



# Executive Summary

The purpose of this report is to provide a high-level overview of the state's outstanding debt as of September 30, 2021. Per West Virginia Code, the West Virginia State Treasurer's Office (WVSTO) prepares quarterly debt update reports. The March and September reports are shorter-in-length, three-month updates. The June and December reports are more detailed, covering six months of the fiscal year. In addition, the WVSTO compiles an Annual Debt Report as of June, summarizing the entire fiscal year.

This report is the first for fiscal year 2022. Tax supported debt as of September 30, 2021, increased \$159.6 million from the June 30, 2021 balance. Non tax-supported debt increased \$11.2 million during the same time period.

The focus of this letter is to briefly explain the Governmental Accounting Standards Board (GASB) 87 reporting requirements related to leases that will be implemented by the State of West Virginia in fiscal year ending June 30, 2022. The rule establishes a single model for lease accounting. The underlying foundation of this change is that leases are financings. The definition of leases will also change with this implementation, and the terms "capital" and "operating" will no longer be part of the standard. Each spending unit must evaluate leases and contracts to determine if they meet the GASB 87 definition of a lease. A lease previously not reported because it was considered an "operating lease" may now need to be added to the financial statements. Common nonfinancial assets leased include land, buildings, vehicles, and equipment. The West Virginia Treasury is working with the Department of Administration Financial Accounting and Reporting Section (FARS) to ensure consistent reporting. Since the West Virginia Treasury reports debt quarterly, this is the initial report that includes the additional lease information. Please note that this is new process for everyone, and therefore the WVSTO considers this part of the report a "work in progress." The WVSTO will not be reporting any non-compliance of submissions while working with the State's spending units to report leases and notes payable accurately during this fiscal year of implementation.

If you have comments or questions, please feel free to let me know.

## Contact Information:

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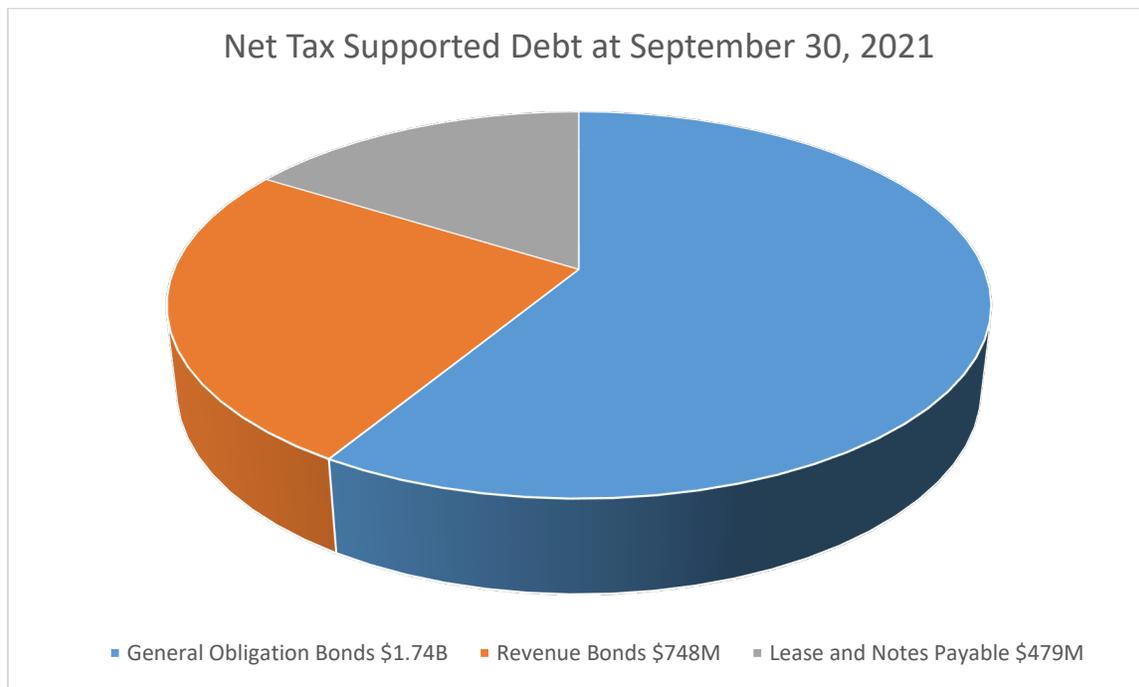


# Debt Position Report

Update: September 30, 2021

One of the most important measurements of debt for a state, city, county or any other municipal bond issuer is the amount of net tax-supported debt outstanding. The State of West Virginia had a net tax-supported debt of \$2.97 billion as of September 30, 2021.

The net tax-supported debt calculation does not include claims and judgments, accrued compensated absences, pension costs, other post-employment benefits costs or other liabilities of the state. Those obligations are detailed in the state's Annual Comprehensive Financial Report (ACFR) available from the Division of Finance of the Department of Administration or online at [www.wvfinance.state.wv.us](http://www.wvfinance.state.wv.us).



### **DISCLAIMER**

***Pursuant to W.Va. Code §12-6A-6, every state spending unit is required to report quarterly on its debt to the West Virginia State Treasurer's Office. The Treasurer's Office prepares this Report using information provided by the spending units and information from other sources considered reliable. This report is unaudited and may be amended when updated information is provided to the Treasurer's Office.***

**Spending units not reporting bond updates for first quarter: West Virginia State University**



## West Virginia Net Tax-Supported Debt Outstanding as of September 30, 2021

Type of Debt	Principal Outstanding September 30, 2021
<b>GENERAL OBLIGATION BONDS</b>	
Safe Road Bonds	\$ 67,570,000
Roads to Prosperity Bonds	1,559,880,000
Infrastructure Improvement Bonds	115,722,628
<b>Total General Obligation Bonds</b>	<b>\$ 1,743,172,628</b>
<b>REVENUE BONDS</b>	
School Building Authority Capital Improvement Bonds	61,921,250
Economic Development Authority, Lottery Revenue Bonds	265,535,000
Economic Development Authority, Excess Lottery Revenue Bonds	144,670,000
Higher Education Policy Commission, Lottery and Excess Lottery Revenue Bonds	245,675,000
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	50,265,000
School Building Authority, Lottery Revenue Bonds	107,362,500
School Building Authority, Excess Lottery Revenue Bonds	63,586,500
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	150,480,000
West Virginia Infrastructure & Jobs Development Council (Excess Lottery Revenue Bond)	56,330,000
<b>Total Revenue Bonds</b>	<b>1,145,825,250</b>
<b>TOTAL LEASE OBLIGATIONS / NOTES PAYABLE</b>	<b>479,039,658</b>
<b>GROSS TAX SUPPORTED DEBT</b>	<b>3,368,037,536</b>
<b>DEDUCTIONS FOR ESCROW/SINKING FUND/RESERVE FUNDS</b>	
Economic Development Authority, Excess Lottery Revenue Bonds	(26,366,906)
Economic Development Authority, Lottery Revenue Bonds	(135,940,000)
Higher Education Policy Commission Excess Lottery Revenue Bonds	(79,220,000)
School Building Authority Capital Improvement Revenue Bonds	(61,921,250)
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	(94,146,152)
<b>Total Deductions</b>	<b>(397,594,308)</b>
<b>NET TAX-SUPPORTED DEBT</b>	<b>\$ 2,970,443,228</b>



# Debt Position Report

Update: September 30, 2021

The State of West Virginia has more than 20 bonding authorities that may issue revenue bonds backed by various pledges of revenue. Each authority has its own specific parameters such as volume caps, interest rate caps, etc., which is codified in relevant sections of the West Virginia Code. The authorities listed below have outstanding debt that is self-supporting and is not considered as part of the state's direct debt burden. This debt is considered non tax-supported debt.

## West Virginia Non Tax-Supported Debt Outstanding as of September 30, 2021

Issuer	Principal Outstanding September 30, 2021
Commissioner of Highways	226,815,000
Concord University	15,033,300
Economic Development Authority	3,896,345,005
Fairmont State University	56,082,178
Glenville State College	37,633,660
Higher Education Policy Commission	44,414,772
Hospital Finance Authority	2,737,134,511
Housing Development Fund	329,040,000
Marshall University	100,060,000
Parkways Authority	491,735,000
Shepherd University	32,960,861
Tobacco Settlement Finance Authority	727,109,000
Water Development Authority	149,749,752
West Liberty University	18,091,498
West Virginia Infrastructure & Jobs Development Council	86,200,000
West Virginia State University	42,671,000
West Virginia University	723,880,513
<b>NON TAX-SUPPORTED DEBT (net)</b>	<b>\$9,714,956,050</b>