285,526	---	---	1,285,526
---	118,637,747	---	1,418,257	120,056,004
---	---	---	66,380	66,380
<u>10,450,293</u>	<u>229,869,016</u>	<u>---</u>	<u>19,335,503</u>	<u>259,654,812</u>
---	---	---	---	---
<u>72,816</u>	<u>4,459,966</u>	<u>---</u>	<u>650,545</u>	<u>5,183,327</u>
<u>72,816</u>	<u>4,459,966</u>	<u>---</u>	<u>650,545</u>	<u>5,183,327</u>
---	41,854,776	---	---	41,854,776
---	---	---	(1,510,578)	(1,510,578)
<u>132,106,872</u>	<u>1,156,462,345</u>	<u>98,472,186</u>	<u>22,230,153</u>	<u>1,409,271,556</u>
<u>132,106,872</u>	<u>1,198,317,121</u>	<u>98,472,186</u>	<u>20,719,575</u>	<u>1,449,615,754</u>
\$ <u>142,629,981</u>	\$ <u>1,432,646,103</u>	\$ <u>98,472,186</u>	\$ <u>40,705,623</u>	\$ <u>1,714,453,893</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, 2022 and 2021

	<u>Total</u>	
	<u>2022</u>	<u>2021</u> (as restated)
<b>Fund balances – total governmental funds</b>	\$ 1,431,834,161	\$ 1,449,615,754
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets, net of accumulated depreciation of \$27,413,746,980 and \$26,897,349,251 in 2022 and 2021 respectively, used in governmental activities are not financial resources, and therefore, are not reported in the funds.	32,015,925,548	31,536,377,889
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.	7,299,282	11,709,715
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.	(336,347)	(551,806)
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.	13,143,522	5,183,327
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	48,542,870	55,158,179
Self insurance plan	22,651,300	35,590,262
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	21,366,916	228,066,572
Other postemployment benefits obligations	34,678,831	53,875,691
Asset retirement obligations	64,000	50,880
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	(1,381,291,163)	(1,502,506,341)
Net pension liability	(826,871,121)	(1,083,118,704)
Other postemployment benefits obligations	(932,683,577)	(935,765,365)
Accrued interest payable	<u>(10,581,615)</u>	<u>(11,951,195)</u>
<b>Total net position – governmental activities</b>	<b><u>\$30,443,742,607</u></b>	<b><u>\$29,841,734,858</u></b>

# Statements of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Years Ended June 30, 2022 and 2021

	2022				
	State Highways and Transportation Department Fund	State Road Fund	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Fuel taxes	\$ 584,465,802	\$ 136,320	\$ ---	\$ 222,371	\$ 584,824,493
Sales taxes	2,519,235	197,281,966	202,684,507	11,986,418	414,472,126
Licenses, fees and permits	224,998,344	114,959,537	---	2,750,628	342,708,509
Intergovernmental/cost reimbursements/miscellaneous	1,944,777	70,961,714	---	117,967	73,024,458
Investment earnings	20,428	(48,952,202)	(3,497,178)	(257,785)	(52,686,737)
American Recovery and Reinvestment Act	---	4,450,840	7,078,182	---	11,529,022
State government	---	---	---	73,632,929	73,632,929
Federal government	---	930,669,953	---	86,972,739	1,017,642,692
<b>Total revenues</b>	<u>813,948,586</u>	<u>1,269,508,128</u>	<u>206,265,511</u>	<u>175,425,267</u>	<u>2,465,147,492</u>
<b>Expenditures</b>					
Administration	---	52,104,571	---	---	52,104,571
Fleet, facilities and information systems	---	46,455,739	---	---	46,455,739
Safety and operations	---	476,408,927	---	20,151,920	496,560,847
Program delivery	---	227,765,365	---	4,057,203	231,822,568
Multimodal operations	---	800,177	---	101,869,913	102,670,090
Capital outlay	581,202	1,089,616,277	---	79,353	1,090,276,832
Debt service - principal	1,180,539	80,832,996	154,365,000	---	236,378,535
Debt service - interest	913,155	25,828,092	47,493,727	---	74,234,974
Other state agencies	267,218,731	---	---	---	267,218,731
<b>Total expenditures</b>	<u>269,893,627</u>	<u>1,999,812,144</u>	<u>201,858,727</u>	<u>126,158,389</u>	<u>2,597,722,887</u>
<b>Excess of revenues over (under) expenditures</b>	<u>544,054,959</u>	<u>(730,304,016)</u>	<u>4,406,784</u>	<u>49,266,878</u>	<u>(132,575,395)</u>
<b>Other Financing Sources (Uses)</b>					
Notes issued	---	8,833,751	---	---	8,833,751
Bonds issued	---	88,955,000	---	---	88,955,000
Premium on bonds	---	11,439,350	---	---	11,439,350
Leases	581,202	51,235	---	---	632,437
Capital asset sales	---	4,559,798	---	---	4,559,798
Transfers in	---	547,655,553	---	---	547,655,553
Transfers out	(502,148,833)	---	---	(45,506,720)	(547,655,553)
<b>Total other financing sources (uses)</b>	<u>(501,567,631)</u>	<u>661,494,687</u>	<u>---</u>	<u>(45,506,720)</u>	<u>114,420,336</u>
<b>Net Changes in Fund Balances</b>	42,487,328	(68,809,329)	4,406,784	3,760,158	(18,155,059)
<b>Fund Balances, beginning of year, as previously reported</b>	132,106,872	1,198,317,121	98,472,186	20,719,575	1,449,615,754
<b>Restatement of fund balances</b>	---	373,466	---	---	373,466
<b>Fund Balances, beginning of year as restated</b>	<u>132,106,872</u>	<u>1,198,690,587</u>	<u>98,472,186</u>	<u>20,719,575</u>	<u>1,449,989,220</u>
<b>Fund Balances, end of year</b>	<u>\$ 174,594,200</u>	<u>\$ 1,129,881,258</u>	<u>\$ 102,878,970</u>	<u>\$ 24,479,733</u>	<u>\$ 1,431,834,161</u>

2021

State Highways and Transportation Department Fund	State Road Fund (as restated)	State Road Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds (as restated)
\$ 504,025,004	\$ 113,722	\$ ---	\$ 232,534	\$ 504,371,260
1,270,149	214,066,568	219,932,522	8,292,236	443,561,475
226,924,194	116,234,734	---	2,711,449	345,870,377
2,702,551	46,589,806	---	496,365	49,788,722
273,476	(60,117)	265,855	8,737	487,951
---	---	11,859,532	---	11,859,532
---	---	---	57,914,140	57,914,140
---	<u>1,254,141,358</u>	---	<u>91,121,250</u>	<u>1,345,262,608</u>
<u>735,195,374</u>	<u>1,631,086,071</u>	<u>232,057,909</u>	<u>160,776,711</u>	<u>2,759,116,065</u>
---	49,571,059	---	---	49,571,059
---	42,638,316	---	---	42,638,316
---	429,945,521	---	18,678,877	448,624,398
---	230,041,369	---	1,282,410	231,323,779
---	922,343	---	95,661,978	96,584,321
---	1,019,614,229	---	16,860	1,019,631,089
---	94,050,000	121,425,000	---	215,475,000
---	18,515,519	66,969,576	---	85,485,095
<u>219,126,117</u>	---	---	---	<u>219,126,117</u>
<u>219,126,117</u>	<u>1,885,298,356</u>	<u>188,394,576</u>	<u>115,640,125</u>	<u>2,408,459,174</u>
<u>516,069,257</u>	<u>(254,212,285)</u>	<u>43,663,333</u>	<u>45,136,586</u>	<u>350,656,891</u>
---	136,460	---	---	136,460
---	---	---	---	---
---	---	---	---	---
---	4,397,018	---	---	4,397,018
---	525,673,876	---	---	525,673,876
<u>(479,801,045)</u>	---	---	<u>(45,872,831)</u>	<u>(525,673,876)</u>
<u>(479,801,045)</u>	<u>530,207,354</u>	---	<u>(45,872,831)</u>	<u>4,533,478</u>
36,268,212	275,995,069	43,663,333	(736,245)	355,190,369
95,838,660	922,322,052	54,808,853	21,455,820	1,094,425,385
---	---	---	---	---
<u>95,838,660</u>	<u>922,322,052</u>	<u>54,808,853</u>	<u>21,455,820</u>	<u>1,094,425,385</u>
<u>\$ 132,106,872</u>	<u>\$ 1,198,317,121</u>	<u>\$ 98,472,186</u>	<u>\$ 20,719,575</u>	<u>\$ 1,449,615,754</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, 2022 and 2021

	<u>2022</u>	<u>2021</u> (as restated)
<b>Net changes in fund balances – total governmental funds</b>	\$ (18,155,059)	\$355,190,369
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 (\$1,090,276,832 and \$1,019,631,089 for 2022 and 2021, respectively) exceed depreciation (\$630,758,314 and \$592,143,550 for 2022 and 2021, respectively) in the current period.	459,518,518	427,487,539
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.	(6,289,459)	(8,854,387)
Certain revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	7,960,195	(6,361,040)
Certain pension related expenses, not applicable to the current period, are reported as deferred outflows of resources in the government-wide financial statements.	131,229,230	128,326,190
Certain OPEB related expenses, not applicable to the current period, are reported as deferred outflows of resources in the government-wide financial statements.	17,492,532	17,663,622
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	236,378,535	215,475,000
Bonds issued	(88,955,000)	---
Notes payable issued	(8,833,751)	(136,460)
Leases issued	(632,437)	---
Bond premium	(11,439,350)	---
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	606,690	(1,128,892)
Interest expense recognition	18,511,009	22,949,604
Claims and judgments	160,000	434,047
Pension expense	(81,681,304)	(128,334,645)
Other postemployment benefits obligations	(33,607,604)	(35,596,635)
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	(6,615,309)	4,704,839
Self insurance plan	<u>(12,938,962)</u>	<u>(11,740,749)</u>
<b>Changes in net position – governmental activities</b>	<u>\$602,708,474</u>	<u>\$980,078,402</u>

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

## Statements of Net Position

### Proprietary Funds

June 30, 2022 and 2021

	<u>Internal Service Funds</u>	
	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 17,093,070	\$ 33,479,864
Investments	20,204,662	10,249,360
Restricted investments	100,000	100,000
Miscellaneous receivables	<u>2,685,286</u>	<u>5,447,731</u>
Total current assets	<u>40,083,018</u>	<u>49,276,955</u>
Noncurrent assets		
Investments	131,391,942	144,217,279
Restricted investments	<u>200,000</u>	<u>200,000</u>
Total noncurrent assets	<u>131,591,942</u>	<u>144,417,279</u>
<b>Total assets</b>	<u>171,674,960</u>	<u>193,694,234</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	124,456	2,059,923
Unearned revenue	9,028,908	11,173,118
Pending self insurance claims	17,311,000	15,213,000
Incurred but not reported claims	<u>17,816,000</u>	<u>19,108,000</u>
Total current liabilities	<u>44,280,364</u>	<u>47,554,041</u>
Noncurrent liabilities		
Pending self insurance claims	39,667,426	37,584,752
Incurred but not reported claims	<u>16,533,000</u>	<u>17,807,000</u>
Total noncurrent liabilities	<u>56,200,426</u>	<u>55,391,752</u>
<b>Total liabilities</b>	<u>100,480,790</u>	<u>102,945,793</u>
<b>Net Position</b>		
Restricted net position	300,000	300,000
Unrestricted net position	<u>70,894,170</u>	<u>90,448,441</u>
<b>Total net position</b>	<u>\$ 71,194,170</u>	<u>\$ 90,748,441</u>

# Statements of Revenues, Expenses and Changes in Net Position

## Proprietary Funds

Years Ended June 30, 2022 and 2021

	<u>Internal Service Funds</u>	
	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Self insurance premiums		
Highway workers' compensation	\$ 7,500,000	\$ 7,484,625
Highway patrol workers' compensation	2,400,000	2,400,000
Highway fleet vehicle liability	2,000,000	1,284,625
Highway general liability	3,000,000	3,984,621
Medical insurance premiums		
State	91,036,505	93,272,710
Member	46,933,515	47,262,665
Other	<u>15,908,774</u>	<u>14,759,337</u>
<b>Total operating revenues</b>	<u>168,778,794</u>	<u>170,448,583</u>
<b>Operating Expenses</b>		
Self insurance programs		
Highway workers' compensation	10,527,439	6,501,746
Highway patrol workers' compensation	5,102,469	3,728,938
Highway fleet vehicle liability	2,093,072	2,779,788
Highway general liability	4,332,407	14,180,078
Other	1,049,350	950,701
Medical and life insurance program		
Insurance premiums	7,359,518	7,269,205
Medical benefits	102,277,135	99,356,352
Prescription drug benefits	40,436,140	35,750,253
Professional fees	1,110,929	960,296
Administrative services	<u>6,202,136</u>	<u>6,338,875</u>
<b>Total operating expenses</b>	<u>180,490,595</u>	<u>177,816,232</u>
<b>Operating (loss)</b>	<u>(11,711,801)</u>	<u>(7,367,649)</u>
<b>Nonoperating Revenues</b>		
Net appreciation (depreciation) and investment income	<u>(7,842,470)</u>	<u>331,739</u>
<b>Total nonoperating revenues</b>	<u>(7,842,470)</u>	<u>331,739</u>
<b>Changes in Net Position</b>	(19,554,271)	(7,035,910)
<b>Net Position, beginning of year</b>	<u>90,748,441</u>	<u>97,784,351</u>
<b>Net Position, end of year</b>	<u>\$ 71,194,170</u>	<u>\$ 90,748,441</u>

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

## Statements of Cash Flows

### Proprietary Funds

#### Years Ended June 30, 2022 and 2021

	<u>Internal Service Funds</u>	
	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 171,618,598	\$ 167,576,694
Payments for interfund services used	(172,657,716)	(157,405,590)
Payments to suppliers	<u>(10,297,882)</u>	<u>(7,009,894)</u>
Net cash provided by (used in) operating activities	<u>(11,337,000)</u>	<u>3,161,210</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale and maturities of investments	51,405,844	145,684,025
Purchases of investments	(58,316,242)	(149,141,515)
Interest received	2,008,838	2,499,183
Investment fees	<u>(148,234)</u>	<u>(141,878)</u>
Net cash provided by (used in) investing activities	<u>(5,049,794)</u>	<u>(1,100,185)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(16,386,794)	2,061,025
<b>Cash and Cash Equivalents, beginning of year</b>	<u>33,479,864</u>	<u>31,418,839</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 17,093,070</u>	<u>\$ 33,479,864</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating (loss)	\$ (11,711,801)	\$ (7,367,649)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Receivables	2,839,804	(2,871,889)
Accounts and claims payable	(320,793)	11,607,538
Unearned revenue	<u>(2,144,210)</u>	<u>1,793,210</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (11,337,000)</u>	<u>\$ 3,161,210</u>
<b>Noncash Items Impacting Recorded Assets</b>		
(Decrease) in fair value of investments	<u>\$ (9,780,430)</u>	<u>\$ (1,863,397)</u>

# Statements of Fiduciary Net Position

## Fiduciary Funds

June 30, 2022 and 2021

### Custodial Funds

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,973,035	\$7,965,454
Miscellaneous receivables, net	<u>553,838</u>	<u>521,513</u>
<b>Total assets</b>	<u>\$10,526,873</u>	<u>\$8,486,967</u>
<b>Liabilities</b>		
Deposits	\$ 587,860	\$1,256,101
Due to Non-MoDOT state funds	1,541,721	521,513
Due to other jurisdictions	<u>8,397,292</u>	<u>6,709,353</u>
<b>Total liabilities</b>	<u>\$10,526,873</u>	<u>\$8,486,967</u>
<b>Net Position</b>	<u>\$ ---</u>	<u>\$ ---</u>

**Statements of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
 Years Ended June 30, 2022 and 2021

	<u>Custodial Funds</u>	
	<u>2022</u>	<u>2021</u>
<b>Additions</b>		
Licenses, fees and permit collections for other governments	\$ 81,571,721	\$ 81,727,370
Fuel taxes for other governments	45,011,412	40,765,924
Carrier refunds	<u>1,085,386</u>	<u>2,672,437</u>
<b>Total additions</b>	<u>127,668,519</u>	<u>125,165,731</u>
<b>Deductions</b>		
Licenses, fees and permit collections due to other governments	81,571,721	81,727,370
Fuel taxes due to other governments	45,011,412	40,765,924
Carrier refunds	<u>1,085,386</u>	<u>2,672,437</u>
<b>Total deductions</b>	<u>127,668,519</u>	<u>125,165,731</u>
<b>Net increase (decrease) in Fiduciary Net Position</b>	---	---
<b>Net Position, beginning of year</b>	---	---
<b>Net Position, end of year</b>	\$ ---	\$ ---

# Notes to the Financial Statements

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For the Years Ended June 30, 2022 and 2021

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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 overdimension 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](http://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 include:

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

Investments are valued 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 \$1,000 for equipment, \$5,000 for 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

During fiscal year 2022, the Department implemented GASB Statement No. 87, *Leases*. The implementation of this statement had a \$700,725 impact on the Department's beginning of year net position.

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 \$1,000 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 consists 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 consists 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 includes 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 \$35,277,803 and \$35,884,491 as of June 30, 2022 and 2021, 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 \$64,000 and \$50,880 as of June 30, 2022 and 2021, 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 \$46,849,555 and \$41,854,776 at June 30, 2022 and 2021 respectively, representing prepaid rent on equipment and inventories held.

**Unassigned** – This consists of deficit fund balances in the Multimodal Federal Fund of \$1,288,443 and \$1,510,578 as of June 30, 2022 and 2021, respectively. The deficit fund balance consists of federal funds that have been returned from local entities specifically to be used for aviation projects and transit vehicles.

**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 \$1,386,273,049 and \$1,409,271,556 (as restated) at June 30, 2022 and 2021, 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, 2022 and 2021, \$300,000 and \$300,000, 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. The unrestricted net position deficits at June 30, 2022 and June 30, 2021, \$233,500,516 and \$239,693,970 (as restated), respectively, were a result of the inclusion of the net pension liability and other postemployment benefits liability.

## 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 is 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 those state agencies. At June 30, 2022 and 2021, the Department's portfolio of non-pooled funds had \$151,796,604 and \$154,666,639, respectively, of uninsured, unregistered investments held in the Commission's or State's name. Also, at June 30, 2022 and 2021, the Department had book balances of \$17,086,124 and \$33,464,601, respectively, and bank balances of \$21,854,792 and \$34,044,846, respectively, of repurchase agreements. All repurchase agreements were collateralized by securities held by a financial institution's trust department in the Commission's or State's name.

**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 2.5 years and holding at least 25.0 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, 2022 and June 30, 2021, the total non-pooled investments of \$148,157,290 and \$154,451,409, 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, 2022 and 2021, 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, 2022, the Department's cash and investments consisted of the following:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>	<b>Internal Service Funds</b>	<b>Fiduciary Funds</b>
Cash and investments:						
Cash and investments pooled in the State Treasury	\$ 6,225,125	\$1,094,529,205	\$84,126,503	\$25,755,273	\$ ---	\$ ---
Cash deposited with banks	---	105,672,228	---	---	6,946	---
U.S. agency obligations	---	---	---	---	148,157,289	---
U.S. Treasury obligations	---	---	---	---	3,439,315	---
Repurchase agreements	---	---	---	---	17,086,124	---
Total	<u>\$ 6,225,125</u>	<u>\$1,200,201,433</u>	<u>\$84,126,503</u>	<u>\$25,755,273</u>	<u>\$168,689,674</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State Treasury	\$ ---	\$ 18,548,250	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	9,973,035
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	100,000	---
Total	<u>\$ ---</u>	<u>\$ 18,548,250</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 300,000</u>	<u>\$9,973,035</u>

At June 30, 2021, the Department's cash and investments consisted of the following:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>	<b>Internal Service Funds</b>	<b>Fiduciary Funds</b>
Cash and investments:						
Cash and investments pooled in the State Treasury	\$28,151,293	\$1,168,956,570	\$77,586,404	\$22,590,221	\$ ---	\$ ---
Cash deposited with banks	---	111,516,253	---	---	15,263	---
U.S. agency obligations	---	---	---	---	154,451,409	---
U.S. Treasury obligations	---	---	---	---	15,230	---
Repurchase agreements	---	---	---	---	33,464,601	---
Total	<u>\$28,151,293</u>	<u>\$1,280,472,823</u>	<u>\$77,586,404</u>	<u>\$22,590,221</u>	<u>\$187,946,503</u>	<u>\$ ---</u>
Restricted assets:						
Cash and investments pooled in the State Treasury	\$ ---	\$ 18,539,000	\$ ---	\$ ---	\$ ---	\$ ---
Cash and investments pooled with the Mo. Dept. of Revenue	---	---	---	---	---	7,965,454
U.S. Treasury obligations	---	---	---	---	200,000	---
Certificate of deposit	---	---	---	---	100,000	---
Total	<u>\$ ---</u>	<u>\$ 18,539,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 300,000</u>	<u>\$7,965,454</u>

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, which is the equivalent of net asset value. Accordingly, the cash and investments within the State Treasurer's Office pool are not categorized as being level 1, 2 or 3. The State Treasurer's Office redeems securities upon request.

At June 30, 2022, MoDOT's investments held in depository banks have the following average maturities and ratings:

<u>Investment by Type</u>	<u>Rating</u>		<u>Total Investments</u>	<u>Investment Maturities (in years)</u>			<u>Fair Value Measurements</u>	
	<u>Moody's</u>	<u>S&amp;P</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	Aaa	AA+	\$ 17,086,124	\$17,086,124	\$ ---	\$ ---	\$ ---	\$ 17,086,124
U.S. Treasury obligations	Aaa	AA+	3,639,315	---	3,639,315	---	3,639,315	---
U.S. agency obligations	Aaa	AA+	<u>148,157,289</u>	<u>20,204,680</u>	<u>127,952,609</u>	---	---	<u>148,157,289</u>
			<u>\$168,882,728</u>	<u>\$37,290,804</u>	<u>\$131,591,924</u>	<u>\$ ---</u>	<u>\$3,639,315</u>	<u>\$165,243,413</u>

At June 30, 2021, MoDOT's investments held in depository banks have the following average maturities and ratings:

<u>Investment by Type</u>	<u>Rating</u>		<u>Total Investments</u>	<u>Investment Maturities (in years)</u>			<u>Fair Value Measurements</u>	
	<u>Moody's</u>	<u>S&amp;P</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	Aaa	AA+	\$ 33,464,601	\$33,464,601	\$ ---	\$ ---	\$ ---	\$ 33,464,601
U.S. Treasury obligations	Aaa	AA+	215,230	---	215,230	---	215,230	---
U.S. agency obligations	Aaa	AA+	<u>154,451,409</u>	<u>10,249,365</u>	<u>144,202,044</u>	---	---	<u>154,451,409</u>
			<u>\$188,131,240</u>	<u>\$43,713,966</u>	<u>\$144,417,274</u>	<u>\$ ---</u>	<u>\$215,230</u>	<u>\$187,916,010</u>



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**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 \$113,740 and \$480,790 at June 30, 2022 and 2021, 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, 2022 for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued on next page):

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>
State taxes and fees	\$178,976,589	\$ 27,109,500	\$ 18,537,450	\$ 1,251,352
Federal government	---	80,318,624	---	16,290,493
Miscellaneous:				
Reimbursements	1,228,675	23,784,703	---	406,791
Interest	117,731	2,283,253	215,017	28,785
Contributions	---	---	---	---
Total miscellaneous	<u>1,346,406</u>	<u>26,067,956</u>	<u>215,017</u>	<u>435,576</u>
Leases	---	1,062,553	---	---
Loans	---	---	---	517,181
Total receivables	<u>\$180,322,995</u>	<u>\$134,558,633</u>	<u>\$18,752,467</u>	<u>\$18,494,602</u>

Receivables at June 30, 2021, as restated, for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued on next page):

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund (as restated)</b>	<b>State Road Bond Fund</b>	<b>Nonmajor Funds</b>
State taxes and fees	\$113,719,021	\$ 26,921,604	\$18,416,549	\$ 804,737
Federal government	---	56,849,280	2,372,652	16,626,477
Miscellaneous:				
Reimbursements	706,059	6,848,296	---	26,277
Interest	53,608	1,093,944	96,581	18,541
Contributions	---	---	---	---
Total miscellaneous	<u>759,667</u>	<u>7,942,240</u>	<u>96,581</u>	<u>44,818</u>
Loans	---	---	---	639,370
Total receivables	<u>\$114,478,688</u>	<u>\$ 91,713,124</u>	<u>\$20,885,782</u>	<u>\$18,115,402</u>

Receivables at June 30, 2022 for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued from prior page):

	<b>Internal Service Funds</b>	<b>Total</b>	<b>Due Within One Year</b>
State taxes and fees	\$ ---	\$225,874,891	\$225,874,891
Federal government	---	96,609,117	96,609,117
Miscellaneous:			
Reimbursements	391,571	25,811,740	25,811,740
Interest	309,349	2,954,135	2,954,135
Contributions	<u>1,984,366</u>	<u>1,984,366</u>	<u>1,984,366</u>
Total miscellaneous	<u>2,685,286</u>	<u>30,750,241</u>	<u>30,750,241</u>
Leases	---	1,062,553	463,385
Loans	---	<u>517,181</u>	<u>113,228</u>
Total receivables	<u>\$2,685,286</u>	<u>\$ 354,813,983</u>	<u>\$353,810,862</u>

Receivables at June 30, 2021, as restated, for the government's individual major funds, nonmajor funds and internal service funds were as follows (continued from prior page):

	<b>Internal Service Funds</b>	<b>Total (as restated)</b>	<b>Due Within One Year (as restated)</b>
State taxes and fees	\$ ---	\$159,861,911	\$159,861,911
Federal government	---	75,848,409	75,848,409
Miscellaneous:			
Reimbursements	3,255,570	10,836,202	10,836,202
Interest	231,993	1,494,667	1,494,667
Contributions	<u>1,960,168</u>	<u>1,960,168</u>	<u>1,960,168</u>
Total miscellaneous	<u>5,447,731</u>	<u>14,291,037</u>	<u>14,291,037</u>
Loans	---	<u>639,370</u>	<u>128,282</u>
Total receivables	<u>\$5,447,731</u>	<u>\$250,640,727</u>	<u>\$250,129,639</u>

**Note 4: Leases**

**(A) Lessee**

The Department and/or other state agencies who utilize the State Highways and Transportation Department Fund have entered into lease arrangements for 95 radio communication towers (IT infrastructure), 31 buildings, nine parcels of land and two pieces of equipment. The lease contracts expire at various dates through 2050, assuming 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 5. During fiscal year 2022, the Department and/or other state agencies paid \$1,242,075 in lease payments.

Future minimum lease payments required under the lease arrangements at June 30, 2022 were as follows:

<u>Fiscal Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2023	\$ 1,270,768	\$ 889,900	\$ 2,160,668
2024	1,243,136	847,513	2,090,649
2025	1,179,838	806,428	1,986,266
2026	1,106,933	767,791	1,874,724
2027	1,194,289	728,874	1,923,163
2028-2032	6,675,044	3,000,317	9,675,361
2033-2037	7,976,915	1,917,658	9,894,573
2038-2042	5,579,899	527,732	6,107,631
2043-2047	317,593	69,314	386,907
2048-2050	<u>238,740</u>	<u>12,838</u>	<u>251,578</u>
	<u>\$26,783,155</u>	<u>\$9,568,365</u>	<u>\$36,351,520</u>

**(B) Lessor**

The Department has entered into arrangements to lease 56 parcels of land and three buildings owned by the Department. The lease contracts expire at various dates through fiscal year 2026, assuming that all renewal options are exercised by the lessee. During fiscal year 2022, the Department received \$375,884 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>
2023	\$ 463,385	\$ 22,880	\$ 486,265
2024	387,637	11,353	398,990
2025	175,390	2,532	177,922
2026	<u>36,141</u>	<u>829</u>	<u>36,970</u>
	<u>\$1,062,553</u>	<u>\$37,594</u>	<u>\$1,100,147</u>



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**Note 5: Capital Assets**

Changes in capital assets for the year ended June 30, 2022 are summarized below:

	<b>Beginning Balance (as restated)</b>	<b>Additions</b>	<b>Deletions/ Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Nondepreciable capital assets</b>					
Land and permanent easements	\$ 2,626,456,579	\$ 3,372,485	\$ 454,968	\$ 2,321,232	\$ 2,631,695,328
Land – Right to use	1,126,337	---	---	---	1,126,337
Software in progress	7,837,491	---	278,153	(5,840)	7,553,498
Construction in progress	44,422,885	23,820,188	---	(8,057,739)	60,185,334
Infrastructure in progress	<u>1,940,444,953</u>	<u>1,002,520,820</u>	---	(807,495,786)	<u>2,135,469,987</u>
Total nondepreciable capital assets	<u>4,620,288,245</u>	<u>1,029,713,493</u>	<u>733,121</u>	<u>(813,238,133)</u>	<u>4,836,030,484</u>
<b>Depreciable/amortizable capital assets</b>					
Land improvements	30,981,702	---	63,625	55,825	30,973,902
Buildings	300,406,594	34,990	499,923	5,680,682	305,622,343
Buildings – Right to use	1,152,885	315,678	---	---	1,468,563
Software	30,055,427	2,021,407	2,128,692	5,840	29,953,982
Equipment and vehicles	605,916,148	54,311,477	27,109,009	---	633,118,616
Equipment and vehicles – Right to use	253,083	---	---	---	253,083
Temporary easements	3,028,372	3,563,028	248,766	---	6,342,634
IT Infrastructure – Right to use	26,018,682	316,759	---	---	26,335,441
Infrastructure	<u>52,844,176,989</u>	---	<u>92,099,295</u>	<u>807,495,786</u>	<u>53,559,573,480</u>
Total depreciable/amortizable capital assets	<u>53,841,989,882</u>	<u>60,563,339</u>	<u>122,149,310</u>	<u>813,238,133</u>	<u>54,593,642,044</u>
<b>Accumulated depreciation/amortization</b>					
Land improvements	19,874,466	1,070,105	---	---	20,944,571
Buildings	155,451,599	7,891,904	382,677	---	162,960,826
Buildings – Right to use	317,744	316,318	---	---	634,062
Software	25,030,220	3,169,568	2,056,829	---	26,142,959
Equipment and vehicles	382,464,107	33,742,467	26,009,505	---	390,197,069
Equipment and vehicles – Right to use	42,378	62,974	---	---	105,352
Temporary easements	489,125	1,009,458	248,766	---	1,249,817
IT Infrastructure – Right to use	1,872,265	1,963,513	---	---	3,835,778
Infrastructure	<u>26,314,039,734</u>	<u>581,532,007</u>	<u>87,895,195</u>	---	<u>26,807,676,546</u>
Total accumulated depreciation/amortization	<u>26,899,581,638</u>	<u>630,758,314</u>	<u>116,592,972</u>	---	<u>27,413,746,980</u>
Total depreciable/amortizable capital assets, net	<u>26,942,408,244</u>	<u>(570,194,975)</u>	<u>5,556,338</u>	<u>813,238,133</u>	<u>27,179,895,064</u>
Total net capital assets	<u>\$31,562,696,489</u>	<u>\$ 459,518,518</u>	<u>\$ 6,289,459</u>	<u>\$ ---</u>	<u>\$32,015,925,548</u>

Changes in capital assets for the year ended June 30, 2021, are summarized below:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
\$ 2,625,858,099	\$ 3,701,265	\$ 5,600,885	\$ 2,498,100	\$ 2,626,456,579
---	---	---	---	---
7,062,255	900,242	---	(125,006)	7,837,491
32,411,343	24,214,323	---	(12,202,781)	44,422,885
<u>1,882,418,283</u>	<u>941,644,209</u>	<u>---</u>	<u>(883,617,539)</u>	<u>1,940,444,953</u>
<u>4,547,749,980</u>	<u>970,460,039</u>	<u>5,600,885</u>	<u>(893,447,226)</u>	<u>4,619,161,908</u>
30,429,785	128,970	---	422,947	30,981,702
290,179,900	1,040,563	95,603	9,281,734	300,406,594
---	---	---	---	---
30,845,772	1,629,626	2,544,977	125,006	30,055,427
577,735,462	44,600,981	16,420,295	---	605,916,148
---	---	---	---	---
1,543,308	1,770,910	285,846	---	3,028,372
---	---	---	---	---
<u>52,044,786,315</u>	<u>---</u>	<u>84,226,865</u>	<u>883,617,539</u>	<u>52,844,176,989</u>
<u>52,975,520,542</u>	<u>49,171,050</u>	<u>103,573,586</u>	<u>893,447,226</u>	<u>53,814,565,232</u>
18,809,561	1,064,905	---	---	19,874,466
147,644,173	7,903,029	95,603	---	155,451,599
---	---	---	---	---
24,675,378	2,753,502	2,398,660	---	25,030,220
366,111,464	31,892,633	15,539,990	---	382,464,107
---	---	---	---	---
273,487	501,484	285,846	---	489,125
---	---	---	---	---
<u>25,848,011,722</u>	<u>548,027,997</u>	<u>81,999,985</u>	<u>---</u>	<u>26,314,039,734</u>
<u>26,405,525,785</u>	<u>592,143,550</u>	<u>100,320,084</u>	<u>---</u>	<u>26,897,349,251</u>
26,569,994,757	(542,972,500)	3,253,502	893,447,226	26,917,215,981
<u>\$31,117,744,737</u>	<u>\$427,487,539</u>	<u>\$ 8,854,387</u>	<u>\$ -----</u>	<u>\$31,536,377,889</u>

**Note 6: 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 \$3,065,952 and \$2,940,868 for all claims arising out of a single accident or occurrence, and \$459,893 and \$441,130 for any one person in a single accident or occurrence, at June 30, 2022 and 2021, 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>
2022	\$77,812,752	\$22,055,387	\$19,140,713	\$80,727,426
2021	68,845,193	27,190,550	18,222,991	77,812,752
2020	75,246,093	12,115,115	18,516,015	68,845,193

**(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 did not have any claims and judgments payable at June 30, 2022 and approximately \$160,000 in claims and judgments payable at June 30, 2021. 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 \$9,971,200 and \$3,367,000 as of June 30, 2022 and 2021, respectively. These estimates are within a range of \$550,000 to \$20,228,000 and \$834,000 to \$9,519,000 as of June 30, 2022 and 2021, respectively.

## Note 7: 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 \$10,600,000 and \$11,900,000 were reported in the Medical and Life Insurance Plan as of June 30, 2022 and 2021, 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>
2022	\$11,900,000	\$142,713,275	\$144,013,275	\$10,600,000
2021	10,500,000	135,106,604	133,706,604	11,900,000
2020	9,600,000	125,441,989	124,541,989	10,500,000

## Note 8: 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](http://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 contributions to MPERS for fiscal years 2022 and 2021 were 58.0 percent and 58.0 percent, respectively, of eligible (covered) payroll. Required employer contributions totaling \$130,469,819 and \$127,707,962 for fiscal years 2022 and 2021, 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 2022 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, 2021 and 2020, using the following actuarial assumptions, applied to all prior periods included in the measurements:

	<u>2021</u>	<u>2020</u>
Inflation	2.25%	2.25%
Salary increases	3.00% to 12.45%	3.00% to 12.45%
Investment rate of return	7.00%	7.00%
Cost-of-living adjustments	1.80% compound	1.80% compound

The mortality tables for 2021 and 2020, 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 2022 using projection scales MP-2017. Pre-retirement mortality used was RP-2014 Employee Mortality Tables projected to 2022 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 2022 using projection scales MP-2017. All mortality tables include a margin for mortality improvement in the projection to 2022.

The actuarial assumptions used in the 2021 and 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2017.

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, 2021 and 2020:

<u>Asset Class</u>	<u>2021</u>	<u>2020</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, 2021 and 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	<u>2020</u>
Global equity	2.60%	3.90%
Private equity	6.60	7.20
Fixed income	(0.40)	0.30
Opportunistic debt	4.10	4.50
Real assets	3.10	5.30
Real estate	2.50	2.40

A single discount rate of 6.5 percent and 7.0 percent was used to measure the total pension liability for fiscal years 2021 and 2020, respectively. This single discount rate was based on the expected rate of return on pension plan investments of 6.5 percent and 7.0 percent for fiscal years 2021 and 2020, 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 year 2021 and 7.0 percent for fiscal year 2020, 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, 2021 and 2020.

	<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 2021	\$1,148,237,655	\$826,871,121	\$559,508,424
	<u>1 Percent Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1 Percent Increase (8.00%)</u>
The Department's proportionate share of the net pension liability 2020	\$1,380,843,520	\$1,083,118,704	\$834,328,952

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

The Department reported a liability of \$826.9 million and \$1,083.1 million for its proportionate share of the net pension liability at June 30, 2022 and 2021, respectively. The net pension liability was measured as of June 30, 2021 and June 30, 2020, 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, 2021 and 2020, the Department's proportion was 61.70 percent and 62.59 percent, respectively, which was an increase of 0.89 percent from the measurement period of June 30, 2019 to June 30, 2020 and an increase from the measurement period of June 30, 2018 to June 30, 2019 of 0.24 percent. The Department recognized pension expense of \$81.7 million and \$128.3 million for the years ended June 30, 2022 and 2021, respectively.

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

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources (as restated)	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,159,677	\$ 14,343,202	\$ 1,730,348	\$ 9,225,966
Changes in proportion and differences between employer contributions and share of contributions	2,526,627	10,836,372	4,896,390	368,483
Net difference between projected and actual investment earnings on pension plan investment	---	201,036,190	75,325,888	---
Changes in Actuarial Assumptions	113,426,513	---	28,000,433	---
Contributions subsequent to measurement date	<u>130,469,863</u>	---	<u>127,707,962</u>	---
Total	<u>\$247,582,680</u>	<u>\$226,215,764</u>	<u>\$237,661,021</u>	<u>\$ 9,594,449</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:

Year Ending	2022 Net Deferred Inflows of Resources	2021 Net Deferred Outflows of Resources
2022	\$ ---	\$ 26,609,196
2023	(13,546,539)	26,630,223
2024	(15,633,701)	24,519,001
2025	(17,535,450)	22,600,190
2026	<u>(62,387,257)</u>	---
Total	<u>\$(109,102,947)</u>	<u>\$ 100,358,610</u>

**Note 9: 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 7, 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 June 30, 2021:	
Retirees or beneficiaries currently receiving benefit payments	4,616
Retirees entitled to but not yet receiving benefit payments	69
Active employees	<u>4,947</u>
Total participants	<u>9,632</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 \$17,192,514 and \$17,660,603 were made for fiscal years 2022 and 2021, respectively.

## (B) Actuarial Information

The measurement date of the liability for June 30, 2022 and 2021 was July 1, 2021 and 2020, respectively. The total OPEB liability in the July 1, 2021 and 2019 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

	<u>2022</u>	<u>2021</u>
Inflation	2.00%	2.00%
Salary increases	2.50%	2.50%
Discount rate	2.16%	2.21%
Healthcare cost trend rates:	6.10% for 2021, decreasing to 4.60% through 2027	6.00% for 2019, decreasing to 4.50% through 2025
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, 2020 and July 1, 2019. 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 and Pub-2010 Public Retirement Plans Safety Employees Mortality Table weighted by Headcount projected by MP-2020 for July 1, 2021 and July 1, 2020, respectively. The actuarial assumptions used in July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021. Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent in 2021 to 2.16 percent in 2022.

The following presents the impact of interest rate sensitivity on the total OPEB liability for the fiscal years ended June 30, 2022 and 2021 for discount rates of 2.16 percent and 2.21 percent, respectively, using a discount rate that is one-percentage-point lower or one-percentage-point higher than the discount rate for each respective year.

	<u>1 Percent Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1 Percent Increase (3.16%)</u>
Total OPEB liability 2022	\$1,129,072,891	\$932,683,577	\$782,409,837
	<u>1 Percent Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1 Percent Increase (3.21%)</u>
Total OPEB liability 2021	\$1,101,031,168	\$935,765,365	\$762,698,759

The following illustrates the impact of healthcare cost trend sensitivity on the total OPEB liability for the Department for fiscal year ended June 30, 2022.

<u>Measurement Date</u> <u>July 1, 2021</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	\$768,758,991	\$932,683,577	\$1,150,312,202

The following illustrates the impact of healthcare cost trend sensitivity on the total OPEB liability for the Department for fiscal year ended June 30, 2020.

<u>Measurement Date</u> <u>July 1, 2020</u>	<u>1 Percent Decrease (5.00%)</u>	<u>Current Trend Rates (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Total OPEB liability	\$748,864,175	\$935,765,365	\$1,122,342,735

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

The Department's total OPEB Liability is \$932,683,577 and \$935,765,365 at June 30, 2022 and 2021, respectively. The measurement date of the liability for June 30, 2022 and 2021 was July 1, 2021 and 2020, respectively. The liability was based on the population of each employer.

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 935,765,365	\$ 738,785,055
Changes for the year		
Service cost	26,108,143	17,404,957
Changes of benefit terms	---	---
Differences between expected and actual experience	(23,792,478)	(2,646,022)
Interest	21,063,595	26,236,725
Changes in assumptions or other inputs	(8,825,329)	173,546,064
Benefit payments	<u>(17,635,719)</u>	<u>(17,561,414)</u>
Net changes	<u>(3,081,788)</u>	<u>196,980,310</u>
Balance, June 30	<u>\$ 932,683,577</u>	<u>\$ 935,765,365</u>

A breakout of the current and noncurrent portion of the total OPEB liability at June 30, 2022 and 2021 is listed below:

	<u>2022</u>	<u>2021</u>
Other postemployment benefit obligation - current	\$ 17,430,000	\$ 17,610,000
Other postemployment benefit obligation - noncurrent	<u>915,253,577</u>	<u>918,155,365</u>
Total	<u>\$ 932,683,577</u>	<u>\$ 935,765,365</u>

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

For the year ended June 30, 2022 and 2021, the Department recognized total OPEB expense of \$33,607,604 and \$35,596,635 respectively. A breakdown of the OPEB expense is provided below.

	<u>2022</u>	<u>2021</u>
Reconciliation of OPEB Expense		
Beginning Balance	\$ ---	\$ ---
Service Cost	26,108,143	17,404,957
Interest	21,063,595	26,236,725
Amortization of Deferred Inflow Changes in Assumptions	(2,848,662)	(1,355,375)
Amortization of Deferred Inflow Changes in Liability		
(Gain)/Loss	<u>(10,715,472)</u>	<u>(6,689,672)</u>
Total OPEB expenses	<u>\$ 33,607,604</u>	<u>\$ 35,596,635</u>

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

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$40,905,970	\$ ---	\$ 27,828,964
Changes of assumptions or other inputs	116,738,840	58,346,553	145,142,452	80,773,498
Benefit payments subsequent to measurement date	<u>17,192,514</u>	<u>---</u>	<u>17,335,701</u>	<u>---</u>
Total	<u>\$133,931,354</u>	<u>\$99,252,523</u>	<u>\$162,478,153</u>	<u>\$108,602,462</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.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as an increase in OPEB expense as follows:

Year	2022	2021
2022	\$ ---	\$ (8,045,047)
2023	(13,564,134)	(8,045,047)
2024	2,260,258	7,779,346
2025	9,914,291	15,433,379
2026	20,821,520	26,340,608
2027-2031	<u>(1,945,618)</u>	<u>3,076,751</u>
Total	\$ <u>17,486,317</u>	\$ <u>36,539,990</u>

## Note 10: Financing and Other Obligations

Changes in long-term obligations for the year ended June 30, 2022 were as follows:

Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
State road bonds	\$1,408,715,000	\$ 88,955,000	\$232,500,000	\$ 1,265,170,000	\$234,905,000
Notes issued	136,460	8,833,751	2,636,460	6,333,751	3,833,751
Leases	27,392,791	632,437	1,242,075	26,783,153	1,270,768
Claims and judgments	160,000	---	160,000	---	---
Compensated absences	35,884,491	22,981,652	23,588,340	35,277,803	23,588,340
Pollution remediation	4,000	---	---	4,000	---
Asset retirement obligations	<u>50,880</u>	<u>13,120</u>	<u>---</u>	<u>64,000</u>	<u>---</u>
	<u>\$1,472,343,622</u>	<u>\$121,415,960</u>	<u>\$260,126,875</u>	<u>\$1,333,632,707</u>	<u>\$263,597,859</u>
Unamortized premium				<u>47,658,456</u>	
				<u>\$1,381,291,163</u>	

Changes in long-term obligations for the year ended June 30, 2021 were as follows:

Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
State road bonds	\$1,624,190,000	\$ ---	\$215,475,000	\$1,408,715,000	\$232,500,000
Notes issued	---	136,460	---	136,460	136,460
Leases	---	---	---	---	---
Claims and judgments	594,047	---	434,047	160,000	160,000
Compensated absences	34,755,599	21,240,375	20,111,483	35,884,491	20,111,483
Pollution remediation	4,000	---	---	4,000	---
Asset retirement obligations	<u>43,955</u>	<u>7,720</u>	<u>795</u>	<u>50,880</u>	<u>---</u>
	<u>\$1,659,587,601</u>	<u>\$ 21,384,555</u>	<u>\$236,021,325</u>	<u>\$1,444,950,831</u>	<u>\$252,907,943</u>
Unamortized premium				<u>57,555,510</u>	
				<u>\$1,502,506,341</u>	

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.

House Bill 1742, signed by the Governor on May 30, 2000, authorized the Department to issue bonds of \$2.25 billion through 2006, with no more than \$500.0 million issued in any one year. 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 to replace the Rocheport Bridge over the Missouri River. No debt obligation was incurred for fiscal year 2021 or fiscal year 2022 as no disbursements have been made. The first disbursement of \$24.4 million is scheduled for on or after August 1, 2022. The second disbursement of \$24.8 million is scheduled for on or after August 1, 2023. The final disbursement of \$13.3 million is scheduled for on or after August 1, 2024. Annual payments to the MTFC begin on August 1, 2023 in the amount of \$9.2 million, including interest, and continue through August 1, 2029.

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

	<u>2022</u>	<u>2021</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.	\$ 381,200,000	\$ 404,375,000
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.	176,865,000	198,950,000
Series A 2010 Federal Reimbursement State Road bonds, originally issued for \$128,865,000, 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 \$2,745,000 to \$13,610,000 beginning in 2011 through 2022; interest varying from 1.50 percent to 5.00 percent; secured by revenues collected from federal highway reimbursements.	---	2,745,000
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.	44,845,000	56,135,000
Series C 2010 Refunding State Road bonds, originally issued for \$130,390,000, to advance refund certain portions of Series A 2001 through 2003 State Road bonds; due in annual installments of \$1,205,000 to \$31,145,000 beginning February 1, 2013 through 2023; interest varying from 3.00 percent to 5.00 percent; secured by revenues collected under Article IV, Section 30(b) of the Missouri Constitution.	17,665,000	34,480,000
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.	385,655,000	457,940,000
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.	29,805,000	66,625,000
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.	33,105,000	43,105,000

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.	107,075,000	144,360,000
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.	<u>88,955,000</u>	<u>---</u>
	<u>\$1,265,170,000</u>	<u>\$1,408,715,000</u>

## 2. Tax Status of Bonds

Tax-Exempt issuances: The Series C 2010 Refunding bonds are Senior Bonds and would take priority in payment over other bonds. Refunding Series A 2014 bonds are First Lien bonds. The Refunding Series B 2014 are Second Lien bonds. The Series A 2008, A 2009, A 2010 and A 2019 bonds are liens on federal highway reimbursement revenues. The Series B 2019 bonds are Third Lien Bonds. 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>
2023	\$ 234,905,000	\$ 53,636,202	\$ 288,541,202
2024	211,415,000	42,917,541	254,332,541
2025	219,590,000	33,362,217	252,952,217
2026	205,800,000	23,406,829	229,206,829
2027	100,195,000	14,006,661	114,201,661
2028-2033	<u>293,265,000</u>	<u>34,434,962</u>	<u>327,699,962</u>
	<u>\$1,265,170,000</u>	<u>\$201,764,412</u>	<u>\$1,466,934,412</u>

#### 4. Pledged Revenues

Pledged revenues for the year ended June 30, 2022 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 Type<sup>4</sup></u>	<u>Net Pledged Revenue</u>	<u>Term of Commitment</u>
Senior Lien <sup>1</sup>	\$ 16,815	\$ 1,724	\$ 18,539	Article IV, Section 30(b) of the Missouri Constitution	\$ 644,369	2022 – 2024
Federal Reimbursement <sup>2</sup>	47,210	18,477	65,687	Federal Highway Reimbursements	807,057	2022 – 2034
First, Second, Third Lien <sup>3</sup>	<u>168,475</u>	<u>41,181</u>	<u>209,656</u>	Article IV, Section 30(b) of the Missouri Constitution	<u>873,645</u>	2022 – 2030
	<u>\$232,500</u>	<u>\$61,382</u>	<u>\$293,882</u>		<u>\$2,325,071</u>	

<sup>1</sup> Bonds issued 2010 (2010 C)

<sup>2</sup> Bonds issued 2009 (2009 B), 2010 (2010 A, 2010 B), 2019 (2019 A)

<sup>3</sup> Bonds issued 2014 (2014 A, 2014 B), 2009 (2009 C), 2019 (2019 B), 2021 (2021 A)

<sup>4</sup> 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 revenues for the year ended June 30, 2021 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 Type<sup>4</sup></u>	<u>Net Pledged Revenue</u>	<u>Term of Commitment</u>
Senior Lien <sup>1</sup>	\$ 16,020	\$ 2,519	\$ 18,539	Article IV, Section 30(b) of the Missouri Constitution	\$ 697,562	2021 – 2023
Federal Reimbursement <sup>2</sup>	44,020	21,114	65,134	Federal Highway Reimbursements	1,150,479	2021 – 2033
First, Second, Third Lien <sup>3</sup>	<u>155,435</u>	<u>52,334</u>	<u>207,769</u>	Article IV, Section 30(b) of the Missouri Constitution	<u>948,681</u>	2021 – 2029
	<u>\$215,475</u>	<u>\$75,967</u>	<u>\$291,442</u>		<u>\$2,796,722</u>	

<sup>1</sup> Bonds issued 2006 (2006 Ref), 2010 (2010 C)

<sup>2</sup> Bonds issued 2008 (2008 A), 2009 (2009 A, 2009 B), 2010 (2010 A, 2010 B)

<sup>3</sup> Bonds issued 2014 (2014 A, 2014 B), 2009 (2009 C)

<sup>4</sup> 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>2022</u>	<u>2021</u>
City of Kirkwood; for roadway improvements on Manchester Road from Kirkwood Road to the west city of Kirkwood limits; principal due in state fiscal year 2023 with payment made no earlier than August 1, 2022; no interest will accrue.	\$ ---	\$136,460
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.	5,000,000	---
City of Kearney; for the construction of a new interchange south of Route 92 at 19th Street in Kearney; principal due in state fiscal year 2023; no interest will accrue.	<u>1,333,751</u>	---
	<u>\$6,333,751</u>	<u>\$136,460</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>
2023	\$3,833,751	\$---	\$3,833,751
2024	2,500,000	---	2,500,000
2025	---	---	---
2026	---	---	---
2027	---	---	---
	<u>\$6,333,751</u>	<u>\$---</u>	<u>\$6,333,751</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 11: Tax Revenues

Tax revenues for the fiscal years 2022 and 2021 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 2022</u>
Fuel taxes	\$584,465,802	\$ 136,320	\$ ---	\$ 222,371	\$584,824,493
Sales taxes	<u>2,519,235</u>	<u>197,281,966</u>	<u>202,684,507</u>	<u>11,986,418</u>	<u>414,472,126</u>
Total tax revenue	<u>\$586,985,037</u>	<u>\$197,418,286</u>	<u>\$202,684,507</u>	<u>\$12,208,789</u>	<u>\$999,296,619</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 2021</u>
Fuel taxes	\$504,025,004	\$ 113,722	\$ ---	\$ 232,534	\$504,371,260
Sales taxes	<u>1,270,149</u>	<u>214,066,568</u>	<u>219,932,522</u>	<u>8,292,236</u>	<u>443,561,475</u>
Total tax revenue	<u>\$505,295,153</u>	<u>\$214,180,290</u>	<u>\$219,932,522</u>	<u>\$ 8,524,770</u>	<u>\$947,932,735</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 \$0.17 per gallon to \$0.195 per gallon on October 1, 2021. The State receives 75.0 percent of the first \$0.11 and 70.0 percent of the next \$0.085. 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 12: 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, 2022 and 2021, including were as follows:

	2022		2021	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
State Highways and Transportation Department Fund	\$ ---	\$502,148,833	\$ ---	\$479,801,045
State Road Fund	547,655,553	---	525,673,876	---
Nonmajor Funds	---	45,506,720	---	45,872,831
Total transfers	<u>\$547,655,553</u>	<u>\$547,655,553</u>	<u>\$525,673,876</u>	<u>\$525,673,876</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, 2022 and 2021 were as follows:

	2022		2021	
	<u>Receivable</u>	<u>Payable</u>	<u>Receivable</u>	<u>Payable</u>
State Road Fund	\$ 62,593	\$ ---	\$ 66,380	\$ ---
Nonmajor Funds	---	62,593	---	66,380
Total due to/from	<u>\$ 62,593</u>	<u>\$ 62,593</u>	<u>\$ 66,380</u>	<u>\$ 66,380</u>

**Note 13: 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, 2022 and 2021. Consequently, this potential obligation is not included in the accompanying basic financial statements. Total reimbursements made by the Department were \$41,451 and \$192,917 for fiscal years 2022 and 2021, respectively.

**(B) Construction Commitments**

The State Road Fund had construction awards outstanding for both state and federal participating projects at June 30, 2022 and 2021 amounting to approximately \$1,388,591,494 and \$999,699,288, respectively. The federal portion of this total was \$890,533,323 and \$725,352,595, or approximately 64.13 percent and 72.56 percent, for 2022 and 2021, 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 14: Restatement**

During fiscal year 2022, the Department determined the fiscal year 2021 federal receivable estimate was overstated by \$28.0 million; therefore, the net position and related assets were overstated by \$28.0 million for the fiscal year ended June 30, 2021. In addition, federal government revenue in the State Road Fund was overstated by \$149,000 and the State Road Fund balance for the year ended June 30, 2021 was overstated \$28.0 million. The effect of correcting that error is shown in the tables below.

**Government-wide financial statements**

	<u>June 30, 2021</u> <u>As Originally Stated</u>	<u>Error Correction</u>	<u>June 30, 2021</u> <u>As Restated</u>
<b>Statement of Net Position</b>			
Federal government receivable	\$ 103,833,936	\$(27,985,527)	\$ 75,848,409
Total current assets	1,791,160,456	(27,985,527)	1,763,174,929
Total assets	33,472,445,163	(27,985,527)	33,444,459,636
Unrestricted	(211,708,443)	(27,985,527)	(239,693,970)
Total net position	\$29,869,720,385	\$(27,985,527)	\$29,841,734,858
<b>Statement of Activities</b>			
Federal government revenues - capital	\$ 1,253,030,569	\$ (149,150)	\$ 1,252,881,419
Total federal government	1,356,533,462	(149,150)	1,356,384,312
Total transportation program revenues	1,808,323,938	(149,150)	1,808,174,788
Net expense of program	(21,961,722)	(149,150)	(22,110,872)
Change in net position	980,227,552	(149,150)	980,078,402
Net Position, beginning of year	28,889,492,833	(27,836,377)	28,861,656,456
Net Position, end of year	\$29,869,720,385	\$(27,985,527)	\$29,841,734,858

**Fund financial statements**

	<u>June 30, 2021</u> <u>As Originally Stated</u>	<u>Error Correction</u>	<u>June 30, 2021</u> <u>As Restated</u>
<b>State Road Fund</b>			
<b>Balance Sheet</b>			
Federal government receivable	\$ 84,834,807	\$(27,985,527)	\$ 56,849,280
Total assets	1,460,631,630	(27,985,527)	1,432,646,103
Fund balance - Restricted	1,184,447,872	(27,985,527)	1,156,462,345
Total fund balance	1,226,302,648	(27,985,527)	1,198,317,121
Total liabilities, deferred inflows of resources and fund balances	\$1,460,631,630	\$(27,985,527)	\$1,432,646,103
<b>Statement of Revenues, Expenditures and Changes in and Changes in Fund Balance</b>			
Federal government revenue	\$1,254,290,508	\$ (149,150)	\$1,254,141,358
Total revenues	1,631,235,221	(149,150)	1,631,086,071
Net Changes in Fund Balance	276,144,219	(149,150)	275,995,069
Fund Balance, beginning of year	950,158,429	(27,836,377)	922,322,052
Fund Balance, end of year	\$1,226,302,648	\$(27,985,527)	\$1,198,317,121

**Note 15: Accounting Pronouncements**

MoDOT implemented GASB Statement No. 87, *Leases* in fiscal year 2022. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this statement has resulted in the restatement of the net position and fund balances at the beginning of fiscal year 2022. The Department has not restated its financial statements as of and for the year ended June 30, 2021 for the implementation of GASB Statement No. 87 because fiscal year 2020 lease information was not readily available, thus making restatement of the 2021 financial statements not practical. The restatement of beginning net position and State Road Fund balance is as follows:

	<u>July 1, 2021</u>
<b>Government-wide financial statements</b>	
Net Position, beginning of year, as restated for error corrections (Note 14)	\$29,841,734,858
Restatement of net position, leases	<u>(700,725)</u>
Net Position, beginning of year as restated	<u>\$29,841,034,133</u>

**Restatement consists of:**

Right to use asset balance at July 1, 2021	\$ 26,318,600
Financing and other obligations for leases at July 1, 2021	(27,392,791)
Prepaid rent asset at July 1, 2021	436,899
Unearned lease receipts at July 1, 2021	(15,483)
Remove miscellaneous receivable amount for leases as previously reported	<u>(47,950)</u>
Restatement of net position, leases	<u>\$ (700,725)</u>

July 1, 2021

**Fund financial statements - State Road Fund**

Fund balance, beginning of year, as restated for error corrections (Note 14)	\$ 1,198,317,121
Restatement of net position, leases	<u>373,466</u>
Fund balance, beginning of year as restated	<u>\$ 1,198,690,587</u>

**Restatement consists of:**

Prepaid rent asset at July 1, 2021	\$ 436,899
Unearned lease receipts at July 1, 2021	( 15,483)
Remove miscellaneous receivable amount for leases as previously reported	<u>(47,950)</u>
Restatement of net position, leases	<u>\$ 373,466</u>

MoDOT also implemented GASB Statement No. 100, *Accounting Changes and Error Corrections* in fiscal year 2022. This Statement provides guidance for the accounting and financial reporting for accounting changes and error corrections.

MoDOT implemented the following GASB Statements in fiscal year 2022 with no impact to the financial statements:

- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- GASB Statement No. 92, *Omnibus 2020*
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB No. 32*

**Note 16: Subsequent Events**

**(A) Anticipated Bond Issuance**

The Department anticipates issuing \$500,000,000 in bonds in the fall of 2022.



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# Required Supplementary Information

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**Required Supplementary Information**  
**Budgetary Comparison Schedules – State Highways**  
**and Transportation Department Fund**  
**Year Ended June 30, 2022**  
**With Summarized Financial Information for 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances Between Final Budget and Actual</b>	
	<b>Original</b>	<b>Final</b>		<b>2022</b>	<b>2021</b>
<b>Budgetary fund balance, beginning of year</b>	\$ 28,260,930	\$ 28,260,930	\$ 28,260,930	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	535,582,861	535,582,861	528,319,738	(7,263,123)	10,467,918
License, fees and permits	212,174,441	212,174,441	217,231,077	5,056,636	14,967,113
Vehicle sales taxes	2,058,644	2,058,644	2,516,394	457,750	(773,799)
Interest	371,210	371,210	218,329	(152,881)	(1,864)
Intergovernmental/cost reimbursements/miscellaneous	<u>2,466,270</u>	<u>2,466,270</u>	<u>2,535,326</u>	<u>69,056</u>	<u>(273,992)</u>
<b>Amount available for Appropriation</b>	<u>780,914,356</u>	<u>780,914,356</u>	<u>779,081,794</u>	<u>(1,832,562)</u>	<u>24,385,376</u>
Charges to appropriations (outflows)					
Appropriations spent by other state agencies	<u>291,483,000</u>	<u>291,483,000</u>	<u>270,386,459</u>	<u>21,096,541</u>	<u>66,402,724</u>
<b>Total charges to appropriations</b>	<u>291,483,000</u>	<u>291,483,000</u>	<u>270,386,459</u>	<u>21,096,541</u>	<u>66,402,724</u>
Transfers to State Road Fund	<u>(510,000,000)</u>	<u>(510,000,000)</u>	<u>(502,148,833)</u>	<u>7,851,167</u>	<u>3,373,042</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ (20,568,644)</u>	<u>\$ (20,568,644)</u>	<u>\$ 6,546,502</u>	<u>\$27,115,146</u>	<u>\$94,161,142</u>

**Required Supplementary Information**  
**Budgetary Comparison Schedules – State Road Fund**  
 Year Ended June 30, 2022  
 With Summarized Financial Information for 2021

	Budgeted Amounts		Actual	Variances Between Final Budget and Actual	
	Original	Final		2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$1,190,401,461	\$1,190,401,461	\$1,190,401,461	\$ ---	\$ ---
Resources (inflows)					
Fuel taxes	112,139	112,139	136,320	24,181	16,723
License, fees and permits	87,367,559	87,367,559	114,900,588	27,533,029	30,614,685
Vehicle sales taxes	180,315,157	180,315,157	197,164,062	16,848,905	41,324,849
Interest	4,436,490	4,436,490	5,415,431	978,941	1,484,431
Intergovernmental/cost reimbursements/miscellaneous	189,352,204	189,352,204	81,599,475	(107,752,729)	(129,600,840)
Bond proceeds	100,000,000	100,000,000	100,000,000	---	---
Federal government	<u>1,183,826,000</u>	<u>1,183,826,000</u>	<u>907,839,442</u>	<u>(275,986,558)</u>	<u>160,132,904</u>
<b>Amount available for Appropriation</b>	<u>2,935,811,010</u>	<u>2,935,811,010</u>	<u>2,597,456,779</u>	<u>(338,354,231)</u>	<u>103,972,752</u>
Charges to appropriations (outflows)					
Administration					
Personal service	19,653,614	19,653,614	17,951,856	1,701,758	2,587,270
Expense and equipment	6,417,562	6,417,562	2,703,284	3,714,278	13,616,337
Safety and Operations					
Personal service	153,717,436	153,717,436	137,862,138	15,855,298	16,692,724
Expense and equipment	246,492,665	246,492,665	236,017,705	10,474,960	37,551,290
Program Delivery					
Personal service	70,494,204	70,494,204	61,721,544	8,772,660	11,901,981
Expense and equipment	27,909,485	27,909,485	21,521,782	6,387,703	10,199,048
Program	1,789,751,010	1,789,751,010	1,194,198,131	595,552,879	647,971,610
Fleet, facilities and information systems					
Personal service	12,335,376	12,335,376	10,123,805	2,211,571	2,954,757
Expense and equipment	80,857,500	80,857,500	77,228,159	3,629,341	18,440,906
Multimodal operations					
Personal service	502,063	502,063	437,321	64,742	63,012
Expense and equipment	39,852	39,852	25,022	14,830	28,410
Program	176,000	176,000	176,000	---	---
Fringe benefits					
Retirement and long-term disability	149,686,051	149,686,051	127,578,711	22,107,340	24,163,637
Medical, life insurance and EAP	53,093,635	53,093,635	44,522,015	8,571,620	7,275,632
Retiree medical insurance	18,629,968	18,629,968	17,192,514	1,437,454	969,365
Workers' compensation	7,964,796	7,964,796	7,500,000	464,796	480,171
Other fringe benefits	<u>22,663,640</u>	<u>22,663,640</u>	<u>17,069,386</u>	<u>5,594,254</u>	<u>5,179,414</u>
<b>Total charges to appropriations</b>	<u>2,660,384,857</u>	<u>2,660,384,857</u>	<u>1,973,829,373</u>	<u>686,555,484</u>	<u>800,075,564</u>
Transfers from Highway Fund	510,000,000	510,000,000	502,148,833	(7,851,167)	(3,373,042)
Transfer from State Treasury Fund	45,550,001	45,550,001	45,251,136	(298,865)	(3,445)
Transfers from Multimodal Funds <sup>1</sup>	<u>1,078,134</u>	<u>1,078,134</u>	<u>255,584</u>	<u>(822,550)</u>	<u>(751,858)</u>
Total Transfers	<u>556,628,135</u>	<u>556,628,135</u>	<u>547,655,553</u>	<u>(8,972,582)</u>	<u>(4,128,345)</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 832,054,288</u>	<u>\$ 832,054,288</u>	<u>\$1,171,282,959</u>	<u>\$ 339,228,671</u>	<u>\$899,919,971</u>

<sup>1</sup> 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, 2022 and 2021

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 2022:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>
Fund balance, budgetary basis	\$ 6,546,502	\$1,171,282,959
Receivables	180,322,995	134,558,633
Due from other funds	---	62,593
Inventories	---	46,354,178
Prepaid rents	---	495,377
Payables	(10,725,564)	(138,853,784)
Deposits	---	(1,471,462)
Unearned revenue	---	(117,168,798)
Unavailable revenues	(1,228,356)	(12,845,162)
Cash adjustments – Local Fund	---	105,672,229
Change in fair value of investments	<u>(321,377)</u>	<u>(58,205,505)</u>
Fund balance, GAAP basis	<u>\$ 174,594,200</u>	<u>\$1,129,881,258</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 2021:

	<b>State Highways and Transportation Department Fund</b>	<b>State Road Fund</b>
Fund balance, budgetary basis	\$ 28,260,930	\$1,190,401,461
Receivables	114,478,688	119,698,651
Due from other funds	---	66,380
Inventories	---	41,854,776
Payables	(10,450,293)	(109,945,743)
Deposits	---	(1,285,526)
Unearned revenue	---	(118,637,747)
Unavailable revenues	(72,816)	(4,459,966)
Cash adjustments – Local Fund	---	111,516,253
Change in fair value of investments	<u>(109,637)</u>	<u>(2,905,891)</u>
Fund balance, GAAP basis	<u>\$ 132,106,872</u>	<u>\$1,226,302,648</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 budget request 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. Upon Commission approval in June, the Department then internally distributes available funds based on input and feedback from the districts and central office divisions. Historically, this subset of the legislative budget was what was presented in the budgetary comparison schedules. At the start of fiscal year 2021, the Commission began approving the budget at the legislative level. The budgeted amounts presented in the budgetary comparison schedules will reflect this change.

## 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>
6/30/2021	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

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

## 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>
2022	\$130,469,863	\$130,469,863	\$ ---	\$224,948,039	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 <sup>1</sup>	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
2014 <sup>2</sup>	116,000,251	116,000,251	---	213,845,536	54.24
2013 <sup>3</sup>	107,190,383	107,190,383	---	210,507,429	50.92

<sup>1</sup> For 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.

<sup>2</sup> For the plan year ended June 30, 2013, there were no changes to the plan's benefit terms. The assumptions and methods used were those adopted by the Board from the July 1, 2007 through June 30, 2012 Experience Study. The changes resulted in an increase in computed the computed contribution rate of 4.60% for Non-Uniform and 6.02% for Uniform employees.

<sup>3</sup> For the plan year ended June 30, 2012, the Governmental Accounting Standards Board issued Statements No. 67 and 68. To minimize the difference between what is used for funding and what is used for reporting, the Board adopted the traditional entry age normal cost method for future valuations beginning with the June 30, 2014 valuation. The effect of these changes decreased the Non-Uniform contribution rate by 0.04% and increased the Uniform contribution rate by 3.33%. The amortization of the unfunded actuarial accrued liability was revised pursuant to the Department's estimates of future payroll.

## 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>
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	845,952	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>
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	8.0
2017	---	15,985	---	220,401	7.0

\*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.

## Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	26,108	17,405	24,600	25,561	31,492
Interest	21,064	26,236	30,520	27,481	24,779
Changes of benefit terms	---	---	---	---	---
Difference between expected and actual experience	(23,792)	(2,646)	(36,658)	(1,758)	---
Changes of assumptions or other inputs	(8,825)	173,546	(34,827)	(37,482)	(110,051)
Benefit payments	<u>(17,636)</u>	<u>(17,561)</u>	<u>(17,582)</u>	<u>(17,257)</u>	<u>(15,985)</u>
Net change in total OPEB liability	(3,081)	196,980	(33,947)	(3,455)	(69,765)
Total OPEB liability beginning	935,765	738,785	772,732	776,187	845,952
Total OPEB liability ending	932,684	935,765	738,785	772,732	776,187
Covered employee payroll	234,924	234,924	232,227	226,598	226,826
Total OPEB liability as a percentage of covered employee payroll	397%	398%	318%	341%	342%

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 2022 and 2021 were 2.16 percent and 2.21 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.



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# Combining Financial Statements Nonmajor Governmental Funds

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**Combining Balance Sheets**  
**Nonmajor Governmental Funds – Special Revenue**  
 June 30, 2022  
 With Summarized Financial Information for 2021

	<u>Multimodal Federal Fund</u>	<u>State General Revenue Fund</u>	<u>State Transportation Fund</u>	<u>Aviation Trust Fund</u>	<u>State Transportation Assistance Revolving Fund</u>	<u>MCS Federal Fund</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,937,456	\$ ---	\$6,535,894	\$7,552,207	\$3,763,041	\$117,595
State taxes and fees receivable	---	---	494,331	594,650	---	---
Federal government receivable	12,623,608	---	---	---	---	348,067
Miscellaneous receivables, net	---	396,983	---	14,198	14,587	---
Loans receivable	---	---	---	---	517,181	---
<b>Total assets</b>	<u>\$14,561,064</u>	<u>396,983</u>	<u>\$7,030,225</u>	<u>\$8,161,055</u>	<u>\$4,294,809</u>	<u>\$465,662</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$14,226,389	\$396,983	\$ 15,520	\$ 135,857	\$ ---	\$348,067
Accrued payroll	24,648	---	11,234	30,215	---	---
Unearned revenue	1,583,705	---	---	---	---	---
Due to other funds	14,765	---	6,245	21,324	---	---
<b>Total liabilities</b>	<u>15,849,507</u>	<u>396,983</u>	<u>32,999</u>	<u>187,396</u>	<u>---</u>	<u>348,067</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	---	---	---	---	---	---
<b>Total deferred inflows of resources</b>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>Fund Balances</b>						
Unassigned	(1,288,443)	---	---	---	---	---
Restricted – highways and transportation	---	---	6,997,226	7,973,659	4,294,809	117,595
<b>Total fund balances</b>	<u>(1,288,443)</u>	<u>---</u>	<u>6,997,226</u>	<u>7,973,659</u>	<u>4,294,809</u>	<u>117,595</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$14,561,064</u>	<u>\$396,983</u>	<u>\$7,030,225</u>	<u>\$8,161,055</u>	<u>\$4,294,809</u>	<u>\$465,662</u>

Grade Crossing Safety Fund	Railroad Expense Fund	Highway Safety Fund	Motorcycle Safety Fund	Total	
				2022	2021
\$4,062,680	\$1,103,033	\$ 523,885	\$159,482	\$25,755,273	\$22,590,221
162,371	---	---	---	1,251,352	804,737
---	---	3,318,818	---	16,290,493	16,626,477
611	1,000	8,197	---	435,576	44,818
---	---	---	---	517,181	639,370
<u>\$4,225,662</u>	<u>\$1,104,033</u>	<u>\$3,850,900</u>	<u>\$159,482</u>	<u>\$44,249,875</u>	<u>\$40,705,623</u>
\$ 204,775	\$ 5,312	\$2,462,087	\$ 67,730	\$17,862,720	\$17,729,982
---	31,919	30,551	---	128,567	120,884
---	---	---	---	1,583,705	1,418,257
---	20,259	---	---	62,593	66,380
<u>204,775</u>	<u>57,490</u>	<u>2,492,638</u>	<u>67,730</u>	<u>19,637,585</u>	<u>19,335,503</u>
---	1,000	131,557	---	132,557	650,545
---	1,000	131,557	---	132,557	650,545
---	---	---	---	(1,288,443)	(1,510,578)
<u>4,020,887</u>	<u>1,045,543</u>	<u>1,226,705</u>	<u>91,752</u>	<u>25,768,176</u>	<u>22,230,153</u>
<u>4,020,887</u>	<u>1,045,543</u>	<u>1,226,705</u>	<u>91,752</u>	<u>24,479,733</u>	<u>20,719,575</u>
<u>\$4,225,662</u>	<u>\$1,104,033</u>	<u>\$3,850,900</u>	<u>\$159,482</u>	<u>\$44,249,875</u>	<u>\$40,705,623</u>

## Combining Statements of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds – Special Revenue

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	<u>Multimodal Federal Fund</u>	<u>State General Revenue Fund</u>	<u>State Transportation Fund</u>	<u>Aviation Trust Fund</u>	<u>State Transportation Assistance Revolving Fund</u>	<u>MCS Federal Fund</u>
<b>Revenues</b>						
Fuel taxes	\$ ---	\$ ---	\$ ---	\$ 222,371	\$ ---	\$ ---
Sales taxes	---	---	5,404,911	6,581,507	---	---
Licenses, fees and permits	---	---	---	---	---	---
Intergovernmental/cost reimbursements/miscellaneous	82,239	---	---	26,816	8,471	239
Investment earnings	---	---	---	(181,054)	(76,731)	---
State government	---	73,632,929	---	---	---	---
Federal government	<u>66,777,821</u>	---	---	<u>12,104</u>	---	<u>1,826,989</u>
<b>Total revenues</b>	<u>66,860,060</u>	<u>73,632,929</u>	<u>5,404,911</u>	<u>6,661,744</u>	<u>(68,260)</u>	<u>1,827,228</u>
<b>Expenditures</b>						
Current						
Safety and operations	---	---	---	---	---	1,871,688
Program delivery	---	4,057,203	---	---	---	---
Multimodal operations	66,502,189	24,324,590	4,932,910	4,579,026	9,445	---
Capital outlay	<u>79,353</u>	---	---	---	---	---
<b>Total expenditures</b>	<u>66,581,542</u>	<u>28,381,793</u>	<u>4,932,910</u>	<u>4,579,026</u>	<u>9,445</u>	<u>1,871,688</u>
<b>Excess of revenues over (under) expenditures</b>	<u>278,518</u>	<u>45,251,136</u>	<u>472,001</u>	<u>2,082,718</u>	<u>(77,705)</u>	<u>(44,460)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers out	<u>(56,383)</u>	<u>(45,251,136)</u>	<u>(23,667)</u>	<u>(97,780)</u>	---	---
<b>Total other financing sources (uses)</b>	<u>(56,383)</u>	<u>(45,251,136)</u>	<u>(23,667)</u>	<u>(97,780)</u>	---	---
<b>Net Changes in Fund Balances</b>	222,135	---	448,334	1,984,938	(77,705)	(44,460)
<b>Fund Balances, beginning of year</b>	<u>(1,510,578)</u>	---	<u>6,548,892</u>	<u>5,988,721</u>	<u>4,372,514</u>	<u>162,055</u>
<b>Fund Balances, end of year</b>	<u>\$(1,288,443)</u>	<u>\$---</u>	<u>\$6,997,226</u>	<u>\$7,973,659</u>	<u>\$4,294,809</u>	<u>\$ 117,595</u>

<u>Grade Crossing Safety Fund</u>	<u>Railroad Expense Fund</u>	<u>Highway Safety Fund</u>	<u>Motorcycle Safety Fund</u>	<u>Total</u>	
				<u>2022</u>	<u>2021</u>
\$ ---	\$ ---	\$ ---	\$ ---	\$ 222,371	\$ 232,534
---	---	---	---	11,986,418	8,292,236
1,347,331	1,207,401	---	195,896	2,750,628	2,711,449
---	---	202	---	117,967	496,365
---	---	---	---	(257,785)	8,737
---	---	---	---	73,632,929	57,914,140
---	---	<u>18,355,825</u>	---	<u>86,972,739</u>	<u>91,121,250</u>
<u>1,347,331</u>	<u>1,207,401</u>	<u>18,356,027</u>	<u>195,896</u>	<u>175,425,267</u>	<u>160,776,711</u>
---	---	18,105,927	174,305	20,151,920	18,678,877
---	---	---	---	4,057,203	1,282,410
655,181	866,572	---	---	101,869,913	95,661,978
---	---	---	---	79,353	16,860
<u>655,181</u>	<u>866,572</u>	<u>18,105,927</u>	<u>174,305</u>	<u>126,158,389</u>	<u>115,640,125</u>
<u>692,150</u>	<u>340,829</u>	<u>250,100</u>	<u>21,591</u>	<u>49,266,878</u>	<u>45,136,586</u>
---	(77,754)	---	---	(45,506,720)	(45,872,831)
---	(77,754)	---	---	(45,506,720)	(45,872,831)
692,150	263,075	250,100	21,591	3,760,158	(736,245)
<u>3,328,737</u>	<u>782,468</u>	<u>976,605</u>	<u>70,161</u>	<u>20,719,575</u>	<u>21,455,820</u>
<u>\$4,020,887</u>	<u>\$1,045,543</u>	<u>\$ 1,226,705</u>	<u>\$ 91,752</u>	<u>\$ 24,479,733</u>	<u>\$ 20,719,575</u>



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# Combining Financial Statements Proprietary Funds

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## Combining Statements of Net Position

### Proprietary Funds – Internal Service

June 30, 2022

With Summarized Financial Information for 2021

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2022	2021
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 8,540,990	\$ 8,552,080	\$ 17,093,070	\$ 33,479,864
Investments	9,376,722	10,827,940	20,204,662	10,249,360
Restricted investments	100,000	---	100,000	100,000
Miscellaneous receivables	<u>2,490,344</u>	<u>194,942</u>	<u>2,685,286</u>	<u>5,447,731</u>
Total current assets	<u>20,508,056</u>	<u>19,574,962</u>	<u>40,083,018</u>	<u>49,276,955</u>
Noncurrent assets				
Investments	47,720,778	83,671,164	131,391,942	144,217,279
Restricted investments	---	200,000	200,000	200,000
Total noncurrent assets	<u>47,720,778</u>	<u>83,871,164</u>	<u>131,591,942</u>	<u>144,417,279</u>
<b>Total assets</b>	<u>68,228,834</u>	<u>103,446,126</u>	<u>171,674,960</u>	<u>193,694,234</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	57,056	67,400	124,456	2,059,923
Unearned revenue	9,028,908	---	9,028,908	11,173,118
Pending self insurance claims	---	17,311,000	17,311,000	15,213,000
Incurred but not reported claims	<u>10,600,000</u>	<u>7,216,000</u>	<u>17,816,000</u>	<u>19,108,000</u>
Total current liabilities	<u>19,685,964</u>	<u>24,594,400</u>	<u>44,280,364</u>	<u>47,554,041</u>
Noncurrent liabilities				
Pending self insurance claims	---	39,667,426	39,667,426	37,584,752
Incurred but not reported claims	---	<u>16,533,000</u>	<u>16,533,000</u>	<u>17,807,000</u>
Total noncurrent liabilities	---	<u>56,200,426</u>	<u>56,200,426</u>	<u>55,391,752</u>
<b>Total liabilities</b>	<u>19,685,964</u>	<u>80,794,826</u>	<u>100,480,790</u>	<u>102,945,793</u>
<b>Net Position</b>				
Restricted net position	100,000	200,000	300,000	300,000
Unrestricted net position	<u>48,442,870</u>	<u>22,451,300</u>	<u>70,894,170</u>	<u>90,448,441</u>
<b>Total net position</b>	<u>\$48,542,870</u>	<u>\$ 22,651,300</u>	<u>\$ 71,194,170</u>	<u>\$ 90,748,441</u>

# Combining Statements of Revenues, Expenses and Changes in Net Position

Proprietary Funds – Internal Service

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2022	2021
<b>Operating Revenues</b>				
Self insurance premiums				
Highway workers' compensation	\$ ---	\$ 7,500,000	\$ 7,500,000	\$ 7,484,625
Highway patrol workers' compensation	---	2,400,000	2,400,000	2,400,000
Highway fleet vehicle liability	---	2,000,000	2,000,000	1,284,625
Highway general liability	---	3,000,000	3,000,000	3,984,621
Medical insurance premiums				
State	91,036,505	---	91,036,505	93,272,710
Member	46,933,515	---	46,933,515	47,262,665
Other	<u>15,576,145</u>	<u>332,629</u>	<u>15,908,774</u>	<u>14,759,337</u>
<b>Total operating revenues</b>	<u>153,546,165</u>	<u>15,232,629</u>	<u>168,778,794</u>	<u>170,448,583</u>
<b>Operating Expenses</b>				
Self insurance programs				
Highway workers' compensation	---	10,527,439	10,527,439	6,501,746
Highway patrol workers' compensation	---	5,102,469	5,102,469	3,728,938
Highway fleet vehicle liability	---	2,093,072	2,093,072	2,779,788
Highway general liability	---	4,332,407	4,332,407	14,180,078
Other	---	1,049,350	1,049,350	950,701
Medical and life insurance program				
Insurance premiums	7,359,518	---	7,359,518	7,269,205
Medical benefits	102,277,135	---	102,277,135	99,356,352
Prescription drug benefits	40,436,140	---	40,436,140	35,750,253
Professional fees	1,110,929	---	1,110,929	960,296
Administrative services	<u>6,202,136</u>	<u>---</u>	<u>6,202,136</u>	<u>6,338,875</u>
<b>Total operating expenses</b>	<u>157,385,858</u>	<u>23,104,737</u>	<u>180,490,595</u>	<u>177,816,232</u>
<b>Operating income (loss)</b>	<u>(3,839,693)</u>	<u>(7,872,108)</u>	<u>(11,711,801)</u>	<u>(7,367,649)</u>
<b>Nonoperating Revenues</b>				
Net appreciation and investment income	<u>(2,775,616)</u>	<u>(5,066,854)</u>	<u>(7,842,470)</u>	<u>331,739</u>
<b>Total nonoperating revenues</b>	<u>(2,775,616)</u>	<u>(5,066,854)</u>	<u>(7,842,470)</u>	<u>331,739</u>
<b>Changes in Net Position</b>	(6,615,309)	(12,938,962)	(19,554,271)	(7,035,910)
<b>Net Position, beginning of year</b>	<u>55,158,179</u>	<u>35,590,262</u>	<u>90,748,441</u>	<u>97,784,351</u>
<b>Net Position, end of year</b>	<u>\$ 48,542,870</u>	<u>\$ 22,651,300</u>	<u>\$ 71,194,170</u>	<u>\$ 90,748,441</u>

## Combining Statements of Cash Flows

### Proprietary Funds – Internal Service

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	MoDOT & MSHP Medical and Life Insurance Plan	MHTC Self Insurance Plan	Total	
			2022	2021
<b>Cash Flows From Operating Activities</b>				
Receipts from interfund services provided	\$ 156,385,969	\$ 15,232,629	\$ 171,618,598	\$ 167,576,694
Payments for interfund services used	(153,517,003)	(19,140,713)	(172,657,716)	(157,405,590)
Payments to suppliers	<u>(9,283,032)</u>	<u>(1,014,850)</u>	<u>(10,297,882)</u>	<u>(7,009,894)</u>
Net cash provided by (used in) operating activities	<u>(6,414,066)</u>	<u>(4,922,934)</u>	<u>(11,337,000)</u>	<u>3,161,210</u>
<b>Cash Flows From Investing Activities</b>				
Proceeds from sale and maturities of investments	19,413,829	31,992,015	51,405,844	145,684,025
Purchases of investments	(26,140,974)	(32,175,268)	(58,316,242)	(149,141,515)
Interest received	719,925	1,288,913	2,008,838	2,499,183
Investment fees	<u>(53,965)</u>	<u>(94,269)</u>	<u>(148,234)</u>	<u>(141,878)</u>
Net cash provided by (used in) investing activities	<u>(6,061,185)</u>	<u>1,011,391</u>	<u>(5,049,794)</u>	<u>(1,100,185)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(12,475,251)	(3,911,543)	(16,386,794)	2,061,025
<b>Cash and Cash Equivalents, beginning of year</b>	<u>21,016,241</u>	<u>12,463,623</u>	<u>33,479,864</u>	<u>31,418,839</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 8,540,990</u>	<u>\$ 8,552,080</u>	<u>\$ 17,093,070</u>	<u>\$ 33,479,864</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (3,839,693)	\$ (7,872,108)	\$ (11,711,801)	\$ (7,367,649)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Receivables	2,839,804	---	2,839,804	(2,871,889)
Accounts and claims payable	(3,269,967)	2,949,174	(320,793)	11,607,538
Unearned revenue	<u>(2,144,210)</u>	<u>---</u>	<u>(2,144,210)</u>	<u>1,793,210</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (6,414,066)</u>	<u>\$ (4,922,934)</u>	<u>\$ (11,337,000)</u>	<u>\$ 3,161,210</u>
<b>Noncash Items Impacting Recorded Assets</b>				
Increase (decrease) in fair value of investments	<u>\$ (3,475,127)</u>	<u>\$ (6,305,303)</u>	<u>\$ (9,780,430)</u>	<u>\$ (1,863,397)</u>

Budgetary Comparison  
Schedules and  
Reconciliations  
Debt Service and Nonmajor  
Governmental Funds

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## Budgetary Comparison Schedule and Reconciliation

### Debt Service – State Road Bond Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 77,760,779	\$ 77,760,779	\$ ---	\$ ---
Resources (inflows)				
Vehicle sales taxes	185,241,199	202,563,606	17,322,407	42,467,208
Interest	495,300	611,594	116,294	51,380
Incidentals	<u>7,549,527</u>	<u>7,693,667</u>	<u>144,140</u>	<u>(3,383,250)</u>
<b>Amount available for appropriation</b>	<u>271,046,805</u>	<u>288,629,646</u>	<u>17,582,841</u>	<u>39,135,338</u>
Charges to appropriations (outflows)				
Bond principal and interest payments	<u>201,259,881</u>	<u>200,101,150</u>	<u>1,158,731</u>	<u>18,790,809</u>
<b>Total charges to appropriations</b>	<u>201,259,881</u>	<u>200,101,150</u>	<u>1,158,731</u>	<u>18,790,809</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 69,786,924</u>	<u>\$ 88,528,496</u>	<u>\$ 18,741,572</u>	<u>\$ 57,926,147</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 2022
<b>Budgetary fund balance, end of year</b>	\$ 88,528,496
Receivables	18,752,467
Change in fair value of investments	<u>(4,401,993)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$102,878,970</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – Multimodal Federal Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 2,022,306	\$ 2,022,306	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost reimbursement/miscellaneous	---	313,530	313,530	369,030
Federal government	<u>209,380,961</u>	<u>66,927,811</u>	<u>(142,453,150)</u>	<u>(168,781,825)</u>
<b>Amount available for appropriation</b>	<u>211,403,267</u>	<u>69,263,647</u>	<u>(142,139,620)</u>	<u>(168,412,795)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	335,816	296,391	39,425	41,444
Fringe benefits				
Retirement and long-term disability	204,694	160,273	44,421	38,188
Medical and life insurance	55,393	55,269	124	8,534
Other fringe benefits	25,402	21,164	4,238	4,762
Expense and equipment	441,600	130,333	311,267	203,525
Program	<u>208,300,423</u>	<u>66,662,760</u>	<u>141,637,663</u>	<u>208,755,292</u>
<b>Total charges to appropriations</b>	<u>209,363,328</u>	<u>67,326,190</u>	<u>142,037,138</u>	<u>209,051,745</u>
<b>Budgetary fund balance, end of year</b>	\$ <u>2,039,939</u>	\$ <u>1,937,457</u>	\$ <u>(102,482)</u>	\$ <u>40,638,950</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 2022
<b>Budgetary fund balance, end of year</b>	\$ 1,937,457
Receivables	12,623,607
Payables	(14,251,037)
Unearned revenues	(1,583,705)
Deferred revenues	---
Due to other funds	<u>(14,765)</u>
<b>GAAP basis fund balance, end of year</b>	\$ <u>(1,288,443)</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – State General Revenue Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ ---	\$ ---	\$ ---	\$ ---
Resources (inflows)				
State government	<u>49,998,759</u>	<u>28,002,280</u>	<u>(21,996,479)</u>	<u>(25,024,810)</u>
<b>Amount available for appropriation</b>	<u>49,998,759</u>	<u>28,002,280</u>	<u>(21,996,479)</u>	<u>(25,024,810)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Program	24,998,759	23,945,077	1,053,682	1,307,220
Program delivery				
Program	<u>25,000,000</u>	<u>4,057,203</u>	<u>20,942,797</u>	<u>23,717,590</u>
<b>Total charges to appropriations</b>	<u>49,998,759</u>	<u>28,002,280</u>	<u>21,996,479</u>	<u>25,024,810</u>
<b>Budgetary fund balance, end of year</b>	\$ <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 2022
<b>Budgetary fund balance, end of year</b>	\$ ---
Receivables	396,983
Due from other funds	---
Payables	(396,983)
Unearned revenues	---
Deferred receivables	---
Due to other funds	---
<b>GAAP basis fund balance, end of year</b>	\$ <u>---</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental - State Transportation Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 6,080,169	\$ 6,080,169	\$ ---	\$ ---
Resources (inflows)				
Sales taxes	4,940,000	5,401,686	461,686	1,132,334
Interest	25,000	---	(25,000)	(2,947)
Intergovernmental/cost reimbursement/ miscellaneous	2,000	---	(2,000)	1,088
<b>Amount available for appropriation</b>	<u>11,047,169</u>	<u>11,481,855</u>	<u>434,686</u>	<u>1,130,475</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	171,483	143,182	28,301	34,281
Fringe benefits				
Retirement and long-term disability	92,460	82,055	10,405	17,149
Medical and life insurance	33,954	31,650	2,304	2,329
Other fringe benefits	13,542	9,969	3,573	3,167
Expense and equipment	96,220	49,872	46,348	66,219
Program	4,936,844	4,629,231	307,613	387,507
<b>Total charges to appropriations</b>	<u>5,344,503</u>	<u>4,945,959</u>	<u>398,544</u>	<u>510,652</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 5,702,666</u>	<u>\$ 6,535,896</u>	<u>\$ 833,230</u>	<u>\$ 1,641,127</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 2022
<b>Budgetary fund balance, end of year</b>	\$6,535,896
Receivables	494,331
Payables	(26,756)
Due to other funds	<u>(6,245)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$6,997,226</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental - Aviation Trust Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 6,003,836	\$ 6,003,836	\$ ---	\$ (563)
Resources (inflows)				
Fuel taxes	240,000	241,378	1,378	26,230
Sales taxes	4,553,000	6,151,084	1,598,084	(2,196,822)
Interest	38,000	24,679	(13,321)	3,380
Intergovernmental/cost				
Reimbursements/miscellaneous	---	26,816	26,816	8,292
Federal government	---	12,104	12,104	---
<b>Amount available for appropriation</b>	<u>10,834,836</u>	<u>12,459,897</u>	<u>1,625,061</u>	<u>(2,159,483)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	535,335	495,382	39,953	40,391
Fringe benefits				
Retirement and Long-Term	310,496	263,604	46,892	46,078
Disability				
Medical and Life Insurance	90,490	62,753	27,737	33,086
Other Fringe Benefits	51,355	35,591	15,764	14,593
Expense and equipment	260,403	173,140	87,263	74,673
Program	10,000,000	3,664,605	6,335,395	5,604,064
<b>Total charges to appropriations</b>	<u>11,248,079</u>	<u>4,695,075</u>	<u>6,553,004</u>	<u>5,812,885</u>
Transfers from other funds <sup>1</sup>	---	12,293	(12,293)	---
<b>Budgetary fund balance, end of year</b>	\$ <u>(413,243)</u>	\$ <u>7,777,115</u>	\$ <u>8,190,358</u>	\$ <u>3,653,402</u>

<sup>1</sup>This is a one-time transfer to change the funding source for grant expenditures made in the prior fiscal year.

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 2022
<b>Budgetary fund balance, end of year</b>	\$7,777,115
Receivables	608,848
Payables	(166,072)
Due to other funds	(21,324)
Change in fair value of investments	<u>(224,908)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$7,973,659</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – State Transportation Assistance Revolving Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$3,727,808	\$3,727,808	\$ ---	\$ (1)
Resources (inflows)				
License fees, and permits	---	---	---	---
Interest	17,000	22,879	5,879	17,642
Intergovernmental/cost reimbursements/miscellaneous	<u>132,000</u>	<u>133,866</u>	<u>1,866</u>	<u>223,692</u>
<b>Amount available for appropriation</b>	<u>3,876,808</u>	<u>3,884,553</u>	<u>7,745</u>	<u>241,333</u>
Charges to appropriations (outflows)				
Multimodal operations				
Expense and equipment Program	1,563 <u>1,000,000</u>	974 <u>8,471</u>	589 <u>991,529</u>	234 <u>853,475</u>
<b>Total charges to appropriations</b>	<u>1,001,563</u>	<u>9,445</u>	<u>992,118</u>	<u>853,709</u>
<b>Budgetary fund balance, end of year</b>	<u>\$2,875,245</u>	<u>\$3,875,108</u>	<u>\$999,863</u>	<u>\$1,095,042</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 2022
<b>Budgetary fund balance, end of year</b>	\$3,875,108
Receivables	531,768
Change in fair value of investments	<u>(112,067)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$4,294,809</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – MCS Federal Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 162,053	\$ 162,055	\$ 2	\$ ---
Resources (inflows)				
Intergovernmental/cost				
reimbursements/miscellaneous	---	239	239	5
Federal government	<u>3,299,725</u>	<u>1,865,995</u>	<u>(1,433,730)</u>	<u>(681,582)</u>
<b>Amount available for appropriation</b>	<u>3,461,778</u>	<u>2,028,289</u>	<u>(1,433,489)</u>	<u>(681,577)</u>
Charges to appropriations (outflows)				
Safety and Operations				
Program	<u>3,299,725</u>	<u>1,910,694</u>	<u>1,389,031</u>	<u>711,437</u>
<b>Total charges to appropriations</b>	<u>3,299,725</u>	<u>1,910,694</u>	<u>1,389,031</u>	<u>711,437</u>
<b>Budgetary fund balance, end of year</b>	\$ <u>162,053</u>	\$ <u>117,595</u>	\$ <u>(44,458)</u>	\$ <u>29,860</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 2022
<b>Budgetary fund balance, end of year</b>	\$117,595
Receivables	348,067
Payables	<u>(348,067)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$117,595</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – Grade Crossing Safety Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$3,293,612	\$3,293,612	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	1,505,000	1,312,524	(192,476)	(52,324)
Intergovernmental/cost reimbursements/miscellaneous Interest	13,000	---	(13,000)	411
Interest	<u>8,000</u>	<u>---</u>	<u>(8,000)</u>	<u>(1,710)</u>
<b>Amount available for appropriations</b>	<u>4,819,612</u>	<u>4,606,136</u>	<u>(213,476)</u>	<u>(53,623)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Expense and equipment	27,321	17,026	10,295	---
Program	<u>3,000,000</u>	<u>526,430</u>	<u>2,473,570</u>	<u>1,671,286</u>
<b>Total charges to appropriations</b>	<u>3,027,321</u>	<u>543,456</u>	<u>2,483,865</u>	<u>1,671,286</u>
<b>Budgetary fund balance, end of year</b>	<u>\$1,792,291</u>	<u>\$4,062,680</u>	<u>\$2,270,389</u>	<u>\$1,617,663</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 2022
<b>Budgetary fund balance, end of year</b>	\$4,062,680
Receivables	162,982
Payables	<u>(204,775)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$4,020,887</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – Railroad Expense Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 839,777	\$ 839,777	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	1,185,000	1,207,401	22,401	(14,674)
Intergovernmental/cost reimbursements/miscellaneous	<u>3,000</u>	<u>---</u>	<u>(3,000)</u>	<u>128</u>
<b>Amount available for appropriation</b>	<u>2,027,777</u>	<u>2,047,178</u>	<u>19,401</u>	<u>(14,546)</u>
Charges to appropriations (outflows)				
Multimodal operations				
Personal service	500,097	418,835	81,262	102,306
Fringe benefits				
Retirement and Long-Term Disability	290,058	240,317	49,741	59,926
Medical and Life Insurance	88,160	80,716	7,444	20,879
Other Fringe Benefits	39,492	30,068	9,424	8,990
Expense and equipment	<u>858,400</u>	<u>174,465</u>	<u>683,935</u>	<u>662,684</u>
<b>Total charges to appropriations</b>	<u>1,776,207</u>	<u>944,401</u>	<u>831,806</u>	<u>854,785</u>
<b>Budgetary fund balance, end of year</b>	<u>\$ 251,570</u>	<u>\$1,102,777</u>	<u>\$851,207</u>	<u>\$840,239</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 2022
<b>Budgetary fund balance, end of year</b>	\$1,102,777
Receivables	1,000
Payables	(36,975)
Deferred revenue	(1,000)
Due to other funds	<u>(20,259)</u>
<b>GAAP basis fund balance, end of year</b>	<u>\$1,045,543</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – Highway Safety Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 408,680	\$ 408,680	\$ ---	\$ ---
Resources (inflows)				
Intergovernmental/cost				
reimbursements/miscellaneous	---	202	202	18
Federal government	<u>19,791,477</u>	<u>17,983,825</u>	<u>(1,807,652)</u>	<u>(4,306,641)</u>
<b>Amount available for appropriation</b>	<u>20,200,157</u>	<u>18,392,707</u>	<u>(1,807,450)</u>	<u>(4,306,623)</u>
Charges to appropriations (outflows)				
Safety and Operations				
Personal service	425,990	356,629	69,361	42,804
Fringe benefits				
Retirement and Long-Term	247,082	192,703	54,379	24,870
Disability				
Medical and Life Insurance	63,313	58,909	4,404	5,774
Other Fringe Benefits	40,357	25,813	14,544	4,615
Expense and equipment	55,092	19,071	36,021	49,502
Program	<u>19,000,000</u>	<u>17,215,519</u>	<u>1,784,481</u>	<u>4,438,577</u>
<b>Total charges to appropriations</b>	<u>19,831,834</u>	<u>17,868,644</u>	<u>1,963,190</u>	<u>4,566,142</u>
<b>Budgetary fund balance, end of year</b>	\$ <u>368,323</u>	\$ <u>524,063</u>	\$ <u>155,740</u>	\$ <u>259,519</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 2022
<b>Budgetary fund balance, end of year</b>	\$ 524,063
Receivables	3,326,837
Payables	(2,492,638)
Deferred revenues	<u>(131,557)</u>
<b>GAAP basis fund balance, end of year</b>	\$ <u>1,226,705</u>

## Budgetary Comparison Schedule and Reconciliation

### Nonmajor Governmental – Motorcycle Safety Fund

Year Ended June 30, 2022

With Summarized Financial Information for 2021

	Final Budgeted Amounts	Actual	Variances Between Final Budget and Actual	
			2022	2021
<b>Budgetary fund balance, beginning of year</b>	\$ 70,161	\$ 70,161	\$ ---	\$ ---
Resources (inflows)				
License, fees and permits	<u>283,470</u>	<u>195,896</u>	<u>(87,574)</u>	<u>(155,473)</u>
<b>Amount available for appropriation</b>	<u>353,631</u>	<u>266,057</u>	<u>(87,574)</u>	<u>(155,473)</u>
Charges to appropriations (outflows)				
Safety and operations				
Expense and equipment	3,631	2,263	1,368	---
Program	<u>350,000</u>	<u>104,312</u>	<u>245,688</u>	<u>225,634</u>
<b>Total charges to appropriations</b>	<u>353,631</u>	<u>106,575</u>	<u>247,056</u>	<u>225,634</u>
<b>Budgetary fund balance, end of year</b>	\$ <u>---</u>	\$ <u>159,482</u>	\$ <u>159,482</u>	\$ <u>70,161</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 2022
<b>Reconciliation to GAAP</b>	
<b>Budgetary fund balance, end of year</b>	\$ 159,482
Payables	<u>(67,730)</u>
<b>GAAP basis fund balance, end of year</b>	\$ <u>91,752</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>
2022	\$30,676,943	\$ 300	\$(233,500)	\$30,443,743
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
2014	26,636,056	782,346	---	27,418,402
2013	26,077,114	875,904	---	26,953,018

*Notes:*

Amounts for fiscal years 2013 and 2014 were restated due to the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, and to correct errors related to infrastructure in progress, infrastructure and infrastructure depreciation.

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 year 2021 were restated for an error correction.

## Financial Trends

### Changes in Net Position – Government-wide

Years Ended June 30

(Amounts in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Transportation Program Expenses</b>				
Administration	\$ 4,067	\$ 1,233	\$ 11,241	\$ 14,133
Fleet, facilities and information systems	35,887	33,026	31,036	33,329
Safety and operations	385,360	339,587	360,106	356,189
Program delivery	178,212	176,679	184,358	196,633
Multimodal operations	101,258	95,340	85,832	92,945
Interest	55,724	62,545	66,973	75,581
Other state agencies	236,367	187,985	212,480	228,881
Self insurance	23,105	28,141	13,155	12,456
Medical and life insurance	157,386	149,675	140,749	134,871
Pension obligations	81,682	128,335	107,973	85,991
Other postemployment benefit obligations	33,608	35,597	19,104	28,669
Depreciation	<u>630,758</u>	<u>592,143</u>	<u>568,021</u>	<u>545,753</u>
<b>Total transportation program expenses</b>	<b><u>1,923,414</u></b>	<b><u>1,830,286</u></b>	<b><u>1,801,028</u></b>	<b><u>1,805,431</u></b>
<b>Transportation Program Revenues</b>				
Charges for services				
Licenses, fees and permits	342,709	345,691	322,385	324,714
Member insurance premiums	96,270	58,837	47,366	47,665
Other	<u>46,942</u>	<u>47,263</u>	<u>100,453</u>	<u>61,638</u>
Total charges for services	485,921	451,791	470,204	434,017
Federal government				
American Recovery and Reinvestment Act	11,529	11,860	12,142	12,379
Operating	86,454	91,643	73,685	80,079
Capital	<u>931,556</u>	<u>1,252,881</u>	<u>973,625</u>	<u>873,877</u>
Total federal government	<u>1,029,539</u>	<u>1,356,384</u>	<u>1,059,452</u>	<u>966,335</u>
<b>Total transportation program revenues</b>	<b><u>1,515,460</u></b>	<b><u>1,808,175</u></b>	<b><u>1,529,656</u></b>	<b><u>1,400,352</u></b>
<b>Net expense of transportation program</b>	<b><u>(407,954)</u></b>	<b><u>(22,111)</u></b>	<b><u>(271,372)</u></b>	<b><u>(405,079)</u></b>
<b>General Revenues</b>				
Fuel taxes	584,825	504,371	497,662	512,454
Sales and use taxes	414,472	443,561	376,818	363,664
Unrestricted investment earnings	(60,538)	800	25,787	30,468
State appropriations	73,633	57,914	67,116	19,494
Gain (loss) on sale of capital assets	<u>(1,730)</u>	<u>(4,457)</u>	<u>1,272</u>	<u>(14,519)</u>
<b>Total general revenues</b>	<b><u>1,010,662</u></b>	<b><u>1,002,189</u></b>	<b><u>968,655</u></b>	<b><u>911,561</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 602,708</u></b>	<b><u>\$ 980,078</u></b>	<b><u>\$ 697,283</u></b>	<b><u>\$ 506,482</u></b>

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 fiscal years 2013 and 2014 were restated due to the implementation of GASB 65, *Items Previously Reported as Assets and Liabilities*, and to correct errors related to infrastructure in progress, infrastructure and infrastructure depreciation.

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 year 2021 were restated for an error correction.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 8,890	\$ 24,255	\$ 25,374	\$ 24,672	\$ 32,791	\$ 32,244
30,820	28,961	18,088	29,865	32,790	34,905
362,107	345,807	328,987	329,098	420,000	398,274
229,248	210,252	258,846	274,462	194,552	222,767
86,224	100,952	93,500	84,259	89,148	89,184
82,922	93,643	104,190	112,690	129,873	136,493
224,811	234,614	225,148	226,370	208,610	199,660
21,315	9,671	21,604	21,376	19,407	15,336
143,637	123,668	111,561	106,453	97,483	94,695
76,746	87,675	78,196	91,858	---	---
38,289	43,615	44,005	50,179	50,586	75,152
<u>520,620</u>	<u>498,595</u>	<u>474,320</u>	<u>454,219</u>	<u>442,734</u>	<u>413,382</u>
<u>1,825,629</u>	<u>1,801,708</u>	<u>1,783,819</u>	<u>1,805,501</u>	<u>1,717,974</u>	<u>1,712,092</u>
314,074	304,982	310,073	290,319	290,153	283,022
47,072	44,803	41,989	39,870	38,169	37,328
<u>87,171</u>	<u>74,825</u>	<u>68,200</u>	<u>55,454</u>	<u>85,389</u>	<u>108,043</u>
448,317	424,610	420,262	385,643	413,711	428,393
12,617	19,450	18,160	14,628	28,765	49,912
69,465	78,484	77,468	82,521	87,531	87,689
<u>949,145</u>	<u>847,191</u>	<u>826,329</u>	<u>763,952</u>	<u>839,912</u>	<u>892,031</u>
<u>1,031,227</u>	<u>945,125</u>	<u>921,957</u>	<u>861,101</u>	<u>956,208</u>	<u>1,029,632</u>
<u>1,479,544</u>	<u>1,369,735</u>	<u>1,342,219</u>	<u>1,246,744</u>	<u>1,369,919</u>	<u>1,458,025</u>
<u>(346,085)</u>	<u>(431,973)</u>	<u>(441,600)</u>	<u>(558,757)</u>	<u>(348,055)</u>	<u>(254,067)</u>
521,273	512,713	517,366	493,076	489,984	486,529
378,765	363,279	350,372	335,420	311,761	304,163
8,662	3,854	9,101	10,569	13,755	(1,157)
13,912	22,136	14,216	15,010	14,347	11,630
<u>(11,675)</u>	<u>(13,028)</u>	<u>(7,451)</u>	<u>(15,212)</u>	<u>(16,408)</u>	<u>(4,560)</u>
<u>910,937</u>	<u>888,954</u>	<u>883,604</u>	<u>838,863</u>	<u>813,439</u>	<u>796,605</u>
<u>\$ 564,852</u>	<u>\$ 456,981</u>	<u>\$ 442,004</u>	<u>\$ 280,106</u>	<u>\$ 465,384</u>	<u>\$ 542,538</u>

## Financial Trends

### Changes in Fund Balances – Governmental Funds

Years Ended June 30

(Amounts in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>				
Fuel taxes	\$ 584,824	\$ 504,371	\$ 497,661	\$ 512,454
Sales and use taxes	414,472	443,561	376,818	363,664
Licenses, fees and permits	342,709	345,870	322,245	324,714
Intergovernmental/cost reimbursements/miscellaneous	73,024	49,789	96,374	53,711
Investment earnings	(52,687)	488	20,422	24,220
American Recovery and Reinvestment Act	11,529	11,860	12,142	12,379
State government	73,633	57,914	67,116	19,494
Federal government	<u>1,017,643</u>	<u>1,345,263</u>	<u>1,045,115</u>	<u>959,101</u>
<b>Total revenues</b>	<u>2,465,147</u>	<u>2,759,116</u>	<u>2,437,893</u>	<u>2,269,737</u>
<b>Expenditures</b>				
Administration	52,104	49,571	57,742	61,251
Fleet, facilities and information systems	46,456	42,638	40,578	43,428
Safety and operations	496,561	448,624	478,519	470,912
Program delivery	231,822	231,324	240,407	254,929
Multimodal operations	102,670	96,584	87,018	94,183
Capital outlay	1,090,277	1,019,631	1,003,221	835,059
Debt service - principal	236,379	215,475	169,244	209,355
Debt service - interest	74,234	85,485	82,414	92,870
Other state agencies	<u>267,219</u>	<u>219,126</u>	<u>243,641</u>	<u>260,140</u>
<b>Total expenditures</b>	<u>2,597,722</u>	<u>2,408,458</u>	<u>2,402,784</u>	<u>2,322,127</u>
<b>Excess of revenues over (under) expenditures</b>	(132,575)	350,658	35,109	(52,390)
<b>Other Financing Sources (Uses)</b>				
Notes issued	8,834	136	---	---
Bonds issued	88,955	---	178,370	---
Refunding bonds issued	---	---	---	102,705
Refunding bonds escrow payment	---	---	23,143	(111,483)
Premium on bonds	11,439	---	---	9,148
Leases	632	---	---	---
Capital asset sales	4,560	4,397	18,705	5,307
Transfers in	547,656	525,674	532,562	487,872
Transfers out	<u>(547,656)</u>	<u>(525,674)</u>	<u>(532,562)</u>	<u>(487,872)</u>
<b>Total other financing sources (uses)</b>	<u>114,420</u>	<u>4,533</u>	<u>220,218</u>	<u>5,677</u>
<b>Net Changes in Fund Balances</b>	<u>\$ (18,155)</u>	<u>\$ 355,191</u>	<u>\$ 255,327</u>	<u>\$ (46,713)</u>
<b>Debt service as a percentage of noncapital expenditures</b>				
	21%	22%	18%	20%
<b>Debt service as a percentage of total revenues</b>				
	13%	11%	10%	13%

*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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 521,273	\$ 512,714	\$ 517,366	\$ 493,076	\$ 489,984	\$ 486,529
378,765	363,279	350,372	335,420	311,761	304,163
314,073	305,001	310,073	290,319	290,158	283,022
77,023	63,372	67,565	51,017	84,753	138,732
8,553	3,565	6,359	8,655	11,679	(1,149)
12,617	19,449	18,160	14,758	28,635	49,912
13,912	22,136	14,216	15,010	14,346	11,630
<u>1,019,594</u>	<u>923,970</u>	<u>907,421</u>	<u>841,855</u>	<u>926,170</u>	<u>985,071</u>
<u>2,345,810</u>	<u>2,213,486</u>	<u>2,191,532</u>	<u>2,050,110</u>	<u>2,157,486</u>	<u>2,257,910</u>
55,773	50,824	51,365	50,713	48,547	46,936
40,278	38,272	38,744	38,980	35,904	38,058
474,914	456,464	435,964	434,328	450,577	454,740
283,592	278,781	296,946	327,776	216,563	241,931
87,452	102,144	94,647	85,363	89,332	89,404
854,871	711,180	690,878	714,888	849,897	956,489
200,237	308,650	175,103	188,913	178,903	165,332
102,274	117,312	125,274	128,536	148,936	150,721
<u>255,141</u>	<u>262,666</u>	<u>251,143</u>	<u>251,408</u>	<u>233,470</u>	<u>226,683</u>
<u>2,354,532</u>	<u>2,326,293</u>	<u>2,160,064</u>	<u>2,220,905</u>	<u>2,252,129</u>	<u>2,370,294</u>
(8,722)	(112,807)	31,468	(170,795)	(94,643)	(112,384)
---	---	---	3,619	13,240	9,493
---	---	---	---	---	---
---	---	---	---	900,990	---
---	---	---	---	(1,082,245)	---
---	---	---	---	185,693	---
---	17	114	18	(2,044)	116
9,089	5,442	11,889	5,422	7,488	13,301
461,293	459,141	460,974	460,003	476,745	511,732
<u>(461,293)</u>	<u>(459,141)</u>	<u>(460,974)</u>	<u>(460,003)</u>	<u>(476,745)</u>	<u>(511,732)</u>
<u>9,089</u>	<u>5,459</u>	<u>12,003</u>	<u>9,059</u>	<u>23,122</u>	<u>22,910</u>
\$ <u>367</u>	\$ <u>(107,348)</u>	\$ <u>43,471</u>	\$ <u>(161,736)</u>	\$ <u>(71,521)</u>	\$ <u>(89,474)</u>
20%	26%	20%	21%	23%	22%
13%	19%	14%	15%	15%	14%

## 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>
2022	\$46,849	\$1,386,273	\$(1,288)	\$1,431,834
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
2014	29,135	1,103,299	(1,576)	1,130,858
2013	34,841	1,167,773	(234)	1,202,380

*Notes:*

\*The nonspendable fund balance represents prepaid rent on equipment 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.

## 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>
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
2013	912,736	61,776	3,225	40,381	1,018,118
2012	940,436	44,769	2,838	24,523	1,012,566

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 2022 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>
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
2014	3,925,826	667,361	100,077	78,484	488,800
2013	3,919,121	666,106	99,433	77,980	488,693

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>
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
2014	17.00	4.55	12.45
2013	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>2022</u>	<u>2013</u>
Gallons from top ten suppliers	3,352,294	3,524,514
Net revenue from top ten suppliers	\$ 653,697	\$ 599,167
Net revenue from all suppliers	\$ 733,672	\$ 666,106
Percentage from top ten suppliers	89%	90%

*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 are 121 total suppliers.



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## Debt Capacity Ratios of Outstanding Debt

Years Ended June 30

(Amounts in Thousands Except Per Capita)

<u>Debt Outstanding at June 30</u>				
<u>Year</u>	<u>Road Bonds</u>	<u>Notes Issued</u>	<u>Leases</u>	<u>Total</u>
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
2014	2,679,170	22,923	93	2,702,186
2013	2,918,000	26,404	2,269	2,946,673

*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.

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<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>
\$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
238,095,000	1.13	6,044	447
223,049,000	1.32	6,022	490

## 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
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
2014	914,514	348,537	565,977	47,815	23,877	7.89
2013	937,165	333,327	603,838	44,255	25,467	8.66

Year	Federal Reimbursement Revenues (5)	Expenses	Federal Reimbursement Bonds Net Pledged Revenues	Federal Reimbursement		
				Principal	Interest (6)	Coverage
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
2014	708,726	---	708,726	34,825	32,453	10.53
2013	771,710	---	771,710	33,450	33,161	11.59

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.

<b>First, Second, Third Lien Revenues (3)</b>	<b>First, Second, Third Lien Net Pledged Revenues (4)</b>	<b>First Lien</b>			<b>Second Lien</b>			<b>Third Lien</b>		
		<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
\$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
149,793	644,078	52,330	38,643	7.08	12,055	25,316	5.02	15,025	10,352	4.19
113,443	647,559	50,805	41,111	7.05	10,605	25,798	5.05	14,410	9,974	4.24

## 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>
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
2013	6,044	238,095,000	39	7.4
2012	6,022	223,049,000	39	7.6

*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)

	2021			2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Trade, transportation and utilities	566	1	20%	521	1	19%
Education and health services	480	2	17	432	3	16
Government	435	3	15	441	2	17
Professional and business services	384	4	13	352	4	13
Leisure and hospitality	283	5	10	261	5	10
Manufacturing	270	6	9	250	6	9
Financial activities	177	7	5	161	7	6
Construction, natural resources and mining	141	8	5	104	9	4
Other services	115	9	4	111	8	4
Information	<u>47</u>	10	<u>2</u>	<u>55</u>	10	<u>2</u>
<b>Total</b>	<u>2,898</u>		<u>100%</u>	<u>2,688</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)

	2021			2012		
	<u>GDP</u>	<u>Rank</u>	<u>Percentage</u>	<u>GDP</u>	<u>Rank</u>	<u>Percentage</u>
Financial activities	\$ 72,049	1	20%	\$ 51,412	1	20%
Trade, transportation and utilities	63,976	2	18	47,043	2	17
Professional and business services	46,157	3	13	32,324	5	12
Manufacturing	43,373	4	12	34,778	3	13
Government	40,589	5	11	33,134	4	12
Education and health services	35,981	6	10	27,216	6	10
Construction, natural resources and mining	17,369	7	5	10,073	9	4
Leisure and hospitality	13,517	8	4	10,390	8	4
Information	12,198	9	3	12,875	7	5
Other services	7,936	10	2	6,276	10	2
Agriculture, forestry, fishing and hunting	<u>6,806</u>	11	<u>2</u>	<u>3,341</u>	11	<u>1</u>
<b>Total</b>	<u>\$359,951</u>		<u>100%</u>	<u>\$268,862</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>
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
2013	4,280	(8)	6,022	11
2012	4,288	11	6,011	(1)

*Sources:*

Licensed Drivers: Missouri Department of Revenue for federal reporting

Population: United States Department of Commerce, Census Bureau

*Notes:*

Fiscal year 2022 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>
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
2013	6,807	2.2	666,106	0.2	98
2012	6,659	8.7	676,601	(2.8)	100

*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 2022 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>		
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
2013	131,064	58,871	189,935	6,044	31.4
2012	130,518	56,887	187,405	6,022	31.1

*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	Freight Tonnage By Mode (Amounts In Thousands) (1) (2)				Travel Information by Mode		
	Port (4)	Motor Carrier	Aviation	Rail <sup>3</sup>	Number of Transit Passengers	Number of River Runner Rail Passengers	Number of Airline Passengers (Amounts in Millions) (2)
2022	n/a-src	n/a-src	n/a-src	n/a-src	n/a-src	114,300	n/a-src
2021	45,000	318,000	723	64,000	30,000,000	57,700	9.5
2020	45,000	313,000	611	64,000	47,600,000	118,000	5.6
2019	38,000	306,000	559	65,000	56,100,000	156,000	14.3
2018	40,000	532,000	192	360,000	58,600,000	173,000	14.1
2017	37,000	500,000	184	350,000	62,500,000	171,000	13.5
2016	35,000	462,000	186	352,000	59,100,000	172,000	12.8
2015	37,000	485,000	186	397,000	62,800,000	185,600	11.9
2014	39,000	485,000	196	431,000	63,100,000	189,200	11.7
2013	35,000	464,000	198	420,000	62,500,000	197,000	11.6

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) The data source for the rail freight tonnage was changed to the Bureau of Transportation Statistics beginning in 2019.
- (4) Negative numbers mean final project cost was less than the amount budgeted for the project.
- (5) Prior years data may be updated for information received in subsequent years.
- (6) No data collection for this measure occurred in 2021 for 2020.

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 (4)</u>	<u>Percent of Projects Completed on Time</u>	<u>Number of Fatalities from Traffic Crashes (2) (5)</u>	<u>Number of Serious Injuries from Traffic Crashes (2) (5)</u>	<u>Percent of Stripes on Major Roads In Good Condition (2) (6)</u>
(4.30)%	84%	n/a-cy	n/a-cy	n/a-cy
(4.30)	69	1,017	5,266	n/a-cy
(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
(7.70)	73	766	4,657	83.0
(12.47)	80	757	4,938	92.1

## Operating Information

### Capital Asset Indicators <sup>(1)</sup>

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 <sup>(2), (3)</sup></u>
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
2013	33,890	89.7	842
2012	33,885	88.5	817

*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) The Safe and Sound Bridge Improvement program, completed in October 2012, rehabilitated 248 and replaced 554 bridges.

(3) 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Rural</b>										
Interstate	847	842	842	842	842	842	842	842	841	867
Freeway/expressway	1,125	1,125	1,125	1,125	1,125	1,020	926	920	923	878
Principal arterial	1,883	1,888	1,877	1,876	1,876	1,958	2,029	2,043	2,037	2,103
Minor arterial	3,972	3,967	3,980	3,980	3,976	3,935	3,959	3,953	3,964	3,962
Major collector	15,961	15,962	15,971	15,972	15,977	16,138	16,137	16,134	16,164	16,191
Minor collector	5,981	5,981	5,979	5,978	5,979	5,940	5,943	5,946	5,953	5,961
Local	996	991	983	980	980	925	927	923	934	965
<b>Urban</b>										
Interstate	538	538	538	538	538	538	538	538	538	512
Freeway/expressway	483	483	483	483	483	476	468	461	446	434
Principal arterial	641	640	638	640	643	646	654	689	708	719
Minor arterial	569	574	577	584	587	591	597	582	571	565
Major collector	479	483	477	485	487	520	523	517	485	446
Minor collector	57	57	56	56	56	22	22	23	14	2
Local	294	299	306	299	310	305	308	321	312	280
<b>Total centerline miles</b>	<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>	<u>33,890</u>	<u>33,885</u>
<b>Statewide Composite</b>										
Interstate	1,385	1,380	1,380	1,380	1,380	1,379	1,380	1,380	1,379	1,379
Freeway/expressway	1,608	1,608	1,608	1,608	1,609	1,496	1,394	1,381	1,369	1,312
Arterial	7,065	7,069	7,072	7,080	7,081	7,130	7,239	7,267	7,280	7,349
Collector	22,478	22,483	22,483	22,491	22,499	22,621	22,625	22,620	22,616	22,600
Local	1,290	1,290	1,289	1,279	1,290	1,230	1,235	1,244	1,246	1,245
<b>Total centerline miles</b>	<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>	<u>33,890</u>	<u>33,885</u>

## Operating Information

### Employee Full-Time Equivalents (FTE)\*

Years Ended June 30

	<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>	<u>2013</u>
District offices	4,220	4,302	4,537	4,655	4,572	4,597	4,493	4,610	4,653	4,501
Central office	<u>729</u>	<u>712</u>	<u>732</u>	<u>754</u>	<u>759</u>	<u>755</u>	<u>763</u>	<u>771</u>	<u>765</u>	<u>765</u>
<b>Total</b>	<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>	<u>5,418</u>	<u>5,266</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, 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, 2022, 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, 2022.

**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, 2022