

Riley Moore, West Virginia State Treasurer

State of the Treasury



Fiscal Year 2023

A Publication of the West Virginia State Treasurer's Office

Table of Contents

The following report provides an overview of the West Virginia State Treasurer's Office's initiatives and financial reports during the 2023 fiscal year.

| | |
|---|-------|
| About the Treasurer..... | 3 |
| About the Office..... | 4 |
| Program Highlights & Legislative Accomplishments..... | 5-7 |
| Financial Reports..... | 8-14 |
| Debt Management..... | 8-9 |
| Banking Services..... | 10-11 |
| Revenue Disbursements..... | 12 |
| Financial Highlights..... | 13-14 |

**Published by the West Virginia State Treasurer's Office
Riley Moore, State Treasurer**

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 Board of Trustees of the West Virginia College and Jumpstart Savings Programs. 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.

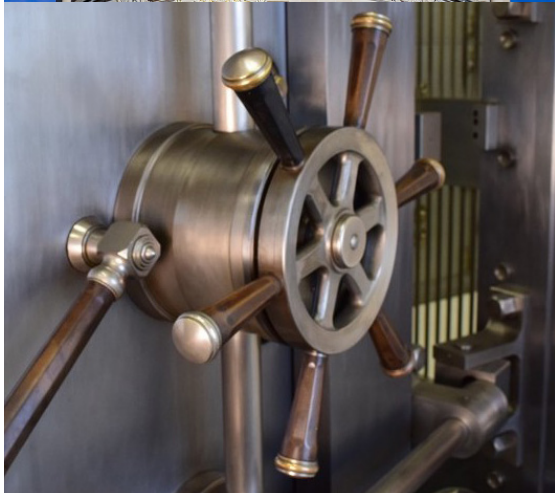
Treasurer Moore took office in January 2021 and immediately went to work with the focus to make the office more modern, transparent, and accountable. In his first term, he reduced the size of the GR Budget by 5 percent and returned \$15 million to taxpayers. During the 2021 Legislative Session, he championed 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 three children.



State Treasurer Riley Moore accepted a helmet at a West Virginia University football game with his family on behalf of his Office's SMART529 program on September 17, 2022.

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 the Board of Treasury Investments, the Board of Trustees of the West Virginia College and Jumpstart Savings Programs, and the West Virginia Hope Scholarship Board. 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; the Tobacco Settlement Finance Authority; and the West Virginia Economic Development Authority Board of Directors.

Program Highlights & Legislative Accomplishments



On July 1, 2022, State Treasurer Riley Moore proudly launched his innovative **Jumpstart Savings Program**. A first-of-its-kind program, Jumpstart allows individuals who wish to pursue a wide range of skilled vocations or trades – ranging broadly from welding to cosmetology – to save money and enjoy certain state income tax benefits. Individuals can make up to \$25,000 per year in contributions to a Jumpstart Savings Account that will be eligible for a state income tax deduction. *(Pictured: Treasurer Moore spoke to Pierpont Community & Technical College students on October 6, 2022, about how they can save for career expenses with Jumpstart.)*



To commemorate **West Virginia's SMART529 College Savings Plan's 20th anniversary**, Treasurer Moore held a special scholarship sweepstakes that awarded three lucky children aged 14 and younger one of three \$20,000 SMART529 scholarships.

In October 2022, 11-month-old Penelope Scripture of Wheeling was the first winner of the SMART529 20th Anniversary Sweepstakes. The following month, 2-year-old Isabella Gautier of Shady Spring was the second child to win \$20,000 invested in a SMART529 Direct account. The third and final winner of the sweepstakes was 2-year-old Owen Dennis of Huntington. *(Pictured: The three winners of the sweepstakes.)*



Program Highlights & Legislative Accomplishments

WEST VIRGINIA **CASH NOW** UNCLAIMED PROPERTY

West Virginia Cash Now is a new, automated system for sending unclaimed property to its rightful owners – without the need for those individuals to file paperwork with the Office. Over 8,000 individual property owners received unclaimed property checks totaling more than \$4.2 million through the program. Borne out of House Bill 4511, an unclaimed property modernization bill that Treasurer Moore proposed to lawmakers, this program allows the Treasurer's Office's Unclaimed Property Division to quickly issue checks to residents who have addresses and contact information that are readily verifiable in legal databases.

As a result, Treasurer Moore's Unclaimed Property Division paid out 9,640 claims during September 2022, totaling \$5,282,973 – the **highest monthly returns** paid out by the program in its history. The bulk of the funds consisted of the \$4,244,379 worth of claims processed through the newly launched West Virginia Cash Now program.

HOPE SCHOLARSHIP WEST VIRGINIA

More than 6,000 students were awarded the **Hope Scholarship** for the 2023-2024 academic year – nearly triple the 2,333 students who received it the previous academic year. The application period for the 2023-24 school year ran from March 1 to May 15, 2023. The scholarship amount varies each school year; for the 2023-24 year, it was \$4,488.82 per student. *(Pictured: Treasurer Moore spoke with parents at Saint Joseph School about the Hope Scholarship program on February 7, 2023.)*

\$141,320

Record total raised for state and local law enforcement agencies during an unclaimed property firearms auction held on March 16, 2023

\$5.5 Million

WVABLE Savings Program surpassed \$5.5 million in contributions

\$26.8 Million

Record amount of unclaimed property returned during the 2023 Fiscal Year

\$10.9 Billion

West Virginia Board of Treasury Investments surpassed \$10.9 billion AUM – a new record high amount



Program Highlights & Legislative Accomplishments



The West Virginia Legislature designated February 1, 2023, as National Unclaimed Property Day. Treasurer Moore and WV Treasury staff joined Lead Sponsor Senator Ryan Weld to support the resolution's adoption.



On January 18, 2023, Treasurer Moore spoke with self-advocates at the State Capitol for Fair Shake Network's Disability Advocacy Day and celebrated WVABLE's 5th anniversary.

Protecting West Virginia From Environmental, Social and Governance (ESG) Policies

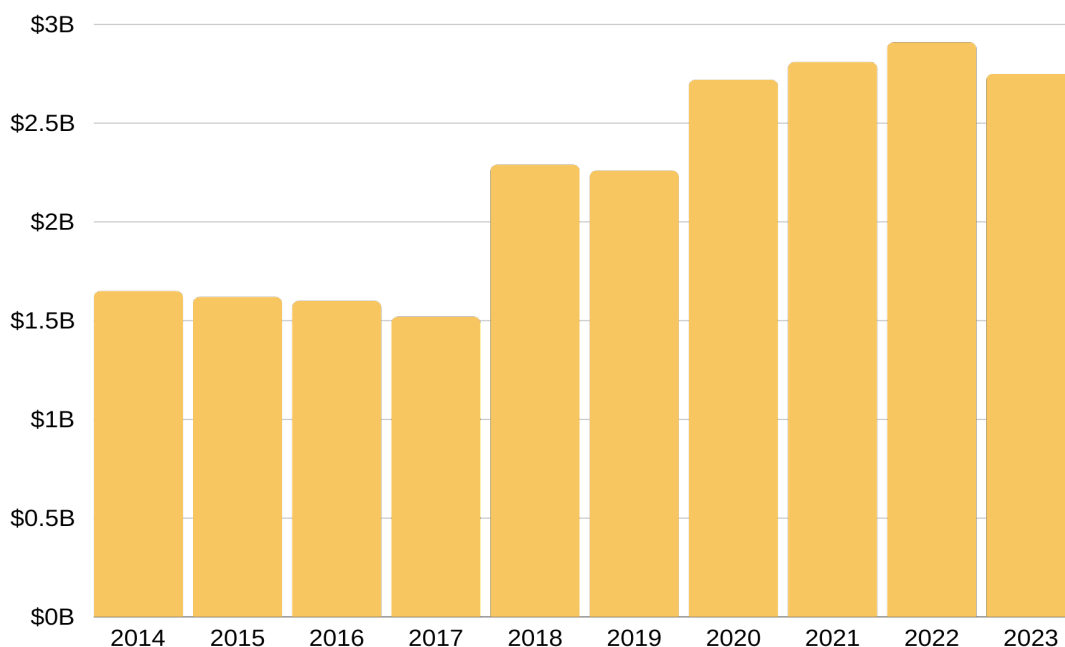
- On July 28, 2022, Treasurer Moore published the **nation's first Restricted Financial Institution List**, deeming five financial institutions ineligible for state banking contracts. He determined that BlackRock Inc., Goldman Sachs Group Inc., JPMorgan Chase & Co., Morgan Stanley and Wells Fargo & Co. are engaged in boycotts of fossil fuel companies, according to new state law, and are no longer eligible to enter into state banking contracts with his Office.
- **House Bill 2862** – During the 2023 Legislative Session, Treasurer Moore's proposed legislation to prevent state pension and taxpayer dollars from supporting proxy voting activism by fund managers and proxy vote advisory firms on Wall Street was passed and went into effect June 8, 2023. The bill provides that money managers cannot use pension or taxpayer dollars to engage in shareholder voting activism – making West Virginia the first state to have these anti-ESG protections codified in state law.
- **House Bill 2004** – Treasurer Moore proposed a bill to lawmakers during the 2023 Legislative Session that prohibits the use of credit and debit card transactions to surveil lawful gun and ammunition purchases in West Virginia. Effective on June 8, 2023, the Second Amendment Financial Privacy Act forbids financial institutions from using credit card merchant category codes assigned to firearm and ammunition retailers to discriminate against West Virginians' constitutionally guaranteed right to bear arms or enable government agencies to track lawful gun and ammunition purchases.

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 2023 with a net tax-supported debt of \$2.75 billion. This reflects a decrease of approximately 5.4% from June 30, 2022, when the net tax supported debt totaled \$2.91 billion.

Net Tax Supported Debt Outstanding at June 30, 2023

Last Ten Years



General Obligation Bonds as of June 30, 2023

| | Principal Outstanding | Number of Issues Outstanding | Final Maturity |
|----------------------------------|-----------------------|------------------------------|------------------|
| Roads to Prosperity | \$1,490,735,000 | 6 | June 1, 2046 |
| Safe Road Bonds | \$58,020,000 | 1 | June 1, 2025 |
| Infrastructure Improvement Bonds | \$56,374,103 | 3 | November 1, 2026 |

Approximately \$1.59 billion of West Virginia's \$2.57 billion in outstanding net tax supported debt as of June 30, 2023, consisted of General Obligation (GO) bonds. Previously, the State of West Virginia has issued GO bonds for road construction, school construction, veterans' bonuses and infrastructure development. All these GO bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt service. Outstanding GO bonds include roads 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 are approximately \$484.6 million in lease obligations outstanding as of June 30, 2023.

Revenue Bonds as of June 30, 2023

| | Principal Outstanding | Funds in Escrow, Reserve or Sinking Fund | Number of Issues Outstanding | Final Maturity |
|---|-----------------------|---|---------------------------------|----------------|
| School Building Authority of West Virginia, Capital Improvement Bonds | \$61,921,250 | \$61,921,250 | 1 | July 1, 2022 |
| West Virginia Economic Development Authority, Lottery Revenue Bonds | \$256,525,000 | \$135,940,000 | 2 | June 15, 2040 |
| West Virginia Economic Development Authority, Excess Lottery Revenue Bonds | \$127,200,000 | \$27,212,500 | 3 | July 1, 2039 |
| West Virginia Higher Education Policy Commission, Excess Lottery Revenue Bonds | \$229,347,500 | \$79,220,000 | 6 | July 1, 2039 |
| West Virginia Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs) | \$50,265,000 | N/A | 1 | April 1, 2040 |
| School Building Authority of West Virginia, Lottery Revenue Bonds | \$91,910,500 | N/A | 6 | July 1, 2033 |
| School Building Authority of West Virginia, Excess Lottery Revenue Bonds | \$80,801,000 | \$17,350,000 | 4 | July 1, 2042 |
| School Building Authority of West Virginia, Excess Lottery Revenue Bonds (QSCBs) | \$150,480,000 | \$107,406,154 | 3 | June 15, 2027 |
| West Virginia Infrastructure & Jobs Development Council | \$53,150,000 | N/A | 1 | July 1, 2034 |

Approximately \$1.1 billion or net \$672.6 million of the State of West Virginia's \$2.75 billion in outstanding net tax supported debt as of June 30, 2023, consisted of revenue bonds. 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.



Banking Services

The Banking Services Division (previously referred to as Cash Management) 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 \$20 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.

Banking Services

Electronic Government Activity in FY2023

Top 10 E-Government Agencies by Dollar Amount Processed

| | |
|---|------------------|
| Municipal Bond Commission..... | \$162,069,825.89 |
| Consolidated Public Retirement Board..... | 207,292,035.42 |
| Shepherd University..... | 9,058,406.33 |
| PEIA..... | 158,356,263.75 |
| Workforce OBA..... | 59,335,857.99 |
| Motor Vehicles..... | 20,213,813.50 |
| Marshall University..... | 24,112,570.25 |
| Court Fees..... | 18,429,666.52 |
| Natural Resources..... | 9,762,621.32 |
| Tax and Revenue..... | 10,340,627.90 |

Top 10 E-Government Agencies by Total Transactions

| | |
|---|----------|
| Tax and Revenue..... | \$33,102 |
| Secretary of State..... | 312,355 |
| Natural Resources..... | 181,757 |
| WV State Treasurer - Service Fee Account..... | 94,285 |
| WV State Treasurer's Office..... | 57,743 |
| Workforce OBA..... | 48,670 |
| PEIA..... | 66,435 |
| Marshall University..... | 30,385 |
| Department of Health and Human Resources..... | 51,191 |
| Consolidated Public Retirement Board..... | 31,662 |



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..... \$16,149,190.23

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.

Coalbed Methane Gas Severance Tax Distribution.....1,631,403.88

West Virginia law provides for the collection and distribution of severance tax on coalbed methane gas. A portion of this tax is dedicated for the use and benefit of economic development entities and county commissions within West Virginia.

Greenbrier Table Games.....419,933.27

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.....9,645,587.25

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..... 12,891,457.57

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..... 2,551,909.09

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..... 34,688,767.42

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.....136,037,606.98

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..... 41,724,587.72

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.....9,889,948.95

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 - FY2023

For the Year Ended June 30, 2023

Board of Treasury Investments

| | |
|--|--------------------|
| Net investment income..... | \$394,762,000 |
| Participant purchases, contributions, and reinvestments..... | 17,431,000 |
| Operating Funds revenues and gains..... | 4,867,000 |
| Total Board of Treasury Investments..... | 417,060,000 |

West Virginia College and Jumpstart Savings Programs

| | |
|--|--------------------|
| College and Jumpstart Savings Administrative Account revenues..... | 2,029,000 |
| Savings Plan Trust Fund: | |
| Net Investment Gain..... | 249,605,000 |
| Contributions..... | 194,089,000 |
| Jumpstart Savings Program: | |
| Contributions..... | 4,000 |
| Custodial Fund - Prepaid Tuition Trust Escrow Fund: | |
| Net Investment Earnings..... | 41,000 |
| Total West Virginia College and Jumpstart Savings Programs..... | 445,768,000 |

West Virginia Retirement Plus

| | |
|---|-------------------|
| Contributions..... | 21,036,000 |
| Net investment gain..... | 33,939,000 |
| Total West Virginia Retirement Plus..... | 54,975,000 |

Unclaimed Property

| | |
|--------------------------------------|-------------------|
| Holder Remittances..... | 60,800,000 |
| Stale Dated Checks..... | 13,700,000 |
| Total Unclaimed Property..... | 74,500,000 |

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

| | |
|--|--------------------|
| Collections..... | 636,154,000 |
| Appropriations..... | 4,179,000 |
| Transfers..... | 346,205,000 |
| Total Other Funds and Accounts..... | 986,538,000 |

| | |
|--|------------------------|
| Total Revenues and Inflows..... | \$1,978,841,000 |
|--|------------------------|

Financial Highlights

Fund Outflows - FY2023

For the Year Ended June 30, 2023

Board of Treasury Investments

| | |
|--|-------------------|
| Participant distributions, redemptions, and withdrawals..... | \$16,080,000 |
| Operating Fund expenses..... | 4,689,000 |
| Total Board of Treasury Investments..... | 20,769,000 |

West Virginia College and Jumpstart Savings Programs:

| | |
|--|--------------------|
| College and Jumpstart Savings Administrative Account expense..... | 1,365,000 |
| Savings Plan Trust Fund: | |
| Participant redemptions..... | 329,792,000 |
| Administrative expense..... | 5,783,000 |
| Total West Virginia College and Jumpstart Savings Programs..... | 336,940,000 |

West Virginia Retirement Plus

| | |
|---|-------------------|
| Distributions and Withdrawals..... | 23,812,000 |
| Fees..... | 731,000 |
| Total West Virginia Retirement Plan..... | 24,543,000 |

Unclaimed Property

| | |
|--------------------------------------|-------------------|
| Claims paid..... | 26,800,000 |
| Transfers..... | 5,000,000 |
| Administrative expense..... | 5,200,000 |
| Total Unclaimed Property..... | 37,000,000 |

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

| | |
|--|--------------------|
| Transfers..... | 282,462,000 |
| Distributions..... | 281,056,000 |
| Disbursements..... | 22,883,000 |
| Total other funds and accounts..... | 586,401,000 |

| | |
|---|------------------------|
| Total Expenses and Outflows..... | \$1,005,653,000 |
|---|------------------------|



wvtreasury.com