

Riley Moore, West Virginia State Treasurer

State of the Treasury



Fiscal Year 2021

A Publication of the West Virginia State Treasurer's Office

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Disclaimer: The financial information in this report includes data extracted from the audited financial statements of the West Virginia Board of Treasury Investments and the West Virginia College Prepaid Tuition and Savings Program. All other financial information has not been audited by an independent certified public accounting firm. The financial data is management's best representation of the activities of the programs, funds and accounts for which the State Treasurer's Office is responsible. The presentation of the data is not intended to conform to accounting principles generally accepted in the United States of America.



About the Treasurer



Riley Moore is West Virginia's 25th State Treasurer and was elected in 2020. Born in Morgantown, Treasurer Moore started his career as a welder. He received an undergraduate degree in Government and International Politics from George Mason University and a Master's Degree in Strategic Security Studies from the National Defense University at Fort McNair.

For many years, Treasurer Moore served as a national security advisor to the Foreign Affairs Committee in the U.S. House of Representatives. He also worked as a contractor with the Department of Homeland Security. He most recently worked in the defense and aerospace industry at Textron.

In 2016 Treasurer Moore was elected to the West Virginia House of Delegates to represent the 67th District, which includes portions of Jefferson County – including Shepherdstown and his home in Harpers Ferry. He served in House leadership as an assistant majority whip and in 2018 he was named the incoming Majority Leader of the House of Delegates. In one term Treasurer Moore sponsored 24 bills that became law that were aimed at protecting individual freedoms, making West Virginia a better place to do business, and ensuring government works for you.

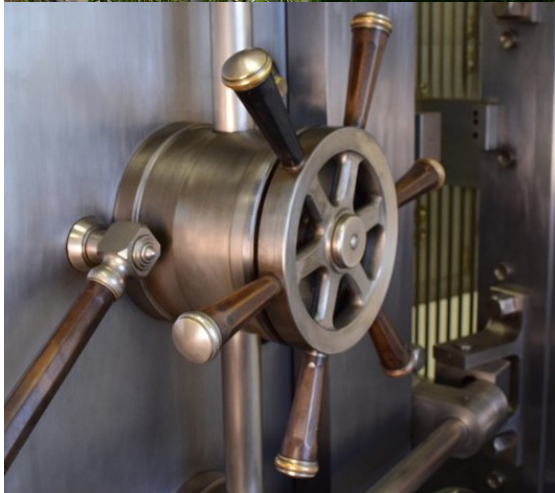


State Treasurer Riley Moore at the swearing in ceremony with his family on January 18, 2021.

Treasurer Moore took office in January 2021 and immediately went to work with the focus to make the office more modern, transparent, and accountable. In his first term, he reduced the size of the GR Budget by 5 percent and returned \$15 million to taxpayers. During the 2021 Legislative Session, he championed nine bills which became law. One of his top priorities was the Jumpstart Savings Plan, which allows individuals who wish to pursue a vocation or trade to make tax-free contributions to a savings and investment account that can then be used to help cover business startup costs, equipment, tools, certifications, and licenses needed for their occupation. His inspiration for the bill came from his own experience as a welder.

He and his wife, Mina, reside in Harpers Ferry with their two children.

About the Office



The Office of the West Virginia State Treasurer was established at the Constitutional Convention held in Wheeling in 1863 after the western counties of Virginia split to become West Virginia. The Treasurer's Office is one of six constitutionally mandated offices in West Virginia. While the West Virginia Constitution establishes the Office, the functions of the Office are outlined in various sections of West Virginia Code.

The State Treasurer is the chief financial officer for the state and is responsible for overseeing the cash management of West Virginia's government. These duties include receiving and disbursing state funds; filing and retaining all paid checks and various bonds issued by the state; collecting the crime victim's compensation, law enforcement training, regional jail authority, and litter control fund fees; disbursing coal, oil and gas severance taxes, liquor taxes, wine taxes, and the fire and casualty insurance premium tax to local government subdivisions; issuing quarterly and annual reports of all state debt; providing safekeeping services; and handling various other banking and accounting functions that deal with state finances.

The State Treasurer is a member of the major financial decision-making boards throughout state government. These boards make decisions that affect all aspects of West Virginia's fiscal policies. Treasurer Moore serves as chairman of both the Board of Treasury Investments and the West Virginia Prepaid Tuition and Savings Program Board of Trustees. Other board memberships include: Agricultural Land Protection Authorities Board of Trustees; Board of Public Works; Board of the School Fund; Consolidated Public Retirement Board; Council of Finance and Administration; Enterprise Resource Planning Board; Higher Education Student Financial Aid Advisory Board; Hospital Finance Authority; Housing Development Fund Board of Directors; Investment Management Board; the Lending and Credit Rate Board; the Municipal Bond Commission; the Purchasing Card Advisory Committee; the Special Reclamation Fund Advisory Council; and the Tobacco Settlement Finance Authority.

2021 Legislative Session Accomplishments



State Treasurer Riley Moore's Office was productive during the 2021 Regular Legislative Session, with nine proposals championed by the Treasurer on their way to becoming law.

House Bill 2001 – established the West Virginia Jumpstart Savings Program, which is a state-administered program to help West Virginians save money to help cover the costs of pursuing a career in skilled trades and vocations.

House Concurrent Resolution 24 – requested Congress to extend federal tax benefits to Jumpstart participants.

Senate Bill 295 – included several measures proposed by Treasurer Moore that will provide greater oversight and transparency over government funds provided through the Board of Treasury Investments for Economic Development Authority loan programs.

Senate Bill 534 – clarified the Treasurer's Office's authority to approve the EDA's banking contracts, and also made the Treasurer a member of the Economic Development Authority's board.

Senate Bill 294 – improved education savings and investment programs in the office. It will return nearly \$15 million to the state's General Revenue Fund through an early closure of the Prepaid Tuition Trust Fund and Plan, a college savings program that was closed to new entrants in 2003 following the implementation of the PROMISE Scholarship and SMART529 College Savings Programs. It also freed up additional funds that will be used to help launch the Jumpstart Savings and Hope Scholarship programs.

Senate Bill 318 – will help the Treasurer's Office better advertise the Unclaimed Property program by changing the law which required the Treasurer to publish a bulky newspaper insert. The Treasurer may now use more effective forms of advertising and receive a greater return on marketing investments, while also providing more effective means of returning this money and property to its rightful owners.

House Bill 2933 – prohibits the state, its agencies and political subdivisions from entering into contracts with any entity that has been identified as participating in the Boycott, Divest or Sanctions (BDS) movement against Israel.

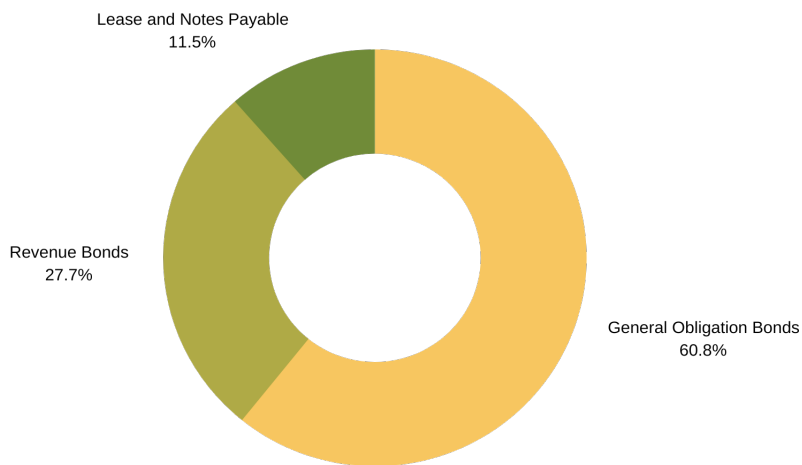
Senate Bill 297 – modernizes the Board of Treasury Investments' statutory investment options, allowing the Board to give the state and local governments a better short-term return on their cash while better protecting it from inflation. The Board manages the \$8.1 billion consolidated short-term operating fund used by the state and local governments.

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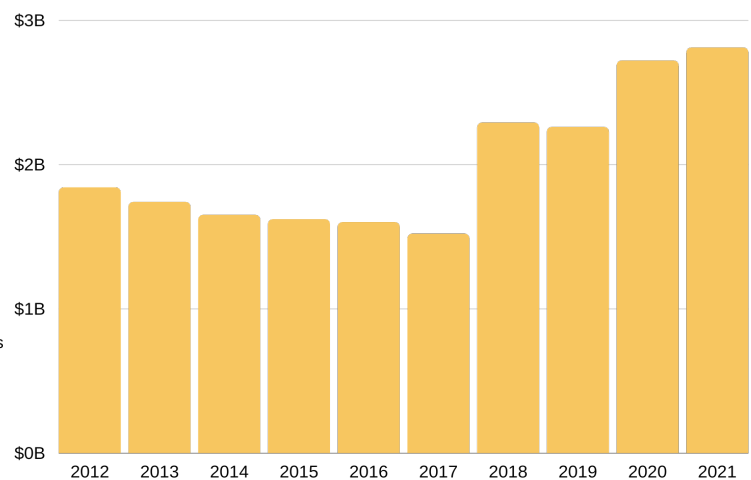
Debt Management

One of the most important measurements of debt for a state, city, county or any other municipal bond issuer is the amount of outstanding net tax-supported debt. The State of West Virginia ended fiscal year 2021 with a net tax-supported debt of \$2.81 billion.

Net Tax Supported Debt Outstanding



Net Tax Supported Debt Outstanding at June 30
Last Ten Years



General Obligation Bonds as of June 30, 2021

	Principal Outstanding	Number of Issues Outstanding	Final Maturity
Roads to Prosperity	\$1,559,889,000	7	June 1, 2046
Safe Road Bonds	\$67,570,000	1	June 1, 2025
Infrastructure Improvement Bonds	\$82,771,968	4	November 1, 2026

Approximately \$1.71 billion of West Virginia's outstanding net tax supported debt for fiscal year 2021 consisted of General Obligation (GO) bonds. Over the years, West Virginia's GO bonds have been issued for road construction, school construction, veterans' bonuses, and infrastructure development. All of these bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt services. Outstanding GO bonds include road bonds and infrastructure improvement bonds.

Debt Management

Leases and Notes Payable

The State of West Virginia depends on lease and notes payable obligations to finance capital improvements, large purchases of computer equipment, vehicles, and many other projects. There was approximately \$323.3 million in lease and notes payable obligations outstanding at the end of fiscal year 2021.

Revenue Bonds as of June 30, 2021

	Principal Outstanding	Funds in Escrow, Reserve or Sinking Fund	Number of Issues Outstanding	Final Maturity
School Building Authority Capital Improvement Bonds	\$61,921,250	\$61,921,250	1	July 1, 2022
Economic Development Authority Lottery Revenue Bonds	\$265,535,000	\$135,940,000	2	June 15, 2040
Economic Development Authority Excess Lottery Revenue Bonds	\$161,165,000	\$26,366,906	4	July 1, 2039
Higher Education Policy Commission, Excess Lottery Revenue Bonds	\$247,650,000	\$79,220,000	6	July 1, 2039
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	\$50,265,000	N/A	1	April 1, 2040
School Building Authority Lottery Revenue Bonds	\$110,374,500	N/A	6	July 1, 2033
School Building Authority, Excess Lottery Revenue Bonds	\$65,550,000	N/A	2	July 1, 2030
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	\$150,480,000	\$91,564,543	3	June 15, 2027
West Virginia Infrastructure & Jobs Development Council	\$59,360,000	N/A	1	July 1, 2034

Revenue bonds make up approximately \$777.3 million of West Virginia's net tax supported debt (net of \$1.1723 billion in principal outstanding less \$395 million in funds in escrow, reserve or sinking funds). A revenue bond is typically supported by the revenue from a specific project. For example, a bond issue for dormitory renovations at a college or university may be supported by certain student fees. The revenue bonds included in net tax supported debt are unique since the revenue source for repayment of the bonds is not tied to a specific project directly linked to the bond issues. The issuing authorities included in this section are the Economic Development Authority, the Higher Education Policy Commission, the School Building Authority, and West Virginia Infrastructure & Jobs Development Council.



Cash Management

The Cash Management Division of the West Virginia State Treasurer's Office processes all state receipts and disbursements. Some duties of this division include performing bank reconciliations, establishing a daily cash position, managing the eCommerce system, processing electronic fund transfers, collecting and depositing state revenue, and overseeing the disbursement of state checks. In all, Cash Management oversees approximately \$18 billion in state government receipts on an annual basis.

Revenue Collections

The types of monies received by the state include:

Federal Funds - West Virginia receives over half its funds from the federal government in the form of direct appropriations, grant awards, and special program support.

Tax Payments - Individual, corporate, and government tax payments are collected by the State Tax Department and held and/or distributed by the State Treasury.

Licensing and Services - Many licensing and state services require payments to the state.

Fees and Fines - Many fees and fines are collected by the state to support various areas of government.

Higher Education - Tuition and fees collected from students support the state's colleges and universities.

Lottery Sales - The state receives revenue from the sales of lottery tickets, video lottery, and table gaming.

Agency Revenues - Revenues collected by a state agency are deposited with the State Treasurer's Office for credit to the agency's appropriate account.

The various methods of accepting deposits include:

Direct Deposits/Payments to the state by ACH - The federal government, large dollar tax payers, and various businesses make payments by sending a direct deposit to the state's bank account. The Treasurer's Office will also debit individuals and collect monies for most large agencies.

Wire Transfers - Large dollar items can be transmitted to the bank by using wire transfers. This allows the funds to be deposited instantaneously.

Credit Card Payments - The state collects credit card payments in person with payment terminals and over the internet for many of the state agencies and schools.

Checks and Cash - Payees may hand deliver or mail their checks and cash to the state office where they make their payment.

Cash Management

Electronic Government Activity in FY2021

Top 10 E-Government Agencies By Dollar Amount Processed

Municipal Bond Commission.....	\$149,452,341.40
Consolidated Public Retirement Board.....	\$170,143,061.93
West Virginia University.....	\$112,207,610.36
PEIA.....	\$128,162,458.75
Workforce OBA.....	\$67,646,377.62
Motor Vehicles.....	\$22,061,206.35
Marshall University.....	\$27,749,894.61
Court Fees.....	\$18,304,110.80
Fairmont State University.....	\$10,342,013.83
Natural Resources.....	\$10,096,842.89

Top 10 E-Government Agencies By Total Items Processed

Motor Vehicles.....	243,970
Secretary of State.....	315,595
Natural Resources.....	189,363
West Virginia University.....	77,826
WV State Treasurer - Service Fee Account.....	98,184
WV State Treasurer's Office.....	85,112
Board of Registered Nurses.....	75,079
Workforce OBA.....	49,259
PEIA.....	49,221
Marshall University.....	34,893





Revenue Disbursements

The State Treasurer's Office issues payments to state employees, vendors, and other entities that do business with the state. In addition, the office is responsible for disbursing revenue generated by taxes and fees collected by state agencies. Counties and municipalities are allocated funds based on the designation in state code.

Coal County Reallocation Severance Tax Distribution.....\$11,975,088.09

West Virginia law provides for the reallocation and dedication of a portion of the tax attributable to the severance of coal for the use and benefit of the county in which the coal was located at the time it was severed from the ground.

Greenbrier Table Games.....\$466,533.96

The Greenbrier Lottery calculations are completed by the Lottery Commission. The payments are deposited directly into the bank accounts of counties and municipalities each month.

Limited Video Lottery Distributions.....\$9,427,021.58

The Limited Video Lottery calculations are completed by the Lottery Commission. The payments are deposited into various county and municipality bank accounts each month.

Wine, Liquor, and Private Club Tax Distribution.....\$12,568,433.51

West Virginia Code requires the Tax Commissioner to collect various taxes on the sale of intoxicating liquors. After collections, the Tax Commissioner transfers these tax dollars to the State Treasurer's Office for distribution each quarter. The distribution is reported on a cash basis.

Regional Jail Fund Distribution.....\$2,560,437.76

Revenues deposited into this fund are composed from fees collected by magistrate and circuit courts. The State Treasurer's Office has the responsibility of receiving the collection of these fees and disbursing the funds to counties and cities that participate in the regional jail system to help offset the costs of incarcerations. This is an annual distribution.

Coal Severance Tax Distribution.....\$12,977,990.94

While not every county in West Virginia produces coal, all counties receive a severance tax paid by the coal industry. Coal producing counties receive 75 percent of the net proceeds. The remaining 25 percent of the net proceeds are distributed to all counties and municipalities of the state, based on population.

Municipal Sales and Service Use Tax.....\$104,173,799.93

The West Virginia Legislature passed a law in its 2010 second Special Legislative Session which created the Municipal Sales and Service Tax and Use Tax Fund, which is an interest bearing account and shall be invested in the manner described in state code. All monies collected and deposited in the fund shall be remitted at least quarterly by the state treasurer to the appropriate municipality.

Oil and Gas Severance Tax Distribution.....\$13,237,429.61

West Virginia Law provides for the collection and distribution of a severance tax on oil and gas. The oil and gas severance tax is dedicated for the use and benefit of the counties and municipalities within West Virginia.

Table Games Distribution.....\$7,359,340.92

The table games calculations are completed by the Lottery Commission. The payments are deposited directly into the bank accounts of various counties and municipalities.

Financial Highlights

Fund Revenues and Inflows - FY2021 Unclaimed Property

For the Year Ended June 30, 2021

Board of Treasury Investments

Net investment increase from operations.....	\$114,449,000
Participant purchases, contributions, and reinvestments.....	13,591,694,000
Operating Funds revenues, and gains.....	3,172,000

Total Board of Treasury Investments.....13,709,315,000

West Virginia College Prepaid Tuition and Savings Program

Prepaid Tuition Trust Fund net revenues.....	518,000
College Prepaid Tuition and Savings Program Administrative Account.....	1,581,000

Savings Plan Trust Fund:

Net Investment Gain.....	47,805,000
Contributions.....	205,657,000

Total West Virginia College Prepaid Tuition and Savings Program.....255,561,000

West Virginia Retirement Plus

Contributions.....	17,252,000
Net investment gain.....	11,113,000

Total West Virginia Retirement Plus.....28,365,000

Unclaimed Property

Holder Remittances.....	31,000,000
Stale Dated Checks.....	9,400,000

Total Unclaimed Property.....40,400,000

All other funds and accounts overseen by the State Treasurer's Office

Collections.....	348,774,000
Appropriations.....	4,186,000
Transfers.....	248,087,000

Total Other Funds and Accounts.....601,047,000

Total Revenues and Inflows.....\$14,634,688,000

Financial Highlights

Fund Outflows - FY2021 Unclaimed Property

For the Year Ended June 30, 2021

Board of Treasury Investments

Participant distributions, redemptions, and withdrawals.....	\$12,407,840,000
Operating Fund expenses.....	3,329,000

Total Board of Treasury Investments.....12,411,169,000

West Virginia College Prepaid Tuition and Savings Program

Prepaid Tuition Trust Fund expenses.....	3,284,000
College Prepaid Tuition and Savings Program Administrative Account expense.....	1,271,000

Savings Plan Trust Fund:

Participant redemptions.....	262,158,000
Administrative expense.....	5,449,000

Total West Virginia College Prepaid Tuition and Savings Program.....272,162,000

West Virginia Retirement Plus

Distributions and Withdrawals.....	13,843,000
Fees.....	772,000

Total West Virginia Retirement Plan.....14,615,000

Unclaimed Property

Claims paid.....	16,500,000
Transfers.....	6,500,000
Administrative expense.....	4,500,000

Total Unclaimed Property.....27,500,000

All other funds and accounts overseen by the State Treasurer's Office

Transfers.....	249,268,000
Distributions.....	164,290,000
Disbursements.....	16,039,000

Total other funds and accounts.....429,597,000

Total Expenses and Outflows.....\$13,155,043,000



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