

| WEST VIRGINIA |

BOARD OF TREASURY INVESTMENTS

A Component Unit of the State of West Virginia



Audited Financial Statements
with Supplementary & Other Financial Information

Year Ended June 30, 2023

**Audited Financial Statements
With Other Financial Information**

**West Virginia Board of Treasury Investments
Year Ended June 30, 2023**

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West Virginia Board of Treasury Investments
 Financial Statements with Other Financial Information
 For the Year Ended June 30, 2023

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Independent Auditor's Report

**To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the combined fiduciary funds of the West Virginia Board of Treasury Investments (BTI), a component unit of the State of West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BTI's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the combined fiduciary funds of the BTI, as of June 30, 2023, 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BTI 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.

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.

To the Honorable Members of the
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Charleston, West Virginia
Independent Auditor's Report

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 BTI'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.

Auditor's 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 generally accepted 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 generally accepted auditing standards 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 BTI'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 BTI'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.

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 Governmental Accounting Standards Board, 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 BTI's basic financial statements. The Combining and Individual Fund Financial Statements and Schedule of Investments in Securities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the Other Financial Information. The Other Financial Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Financial Information, and we do not express an opinion or any form of assurance thereon.

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

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 August 21, 2023 on our consideration of the BTI'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 solely 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 the effectiveness of the BTI's 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 BTI's internal control over financial reporting and compliance.

Pittsburgh, Pennsylvania
August 21, 2023

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2023

As management of the West Virginia Board of Treasury Investments (the "BTI"), we offer readers of the financial statements of the BTI this discussion and analysis of the BTI's financial performance for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in this section in conjunction with the BTI's financial statements, including notes to the financial statements, which follow this section.

The BTI serves as an investment vehicle for the operating cash of West Virginia State agencies and authorities, local governments such as cities and counties, and other political subdivisions throughout the State. The various investment pools and individual investment accounts managed by the BTI are collectively known as the Consolidated Fund. The Consolidated Fund's investment pools and accounts contain short-term fixed income instruments that are managed for the sole benefit of the participants.

Financial Highlights

General revenue tax collections for the fiscal year greatly exceeded expectations, with the general revenue collections beating estimates by approximately \$1.8 billion for the fiscal year. Expectations at the beginning of the fiscal year were that collections would likely fall from prior year levels as economic activity was expected to decline. Instead of falling, collections for fiscal year 2023 were approximately \$596 million higher than the collections for fiscal year 2022. The major contributors to the excess were consumer sales and use tax (\$240 million), personal income tax (\$474 million), corporate net income tax (\$270 million), interest income (\$126 million) and severance taxes (\$696 million). BTI management, again, started the fiscal year with the expectation that investment balances would likely decline over the fiscal year. Road construction and improvement projects funded with proceeds from 2018-19 road bond issuances were either well underway or commenced during the fiscal year which management believed would result in a faster draw down rate during fiscal year 2023. This was not the case as the total of the road bond proceeds only fell by \$162 million over the fiscal year. This was around half of the amount that was withdrawn in the prior fiscal year. Management also believed that as the state spent and distributed the remaining American Rescue Plan Act ("ARPA") funds, that this would result in a decline of at least \$600+ million during the fiscal year. While \$665 million of the ARPA funds were withdrawn during the fiscal year, more of the funds remained in the pools than expected as some of the distributions were to state agencies to reimburse eligible expenses or for the other agencies to manage and disburse on eligible grants and projects. The largest contribution to the growth in net position over the year was from the general revenue surplus of \$1.8 billion. Local government investments also increased during the fiscal year, with the WV Money Market Pool picking up approximately \$165 million in local government investments and the WV Government Money Market Pool picking up approximately \$127 million. The majority of the increase in local government investments came from boards of education, in part because some were seeking higher yields and, in one case, because the entity received approximately \$129 million from a bond issuance for school construction. Looking forward, BTI management expects (again) that assets will decline from current levels. During the 2023 Legislative Session, the Legislature passed a broad tax cut package that is expected to result in a decline of in revenue collections of between \$400 million and \$600 million. The tax cut package contained a combination of reductions in personal income tax rates, elimination of certain taxes, and rebates for personal property taxes and equipment and proper taxes paid

by businesses. In the first year, income tax rates are reduced by an average of 21.25% with the possibility of additional reductions in rates after August 1, 2024, if sales tax collections reach a certain threshold.

Rates of return, net of advisor fees, for the Consolidated Fund's WV Money Market, WV Government Money Market, and WV Short Term Bond Pools were 4.09%, 3.89%, and 1.77%, respectively, for the fiscal year ended June 30, 2023. The performance of the Pools was mostly attributable to a hawkish Fed that hiked rates by 350 basis points during the year. Increases in front-end rates, generally rates up to 6 months, rose more than rates for maturities greater than six months. As an example, one-month Treasury rates rose by 396 basis points where two-year rates were only up 195. The 10-year Treasury gained 83 basis points for the year. In this environment, the two money market Pools experienced performance not seen since June 2008 prior to the Great Financial Crisis. As one investment manager put it, there are people working on the Street that are halfway through their careers that have never seen money market returns at their current level. The WV Short Term Bond Pool experienced substantially better performance in fiscal year 2023 as compared to fiscal year 2022, primarily as a result of the Pool's manager reducing duration during the fiscal year and narrowing credit spreads over the year.

The WV Money Market Pool is structured as a money market fund with the goal of preservation of principal. Returns, net of advisor fees, in the WV Money Market Pool were up year-over-year, rising from 0.25% for fiscal year 2022 to 4.09% for fiscal year 2023. The largest factor in the increased performance was the 350 basis points of rate hikes by the Fed during fiscal year 2023. There was no significant change in investment strategies employed by the Pool's investment managers as the Fed remained hawkish throughout the fiscal year. WAM for the Pool was maintained in the low- to mid- twenty day range throughout the year. Fixed-rate exposure continued to be limited to securities with a maturity of 90 days or less. Floaters were generally purchased for longer-dated exposure given the daily interest rate reset and spread pick-up to the Secured Overnight Financing Rate ("SOFR"). SOFR, the preferred replacement for LIBOR, represents the average rate at which institutions can borrow US dollars overnight in return for posting Treasury bonds as collateral. Liquidity levels were consistent throughout the year at approximately 25% daily liquidity and 35% weekly liquidity. The outlook for the next fiscal year is for the Fed to hike two more times, once in July 2023 and again in September 2023, and then hold rates at the level over the remainder of calendar year 2023. This will likely result in the Pool's managers beginning to extend the Pool's WAM and increasing allocations to longer-dated fixed-rate securities to lock in yields.

The WV Government Money Market Pool's objective is to preserve capital and maintain sufficient liquidity to meet the daily disbursement requirements of participants, while earning a return above inflation. Returns for the WV Government Money Market Pool increased from the previous fiscal year, with the Pool return, net of advisor fees, increasing from 0.16% in fiscal year 2022 to 3.86% for fiscal year 2023. As with the WV Money Market Pool, the primary driver for increased performance over fiscal year 2023 was an aggressive Fed. At the end of fiscal year 2022, the WAM of the Pool stood at 19 days. Over the course of the fiscal year, this was brought down to the low teens to high single digits. A significant contributor to the low WAM was an increase in allocations to overnight repurchase agreements. By fiscal year-end, the allocation to repo had increased to 43%, nearly double fiscal year-end 2022's allocation of 23%. Agencies were still favored over Treasuries, as agency spreads remained attractive during fiscal year 2023. As a result, the allocation to Treasuries was reduced from 36% of the Pool to approximately 27%. With the higher allocation to repo, the daily liquidity of the Pool rose from 36% to almost 48%. Weekly liquidity was lower however, dropping from 82% of the Pool to 74%. Like the WV Money Market Pool, the Pool's manager will maintain the WAM at current levels and begin extending once it appears that the Fed is done with its rate hike campaign.

The WV Short Term Bond Pool is structured as a mutual fund with the objective of asset growth rather than current income. The benchmark for the WV Short Term Bond Pool is the ICE BofAML 1-3 Year US Corporate & Government Index plus 10 basis points. The fiscal year 2023 net-of-advisor-fee return of

1.77% was 516 basis points higher than fiscal year 2022's return of -3.39%. The Pool continued to beat its benchmark, with the outperformance increasing during the fiscal year. At the end of fiscal year 2022, the investment manager's performance was ahead of the Pool's benchmark by 37 basis points over their tenure as investment manager for the Pool. By the end of fiscal year 2023, outperformance rose by 18 basis point to 55 basis points ahead of the benchmark return. A majority of this outperformance is due to the investment manager having higher allocations to credit products versus the benchmark. The benchmark constituents are overwhelmingly U.S. Treasury and Agency securities which make up over 70% of the index, with the remaining 30% in credit products. The WV Short Term Bond Pool is overweight to credit products versus the benchmark, with approximately 20% invested in Treasuries and Agencies and 80% invested in credit. Over fiscal year 2023, U.S. economic performance continued to support valuations in the corporate bond market. Cyclical sectors like basic materials, energy and media outperformed while higher quality bonds underperformed. Credit spreads widened temporarily as the regional banking crisis unfolded in March 2023 before retracing much of the widening to close within 11 basis points of the lowest level of the past twelve months at 0.72%. This helped to boost returns on short duration corporate bonds which outperformed duration-matched Treasuries by 1.53% for the year. Securitized asset classes were mixed for the year, with agency MBS, commercial mortgage-backed securities underperforming and asset-backed securities securitized by consumer debt outperforming. These factors, along with a lower relative duration and sector positioning, helped drive the outperformance versus the benchmark and lift returns for the fiscal year. The manager expects to maintain the Pool duration short of the benchmark and will extend when it appears that the Fed at, or close to, the end of its tightening campaign.

Overview of the Financial Statements

This report presents the operating results and financial position of the BTI, which is composed of a proprietary fund and fiduciary fund. The proprietary fund is an internal service fund, or operating fund, used to account for activities that provide investment and administrative services on behalf of the State and other participants in the Consolidated Fund. The fiduciary fund is used to account for the activities of the Consolidated Fund, which is made up of nine legally separate investment pools and accounts. There are three external investment pools, three special-purpose internal investment accounts, and three individual investment accounts, all of which are included in the fiduciary fund. The BTI is the trustee, or fiduciary, for participants in the Consolidated Fund. Financial statements for the proprietary fund and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities.

The Statement of Net Position presents information on the proprietary fund's assets and liabilities, with the difference between the two reported as net position. This statement is categorized into current and non-current assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within 12 months of the statement's date.

The Statement of Revenues, Expenses and Changes in Net Position reflects the operating and non-operating revenues and expenses of the proprietary fund for the operating year. Operating revenues primarily consist of investment service fees charged to the Consolidated Fund with significant operating expenses composed of salaries and benefits, investment advisor fees, investment management system expenses, professional service fees, and fiduciary bond fees.

The Statement of Cash Flows reflects the proprietary fund's cash flows from operating activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

The Statement of Fiduciary Net Position presents information on the fiduciary fund's assets and liabilities, with the difference between the two reported as net position held in trust for investment pool participants and individual investment account holders.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the fiduciary fund for the year. Additions are composed of investment income, such as interest, dividends, and accretion; investment expenses such as investment advisor fees, custodian bank fees, administrative fees; and purchases of pool units, reinvestments of pool distributions, and contributions to individual investment accounts. Deductions represent distributions to pool participants, redemption of units by pool participants, and withdrawals from individual investment accounts.

The State of West Virginia reports the proprietary fund as an internal service fund in its Annual Comprehensive Financial Report. An internal service fund is used to report any activity that provides goods or services to other funds, departments, or agencies of the State and its component units, or to other governments, on a cost-reimbursement basis. The State reports the portions of the Consolidated Fund pools and accounts held by state agencies and component units as investment holdings of those entities within the appropriate fund reporting categories for those entities. The State reports the portions of the Consolidated Fund held by local governments, municipalities, and other political subdivisions as investment trust funds, a type of fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity, and those resources are not available to support operations of that entity.

Financial Analysis of the Operating Fund

Net position. The following is the condensed Statements of Net Position of the proprietary fund, which represents the assets, liabilities, and net position generated by the operating activities of the BTI, as of June 30, 2023 and 2022 (in thousands).

	<u>2023</u>	<u>2022</u>
Current assets	\$ 2,729	\$ 2,390
Noncurrent assets	<u>7</u>	<u>6</u>
Total assets	<u>2,736</u>	<u>2,396</u>
Current liabilities	<u>1,020</u>	<u>858</u>
Total liabilities	<u>1,020</u>	<u>858</u>
Net position:		
Net investment in capital assets	7	6
Unrestricted	<u>1,709</u>	<u>1,532</u>
Total net position	<u>\$ 1,716</u>	<u>\$ 1,538</u>

The net position of the Operating Fund increased by \$178,000 during fiscal year 2023. The increase in net position was the result of an increase in current assets of \$339,000 which was partially offset by an increase of \$162,000 in current liabilities. Noncurrent assets increased by \$1,000 during fiscal year 2023.

The majority of the proprietary fund's net position consists of current assets. Current assets are composed of cash and accounts receivable that will be used to pay investment advisor, custodian, and administrative costs. The current asset balance of \$2,729,000 comprises \$1,419,000 in cash and \$1,310,000 in accounts receivable. The cash balance increased from fiscal year 2022 by \$109,000 while the accounts receivable balance increased by \$230,000 at the end of fiscal year 2023.

The increase in the cash balance was primarily the result of net operating income of \$178,000.

The accounts receivable balance of \$1,310,000 represents fees that have been accrued but not withdrawn from the investment pools at June 30, 2023 to pay investment advisor, custodian, and administrative costs. In accordance with *WV State Code §12-6C-19*, the Board may charge fees to the pools for reasonable and necessary expenses incurred for rendering services. The fees charged to the pools are categorized into direct expenses (investment advisor and custodian fees) and indirect expenses (administrative costs). As part of the BTI operations, administrative and custodial fees accrued in the investment pools are periodically transferred from the pools to the BTI's operating fund to pay for all necessary and reasonable expenses. Investment advisor and custodial fees are accrued daily or monthly and transferred to the operating fund to coincide with the receipt of advisor and custodial invoices. The periodic nature of these transfers results in the accounts receivable balance. Accounts receivable increased by \$230,000 over the fiscal year-end 2022 balance. This increase was composed of an increase in administrative fees receivable of \$63,000, an increase in advisor fees receivable of \$154,000, and an increase in custodian fees receivable of \$13,000. The increase in administrative fees receivable was the result of a higher level of net position over the last quarter of fiscal year 2023. The administrative fee charged for fiscal year 2023 remained at 1.25 basis points. However, the average net position for the final quarter of fiscal year 2023 was nearly \$2 billion higher than the last quarter of fiscal year 2022. As advisor fees were unchanged for fiscal year 2023, the entire increase in advisor fees receivable resulted from the higher level of assets under management for the last quarter of fiscal year 2023 as compared to the same period in the prior fiscal year. With respect to custodian fees receivable, the increase in the receivable was also due to the higher level of assets under custody in the final quarter of the fiscal year.

Capital assets, net of accumulated depreciation, increased by \$1,000 during the year. The increase was due to purchases of \$4,000 of computer equipment, net of annual depreciation of \$3,000. There were no capital assets retired during fiscal year 2023.

The balance of \$1,020,000 in current liabilities represents \$938,000 in accounts payable and \$82,000 of reimbursements due to the West Virginia State Treasurer's Office (the "STO") as of June 30, 2023. Current liabilities increased by \$162,000 as compared to the fiscal year-end 2022 balance. The net increase in current liabilities was composed of an increase of \$151,000 in accounts payable and an increase of \$11,000 in reimbursements due to the STO. The majority of the accounts payable balance represents amounts due for services received from the BTI's investment advisors and consultant for the quarter ending June 30, 2023, custodian fees for May and June 2023, and maintenance costs for the investment management system for June 2023. The net increase of \$151,000 in accounts payable was composed of increases in amounts payable to the BTI's investment advisors and increases in other accounts payable. Investment advisor fees payable increased by \$154,000 due to a higher level of assets under management in the WV Money Market Pool and WV Government Money Market Pool during the final quarter of the fiscal year 2023 as compared to the final quarter of fiscal year 2022. A \$6,000 increase in custodian fees payable was the result of the higher levels of assets under custody in the final two months of fiscal year 2023 as compared to fiscal year 2022. Other accounts payable decreased by \$9,000. The \$82,000 in reimbursements due to the STO was for staffing services provided to the BTI, office space rental and utilities expenses, and the BTI's share of other office expenses paid on the BTI's behalf by the STO. The amount due to the STO was \$11,000 higher than at the end of fiscal year 2022, primarily due to an increase of \$16,000 in amounts payable for staffing services and a decrease of \$5,000 in payables for marketing design services. The increase in amounts payable for staffing were due to three pay periods occurring in June 2023 versus only two pay periods in June 2022. As of June 30, 2023, there were no payables related to marketing design services. Reimbursements for other expenses were comparable to the amounts payable at the end of fiscal year 2022.

Net position of the BTI's proprietary fund is composed of net investment in capital assets and unrestricted net position. Capital asset expenditures of \$1,000 or more (\$500 or more for certain computer equipment)

are capitalized at cost and reported net of accumulated depreciation. Unrestricted net position represents net position not restricted for use by legal, contractual, or enabling legislation constraints.

Changes in net position. The following is the condensed Statements of Revenues, Expenses and Changes in Net Position of the operating fund for the periods ended June 30, 2023 and 2022 (in thousands).

	<u>2023</u>	<u>2022</u>
Revenues		
Operating revenues:		
Management services	\$ 1,463	\$ 1,198
Advisor and custodian services	<u>3,404</u>	<u>2,804</u>
Total revenues	<u>4,867</u>	<u>4,002</u>
Expenses		
Operating expenses:		
General and administrative	1,283	1,253
Advisor and custodian fees	3,403	2,805
Depreciation	<u>3</u>	<u>3</u>
Total expenses	<u>4,689</u>	<u>4,061</u>
Increase (decrease) in net position	178	(59)
Net position at beginning of year	<u>1,538</u>	<u>1,597</u>
Net position at end of year	<u>\$ 1,716</u>	<u>\$ 1,538</u>

Operating revenues at June 30, 2023 consist of investment advisor, custodian, and management fees billed to the pools by the operating fund to cover the cost of providing investment management services. The fees charged to the pools are categorized into direct or indirect expenses. All direct expenses, investment advisor and custodian fees are charged directly to the pools as they are incurred. All indirect expenses, e.g. insurance, staff costs, and rent, are charged to the pools based upon a fixed basis point fee against the net position of the pool. The fees collected are deposited in a special account in the STO created and designated as the Board of Treasury Investments Fee Fund in accordance with *West Virginia Code §12-6C-19*.

Operating revenues for fiscal year 2023 increased by \$865,000. The increase in revenue consisted of an increase of \$265,000 in management (administrative) fees charged to the pools, an increase of \$539,000 in advisor fee revenues, and an increase of \$61,000 in custodial fee revenue.

Advisor fees are computed based upon the fair values of the pools. The average fair value of assets under management were approximately \$2.0 billion higher over the course of fiscal year 2023 for the WV Money Pool, resulting in an increase in advisor fees of \$560,000. Advisor fees for the WV Government Money Market Pool increased year-over-year by \$13,000 as the average fair value of assets under management increased by approximately \$45.0 million from fiscal year 2022 levels. Advisor fees charged to the WV Short Term Bond Pool also decreased during fiscal year 2023, falling by \$34,000 from fiscal year 2022. Average assets under management for the Pool were approximately \$84.1 million lower than fiscal year 2022 levels, resulting in the decrease in the advisor fee year-over-year. Custodian fees increased by a total of \$49,000 as a result of increased assets under management in the WV Money Market Pool and an increase in trading during fiscal year 2023. The increased trading activity during fiscal year 2023 was driven by the increase in assets under management and advisors shortening the weighted average maturity of the WV Money Market in response to the Federal Reserve raising interest rates. Administrative fee revenue decreased by \$265,000 from fiscal year 2022 levels. The fee charged for fiscal year 2023 was unchanged

from fiscal year 2022. However, average assets under management during the fiscal year increased by approximately \$1.8 billion from fiscal year 2022 levels.

Total operating expenses for the year increased by \$628,000. This includes an increase of \$30,000 in general and administrative expense and an increase in advisor and custodian fees of \$598,000. Depreciation expense did not vary from the prior fiscal year.

General and administrative expenses represent costs associated with operating the BTI that are not considered directly applicable to investment management. Salary reimbursements, investment consulting fees charged by Segal Marco and fiduciary bond expenses make up the majority of this expense line item. Salary reimbursements and related expenses increased by \$23,000 from the prior year. This increase was the result across-the-board salary increases granted by the Legislature and the replacement of a part-time staff member with a full-time member during fiscal year 2022. Fiscal year 2023 was the first complete year that the position was filled with a full-time staff member. Professional services decreased from fiscal year 2022 levels, falling by \$3,000 year-over-year. The primary components of this decrease were a \$5,000 decrease in contractual and professional reimbursements to the STO and a \$2,000 increase in the rating fees for the WV Money Market and WV Government Money Market Pools. Other general and administrative expenditures increased by \$8,000 from fiscal year 2022. With in-person due diligence visits and conference attendance picking up during fiscal year 2023, travel costs increased by \$1,000 and advertising and promotional expenses increased by \$5,000. Training and development costs increased by \$4,000 as BTI staff registered for more conferences and training during fiscal year 2023. Remaining expenses, such as general office expenses, rent expenses allocated to the BTI by the STO, training expenses and non-capitalizable computer equipment expenditures decreased by a combined \$2,000.

A large portion of the BTI's expenses represent investment advisor fees. The current investment advisors are Federated Hermes, Sterling Capital Management, and UBS Global Asset Management. All investment decisions and trade executions are performed by the investment advisors. The balance of custodian and advisor fee expense is composed of investment advisor fees of \$3,119,000 and custodian fees of \$285,000. Investment advisor fees increased by \$539,000 and custodian fees increased by \$61,000 over fiscal year 2022 levels. Approximately \$560,000 of the net increase in investment advisor fees was the result of an increased level of assets under management in the WV Money Market Pool during fiscal year 2023. The average level for fiscal year 2023 was approximately \$2.0 billion higher than fiscal year 2022 levels. Advisor fees for the WV Government Money Market Pool increased by approximately \$13,000 in fiscal year 2023. The increase resulted from an average increase of \$45 million in assets under management during fiscal year 2023 as compared to fiscal year 2022. There was a decrease in advisor fees of \$34,000 in the WV Short Term Bond Pool. The decrease in the WV Short Term Bond Pool advisor fee was related to a decline of average assets under management, which fell approximately \$84.1 million from the prior fiscal year. Custodian fees increased by \$61,000 during fiscal year 2023, primarily due to the increased assets under management in the WV Money Market and WV Government Money Market Pools and an increase in trading activity over fiscal year 2023.

Financial Analysis of the Consolidated Fund

Net position. The following is combined, condensed Statements of Fiduciary Net Position of the Consolidated Fund fiduciary funds as of June 30, 2023 and 2022 (in thousands).

	<u>2023</u>	<u>2022</u>
Assets		
Investments	\$ 10,955,581	\$ 9,266,973
Receivables	32,569	6,696
Total assets	<u>10,988,150</u>	<u>9,273,669</u>
Liabilities		
Accrued expenses	1,309	1,164
Dividends and purchases payable	11,647	37,810
Total liabilities	<u>12,956</u>	<u>38,974</u>
Net Position		
Held in trust for investment pool participants	10,955,159	9,037,072
Held in trust for individual investment account holders	20,035	197,623
Net position	<u>\$ 10,975,194</u>	<u>\$ 9,234,695</u>

As of June 30, 2023, the Consolidated Fund's net position totaled approximately \$10.9 billion and were composed almost entirely of investments in securities. Net position as of the end of fiscal year 2022 was over \$1.7 billion higher than the fiscal year-end 2022 net position. The increase in net position was composed of a net increase of over \$1.9 billion in investments by state agencies and local governments in the investment pools. Subtracting from this increase was a decrease of almost \$178 million in investments in individual accounts over fiscal year 2023.

As more fully discussed below, the BTI experienced a net increase in invested funds during fiscal year 2023. All of the investment pools experienced an increase in net position year-over-year while all of the individual investment accounts decreased over the same time period. The overwhelming majority of the increase was in the WV Money Market Pool, which saw an increase of nearly \$1.8 billion in net position. The WV Government Money Market Pool also increased year-over-year, rising by approximately \$143 million from fiscal year-end 2022. Net position of the WV Short Term Bond Pool increased by \$9.7 million during fiscal year 2023. Net position in all the individual investment accounts declined from fiscal year-end 2022. The State Loan Pool Fell by approximately \$97 million, the Municipal Bond Commission Account ("MBC Account") declined by \$39 million, and the Reserve Pool and WV Bank Pool both decreased by approximately \$20 million each. The School Fund and West Virginia Economic Development Authority Account were down slightly from the prior fiscal year.

The receivables balance is composed of accrued interest and dividends and receivables for investments sold. Receivables increased by \$25.9 million from fiscal year-end 2022 balances. The increase was composed of an increase in interest and dividends receivable of \$19.1 million and an increase in receivables for securities sold of \$6.8 million. As more fully discussed below, the increase in interest and dividends receivable was due to an increase in assets under management and an increase in interest rates during the fiscal year.

In the WV Money Market Pool, interest and dividends receivable increased by \$16.8 million from fiscal year 2022 levels. The primary drivers for this increase were the increase in rates resulting from the 350 basis points in rate hikes by the Fed during the fiscal year and an increase of \$1.7 billion in assets under management year-over-year. The average coupon rate on interest bearing securities more than tripled from the prior fiscal year-end, rising from 1.66% to 5.12% at fiscal year-end 2023. Also contributing to the increase was an increase in interest bearing holdings, which rose from 47% at the end of fiscal year 2022 to 50% at the end of fiscal year 2023.

The interest receivable balance of the WV Government Money Market Pool increased approximately \$0.4 million from fiscal year-end 2022. The Pool held a higher percentage in interest-bearing securities at the end of fiscal year 2023, increasing its holdings from 41% to 60% of the Pool. The average coupon also increased, rising from 1.41% to 5.08%. An increase in assets under management of approximately \$140 million also contributed to the increase in receivables.

Receivables in the WV Short Term Bond Pool increased by approximately \$8.7 million from fiscal year-end 2022 levels. The increase was composed of an increase in interest and dividends receivable of \$1.9 million and an increase in receivables for securities sold of \$6.8 million. The increase in interest and dividends receivable was due to an increase in the average coupon rate of securities held in the Pool and an increase in assets under management. The weighted-average coupon rate rose from 2.03% at the end of fiscal year 2022 to 3.18% at the end of fiscal year 2023. Assets under management increased year over by approximately \$4.0 million, exclusive of changes in the fair value of securities held. The increase in receivables for securities sold was the result of an open trade at the end of fiscal year 2023. There were no open trades at the end of fiscal year 2022.

Interest and dividends receivable in the participant directed investment accounts were little changed from the prior year. Interest receivable in the Municipal Bond Commission Account and Reserve Pool decreased from \$6 thousand and \$19 thousand, respectively, at the end of fiscal year 2022 to zero as both accounts were closed during the fiscal year. The remaining participant directed investment accounts were little changed from the prior fiscal year.

Total liabilities decreased by approximately \$26.0 million from June 30, 2022 levels. Total liabilities consist of accrued expenses, representing accrued manager fees, custodian bank fees and administrative fees, payables for security purchases that settle after fiscal year-end, and dividends payable to participants in the WV Short Term Bond Pool. The majority of the decrease in liabilities was the result of a decrease in amounts payable for securities purchased in the WV Money Market and WV Government Money Market Pools. The liability for investments purchased in the WV Money Market Pool decreased by \$34.9 million from the end of fiscal year 2022, while the liability for investments purchased decreased by \$2.0 million in the WV Government Money Market Pool. There were no unsettled security purchase transactions in either of the Pools at fiscal year-end 2023. Payable for securities purchase increased by \$10.5 million in the WV Short Term Bond Pool. There were no unsettled purchases in this Pool at the end of fiscal year 2022. Dividends payable in the WV Short Term Bond Pool increased by approximately \$0.3 million year-over-year. Pool net income for the final month of the fiscal year was \$1.8 million, which was almost double the amount for June 2022. However, the distribution of approximately \$0.7 million in realized losses in June 2023 lowered the year-over-year increase in dividends payable to around \$0.3 million. Accrued expenses were up approximately \$0.1 million as compared to the end of fiscal year 2022.

Net position is the excess of total assets over total liabilities. As of June 30, 2023, the Consolidated Fund had total net position of approximately \$10.9 billion. The net position consists of funds held in trust for investment pool participants and individual account holders. Investment pool participants are those participants investing in the WV Money Market, WV Government Money Market, and WV Short Term Bond Pools. Net position for investment pool participants increased approximately \$1.9 billion from the

prior year due to increases in investments in all three of the investment pools. As more fully discussed below, net position of the individual investment accounts decreased by a combined \$177.6 million during the fiscal year.

Net position of the WV Money Market Pool increased by approximately \$1.8 billion from the prior year. The primary source of the increase was an increase of \$1.6 billion in State agency investments. Local governments also increased their investments in the Pool, investing an additional \$165 million during the fiscal year. The largest increase in state agency investments was the result of an increase in investments of the West Virginia Economic Development Authority (the "WVEDA") of \$1.0 billion. This increase resulted from appropriations from the Legislature to the WVEDA for economic development projects. State Participation, which represents cash of the General Fund and cash of other state agencies that is not invested for the benefit of a particular agency, experienced the second highest increase, rising by \$908 million during fiscal year 2023. The next largest increase in state agency investments was a \$185 million increase in the accounts of the West Virginia Water Development Authority (the "WDA"). During fiscal year 2023, the WDA received additional grants for economic development. Offsetting these increases, were decreases in amounts invested related to CARES Act and American Recovery Plan stimulus funds (\$665 million decrease) and decreases in the West Virginia Department of Transportation's (the "DOT") invested Roads to Prosperity bond proceeds (\$108 million decrease). The total balance of other state agency investments increased by over \$190 million in total.

Net position of the WV Government Money Market Pool increased by approximately \$143.3 million from fiscal year end 2022. State agency deposits, which made up just under 63% of the funds invested in the Pool at the end of fiscal year 2023, increased by \$15.7 million over the course of fiscal year. The increase in state agency deposits was composed of a \$12.6 million increase in amounts invested by the Municipal Bond Commission (the "MBC"). The West Virginia Jobs Investment Trust ("WVJIT") increased their investments by \$4.3 million while the West Virginia Housing Development Fund investments increased by \$1.9 million. Offsetting these increases was a decrease of \$3.5 million in amounts held in trust by the West Virginia State Treasurer's Office (the "STO") for the State Small Business Credit Initiative (the "SSBCI"). Other state agency deposits increased by approximately \$0.3 million. Direct local government investments in the Pool are predominately made by county school boards. Over fiscal year 2023, local government investments increased by \$127.6 million, primarily from a single county school board which invested proceeds from a bond issuance for school construction.

The net position of the WV Short Term Bond Pool increased by \$9.7 million from fiscal year-end 2022. A majority of the increase was from an increase in Pool net investment income and an increase in the fair value of investments over fiscal year 2023. Fair value of investments rose by \$7.7 million during the year as valuations on securities improved despite the significant increase in rates experienced during the fiscal year. Approximately \$16.9 million in net income distributions and \$12.7 million of realized loss distributions (total net distributions of \$4.2 million) were responsible for the remainder of the increase in net position. Offsetting these increases were net participant withdrawals of \$2.2 million during the fiscal year.

Net position held in trust for individual account holders represent individual state agency accounts with specific investment needs. In accordance with State Code, legal ownership of the securities rests with the BTI, with the BTI establishing the number of units and the unit value for each account. Each agency owns 100% of the units of the investments in their accounts and is responsible for providing the BTI with investment guidelines that are consistent with the legal restrictions applicable to the assets in the account. The BTI manages these accounts in accordance with the accounts' investment guidelines and directions from the account owners. Net position for individual account holders decreased by \$177.6 million from the prior fiscal year.

The MBC account holds investments escrowed to defease certain municipal bond issues. Levels of investment in this account are affected by municipal refinancing/refunding activity levels and the availability of, and yield on, eligible assets. The net position of the MBC Account decreased by \$39.7 million during fiscal year 2023. All the securities held in the account matured over the course of the fiscal year and the proceeds withdrawn. Since there were no new contributions to the account during the fiscal year, the account was closed in June 2023 with the withdrawal of the proceeds from maturities of the remaining securities held in the account.

Investments in the State Loan Pool fell during the fiscal year, decreasing by \$97.6 million. During the fiscal year, the full \$105.2 million balance of the WVEDA Revolving Loan was paid off and the program closed as the result of a bill passed during the 2022 2nd Special Session. The termination of the program is more fully discussed in Note 7 to the financial statements. Offsetting this decrease, was an increase of \$7.6 million in the balance of the WVEDA Broadband Loan. The increase was for draws by the WVEDA during the year to cover the current outstanding balance of loans insured under the program. The WVEDA Broadband Loan program is more fully discussed in Note 7 to the financial statements.

The net position of the WV Bank Pool decreased by approximately \$20.1 million during fiscal year 2023. There were no funds placed at auction during the fiscal year as rates rose and the minimum required rate for the CD auctions increased. The last CDs in the Pool matured in August 2022. Management expects that the account will be closed by the Board at the August 2023 meeting as there have been no new CDs placed since February 2022 and there appears to be little to no demand going forward.

Net position of the Reserve Pool decreased by \$20 million during the fiscal year as the account was closed in October 2022. The Reserve Pool, which was created in 2008 to provide a backstop for certain securities held in the BTI's rated pools and securities lending collateral pool, was no longer necessary. Since better returns were available in the WV Money Market Pool, the Reserve Pool was closed in October 2022 after the bank deposit agreement expired. The funds were returned to State Participation in the WV Money Market Pool.

The net position of the two remaining investment accounts were down slightly from fiscal year 2022. The net position of the School Fund decreased by \$0.1 million due to participant withdrawals. The West Virginia Economic Development Authority – American Woodmark (“EDA-AW”) account net position fell approximately \$0.1 million as a result of a decline in the fair value of the investment in the account.

Changes in net position. The following is a combined, condensed Statements of Changes in Fiduciary Net Position of the Consolidated Fund fiduciary funds for the years ended June 30, 2023 and 2022 (in thousands).

	Year Ended June 30,	
	2023	2022
Additions		
Net investment income	\$ 394,762	\$ 34,168
Net realized gain (loss)	(12,598)	(595)
Net increase (decrease) in fair value of investments	7,725	(35,431)
Unit purchases and contributions	17,430,809	15,477,105
Total additions	<u>17,820,698</u>	<u>15,475,247</u>
Deductions		
Distributions	381,450	31,139
Unit redemptions and withdrawals	15,698,749	14,328,997
Total deductions	<u>16,080,199</u>	<u>14,360,136</u>
Change in net position	1,740,499	1,115,111
Net position at beginning of year	9,234,695	8,119,584
Net position at end of year	<u>\$ 10,975,194</u>	<u>\$ 9,234,695</u>

Fiscal year 2023 net investment income improved significantly from fiscal year 2022, increasing by \$360.6 million year-over-year. The change in net investment income was primarily due to the monetary policy actions of the Fed in response to high levels of inflation. The Fed increased their benchmark rate by 3.50% over the fiscal year and were signaling that they would maintain rates higher for longer to ensure that inflation was under control. Increases in investments in the WV Money Market and WV Government Money Market Pools also contributed to the increase in net investment income. Net investment income increased in the WV Money Market, WV Government Money Market and WV Short Term Bond Pools. The WV Bank Pool, State Loan Pool, and the MBC Account all experienced decreases in net investment income. The remaining investment accounts experienced were little changed from the prior year. The WV Money Market Pool's net investment income increased by \$344.5 million, accounting for most of the overall net increase. The WV Government Money Market Pool net investment income increased by \$10.6 million from fiscal year 2022 levels. Net investment income in the WV Short Term Bond Pool increased by \$7.1 million from fiscal year 2022. The WV Bank Pool experienced a decrease in net investment income of \$0.1 million. The State Loan Pool's net investment income decreased by \$1.3 million while the MBC Account's net investment income fell by \$0.4 million. Net investment income in the Reserve Pool, School Fund and EDA-AW Account were little changed from fiscal year 2022.

The Fed remained aggressive with rate hikes over fiscal year 2023. During the first three FOMC meetings of the fiscal year, the Fed hiked rates 75 basis points at each meeting, increasing their benchmark rate by 2.25% over the first five months of the fiscal year. After the November 2022 meeting, the Fed eased up on rate hikes, hiking by 50 basis points in December 2022 and then 25 basis points at each of the next three meetings. The Fed rate hikes for the fiscal year totaled 350 basis points, with much of that total in the first five months of the fiscal year. The actions by the Fed were the largest contribution to the increased performance of the two principal stability pools. WV Money Market Pool performance, net of advisor fees, rose by 384 basis points from 0.25% in fiscal year 2022 to 4.09% for fiscal year 2023. In addition to rising rates, the next biggest factor contributing to increased net investment income was the increase of over \$2.0

billion in the average daily net position of the WV Money Market Pool during the fiscal year. The combination of these two factors resulted in an increase of \$344.5 million in net investment income from fiscal year 2022.

The WV Government Money Market Pool experienced a similar increase in performance in fiscal year 2023. Performance, net-of-advisor-fees, was up 370 basis points, rising from 0.16% for fiscal year 2022 to 3.86% for fiscal year 2023. Throughout the fiscal year, the Pool's investment manager maintained higher allocations to overnight repo to capture the impact of higher rates quickly. Additionally, exposure to longer-dated agency floaters was increased where spreads were attractive. With the Pool maintaining a weighted average maturity in the low teens to single digits for most of the year, the effects of increasing interest rates were experienced rapidly by the Pool. An increase in average daily net position of \$45.4 million during the fiscal year also contributed to the increased net investment income. These two factors contributed to an increase in net investment income of \$10.6 million in fiscal year 2023.

The WV Short Term Bond Pool bounced back from a dismal fiscal year 2022. The Pool had recorded its worst fiscal year return on record in 2022, returning -3.39% for the fiscal year. Fiscal year 2023 saw a sharp reversal as the net-of-advisor-fee return for the Pool came in at 1.77%. Net investment income, which is one component of the total return for the Pool, rose by \$7.1 million from fiscal year 2022 levels. The Fed tightening campaign was beneficial to the Pool with respect to net investment income, as the purchase yield on securities rose from an average of 1.59% for fiscal year 2022 to 3.41% for fiscal year 2023. Participant activity did not have a significant impact on net investment income, as participants only withdrew a net of \$2.1 million during the year. As a result of higher investment yields over the fiscal year, net investment income increased by \$7.1 million from fiscal year 2022 levels.

Net investment income in the Loan Pool decreased by \$1.3 million from fiscal year 2022 levels. The decrease was due to a decrease in interest income of \$1.3 million during fiscal year 2023. The primary driver for the decrease was the termination of the Revolving Loan program in August 2022. The termination of this program resulted in a decrease in net position of approximately \$104 million. The balance of the Broadband Loan increased by \$7.6 million during the fiscal year. The rate for the Broadband Loan, which averaged only 0.09% for fiscal year 2022, rose to an average of 0.92% for fiscal year 2023. The significantly lower overall loan balances for the fiscal year were responsible for the \$1.3 million decrease in net investment income. See Note 7 to the audited financial statements for more information on the loan programs of the Loan Pool.

Net investment income for the MBC Account fell by \$0.4 million from fiscal year 2022. The primary cause of the decrease in net investment income was the lower interest rate levels during the entirety of fiscal year 2023. During fiscal year 2022, the SLGS with an average coupon rate of 1.66% matured and were replaced with \$39.7 million in SLGS with an average coupon rate of 0.19%. These substantially lower earning securities were held eleven months of fiscal year 2023 as compared to fiscal year 2022, where the SLGS earning 1.66% were held for ten months out of the fiscal year. The significantly lower coupon rate on investments held during the fiscal year was the primary reason net investment income decreased year-over-year.

With no funds placed at auction during the fiscal year, net investment income in the WV Bank Pool was down from prior fiscal year levels by \$0.1 million. Net investment income in the Reserve Pool was little changed from the prior fiscal year even though the account was closed in October 2022. The interest rate on the bank account, which reset monthly, reached sufficient levels during fiscal year 2023 to allow the account to earn as much interest in three months as it did in fiscal year 2022. Net investment income for the remaining accounts was comparable to the prior fiscal year.

For the year, the investment pools had a combined net realized loss of \$12.6 million. The net realized loss for fiscal year 2023 was approximately \$12.0 million lower than fiscal year 2022's net realized loss of \$0.6

million. An overwhelming majority of the net losses were realized in the WV Short Term Bond Pool, which had a net realized loss for fiscal year 2023 of \$12.6 million. The net realized losses were the result of trading activity by the portfolio manager to reposition the Pool in response to rising rates and to manage the Pool's duration within investment policy constraints. The WV Money Market and WV Government Money Market Pools had minimal net realized gains/losses during fiscal year 2023. The realized gains/losses in these two Pools were the result of normal trading activity related to generating liquidity, taking advantage of opportunities, or repositioning the portfolio to stay within policy limits.

The net change in fair value was positive for fiscal year 2023 with fair values of pool and account holdings increasing by \$7.7 million. The WV Short Term Bond Pool accounted for all but a small amount of the change in fair value, rising by a total of \$7.8 million over fiscal year 2023. Some portion of the improvement in fair values was the result of unrealized losses becoming realized losses as the investment manager repositioned the Pool to reduce interest rate risk, maintain duration or gain exposure to market sectors with higher expected returns. Although there were more interest rate hikes in fiscal year 2023 than in 2022, strength in the U.S. economy continued to support valuations in areas of the corporate bond market. Credit spreads, which had widened significantly during fiscal year 2022, tightened during the fiscal year, falling by 35 basis points overall. As a result of spread tightening, corporate bonds outperformed similar duration Treasuries during the fiscal year. These factors helped to contribute to an improvement of the fair value of holdings in the WV Short Term Bond Pool. Fair value of the lone holding of the EDA-AW Account, a Treasury security maturing in August 2023, declined by \$0.1 million during fiscal year 2023.

Economic Factors

The Consolidated Fund is designed to address the short-term liquidity needs of the participants which focus on safety of principal, maximization of yield, and conformance with state law and other pertinent legal restrictions. The Board recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. However, the Investment Policy of the BTI invests assets in a manner that minimizes risks with the primary objectives of safety and liquidity.

The major themes for the fiscal year revolved around inflation, the Fed's response to inflation and the resiliency of the U.S. economy. After experiencing back-to-back quarters of negative growth at the end of fiscal year 2022, the economy bounced back and appeared likely to post four consecutive quarters of GDP growth in excess of 2%. There were signs of some softening in the underlying components, but overall, the economy performed better than expected over a period in which the Fed continued to tighten monetary policy. After a series of 75 basis point rate hikes over the first few months of the fiscal year, the Fed eased on their rate hikes, downshifting to a 50 basis point hike in December 2022. They further slowed the pace of hikes over the last half of the fiscal year, hiking the Fed funds rate by 25 basis points at the next three meetings before pausing in June 2023. The pause in June was only temporary as the markets had priced in likely rate hikes at the July 2023 and September 2023 meetings. Inflation, while elevated, appeared to soften over the last half of the fiscal year. It remained stubbornly high, well above the Fed's target of 2%, and the Fed stated that they were likely to maintain rates at a higher level for longer to ensure that inflation returned to their target. The Summary of Economic Projections released by the Fed after the June 2023 meeting indicated that the FOMC participants expected rates to end calendar year 2023 above 5.50% and end calendar year 2024 at 4.5% or higher. Fed funds futures indicated that market participants were largely in agreement, with no rate cuts projected until mid-2024. The massive tightening by the Fed and other global central banks during the fiscal year had only a modest impact on the overall economy. However, the rate hikes did not come without unintended consequences as they weighed heavily on regional banks. Bank depositors could no longer ignore yields available in money market products and started moving deposits from banks to money market funds as the yield spread between bank deposits and money market products widened significantly. For some banks, this presented a significant problem as they had invested in longer duration assets when yields were extremely low. The value of these holdings declined significantly as the

Fed aggressively hiked rates eating into bank capital. In March 2023, two regional banks, Silicon Valley Bank and Signature Bank were closed by regulators as the fair value of assets held by the bank were insufficient to cover deposits. Although depositors ultimately did not experience any losses, this event raised concerns about the health of regional banks specifically and the banking system in general. The Fed moved swiftly to provide a liquidity facility to provide short-term loans to banks collateralized by government securities holdings at par. Regulators also stepped-up oversight on banks to ensure that banks would be able to remain solvent. Yields across the curve were higher over the year, with the front end gaining the most. Yields for maturities in the one-month to six-month ranged increased the most, flattening the front end of the curve. The long end of the curve inverted early in the fiscal year as the 2-year Treasury yields rose above the 10-year Treasury yield. This end of the curve remained inverted throughout the entire fiscal year. By mid-year, yields on the six-month Treasury surpassed all longer-dated Treasuries, resulting in a flattened front end and an inverted yield curve beyond the six-month Treasury. Credit spreads were volatile throughout the year, but eventually came down over the last quarter of the fiscal year to end the year approximately 11 basis points lower than the 12-month high.

As in the prior year, the rising rate environment was very beneficial for the WV Money Market and WV Government Money Market Pools. With the Pool managers maintaining low WAMs throughout the fiscal year, rate hikes were rapidly reflected in the Pool yields. The marked-to-market NAVs of the Pools remained well within guidelines as rates continued their rise throughout the fiscal year, primarily due to conservative management and the investment managers maintaining lower WAMs during the year. The WV Short Term Bond Pool bounced back from a very challenging year. Rising income, narrowing credit spreads and a lower duration all contributed to the Pool's positive return for the year.

General Revenue Fund collections of \$6.48 billion were \$1.85 billion above the official Fiscal Year 2023 estimate and 10.1 percent ahead of prior year receipts. Led by record-setting personal income tax collections during fiscal year 2023, the following five revenue sources accounted for 98 percent of the revenue collection surplus and more than 100 percent of the total General Revenue Fund gain for the year: personal income tax (\$2.66 billion); severance tax (\$946.5 million); interest income (\$132.5 million); consumer sales tax (\$1.75 billion); and corporation net income tax (\$420.0 million).

Strength in economic activity in the state was responsible for the increases in tax collections from fiscal year 2022 levels. Modest employment growth, coupled robust wage growth, contributed to an increase in personal income tax collections. The latest S&P Global forecast projects total salary and wage disbursement growth of 6.7% in West Virginia in calendar year 2023 which is the sixth highest growth rate among all states. A strong energy sector and solid construction industry activity are contributing factors to the wage growth. Severance taxes benefitted from high natural gas prices over the first half of the fiscal year and rising production. Production grew by an estimated 7.9% percent over the prior year, helping West Virginia to a ranking of fifth highest natural gas producer among U.S. states. However, the average monthly spot natural gas price at Henry Hub fell by 34% over the second half of the fiscal year as demand softened because of relatively mild winter temperatures in the third quarter of the fiscal year. Coal production was also up 7.2% year-over-year in West Virginia, but demand continued to weaken as domestic consumption fell 13.4% in the third quarter of the fiscal year. The average price of U.S. coal exports continued to trend downward from the six-year peak in the final quarter of fiscal year 2022. Fluctuations in commodity prices, demand, supply, and other factors are indicative of industry uncertainties, both globally and domestically. The growth in interest income is almost entirely related to the increasing yields in the West Virginia Money Market Pool. The bulk of the cash for the General Revenue Fund is invested in this Pool, with some smaller allocations to the West Virginia Short Term Bond Pool, State Loan Pool and West Virginia Bank Pool. Increases in consumer sales tax collections were driven by inflation as well as continued strength in consumer spending.

Looking forward, the outlook for General Revenue Fund tax collections is uncertain. West Virginia enacted a significant tax cut bill in March 2023 that reduces personal income taxes in two steps with an added provision for possible additional tax reductions beginning as early as 2025 if certain revenue targets are met. The tax changes begin retroactively in 2023 and individual income tax rates are reduced by 21.25 percent with the top rate decreasing from 6.5 to 5.1 percent on taxable incomes generally more than \$60,000. All other rates in the graduated rate structure are likewise reduced by 21.25 percent. The projected cost of these rate reductions is \$115 million in the fiscal year ending as of June 30, 2023, \$696 million in Fiscal Year 2024, \$610 million in Fiscal Year 2025, and \$634 million in Fiscal Year 2026. Beginning in 2024, additional individual personal income tax reductions take effect in the form of refundable tax credits based on amounts of local property taxes paid on certain types of property. The refundable tax credits include the amount of property tax paid on qualified motor vehicles such as cars, trucks and motorcycles, the amount of owner-occupied residential property tax paid by qualified disabled veterans and the amount of tangible personal property taxes paid by qualified small businesses on business inventory, and machinery and equipment.

The Bureau of Business and Economics Research at West Virginia University expects the State's manufacturing sector to maintain annual job growth of nearly 0.8 percent through 2027. Recent developments, such as Nucor building a steel mill in Mason County, West Virginia and Toyota expanding production into hybrids and electric vehicles in Putnam County, West Virginia, hold the potential to bring new jobs to the state. However, this sector's performance may be hampered by increasing interest rates, causing the cost of capital to rise.

The Urban Institute and Brookings Institution's Tax Policy Center recently reported that average revenue growth for all 50 states stalled during the first seven months of fiscal year 2023. Further, state revenue forecasters are projecting slow revenue growth for the fiscal year 2024. Aside from the trend of states enacting rebate payments and tax rate cuts, the winding down of federal stimulus funding is contributing to the slowdown of revenue growth nationwide. Year-over-year growth is projected to be only 0.7 percent for the fiscal year 2024 for the average state. However, the Tax Policy Center goes on to project that West Virginia will increase its state revenue by nearly five percent during this time. Only New Mexico, Wyoming, Mississippi, and Virginia are projected to see greater growth. Ongoing instabilities in economic conditions and geopolitical circumstances continue to create uncertainties for fiscal year 2024, as analysts urge states to exercise caution in crafting fiscal policy.

Requests for Information

This financial report is designed to provide a general overview of the BTI's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston WV 25304.

West Virginia Board of Treasury Investments
Statement of Net Position
Proprietary Fund

June 30, 2023

(In Thousands)

Assets	
Current assets:	
Cash	\$ 1,419
Receivables	<u>1,310</u>
Total current assets	2,729
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>7</u>
Total assets	<u><u>2,736</u></u>
 Liabilities	
Current liabilities:	
Accounts payable	<u>1,020</u>
Total liabilities	<u>1,020</u>
 Net position	
Net investment in capital assets	7
Unrestricted	<u>1,709</u>
Total net position	<u><u>\$ 1,716</u></u>

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund

For the Year Ended June 30, 2023

(In Thousands)

Operating revenues	
Management services	\$ 1,463
Advisor services	3,119
Custodian services	285
Total operating revenues	<u>4,867</u>
 Operating expenses	
Advisor fees	3,119
Management fees	761
Trustee Fees	4
Professional service fees	253
Fiduciary bond	20
Custodian fees	284
General and administrative	245
Depreciation	3
Total operating expenses	<u>4,689</u>
 Operating income	 <u>178</u>
 Change in net position	 178
Net position at beginning of period	<u>1,538</u>
Net position at end of period	<u><u>\$ 1,716</u></u>

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
Statement of Cash Flows
Proprietary Fund

For the Year Ended June 30, 2023

(In Thousands)

Cash flows from operating activities	
Cash received for services	\$ 4,637
Payments to vendors	(4,524)
Net cash provided by operating activities	<u>113</u>
Cash flows from capital and related financing activities	
Purchase of capital equipment	(4)
Net cash used by capital and related financing activities	<u>(4)</u>
Net increase in cash	109
Cash at beginning of period	1,310
Cash at end of period	<u><u>\$ 1,419</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 178
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3
Changes in assets and liabilities:	
Receivables	(230)
Accounts payable	162
Net cash used by operating activities	<u><u>\$ 113</u></u>

Noncash capital financing activities:

The Proprietary Fund purchased computer equipment during fiscal year 2023 costing \$4. As of June 30, 2023, the vendor has not invoiced the Fund for the amount due.

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
 Combined Statement of Fiduciary Net Position
 Fiduciary Funds
 Consolidated Fund

June 30, 2023

(In Thousands)

Assets	
Investments:	
At amortized cost	\$10,251,565
At fair value	704,016
Total investments	<u>10,955,581</u>
Receivables:	
Accrued interest	24,838
Dividends	972
Investments sold	6,759
Total receivables	<u>32,569</u>
Total assets	<u>10,988,150</u>
 Liabilities	
Accrued expenses	1,309
Dividends payable	1,122
Investments purchased	10,525
Total liabilities	<u>12,956</u>
 Net Position	
Held in trust for investment pool participants	10,955,159
Held in trust for individual investment account holders	20,035
Total net position	<u><u>\$10,975,194</u></u>

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
 Combined Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Consolidated Fund

For the Year Ended June 30, 2023

(In Thousands)

Additions	
Investment income:	
Interest	\$ 212,503
Dividends	8,702
Net accretion	178,424
Total investment income	399,629
Investment expenses:	
Investment advisor fees	3,119
Custodian bank fees	286
Administrative fees	1,462
Total investment expenses	4,867
Net investment income	394,762
Net realized loss from investments	(12,598)
Net increase in fair value of investments	7,725
Net increase in net position from operations	389,889
Participant transaction additions:	
Purchase of pool units by participants	17,034,162
Reinvestment of pool distributions	381,200
Contributions to individual investment accounts	15,460
Total participant transaction additions	17,430,822
Total additions	17,820,711
Deductions	
Distributions to pool participants:	
Net investment income	394,048
Net realized loss from investments	(12,598)
Total distributions to pool participants	381,450
Participant transaction deductions:	
Redemption of pool units by participants	15,505,034
Withdrawals from individual investment accounts	193,728
Total participant transaction deductions	15,698,762
Total deductions	16,080,212
Change in net position	1,740,499
Net position at beginning of period	9,234,695
Net position at end of period	\$ 10,975,194

See accompanying notes to financial statements

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West Virginia Board of Treasury Investments

Notes to Financial Statements

June 30, 2023

1. Organization and Operations

The West Virginia Board of Treasury Investments (the “BTI”) is charged with managing the individual investment pools and accounts of the Consolidated Fund under authority of West Virginia State Code Chapter 12, Article 6C, West Virginia Treasury Investments Act. The West Virginia Legislature established the BTI as a public corporation of the State of West Virginia, to make short-term operating funds of the state more accessible to state government and to allow the West Virginia Investment Management Board (the “IMB”), which had managed the Consolidated Fund, to focus on the state’s long-term trust investments. The Consolidated Fund is the statutory title of the fund that collectively refers to the investment pools and accounts that the BTI manages. The BTI operates on a fiscal year that begins July 1 and ends June 30. The BTI is considered a component unit of the State and its financial statements are presented in the State’s annual comprehensive financial report.

The accompanying financial statements include the operations of the BTI as well as investment balances and transactions of the individual investment pools and accounts of the Consolidated Fund under management of the BTI. The BTI provides a business-type activity that charges fees on a cost-reimbursement basis and is shown in the separate proprietary fund financial statements. Investment activities of the Consolidated Fund are shown in the separate fiduciary fund financial statements.

The West Virginia State Treasurer’s Office provides direct administrative and management services to the BTI. The BTI does not directly employ a staff but reimburses the Treasurer’s Office for all personnel expenses of Treasury employees assigned to administer and manage the BTI. The Treasurer’s Office also provides various supplementary administrative services. A five-member Board of Directors governs the BTI. The State Governor, State Treasurer, and State Auditor serve as ex officio members of the Board. The Governor appoints the two remaining members subject to the advice and consent of the State Senate. Of the two members appointed by the Governor, one is required to be a certified public accountant and one is required to be an attorney, with both having experience in finance, investing and management. The State Treasurer is Chairman of the Board.

The Consolidated Fund provides for the investment of moneys not currently needed to fund state governmental operations, as well as providing the opportunity for local governments to participate in large investment pools, and for those funds statutorily required to be invested in the Consolidated Fund. The following investment pools and accounts make up the Consolidated Fund:

WV Money Market Pool – This pool consists of the operating funds of the State, funds held by State agencies, and funds from local governments who desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and to supply the daily cash needs of the State. The pool is co-managed by Federated Hermes and UBS Global Asset Management.

WV Government Money Market Pool – This pool consists of State agency and local government investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, U.S. Government Agency Obligations, or repurchase agreements backed by U.S. Government and Agency Obligations. The pool is managed by UBS Global Asset Management.

WV Short Term Bond Pool – This pool consists of the operating funds of the State that are not needed immediately to fund the State’s liquidity requirements. The pool is managed by Sterling Capital Management.

WV Bank Pool – This account consists of certificates of deposit purchased by the State through the West Virginia CD Program. The program purchases CDs from state banks and depositories to make state investment funds available for consumer and business loans within the state. The State is the sole participant in this account. The account is expected to close in August 2023 as there have been no CD placements since February 2022.

Loan Pool – This account is composed of intergovernmental loans made by the Consolidated Fund to other state agencies. There are three loan programs authorized by statute that are accounted for in the Loan Pool: the WVEDA Revolving Loan, the WVEDA Broadband Loan, and the WVDOT Infrastructure Investment Revolving Loan. The State is the sole participant in the account. Effective August 26, 2022, the WVEDA Revolving Loan was paid in full and the program was terminated.

Reserve Pool – This account is composed of an interest-bearing depository account with United Bank. The account was created to provide an added layer of security for the WV Money Market and WV Government Money Market Pools. Other funds are transferred to this account as management deems necessary. The objective of this account is to provide support for the WV Money Market and WV Government Money Market Pools to ensure their unit net position does not fall below \$0.9985. The State is the sole participant in this account. This account was closed effective October 19, 2022.

Participant Directed Accounts – The BTI also maintains accounts for individual State agencies with specific investment needs. These accounts are collectively referred to as Participant Directed Accounts, and include the following: Municipal Bond Commission (“MBC”), School Fund, and Economic Development Authority – American Woodmark (“EDA – AW”). Each agency is the sole owner of its account and is responsible for providing the BTI with investment guidelines that are consistent with the legal restrictions applicable to the assets in the account. The BTI manages these accounts in accordance with the accounts’ investment guidelines and directions from the account owners. Effective June 1, 2023, the MBC Account was closed after the MBC withdrew the proceeds of matured investments held in the account. The EDA-AW account is expected to close in August 2023 after the Treasury security held by the account matures.

The BTI is authorized by West Virginia Code Chapter 12, Article 6C, Section 9, to invest in United States government and agency obligations, commercial paper, corporate bonds, repurchase agreements, asset-backed securities, and investments in accordance with the Linked Deposit Program, which is a program using financial institutions in the state to reduce loan costs to small businesses by offsetting interest reductions on the loans with certificates of deposit, loans approved by the Legislature, and any other programs authorized by the Legislature. In addition to the restrictions in investment types, at no time shall more than seventy-five percent of the Consolidated Fund be invested in any bond, note, debenture, commercial paper or other evidence of indebtedness of any private corporation or association and at no time shall more than five percent be invested in securities issued by a single private corporation or association.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the BTI are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States

of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An internal service fund, which is a type of proprietary fund, is used to account for investment management services provided by the BTI on a cost-reimbursement basis. An investment trust fund, which is a type of fiduciary fund, is used to account for each of the investment pools and accounts of the Consolidated Fund. The Consolidated Fund is composed of three external investment pools (WV Money Market, WV Government Money Market, and WV Short Term Bond) and six individual investment accounts (WV Bank, Loan, Reserve, Municipal Bond Commission, School Fund, and Economic Development Authority – American Woodmark). Effective October 19, 2022, the Reserve account was closed. Effective June 1, 2023, the MBC Account was closed after the MBC withdrew the proceeds of matured investments held in the account.

Budgetary Information

The Board's annual operating budget is appropriated by the Legislature from fees collected by the BTI.

Cash Equivalents

Cash equivalents are short-term investments with maturities when acquired of 90 days or less.

Capital Assets

Capital asset expenditures of \$1,000 (\$500 in the case of certain computer equipment) or more with a useful life greater than one year are capitalized at cost and reported net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are three years.

Wages, Compensated Absences, Retirement Plan and Other Postemployment Benefits

The BTI has no employees. The State Treasurer's Office provides administrative and management services to the BTI. As a result, the BTI does not accrue for compensated absences and other postemployment benefits or directly contribute to the state retirement plan. Management services provided are recorded as management fees paid to the State Treasurer's Office.

Income Taxes

The BTI is a public corporation organized under laws of the State of West Virginia and, as such, is exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the BTI is not subject to federal or state income taxes.

Revenues and Expenses – Proprietary Fund

Operating revenues of the BTI's proprietary fund are generated from services provided to the investment pools and accounts of the Consolidated Fund. Revenues of the proprietary fund also are derived from vendor fees charged directly to the investment pools and accounts and paid by the proprietary fund, such as investment advisor fees and custodian fees. Operating expenses of the proprietary fund represent payments for services provided under contract, such as investment advisors and consultants, fiduciary bond fees, and custodian fees; general and administrative expenses of the BTI, such as administrative and management services, trustee fees, office equipment, office supplies, and office space; and depreciation of

capital assets. Revenues and expenses are recorded when earned and incurred in accordance with the economic resources measurement focus and the accrual basis of accounting.

Net Position – Proprietary Fund

The net position of the BTI's proprietary fund is composed of net investment in capital assets and unrestricted net position, which represent net position not restricted to use by legal, contractual or enabling legislation constraints.

Use of Estimates

Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates. The significant estimates and assumptions that affect the reporting of amounts of assets and liabilities at the statement of financial position date and revenues and expenses for the year then ended are those required in the determination of the allowance for loan losses and amortization of investments. Actual results in the near term could differ from the estimates used to prepare these financial statements.

Investment Accounting

Investment Carrying Value The BTI is an investment vehicle of the State, its component units, and local governments, all of which are government entities. The investments of the WV Money Market, WV Government Money Market, and WV Bank Pools, and Loan Pool account are carried at amortized cost, as permissible under Governmental Accounting Standards Board ("GASB") Statement No. 31, as amended by GASB Statement Nos. 72 and 79. The WV Money Market and WV Government Money Market Pools measure all investments at amortized cost for financial reporting purposes in accordance with criteria established in GASB Statement No. 79. The criteria specify that the Pools must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place any limitations or restrictions on participant withdrawals from the WV Money Market and WV Government Money Market Pools, such as redemption notice periods, maximum transaction amounts, nor possess authority to impose liquidity fees or redemption gates.

The specific exceptions to fair value reporting for the other Pools and accounts referred to above are defined in professional standards as follows. The WV Bank Pool contains nonnegotiable certificates of deposit, which are nonparticipating interest-earning investment contracts. The Loan Pool contains loans receivable arising from lending activities of economic development authorities.

The investments of the remaining pool and participant accounts are reported at fair value, which is determined by third party pricing services based on asset portfolio pricing models and other sources. The BTI measures fair value at the end of each month. See Note 5 for a discussion and summary of the measurement of fair values. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the BTI are a component of the security price quoted by the seller and are included in the investment cost.

Repurchase Agreements The BTI uses only tri-party repurchase agreements. Under the terms of a tri-party repurchase agreement, the seller transfers collateral securities to an account of the BTI's manager/agent at the seller's custodian bank. This arrangement perfects the BTI's lien on the collateral and effectively protects the BTI from a default by the seller. The BTI requires sellers in repurchase transactions

to pledge collateral of at least 102% of the cash borrowed from the BTI. If the seller defaults and the fair value of the collateral declines, realization of the collateral by the BTI may be delayed or limited.

Asset-Backed Securities Certain pools invest in various asset-backed securities and structured corporate debt. The pools invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and fair value of the underlying assets.

Investment Transactions Investment transactions are accounted for on a trade date basis.

Investment Gains and Losses Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Interest Income Interest income is recognized as earned on the accrual method.

Dividend Income Dividend income is recognized on the ex-dividend date.

Amortization Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. The effect of changing prepayment assumptions is reported in the Combined Statement of Changes in Fiduciary Net Position in the year of the change.

Allowance for Loan Losses The allowance for loan losses is available to absorb future loan losses. The allowance is increased by provisions charged against operations and reduced by charge-offs (losses), net of recoveries. The provision is based on several factors including: analytical reviews of loan loss experience in relationship to outstanding loans; a continuing review of problem loans and overall portfolio quality, including analysis of the quality of the underlying collateral; and management's judgment on the impact of current and expected economic conditions on the portfolio. At June 30, 2023, the Loan Pool had no allowance for uncollectible loans.

Distributions to Participants The net income of the WV Money Market and WV Government Money Market Pools are declared as dividends and distributed daily to the participants based upon their pro rata participation in the pools. The distributions of net investment income are credited to the participants' accounts in the form of dividend reinvestments in the Pools and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Position.

The monthly net income of the WV Short Term Bond Pool is declared as a dividend on the last day of the month and distributed to the participants in the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Position.

Expenses Each pool is charged for its direct investment-related cost and for its allocated share of other expenses. The other expenses are allocated to the pools based on asset size. Certain pools are not charged expenses or are charged a reduced expense. The BTI proprietary fund pays all expenses on behalf of the pools and is subsequently reimbursed by the pools.

3. Cash and Cash Equivalents

The proprietary fund's cash on deposit with the State Treasurer's Office was approximately \$1,419,000 at June 30, 2023. The cash is pooled with other deposits from the State's agencies, departments, boards and commissions and is subject to coverage by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by securities held by the State or its agents in the State's name. Cash equivalents are short-term, highly liquid investments having original maturities of 90 days or less. The proprietary fund did not hold any cash equivalents at June 30, 2023.

Custodial credit risk of cash deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The BTI does not have a deposit policy for custodial credit risk. BTI management does not believe any of its proprietary fund's deposits are exposed to custodial credit risk.

4. Investments and Deposits

The BTI has adopted an investment policy in accordance with the "Uniform Prudent Investor Act." The "prudent investor rule" guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The BTI's investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of the Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the Consolidated Fund.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Two of the BTI's pools, the WV Money Market and WV Government Money Market Pools, have been rated AAAM by Standard & Poor's. A fund rated AAAM has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAM is the highest principal stability fund rating assigned by Standard & Poor's. Neither the BTI itself nor any other Consolidated Fund pool or account has been rated for credit risk by any organization. Of the Consolidated Fund pools and accounts, six are subject to credit risk: WV Money Market Pool, WV Government Money Market Pool, WV Short Term Bond Pool, WV Bank Pool, Loan Pool, and School Fund Account.

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all long-term corporate debt be rated A+ or higher by Standard & Poor's (or its equivalent) and short-term corporate debt be rated at A-1 or higher by Standard & Poor's (or its equivalent). The following table provides information on the credit ratings of the WV Money Market Pool's investments (in thousands):

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
Corporate Bonds and Notes	A-1	\$ 50,000	0.50%
Commercial Paper	A-1+	2,281,084	23.14
	A-1	4,522,938	45.88
Negotiable certificates of deposit	A-1+	553,000	5.61
	A-1	1,397,000	14.17
Money market funds	AAAm	220,607	2.24
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	512,000	5.19
U.S. Agency bonds and notes	AA+	322,500	3.27
		<u>\$ 9,859,129</u>	<u>100.00%</u>

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the Pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The following table provides information on the credit ratings of the WV Government Money Market Pool's investments (in thousands):

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
U.S. Treasury notes *	AA+	\$ 11,997	2.20%
U.S. Treasury bills *	A-1+	3,949	1.06
U.S. agency bonds and notes	AA+	49,500	13.19
U.S. agency discount notes	A-1+	146,775	39.14
Money market funds	AAAm	257	0.07
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	85,000	22.67
U.S. Agency bonds and notes	AA+	77,500	20.67
		<u>\$ 374,978</u>	<u>100.00%</u>

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

West Virginia Board of Treasury Investments
Notes to Financial Statements (Continued)

The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all long-term corporate debt be rated BBB- or higher by Standard & Poor's (or its equivalent) and all short-term corporate debt be rated A-1 or higher by Standard & Poor's (or its equivalent). Mortgage-backed and asset-backed securities must be rated AAA by Standard & Poor's (or its equivalent). The following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
U.S. Treasury notes *	AA+	\$ 139,870	19.94%
U.S. government agency bonds	AA+	2,351	0.34
U.S. agency collateralized mortgage obligations			
U.S. government guaranteed*	AA+	7,288	1.04
Non-U.S. government guaranteed	AA+	864	0.12
Corporate fixed- and floating-rate bonds and notes	AAA	5,776	0.82
	AA+	5,220	0.74
	AA	6,279	0.90
	AA-	17,640	2.51
	A+	51,316	7.32
	A	57,546	8.20
	A-	103,749	14.81
	BBB+	44,723	6.37
	BBB	21,770	3.10
	BBB-	41,697	5.94
	BB+	3,505	0.50
	NR	11,189	1.59
Collateralized mortgage obligations	AAA	3,071	0.44
	NR	10,606	1.51
Municipal Securities	AAA	9,010	1.28
	AA+	12,571	1.79
	AA	11,095	1.58
	AA-	7,693	1.10
	NR	2,764	0.39
Asset-backed securities	AAA	97,491	13.90
	NR	17,814	2.54
Money market funds	AAAm	8,652	1.23
		<u>\$ 701,550</u>	<u>100.00%</u>

NR = Not Rated. Securities are not rated by Standard & Poor's but are rated by Moody's, Fitch and/or DBRS Morningstar.

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

The WV Bank Pool holds an interest in a money market mutual fund valued at approximately \$65,000. The mutual fund is rated AAm by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the WV Bank Pool.

The Loan Pool is composed of loans made by the State. The account holds intergovernmental loans and an investment in a money market mutual fund of approximately \$69,000. The mutual fund is rated AAm by Standard & Poor's. The loans are not rated; however, because there is the potential for defaults on the loans, the account is subject to credit risk related to the loans. The BTI addresses this credit risk by establishing and regularly evaluating a reserve for uncollectible loans.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately \$1,019,000. The mutual fund is rated AAAM by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the School Fund Account.

The EDA-AW Account holds a U.S. Treasury bond valued at approximately \$1,446,000 and an interest in a money market mutual fund valued at approximately \$1,000. The mutual fund is rated AAAM by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the EDA-AW Account.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

Security Type	Carrying Value (In Thousands)	WAM (Days)
Corporate bonds and notes	\$ 50,000	15
Commercial paper	6,804,022	25
Negotiable certificates of deposit	1,950,000	56
Repurchase agreements	834,500	3
Money market funds	220,607	3
	<u>\$ 9,859,129</u>	29

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

Security Type	Carrying Value (In Thousands)	WAM (Days)
U.S. Treasury notes	\$ 11,997	3
U.S. Treasury bills	3,949	90
U.S. agency bonds and notes	49,500	3
U.S. agency discount notes	146,775	36
Repurchase agreements	162,500	3
Money market funds	257	3
	<u>\$ 374,978</u>	17

The overall effective duration of the investments of the WV Short Term Bond Pool is limited to a +/- 30 percent band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate & Government Index). As of June 30, 2023, the effective duration of the benchmark was 672 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase. The following table provides information on the effective duration for the various asset types in the WV Short Term Bond Pool:

Security Type	Carrying Value (In Thousands)	Effective Duration (Days)
U.S. Treasury notes	\$ 139,870	709
U.S. government agency bonds	2,351	530
U.S. agency collateralized mortgage obligations	8,152	63
Corporate fixed-rate bonds and notes	355,045	660
Corporate floating-rate bonds and notes	15,365	(39)
Commercial mortgage-backed securities	13,677	346
Municipal Securities	43,133	374
Asset-backed securities	115,305	618
Money market funds	8,652	-
	\$ 701,550	609

The WV Bank Pool holds an interest in a money market mutual fund valued at approximately \$65,000. The money market mutual fund has a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to losses in this account arising from increasing interest rates.

The Loan Pool holds an interest in a money market mutual fund in the amount of approximately \$69,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this account arising from increasing interest rates.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately \$1,019,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this account arising from increasing interest rates.

The EDA-AW Account holds a U.S. Treasury bond valued at approximately \$1,446,000 that matures August 15, 2023 and an interest in a money market fund valued at approximately \$1,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this account arising from increasing interest rates.

Other Risks of Investing

Other risks of investing can include concentration of credit risk, custodial credit risk, and foreign currency risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and

accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Deposits

Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. There were no deposits held in the pools and accounts as of June 30, 2023. The BTI does not have a deposit policy for custodial credit risk.

5. Investments Measured at Fair Value

The BTI measures the WV Short Term Bond Pool, the School Fund Account and the EDA-AW Account at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. The BTI categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following table summarizes the recurring fair value measurements of the investment securities in the WV Short Term Bond Pool in accordance with the fair value hierarchy levels as of June 30, 2023 (in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$ 139,870	\$ -	\$ -	\$ 139,870
U.S. Government agency bonds	-	2,351	-	2,351
U.S. agency collateralized mortgage obligations	-	8,152	-	8,152
Corporate fixed-rate bonds and notes	-	355,045	-	355,045
Corporate floating-rate bonds and notes	-	15,365	-	15,365
Commercial mortgage-backed securities	-	13,677	-	13,677
Municipal Securities	-	43,133	-	43,133
Asset-backed securities	-	115,305	-	115,305
Money market funds	8,652	-	-	8,652
	\$ 148,522	\$ 553,028	\$ -	\$ 701,550

The valuation methodologies and inputs presented below are used in the fair value measurements for investments in securities in the WV Short Term Bond Pool classified as Level 2 in the preceding table.

U.S. Government Agency Bonds

Level 2 U.S. government agency bonds and notes are priced using spread, yield and price-based evaluations. For spread- and yield-based evaluations, a bullet (non-call) spread scale is created for relevant maturities for each issuer. The spreads are based on the new issue market, secondary trading and dealer quotes. For price-based evaluations, evaluators use recently executed transactions of similar securities and dealer quotes to arrive at appropriate pricing.

U.S. Agency Collateralized Mortgage Obligations

Level 2 U.S. agency collateralized mortgage obligations are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, and prevailing market conditions.

Corporate Fixed-Rate Bonds and Notes

Level 2 corporate fixed-rate bonds and notes are priced using spread, yield and price-based evaluations. For spread- and yield-based evaluations, a bullet (non-call) spread scale is created for relevant maturities for each issuer. The spreads are based on the new issue market, secondary trading and dealer quotes. For price-based evaluations, evaluators use recently executed transactions of similar securities and dealer quotes to arrive at appropriate pricing.

Corporate Floating-Rate Bonds and Notes

Level 2 corporate floating-rate bonds are evaluated by calculating current and future coupons, then discounting each cash flow by an appropriate discount margin. A basic yield scale covering a range of quality ratings and maturities is established for the corresponding indices. The yield scale consists of discount margins obtained from primary and secondary dealers in the new issue market. Final yields are

calculated by adding the appropriate discount margin to each forward rate plus special adjustments to capture issue-specific characteristics, as applicable. The resulting yields are then used to discount each expected cash flow.

Commercial Mortgage-Backed Securities

Level 2 commercial mortgage-backed securities are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, third-party real estate analysis, and prevailing market conditions.

Municipal Securities

Level 2 municipal securities are evaluated based on factors such as trading activity reported through the Municipal Securities Rulemaking Board’s Real-time Transaction Reporting System, levels on bellwether issues, established trading spreads between similar issuers or credits, historical trading spreads over widely accepted market benchmarks, new issue scales and other relevant market data.

Asset-Backed Securities

Level 2 asset-backed securities are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, and prevailing market conditions.

The School Fund Account holds a money market fund reported at a fair value of \$1,019,000 using Level 1 inputs.

The EDA-AW Account holds a U.S. Treasury bond reported at a fair value of \$1,446,000 using Level 1 inputs. This account also holds a money market fund reported at a fair value of \$1,000 using Level 1 inputs.

6. Capital Assets

Capital asset activity in the proprietary fund was as follows (in thousands):

	June 30, 2022	Increases	Decreases	June 30, 2023
Equipment, at cost	\$ 20	\$ 4	\$ -	\$ 24
Accumulated depreciation	(14)	(3)	-	(17)
Equipment, net of accumulated depreciation	\$ 6	\$ 1	\$ -	\$ 7

7. Related Party Transactions

Intergovernmental Investments

The BTI is required by law to enter into certain investment transactions with other state entities. At June 30, 2023, the BTI's intergovernmental investments, which are assets of the Loan Pool, included the following:

- a. The "WVEDA Revolving Loan" was an obligation of the West Virginia Economic Development Authority (WVEDA). The terms of the loan program required the BTI to make available on a revolving basis up to \$200,000,000, subject to a liquidity determination, for the WVEDA to use to fund economic development initiatives. The interest rate was reset on July 1 of each year and was based on fifty percent of the loan rate received by the WVEDA for loans made under the program. The rate had a 1% annual adjustment cap. The WVEDA made monthly principal and interest payments calculated on a 120-month amortization of the outstanding balance. During the 2022 2nd Special Session, the Legislature passed Senate Bill 2001. Senate Bill 2001, which became effective April 26, 2022, created the Economic Development Project Fund within the WVEDA. Provisions of Senate Bill 2001 require the WVEDA to repay the outstanding balance of the WVEDA Revolving Loan within 30 days of the deposit of sufficient funds into the Economic Development Project Fund. Upon repayment of the outstanding balance, the WVEDA Revolving Loan will be terminated, and no more loans may be made under the loan program. During the month of August 2022, the WVEDA received an appropriation that resulted in sufficient funds being deposited into the Economic Development Project Fund to repay the full outstanding balance of the WVEDA Revolving Loan. The full balance was paid to the BTI on August 26, 2022 and the loan program was closed.
- b. The "WVEDA Broadband Loan" represents an obligation of the WVEDA. Under the statutory provisions governing the loan program, the BTI is required to make available to the WVEDA, from the Consolidated Fund, up to \$80 million to insure the payment or repayment of any debt entered into by an entity for purposes of expanding broadband services to unserved and underserved areas of the state. The loan is structured as a non-recourse, revolving loan that is payable by the WVEDA solely from moneys received in respect to the insured debt instruments. The WVEDA may not insure more than \$20 million per entity in one calendar year. The loan has a variable rate equal to the 12-month average yield on the WV Money Market Pool. The rate resets quarterly and the maximum annual adjustment may not exceed 1.00%. For the quarter ending June 30, 2023, the annualized rate is 1.28%. The WVEDA is required to make quarterly payments to pay all accrued interest on the loan for the prior quarter. On a quarterly basis, the WVEDA determines the outstanding balance of the insured debt covered by the loan and adjusts the outstanding balance of the loan to equal the outstanding balance of the insured debt. At June 30, 2023, the outstanding balance was \$17,324,000.

As of June 30, 2023, the WVEDA has provided the BTI with Notices of Intent to Request Advance (the "Notices") indicating that the WVEDA has committed to provide insurance for broadband expansion related debt instruments totaling \$49,601,000. The loan insurance commitments cover ten broadband expansion related debt instruments for five separate broadband service providers. The WVBTI has transferred \$17,324,000 to the WVEDA for outstanding balances on insured debt instruments. The remaining \$32,277,000 committed for loan insurance is held by the West Virginia State Treasurer's Office in an account in the West Virginia Money Market Pool. As of June 30, 2023, the insured debt instruments are in good standing and the likelihood of a default appears remote.

- c. The “WVDOT Infrastructure Investment Revolving Loan” represents an obligation of the West Virginia Department of Transportation (the “WVDOT”). During the 2022 2nd Special Session, the Legislature passed Senate Bill 2001. Under the provisions of Senate Bill 2001, the BTI is required to make available to the WVDOT, from the Consolidated Fund, up to \$200 million for deposit in the Infrastructure Investment Reimbursement Fund (the “Reimbursement Fund”). The WVDOT may make payment of expenses from the Reimbursement Fund that are eligible for cost reimbursement according to an agreement with the federal government pursuant to the Infrastructure Investment and Jobs Act. Reimbursements received by the WVDOT from the federal government are required to be deposited in the Fund. Any balance remaining in the Fund at the end of the fiscal year is required to be transferred back to the Consolidated Fund. Loans made to the WVDOT under this loan program will bear no interest. The loan program will terminate on June 30, 2027. By this date, 100 percent of any expenditures made from the Fund must be repaid. As of June 30, 2023, there is no outstanding balance in this loan program.

Transactions with State Treasurer’s Office

The State Treasurer’s Office provides various services to the BTI, some of which are reimbursed by the BTI, and others of which the Treasurer provides at no cost to the BTI. During the year ended June 30, 2022, the BTI reimbursed the Treasurer’s Office \$828,000 for services, which includes \$760,000 for management services provided by Treasurer’s Office employees. As of June 30, 2023, the BTI had an amount payable to the Treasurer’s Office totaling \$82,000, of which \$72,000 was for management services provided by Treasurer’s Office employees. Also, during the year, the Treasurer’s Office provided services valued at approximately \$20,000 at no cost to the BTI.

8. Risk Management

The BTI is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Board members are covered by a \$5 million blanket bond and general liability and property coverage of \$1 million per occurrence through the West Virginia State Board of Risk and Insurance Management (“BRIM”). The BTI has obtained additional coverage of \$5 million faithful performance bond through an outside underwriter. There have been no claims since the inception of the BTI.

9. Effect of New Accounting Pronouncements

The GASB has issued a statement related to financial reporting for public-private and public-public partnership arrangements: Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. The objective of Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). As used in Statement 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a non-financial asset, such as infrastructure, or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. Because the BTI does not engage in PPP arrangements, it is not affected by this statement.

The GASB has issued a statement related to accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users: Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of Statement 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among

governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. Because the BTI does not engage in SBITAs that would be subject to this statement, it is not affected by this statement.

The GASB has issued a statement to enhance comparability related to accounting and financial reporting and to improve consistency of authoritative literature: Statement No. 99, *Omnibus 2022*. The objective of Statement 99 is to address practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. Specifically, Statement 99 provides guidance related to classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and clarification of provisions in Statement No. 87, *Leases*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 99 also extends the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. The provisions of this statement have effective dates that range between immediately upon issuance of the statement to fiscal years beginning after June 15, 2023. The BTI does not engage in activities that would be subject to this statement, so it is not affected by this statement.

The GASB has issued a statement related to accounting and financial reporting for requirements for accounting changes and error corrections: Statement No. 100, *Accounting Changes and Error Corrections*. The objective of Statement 100 is to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this statement are effective for reporting periods beginning after June 15, 2023. The BTI will implement the provisions of Statement 100 in fiscal year 2024. The BTI expects implementation will not have a significant impact on financial reporting unless there is an accounting change or error correction that is subject to the provisions of this statement.

The GASB has issued a statement updating the recognition and measurement guidance for compensated absences: Statement No. 101, *Compensated Absences Accounting Changes and Error Corrections*. The objective of Statement 101 is to better meet the information needs of financial statement users. The provisions of this statement are effective for reporting periods beginning after December 15, 2023. Because the BTI does not have any employees, it is not affected by this statement.

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West Virginia Board of Treasury Investments
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Consolidated Fund

June 30, 2023

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loan Pool
Assets					
Investments:					
At amortized cost	\$ 9,859,129	\$ 374,978	\$ -	\$ 65	\$ 17,393
At fair value	-	-	701,550	-	-
Total investments	<u>9,859,129</u>	<u>374,978</u>	<u>701,550</u>	<u>65</u>	<u>17,393</u>
Receivables:					
Accrued interest	19,329	478	4,930	-	67
Dividends	937	2	22	-	7
Investments sold	-	-	6,759	-	-
Total receivables	<u>20,266</u>	<u>480</u>	<u>11,711</u>	<u>-</u>	<u>74</u>
Total assets	<u>9,879,395</u>	<u>375,458</u>	<u>713,261</u>	<u>65</u>	<u>17,467</u>
Liabilities					
Accrued expenses	1,120	51	137	-	1
Dividends payable	-	-	1,122	-	-
Investments purchased	-	-	10,525	-	-
Total liabilities	<u>1,120</u>	<u>51</u>	<u>11,784</u>	<u>-</u>	<u>1</u>
Net Position					
Held in trust for investment pool participants	9,878,275	375,407	701,477	-	-
Held in trust for individual investment account holders	-	-	-	65	17,466
Total net position	<u>\$ 9,878,275</u>	<u>\$ 375,407</u>	<u>\$ 701,477</u>	<u>\$ 65</u>	<u>\$ 17,466</u>

(Continued)

Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
\$ -	\$ -	\$ -	\$ -	\$ 10,251,565
-	-	1,019	1,447	704,016
-	-	1,019	1,447	10,955,581
-	-	-	34	24,838
-	-	4	-	972
-	-	-	-	6,759
-	-	4	34	32,569
-	-	1,023	1,481	10,988,150
-	-	-	-	1,309
-	-	-	-	1,122
-	-	-	-	10,525
-	-	-	-	12,956
-	-	-	-	10,955,159
-	-	1,023	1,481	20,035
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,023</u>	<u>\$ 1,481</u>	<u>\$10,975,194</u>

West Virginia Board of Treasury Investments
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Consolidated Fund

For the Year Ended June 30, 2023

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loan Pool
Additions					
Investment income:					
Interest	\$ 187,475	\$ 6,026	\$ 18,324	\$ 6	\$ 441
Dividends	8,435	12	190	5	20
Net (amortization) accretion	174,341	5,139	(1,038)	-	-
Total investment income	<u>370,251</u>	<u>11,177</u>	<u>17,476</u>	<u>11</u>	<u>461</u>
Investment expenses:					
Investment advisor fees	2,615	86	418	-	-
Custodian bank fees	251	15	20	-	-
Administrative fees	1,293	52	106	2	7
Total investment expenses	<u>4,159</u>	<u>153</u>	<u>544</u>	<u>2</u>	<u>7</u>
Net investment income	366,092	11,024	16,932	9	454
Net realized gain (loss) from investments	13	-	(12,611)	-	-
Net increase in fair value of investments	<u>-</u>	<u>-</u>	<u>7,759</u>	<u>-</u>	<u>-</u>
Net increase in net position from operations	366,105	11,024	12,080	9	454
Participant transaction additions:					
Purchase of pool units by participants	16,561,922	472,238	2	-	-
Reinvestment of pool distributions	366,105	11,024	4,071	-	-
Contributions to individual investment accounts	-	-	-	15	15,351
Total participant transaction additions	<u>16,928,027</u>	<u>483,262</u>	<u>4,073</u>	<u>15</u>	<u>15,351</u>
Total additions	17,294,132	494,286	16,153	24	15,805
Deductions					
Distributions to pool participants:					
Net investment income	366,092	11,024	16,932	-	-
Net realized gain (loss) from investments	13	-	(12,611)	-	-
Total distributions to pool participants	<u>366,105</u>	<u>11,024</u>	<u>4,321</u>	<u>-</u>	<u>-</u>
Participant transaction deductions:					
Redemption of pool units by participants	15,162,906	339,968	2,160	-	-
Withdrawals from individual investment accounts	-	-	-	20,165	113,434
Total participant transaction deductions	<u>15,162,906</u>	<u>339,968</u>	<u>2,160</u>	<u>20,165</u>	<u>113,434</u>
Total deductions	<u>15,529,011</u>	<u>350,992</u>	<u>6,481</u>	<u>20,165</u>	<u>113,434</u>
Change in net position	1,765,121	143,294	9,672	(20,141)	(97,629)
Net position at beginning of period	8,113,154	232,113	691,805	20,206	115,095
Net position at end of period	<u>\$9,878,275</u>	<u>\$ 375,407</u>	<u>\$ 701,477</u>	<u>\$ 65</u>	<u>\$ 17,466</u>

(Continued)

Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
\$ 72	\$ 68	\$ -	\$ 91	\$ 212,503
1	-	39	-	8,702
-	-	-	(18)	178,424
<u>73</u>	<u>68</u>	<u>39</u>	<u>73</u>	<u>399,629</u>
-	-	-	-	3,119
-	-	-	-	286
-	1	-	1	1,462
<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>4,867</u>
73	67	39	72	394,762
-	-	-	-	(12,598)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(34)</u>	<u>7,725</u>
73	67	39	38	389,889
-	-	-	-	17,034,162
-	-	-	-	381,200
93	1	-	-	15,460
<u>93</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>17,430,822</u>
166	68	39	38	17,820,711
-	-	-	-	394,048
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,598)</u>
-	-	-	-	381,450
-	-	-	-	15,505,034
20,173	39,748	118	90	193,728
<u>20,173</u>	<u>39,748</u>	<u>118</u>	<u>90</u>	<u>15,698,762</u>
20,173	39,748	118	90	16,080,212
(20,007)	(39,680)	(79)	(52)	1,740,499
20,007	39,680	1,102	1,533	9,234,695
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,023</u>	<u>\$ 1,481</u>	<u>\$ 10,975,194</u>

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2023
(In thousands)

WEST VIRGINIA MONEY MARKET POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Corporate Bonds and Notes</i>							
Bank of America NA		5.260 %	F	5.260 %	12/15/2023	50,000	\$ 49,993
Total Corporate Bonds and Notes	0.5%					50,000	49,993
<i>Commercial Paper</i>							
Atlantic Asset Securities Corporation		0.000		5.132	07/03/2023	100,000	99,972
Chariot Funding LLC		0.000		5.132	07/03/2023	49,654	49,640
Starbird Funding Corporation		0.000		5.132	07/03/2023	50,000	49,986
BNG Bank NV		0.000		5.135	07/03/2023	50,000	49,986
DZ Bank		0.000		5.112	07/03/2023	425,000	424,881
Nationwide Building Society		0.000		5.140	07/03/2023	100,000	99,972
UnitedHealth Group Inc		0.000		5.148	07/03/2023	150,000	149,958
Anglesea Funding		0.000		5.167	07/05/2023	100,000	99,943
Barclays Bank PLC		0.000		5.405	07/05/2023	25,000	24,985
Barton Capital Corporation		0.000		5.144	07/05/2023	40,000	39,977
Great Bear Funding LLC		0.000		5.167	07/05/2023	50,000	49,972
Longship Funding LLC		0.000		5.156	07/05/2023	100,000	99,944
DBS Bank LTD		0.000		5.311	07/05/2023	14,000	13,992
DNB Nor Bank ASA		0.000		5.085	07/05/2023	150,000	149,916
Anglesea Funding		0.000		5.166	07/06/2023	100,000	99,929
Antalis SA		0.000		5.447	07/06/2023	7,000	6,995
Gotham Funding Corporation		0.000		5.311	07/06/2023	50,000	49,964
MUFG Bank LTD/NY		0.000		5.074	07/06/2023	100,000	99,931
NRW Bank		0.000		5.100	07/06/2023	54,000	53,962
Skandinav Enskilda Bank		5.390	F	5.390	07/06/2023	22,000	22,000
Barton Capital Corporation		0.000		5.345	07/07/2023	30,000	29,974
Bennington Stark Capital		0.000		5.176	07/07/2023	45,727	45,688
Chariot Funding LLC		0.000		5.321	07/07/2023	50,000	49,956
Great Bear Funding LLC		0.000		5.166	07/07/2023	45,000	44,962
Versailles		0.000		5.510	07/07/2023	25,000	24,977
Federation Des Caisses		0.000		5.151	07/07/2023	23,000	22,981
NRW Bank		0.000		5.100	07/07/2023	90,000	89,925
Barton Capital Corporation		0.000		5.318	07/10/2023	25,000	24,967
Versailles		0.000		5.290	07/10/2023	50,000	49,935
Chariot Funding LLC		5.380	F	5.380	07/10/2023	25,000	25,000
Cabot Trail Funding LLC		0.000		5.290	07/11/2023	50,000	49,928
Manhattan Asset Funding		0.000		5.314	07/11/2023	50,000	49,927
BNG Bank NV		0.000		5.151	07/11/2023	75,000	74,894
Gotham Funding Corporation		0.000		5.320	07/12/2023	25,000	24,960
Sheffield Receivables		0.000		5.301	07/13/2023	16,000	15,972
Atlantic Asset Securities Corporation		0.000		5.363	07/14/2023	15,000	14,971
Barton Capital Corporation		0.000		5.338	07/14/2023	50,000	49,905
Victory Receivables Corporation		0.000		5.355	07/14/2023	35,000	34,933
United Overseas Bank		0.000		5.302	07/14/2023	45,000	44,915
National Australia Bank		5.510	F	5.510	07/14/2023	23,000	23,000
Mizuho		0.000		5.344	07/17/2023	25,000	24,942
Chariot Funding LLC		0.000		5.135	07/18/2023	10,000	9,976
Anglesea Funding		0.000		5.101	07/19/2023	21,000	20,947
Thunder Bay Funding		0.000		5.201	07/19/2023	20,000	19,949
Albion Capital Corporation		0.000		5.326	07/20/2023	39,127	39,019
LMA Americas LLC		0.000		5.347	07/20/2023	8,000	7,978
Sheffield Receivables		0.000		5.368	07/20/2023	25,000	24,927

(Continued on Next Page)

F – Floating rate note security.

* Fair value is determined by a third party pricing service and reported in accordance with GAAP. Fair value is not determined for loans. Their reported fair value equals amortized cost.

** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Versailles		0.000	5.467	07/20/2023	40,000	39,886	39,885
Longship Funding LLC		0.000	5.312	07/21/2023	65,000	64,811	64,806
Anglesea Funding		0.000	5.108	07/24/2023	15,000	14,952	14,948
Gotham Funding Corporation		0.000	5.352	07/24/2023	21,000	20,929	20,927
Thunder Bay Funding		0.000	5.157	07/24/2023	50,000	49,838	48,760
Victory Receivables Corporation		0.000	5.352	07/24/2023	21,000	20,929	20,927
BMW US Capital LLC		0.000	5.232	07/24/2023	25,000	24,918	24,915
Gotham Funding Corporation		0.000	5.352	07/25/2023	35,000	34,877	34,874
Victory Receivables Corporation		0.000	5.352	07/26/2023	15,000	14,945	14,944
Albion Capital Corporation		0.000	5.457	07/27/2023	25,000	24,903	24,902
Liberty Street Funding LLC		0.000	5.342	07/27/2023	50,000	49,810	49,805
Mizuho		0.000	5.369	07/27/2023	23,000	22,912	22,911
BNG Bank NV		0.000	5.193	07/28/2023	75,000	74,713	74,700
Barton Capital Corporation		0.000	5.483	07/31/2023	25,000	24,888	24,887
Gotham Funding Corporation		0.000	5.364	07/31/2023	22,000	21,903	21,901
Societe Generale		0.000	5.484	07/31/2023	25,000	24,888	24,891
Antalis SA		0.000	5.487	08/01/2023	48,100	47,877	47,875
Thunder Bay Funding		0.000	5.351	08/01/2023	50,000	49,774	49,769
Credit Agricole CIB NY		0.000	5.447	08/01/2023	50,000	49,770	49,776
Liberty Street Funding LLC		0.000	5.359	08/02/2023	13,500	13,437	13,435
Sheffield Receivables		0.000	5.404	08/02/2023	35,000	34,835	34,830
Versailles		5.300	F 5.300	08/02/2023	16,000	16,000	16,000
MUFG Bank LTD/NY		0.000	5.391	08/02/2023	39,955	39,767	39,767
LMA Americas LLC		0.000	5.088	08/03/2023	9,000	8,959	8,955
Matchpoint Finance PLC		0.000	5.383	08/03/2023	100,000	99,516	99,506
Canadian Imperial Bank		5.800	F 5.800	08/03/2023	21,000	21,000	21,000
Barton Capital Corporation		0.000	5.524	08/04/2023	40,000	39,795	39,795
Antalis SA		0.000	5.446	08/07/2023	25,000	24,863	24,861
Chariot Funding LLC		0.000	5.422	08/07/2023	35,000	34,809	34,806
Sheffield Receivables		0.000	5.403	08/07/2023	50,000	49,728	49,719
DBS Bank LTD		0.000	5.104	08/07/2023	11,000	10,943	10,940
Jupiter Securitization Company LLC		0.000	5.437	08/08/2023	25,000	24,859	24,858
LMA Americas LLC		0.000	5.398	08/08/2023	50,900	50,616	50,607
Lloyds Bank PLC		0.000	5.179	08/08/2023	23,000	22,877	22,870
Barclays Bank PLC		0.000	5.451	08/09/2023	100,000	99,421	99,420
DBS Bank LTD		0.000	5.126	08/09/2023	15,000	14,918	14,914
Podium Funding Trust		0.000	5.425	08/10/2023	50,000	49,705	49,696
Manhattan Asset Funding		0.000	5.373	08/14/2023	50,000	49,678	49,671
Bedford Row Funding Corporation		0.000	5.105	08/15/2023	25,000	24,844	24,831
Cabot Trail Funding LLC		0.000	5.441	08/17/2023	24,000	23,833	23,830
Collateralized Flex Company LLC		5.260	F 5.260	08/17/2023	10,000	10,000	10,000
Barton Capital Corporation		0.000	5.404	08/18/2023	45,000	44,682	44,663
United Overseas Bank		0.000	5.430	08/18/2023	24,000	23,830	23,829
Old Line Funding Corporation		0.000	5.128	08/21/2023	25,000	24,822	24,807
Collateralized Flex Company LLC		5.310	F 5.310	08/22/2023	30,000	30,000	30,000
Bank of Nova Scotia		5.750	F 5.750	08/22/2023	22,000	22,000	22,000
Royal Bank of Canada		0.000	4.064	08/23/2023	20,000	19,883	19,843
Versailles		0.000	5.523	08/25/2023	75,000	74,381	74,378
Westpac Banking Corporation		5.730	F 5.730	08/28/2023	20,000	20,000	20,016
Royal Bank of Canada		5.640	F 5.640	09/01/2023	25,000	25,000	25,016
Liberty Street Funding LLC		0.000	5.560	09/07/2023	8,000	7,918	7,917
Oversea-Chinese Banking		0.000	5.562	09/07/2023	50,000	49,487	49,502
Sumitomo Mitsui Trust NY		0.000	5.605	09/07/2023	25,000	24,742	24,744
Victory Receivables Corporation		0.000	5.561	09/08/2023	16,000	15,834	15,832
Sumitomo Mitsui Trust NY		0.000	5.605	09/08/2023	50,000	49,476	49,481
Canadian Imperial Bank		5.620	F 5.620	09/11/2023	20,000	20,000	20,020
Sumitomo Mitsui Trust NY		0.000	5.619	09/12/2023	35,000	34,611	34,614

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Cancara Asset Securitization LLC		0.000	5.552	09/14/2023	30,000	29,662	29,658
Starbird Funding Corporation		0.000	5.550	09/14/2023	18,000	17,797	17,795
Collateralized Flex Company LLC		5.280	F 5.280	09/15/2023	5,000	5,000	5,000
Australia & New Zealand Bank		5.620	F 5.620	09/15/2023	23,000	23,000	23,016
LMA Americas LLC		0.000	5.580	09/18/2023	5,000	4,940	4,939
Sheffield Receivables		5.350	F 5.350	09/18/2023	50,000	50,000	50,000
Gotham Funding Corporation		0.000	5.560	09/19/2023	16,000	15,807	15,804
Victory Receivables Corporation		0.000	5.571	09/19/2023	6,000	5,928	5,926
Sheffield Receivables		5.380	F 5.380	09/20/2023	25,000	25,000	25,000
Cabot Trail Funding LLC		0.000	5.551	09/21/2023	16,000	15,803	15,797
Chariot Funding LLC		0.000	5.557	09/21/2023	50,000	49,383	49,373
Jupiter Securitization Company LLC		0.000	5.625	09/21/2023	30,000	29,626	29,624
Liberty Street Funding LLC		0.000	5.541	09/21/2023	10,000	9,877	9,874
Manhattan Asset Funding		0.000	5.561	09/21/2023	24,000	23,704	23,698
Gotham Funding Corporation		0.000	5.562	09/22/2023	8,000	7,900	7,898
Jupiter Securitization Company LLC		0.000	5.622	09/22/2023	50,000	49,369	49,365
Barclays US CCP		0.000	5.606	09/25/2023	25,000	24,674	24,666
LMA Americas LLC		0.000	5.576	09/25/2023	8,000	7,896	7,894
Old Line Funding LLC		5.440	F 5.440	09/25/2023	16,000	16,000	16,000
Svenska Handelbanken AB		5.480	F 5.480	09/25/2023	100,000	100,000	100,000
Collateralized Flex Company LLC		5.260	F 5.260	10/03/2023	60,000	60,000	60,000
Royal Bank of Canada		5.560	F 5.560	10/03/2023	22,000	22,000	22,022
Mizuho		0.000	5.625	10/04/2023	25,000	24,639	24,634
Bank of Montreal		5.560	F 5.560	10/04/2023	22,000	22,000	22,013
Collateralized Flex Company LLC		5.260	F 5.318	10/05/2023	75,000	75,000	74,981
Sumitomo Mitsui Bank NY		5.560	F 5.560	10/05/2023	24,000	24,000	24,011
Australia & New Zealand Bank		5.460	F 5.460	10/10/2023	22,000	22,000	22,000
Oversea Chinese Banking Corporation		5.240	F 5.240	10/11/2023	23,000	23,000	23,000
Bank of Montreal		5.015	5.015	10/11/2023	30,000	30,000	30,000
Collateralized Flex Company LLC		5.570	F 5.636	10/12/2023	21,000	21,000	21,000
DBS Bank LTD		0.000	5.469	10/12/2023	22,000	21,666	21,655
National Australia Bank		5.470	F 5.470	10/13/2023	24,000	24,000	24,012
Fairway Finance Corporation		5.470	F 5.470	10/19/2023	8,000	8,000	8,000
Bedford Row Funding Corporation		5.470	F 5.470	10/30/2023	10,000	10,000	10,000
Royal Bank of Canada		0.000	5.523	10/31/2023	10,000	9,819	9,814
Skandinaviska Enskilda Bank		0.000	5.583	11/02/2023	27,000	26,497	26,495
Collateralized Flex Company LLC		5.420	F 5.482	11/06/2023	26,000	26,000	26,000
Old Line Funding LLC		5.410	F 5.410	11/06/2023	12,000	12,000	12,000
Thunder Bay Funding LLC		5.410	F 5.410	11/06/2023	8,000	8,000	8,000
Toronto Dominion Bank		5.560	F 5.602	11/06/2023	24,000	24,000	24,000
Bank of Nova Scotia		5.560	F 5.560	11/06/2023	24,000	24,000	24,000
Podium Funding Trust		5.550	F 5.550	11/09/2023	16,000	16,000	16,000
Export Development Canada		0.000	5.228	11/09/2023	10,000	9,816	9,806
Thunder Bay Funding LLC		5.580	F 5.580	11/13/2023	50,000	50,000	50,000
Old Line Funding LLC		5.580	F 5.580	11/14/2023	14,000	14,000	14,007
Swedbank AB		5.260	F 5.260	11/14/2023	22,000	22,000	22,000
National Australia Bank		5.260	F 5.260	11/16/2023	69,000	69,000	69,000
Svenska Handelbanken AB		5.260	F 5.260	11/17/2023	23,000	23,000	23,000
Collateralized Flex Company LLC		0.000	5.694	11/27/2023	50,000	48,864	48,844
Australia & New Zealand Bank		5.240	F 5.240	12/01/2023	35,000	35,000	34,981
Podium Funding Trust		0.000	5.822	12/05/2023	15,000	14,634	14,627
Citigroup Global Markets		0.000	5.782	12/06/2023	50,000	48,779	48,762
Toronto Dominion Bank		5.270	F 5.270	12/06/2023	23,000	23,000	22,984
Collateralized Flex Company LLC		5.520	F 5.584	12/07/2023	25,000	25,000	25,000
Sumitomo Mitsui Bank NY		5.510	F 5.510	12/07/2023	24,000	24,000	24,002
Svenska Handelbanken AB		5.240	F 5.240	12/07/2023	20,000	20,000	20,000
Old Line Funding LLC		5.460	F 5.460	12/08/2023	25,000	25,000	25,000

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>	
Old Line Funding LLC		5.460	F	5.460	12/11/2023	10,000	10,000	10,000
Toyota Credit Puerto Rico		5.460	F	5.460	12/11/2023	25,000	25,000	25,000
Thunder Bay Funding		0.000		5.789	12/18/2023	8,000	7,790	7,777
Sumitomo Mitsui Bank NY		5.310	F	5.310	12/22/2023	25,000	25,000	24,996
Bank of Nova Scotia		5.710	F	5.710	12/27/2023	10,000	10,000	10,011
Old Line Funding LLC		5.500	F	5.500	01/04/2024	20,000	20,000	20,000
Old Line Funding LLC		5.520	F	5.520	01/09/2024	7,000	7,000	7,000
Thunder Bay Funding LLC		5.520	F	5.520	01/09/2024	13,000	13,000	13,000
Thunder Bay Funding LLC		5.520	F	5.520	01/11/2024	18,000	18,000	18,000
Commonwealth Bank of Australia		5.570	F	5.570	01/16/2024	14,000	14,000	14,000
National Australia Bank		5.450	F	5.450	01/22/2024	24,000	24,000	24,000
Bank of Nova Scotia		5.500	F	5.500	01/23/2024	25,000	25,000	25,001
Toronto Dominion Bank		5.350		5.350	02/06/2024	10,000	10,000	10,000
National Australia Bank		5.540	F	5.540	02/16/2024	15,000	15,000	15,000
Westpac Banking Corporation		5.290	F	5.290	02/23/2024	20,000	20,000	20,000
Old Line Funding LLC		5.310	F	5.310	02/28/2024	50,000	50,000	49,935
National Bank of Canada		5.310	F	5.310	03/06/2024	50,000	50,000	49,920
Swedbank AB		5.590	F	5.606	03/15/2024	24,000	24,000	24,000
Royal Bank of Canada		0.000		5.527	03/20/2024	20,000	19,228	19,170
Royal Bank of Canada		5.760	F	5.760	03/27/2024	20,000	20,000	20,000
Canadian Imperial Bank		5.760	F	5.760	03/27/2024	25,000	25,000	25,000
Commonwealth Bank of Australia		5.560	F	5.560	03/28/2024	29,000	29,000	29,011
Canadian Imperial Bank		5.710	F	5.710	04/11/2024	35,000	35,000	35,000
Bank of Montreal		5.740	F	5.740	04/12/2024	25,000	25,000	25,000
Canadian Imperial Bank		0.000		5.560	04/18/2024	20,000	19,140	19,077
Australia & New Zealand Bank		5.610	F	5.651	04/22/2024	24,000	24,000	24,000
Bank of Montreal		5.660	F	5.660	05/03/2024	40,000	40,000	40,000
Royal Bank of Canada		5.660	F	5.660	05/07/2024	35,000	35,000	35,000
Bank of Nova Scotia		5.660	F	5.660	05/08/2024	15,000	15,000	15,000
Bank of Montreal		5.660	F	5.660	05/09/2024	25,000	25,000	25,000
Toronto Dominion Bank		0.000		5.799	05/16/2024	25,000	23,776	23,736
Total Commercial Paper	69.0%						6,804,022	6,802,063
<i>Negotiable Certificates of Deposit</i>								
KBC Bank NV		5.120		5.120	07/03/2023	50,000	50,000	50,001
KBC Bank NV		5.060		5.060	07/05/2023	50,000	50,000	50,000
KBC Bank NV		5.060		5.060	07/06/2023	100,000	100,000	100,000
Sumitomo Mitsui Trust NY		5.050		5.050	07/07/2023	80,000	80,000	80,000
KBC Bank NV		5.150		5.150	07/10/2023	50,000	50,000	50,001
Oversea Chinese Banking Corporation		5.320	F	5.320	07/13/2023	24,000	24,000	24,001
Sumitomo Mitsui Trust NY		5.360	F	5.360	07/13/2023	25,000	25,000	25,002
Mizuho Bank LTD		5.370	F	5.370	07/14/2023	24,000	24,000	24,002
KBC Bank NV		5.140		5.140	07/17/2023	50,000	50,000	50,001
Toronto Dominion Bank		4.070		4.070	07/18/2023	20,000	20,000	19,988
Mizuho Bank LTD		5.440	F	5.503	07/27/2023	25,000	25,000	25,005
Mizuho Bank LTD		5.430	F	5.430	07/28/2023	23,000	23,000	23,004
Credit Agricole		5.390		5.390	08/02/2023	100,000	100,000	100,024
Nordea Bank		5.390	F	5.390	08/09/2023	22,000	22,000	22,004
Sumitomo Mitsui Bank NY		5.270	F	5.270	08/16/2023	23,000	23,000	23,000
Mizuho Bank LTD		5.390		5.390	08/18/2023	50,000	50,000	50,012
Sumitomo Mitsui Trust NY		5.320		5.320	08/21/2023	50,000	50,000	50,000
Mizuho Bank LTD		5.420		5.420	09/01/2023	50,000	50,000	50,014
Mizuho Bank LTD		5.240	F	5.240	09/05/2023	23,000	23,000	22,998
Canadian Imperial Bank		5.620	F	5.620	09/06/2023	34,000	34,000	34,032
MUFG Bank		5.550		5.550	09/12/2023	30,000	30,000	30,005
Mizuho Bank LTD		5.400	F	5.392	09/12/2023	25,000	25,000	25,005

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Sumitomo Mitsui Trust NY		5.550	5.550	09/14/2023	50,000	50,000	50,010
Toronto Dominion Bank		5.000	5.000	09/26/2023	30,000	30,000	29,953
Sumitomo Mitsui Trust NY		5.550	5.550	09/26/2023	50,000	50,000	50,005
Nordea Bank		5.480	F 5.480	09/26/2023	90,000	90,000	90,034
Oversea Chinese Banking Corporation		5.510	F 5.510	09/29/2023	25,000	25,000	25,011
Svenska Handelsbanken AB		5.510	F 5.510	10/02/2023	25,000	25,000	25,015
Canadian Imperial Bank		5.460	F 5.460	10/12/2023	22,000	22,000	22,016
Svenska Handelsbanken AB		5.460	F 5.460	10/13/2023	24,000	24,000	24,012
Swedbank		5.480	F 5.480	10/16/2023	23,000	23,000	23,010
Bank of Nova Scotia		5.660	F 5.660	10/23/2023	40,000	40,000	40,040
Nordea Bank		5.390	F 5.390	10/26/2023	25,000	25,000	25,001
Oversea Chinese Banking Corporation		5.410	F 5.410	11/07/2023	23,000	23,000	23,000
Bank of Nova Scotia		5.400	F 5.400	11/10/2023	20,000	20,000	20,003
Nordea Bank		5.500	F 5.500	11/10/2023	23,000	22,999	23,009
DZ Bank		5.400	5.400	11/17/2023	45,000	45,000	44,965
DNB Nor Bank ASA		5.450	5.450	11/22/2023	40,000	40,000	39,973
Bank of Montreal		5.810	F 5.810	12/05/2023	40,000	40,000	40,067
Canadian Imperial Bank		5.860	F 5.860	12/11/2023	25,000	25,000	25,050
Bank of Montreal		5.820	F 5.820	01/05/2024	20,000	20,000	20,036
Bank of Montreal		5.470	5.470	01/08/2024	10,000	10,000	9,980
Westpac Banking Corporation		5.580	F 5.580	01/11/2024	22,000	22,000	22,018
Toronto Dominion Bank		5.250	5.250	01/25/2024	50,000	50,000	49,816
Bank of America, NA		5.440	5.440	02/07/2024	25,000	25,000	24,922
Bank of Nova Scotia		5.370	F 5.370	03/01/2024	25,000	25,000	24,965
Canadian Imperial Bank		5.310	F 5.310	03/06/2024	50,000	50,000	49,920
Nordea Bank		5.570	F 5.570	03/22/2024	25,000	25,000	25,002
Toronto Dominion Bank		5.660	F 5.660	04/29/2024	35,000	35,000	35,000
Bank of America, NA		5.800	5.800	05/28/2024	40,000	40,000	40,000
Bank of America, NA		5.800	5.800	06/07/2024	15,000	15,000	14,974
Canadian Imperial Bank		5.800	5.800	06/13/2024	25,000	25,000	24,949
Bank of America, NA		5.830	5.830	06/17/2024	25,000	10,000	10,000
Toronto Dominion Bank		6.050	6.050	07/03/2024	50,000	50,001	50,000
Total Negotiable Certificates of Deposit	19.8%					1,950,000	1,949,855
Repurchase Agreements							
Bank of America Securities		5.050	5.050	07/03/2023	199,000	199,000	199,000
Natixis Financial		5.050	5.050	07/03/2023	313,000	313,000	313,000
Bank of America Securities		5.060	5.060	07/03/2023	322,500	322,500	322,500
Total Repurchase Agreements	8.5%					834,500	834,500
Money Market Funds							
Federated		5.198	**		216,993	217,022	216,949
Dreyfus Liquidity		4.996	**		3,585	3,585	3,585
Cash					-	-	-
Total Money Market Funds	2.2%					220,607	220,534
Total Money Market Pool	100.0%					\$ 9,859,129	\$ 9,856,945

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U.S. Treasury Notes</i>							
United States Treasury		5.286 % F	5.340 %	07/31/2024	3,000	\$ 2,998	\$ 3,000
United States Treasury		5.389 F	5.469	10/31/2024	3,000	2,997	3,003
United States Treasury		5.449 F	5.428	01/31/2025	6,000	6,002	6,010
Total U. S. Treasury Notes	3.2%					11,997	12,013
<i>U.S. Treasury Bills</i>							
United States Treasury		0.000	5.322	09/28/2023	4,000	3,949	3,950
Total U. S. Treasury Bills	1.1%					3,949	3,950
<i>U. S. Government Agency Bonds and Notes</i>							
Federal Farm Credit Bank		5.078 F	5.109	07/13/2023	1,500	1,500	1,500
Federal Home Loan Bank		5.110 F	5.110	07/18/2023	4,000	4,000	4,000
Federal Home Loan Bank		5.120 F	5.120	08/01/2023	1,500	1,500	1,500
Federal Farm Credit Bank		5.085 F	5.085	08/04/2023	1,000	1,000	1,000
Federal Farm Credit Bank		5.085 F	5.085	08/10/2023	500	500	500
Federal Home Loan Bank		5.170 F	5.170	08/18/2023	1,000	1,000	1,000
Federal Farm Credit Bank		5.170 F	5.170	08/21/2023	1,000	1,000	1,000
Federal Farm Credit Bank		5.110 F	5.110	08/22/2023	500	500	500
Federal Farm Credit Bank		5.085 F	5.085	08/28/2023	1,000	1,000	1,000
Federal Home Loan Bank		5.180 F	5.180	09/06/2023	3,000	3,000	3,001
Federal Home Loan Bank		5.130 F	5.130	09/25/2023	1,000	1,000	1,000
Federal Farm Credit Bank		5.115 F	5.115	09/27/2023	500	500	500
Federal Home Loan Bank		5.130 F	5.130	10/03/2023	1,500	1,500	1,500
Federal Farm Credit Bank		5.085 F	5.085	10/27/2023	1,000	1,000	1,000
Federal Home Loan Bank		5.130 F	5.130	11/27/2023	1,500	1,500	1,501
Federal Farm Credit Bank		5.085 F	5.145	11/30/2023	1,500	1,500	1,499
Federal Farm Credit Bank		5.120 F	5.120	12/13/2023	500	500	500
Federal Home Loan Bank		5.140 F	5.140	01/24/2024	1,000	1,000	1,000
Federal Farm Credit Bank		5.105 F	5.105	03/01/2024	1,000	1,000	999
Federal Home Loan Bank		5.160 F	5.160	03/28/2024	2,000	2,000	2,000
Federal Farm Credit Bank		5.135 F	5.135	04/18/2024	1,500	1,500	1,499
Federal Home Loan Bank		5.115 F	5.115	05/03/2024	1,500	1,500	1,499
Federal Farm Credit Bank		5.110 F	5.110	05/09/2024	1,000	1,000	999
Federal Farm Credit Bank		5.160 F	5.160	08/08/2024	500	500	500
Federal Farm Credit Bank		5.160 F	5.160	08/26/2024	1,000	1,000	1,000
Federal Farm Credit Bank		5.150 F	5.150	08/26/2024	1,000	1,000	999
Federal Farm Credit Bank		5.195 F	5.195	09/05/2024	1,500	1,500	1,500
Federal Farm Credit Bank		5.165 F	5.165	10/04/2024	1,000	1,000	999
Federal Farm Credit Bank		5.200 F	5.194	10/10/2024	1,500	1,500	1,500
Federal Farm Credit Bank		5.260 F	5.260	12/05/2024	1,000	1,000	1,000
Federal Farm Credit Bank		5.210 F	5.210	01/03/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.240 F	5.240	01/17/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.230 F	5.230	01/23/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.220 F	5.220	01/30/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.225 F	5.225	02/06/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.210 F	5.210	02/14/2025	1,500	1,500	1,500
Federal Farm Credit Bank		5.190 F	5.190	02/28/2025	1,500	1,500	1,500

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL (Continued)								
<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>	
Federal Farm Credit Bank		5.190	F	5.190	03/10/2025	1,500	1,500	1,500
Federal Farm Credit Bank		5.180	F	5.180	05/01/2025	1,500	1,500	1,498
Federal Farm Credit Bank		5.220	F	5.220	05/15/2025	500	500	500
Total U. S. Government Agency Bonds and Notes	13.2%						49,500	49,493
<i>U.S. Agency Discount Notes</i>								
Federal Home Loan Bank		0.000		4.872	07/05/2023	30,000	29,984	29,992
Federal Home Loan Mortgage Corporation		0.000		5.089	07/05/2023	15,000	14,992	14,996
Federal National Mortgage Association		0.000		4.937	07/05/2023	5,000	4,997	4,999
Federal Home Loan Mortgage Corporation		0.000		5.045	07/10/2023	30,000	29,963	29,972
Federal Home Loan Bank		0.000		5.123	07/26/2023	1,000	997	997
Federal Home Loan Bank		0.000		4.914	08/02/2023	1,000	996	996
Federal Home Loan Bank		0.000		4.896	08/04/2023	1,500	1,493	1,494
Federal Home Loan Bank		0.000		5.181	08/14/2023	14,000	13,913	13,920
Federal Home Loan Bank		0.000		5.131	08/25/2023	3,000	2,977	2,979
Federal Home Loan Bank		0.000		5.238	09/19/2023	30,000	29,659	29,681
Federal Home Loan Bank		0.000		5.238	09/20/2023	16,000	15,816	15,828
Federal Farm Credit Bank		0.000		4.828	09/25/2023	1,000	988	988
Total U.S. Agency Discount Notes	39.1%						146,775	146,842
<i>Repurchase Agreements</i>								
Goldman, Sachs & Company		5.030		5.030	07/03/2023	85,000	85,000	85,000
Bank of America Securities		5.060		5.060	07/03/2023	77,500	77,500	77,500
Total Repurchase Agreements	43.3%						162,500	162,500
<i>Money Market Funds</i>								
Dreyfus Government Cash Management		4.996	**			257	257	257
Total Money Market Funds	0.1%						257	257
Total Government Money Market Pool	100.0%						\$ 374,978	\$ 375,055

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Treasury Notes and Bonds</i>							
United States Treasury		1.125 %	2.208 %	01/15/2025	9,380	\$ 9,227	\$ 8,821
United States Treasury		2.750	3.059	05/15/2025	44,450	44,202	42,695
United States Treasury		3.000	4.074	07/15/2025	72,319	70,814	69,701
United States Treasury		0.375	3.900	01/31/2026	13,170	12,040	11,824
United States Treasury		3.625	4.374	05/15/2026	7,000	6,860	6,829
Total U. S. Treasury Notes and Bonds	20.0%					143,143	139,870
<i>U. S. Government Agency Bonds and Notes</i>							
Federal Home Loan Bank		1.200	1.200	12/30/2024	2,500	2,500	2,351
Total U. S. Government Agency Bonds and Notes	0.3%					2,500	2,351
<i>U.S. Agency Collateralized Mortgage Obligations</i>							
Government National Mortgage Association		4.000	2.366	09/16/2026	520	533	515
Federal Home Loan Mortgage Corporation		5.793	F 5.831	08/15/2030	32	32	32
Federal Home Loan Mortgage Corporation		5.693	F 5.842	09/15/2030	14	14	14
Federal Home Loan Mortgage Corporation		5.593	F 5.657	07/15/2031	19	19	19
Federal Home Loan Mortgage Corporation		5.643	F 5.703	12/15/2031	39	39	39
Federal Home Loan Mortgage Corporation		5.593	F 5.652	01/15/2033	64	64	64
Federal National Mortgage Association		5.400	F 5.789	03/25/2036	404	404	404
Federal National Mortgage Association		1.750	1.777	08/25/2042	303	302	292
Government National Mortgage Association		5.548	F 5.697	12/20/2060	831	824	826
Government National Mortgage Association		5.648	F 5.702	12/20/2060	1,027	1,029	1,021
Government National Mortgage Association		5.748	F 5.765	02/20/2061	757	761	754
Government National Mortgage Association		5.648	F 5.702	06/20/2062	506	507	504
Government National Mortgage Association		5.668	F 5.714	08/20/2062	333	334	331
Government National Mortgage Association		5.488	F 5.596	12/20/2062	390	388	387
Government National Mortgage Association		5.548	F 5.633	03/20/2063	761	760	756
Government National Mortgage Association		5.598	F 5.666	04/20/2063	572	572	568
Government National Mortgage Association		5.848	F 5.848	08/20/2063	666	672	665
Government National Mortgage Association		5.548	F 5.644	04/20/2065	968	964	961
Total U.S. Agency Collateralized Mortgage Obligations	1.2%					8,218	8,152
<i>Corporate Fixed-Rate Bonds and Notes</i>							
Amazon.com Inc		1.000	0.000	05/12/2023	5,380	5,380	4,837
Microchip Technology Inc		0.972	0.972	02/15/2024	3,700	3,700	3,585
Element Fleet Management		1.600	1.637	04/06/2024	3,520	3,519	3,394
Owl Rock Capital Corporation		5.250	2.310	04/15/2024	5,600	5,728	5,526
Security Benefit GL Fund		1.250	1.218	05/17/2024	5,925	5,927	5,617
Hormel Foods Corporation		0.650	0.592	06/03/2024	6,000	6,003	5,738
NRG Energy Inc		3.750	1.249	06/15/2024	1,499	1,534	1,449
Athene Global Funding		2.750	1.619	06/25/2024	6,200	6,268	5,963
Bristol-Myers Squibb Company		2.900	2.021	07/26/2024	6,649	6,710	6,475
Bat Capital Corporation		3.222	1.226	08/15/2024	5,325	5,443	5,168
GA Global Funding Trust		0.800	0.868	09/13/2024	5,490	5,486	5,108
Blackstone Private Credit Fund		1.750	1.826	09/15/2024	4,275	4,271	4,012
F&G Global Funding		0.900	0.907	09/20/2024	4,500	4,500	4,184
ERAC USA Finance LLC		3.850	0.984	11/15/2024	5,000	5,195	4,870
DBS Group Holdings LTD		1.169	1.169	11/22/2024	6,250	6,250	5,892
Retail Opportunity Inc		4.000	1.730	12/15/2024	5,717	5,903	5,476
CNO Global Funding		1.650	1.672	01/06/2025	2,850	2,849	2,648
Standard Chartered PLC		0.991	0.944	01/12/2025	5,650	5,654	5,476

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
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(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Nextera Energy Capital		6.051	5.901	03/01/2025	2,045	2,049	2,053
Warner Media Holdings		3.638	3.638	03/15/2025	6,100	6,100	5,885
Sprint Spectrum		4.738	3.030	03/20/2025	1,735	1,784	1,712
Sempra Energy		3.300	3.362	04/01/2025	4,650	4,645	4,459
Swedbank AB		3.356	3.356	04/04/2025	5,550	5,550	5,304
Daimler Trucks Finan NA		3.500	3.539	04/07/2025	5,000	4,997	4,809
Citigroup Inc		3.352	1.548	04/24/2025	4,000	4,129	3,910
Korea East-West Power Company		3.600	3.752	05/06/2025	1,500	1,496	1,443
Vistra Operations Company LLC		5.125	5.195	05/13/2025	5,200	5,194	5,070
Huntington National Bank		4.008	4.008	05/16/2025	5,300	5,300	5,094
Wells Fargo & Company		0.805	3.734	05/19/2025	7,275	6,891	6,934
Nucor Corporation		3.950	3.973	05/23/2025	4,875	4,873	4,727
Citizens Bank NA/RI		4.119	7.174	05/23/2025	2,370	2,244	2,244
JP Morgan Chase & Company		0.969	0.909	06/23/2025	11,000	11,013	10,441
Mitsubishi UFJ Financial Group		0.953	0.953	07/19/2025	3,000	3,000	2,834
Duke Energy Progress LLC		3.250	2.263	08/15/2025	3,200	3,265	3,070
Danske Bank A/S		0.976	0.976	09/10/2025	4,200	4,200	3,919
Bank of America Corporation		0.981	0.969	09/25/2025	7,500	7,502	7,046
Morgan Stanley		1.164	1.164	10/21/2025	6,780	6,780	6,337
Fifth Third Bancorp		5.852	6.280	10/27/2025	3,000	2,973	2,922
Microsoft Corporation		3.125	4.473	11/03/2025	6,000	5,822	5,776
Oracle Corporation		5.800	5.848	11/10/2025	1,950	1,948	1,972
Novartis Capital Corporation		3.000	4.360	11/20/2025	5,450	5,284	5,213
National Securities Clearing		0.750	4.543	12/07/2025	5,850	5,344	5,220
Met Life Funding		5.000	4.963	01/06/2026	5,250	5,255	5,193
John Deere Capital Corporation		4.800	4.817	01/09/2026	6,000	5,998	5,978
Royal Bank of Canada		4.875	4.886	01/12/2026	7,000	6,998	6,923
Key Bank NA		4.700	4.698	01/26/2026	5,250	5,250	4,888
Reliance Stand Life II		5.243	5.243	02/02/2026	6,250	6,250	6,112
Philip Morris Intl Inc		4.875	4.985	02/13/2026	5,246	5,232	5,209
Pepsico Inc		4.550	4.571	02/13/2026	3,930	3,928	3,918
American Express		4.900	4.918	02/13/2026	5,225	5,223	5,171
Union Pacific Corporation		4.750	4.765	02/21/2026	2,395	2,394	2,378
Raytheon Tech Corporation		5.000	5.010	02/27/2026	1,472	1,472	1,470
Union Pacific Corporation		2.750	4.717	03/01/2026	2,755	2,620	2,604
Sprint		7.625	5.467	03/01/2026	3,350	3,527	3,479
Capital One Financial Corporation		2.636	2.636	03/03/2026	3,000	3,000	2,800
Sumitomo Mitsui Trust Bank		5.650	5.692	03/09/2026	5,325	5,320	5,344
Advance Auto Parts Inc		5.900	5.915	03/09/2026	5,773	5,771	5,709
HSBC Holdings PLC		2.999	2.999	03/10/2026	3,775	3,775	3,579
National Rural Utilities		4.450	4.473	03/13/2026	1,752	1,751	1,725
Occidental Petroleum Corporation		5.550	5.348	03/15/2026	3,550	3,567	3,505
Kenvue Inc		5.350	5.334	03/22/2026	5,450	5,451	5,492
Mercedes-Benz Finance		4.800	4.848	03/30/2026	5,300	5,293	5,246
Lowe's Corporation Inc		4.800	4.761	04/01/2026	5,275	5,280	5,223
General Motors Financial Company		5.400	5.438	04/06/2026	4,961	4,956	4,904
Shell International Finance		2.875	4.407	05/10/2026	5,450	5,227	5,191
Toyota Motor Credit Corporation		4.450	4.471	05/18/2026	3,800	3,798	3,744
FMC Corporation		5.150	5.158	05/18/2026	5,174	5,173	5,090
Pfizer Investment		4.450	4.492	05/19/2026	5,525	5,519	5,458
Penske Truck Leasing		5.750	5.756	05/24/2026	4,280	4,279	4,239
Southern Cal Edison		4.900	4.939	06/01/2026	3,520	3,516	3,470
Toronto Dominion Bank		1.200	4.508	06/03/2026	5,960	5,426	5,300
Svenska Handelsbanken AB		5.250	5.288	06/15/2026	4,800	4,795	4,751
Cargill Inc		4.500	4.563	06/24/2026	5,543	5,533	5,467
AIG Global Funding		5.750	0.033	07/02/2026	5,250	5,245	5,234
State Street Corporation		5.751	5.751	11/04/2026	5,600	5,600	5,631

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(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)							
<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
PNC Financial Services Group		4.758	4.725	01/26/2027	5,250	5,256	5,131
Bank of NY Mellon Corporation		4.947	4.926	04/26/2027	5,748	5,752	5,677
Total Corporate Fixed-Rate Bonds and Notes	50.7%					366,133	355,045
<i>Corporate Floating-Rate Bonds and Notes</i>							
Pacific Life GF II		5.490	F 5.490	01/27/2025	2,500	2,500	2,482
Macquarie Group LTD		5.800	F 5.800	10/14/2025	3,000	3,000	2,976
Verizon Communications		5.850	F 5.850	03/20/2026	3,000	3,000	3,004
Schwab Charles Corporation		5.610	F 5.610	05/13/2026	3,600	3,600	3,484
NatWest Markets PLC		5.820	F 5.820	09/29/2026	3,500	3,500	3,419
Total Corporate Floating-Rate Bonds and Notes	2.2%					15,600	15,365
<i>Commercial Mortgage-Backed Securities</i>							
COMM Mortgage Trust		4.236	3.471	02/10/2047	2,685	2,876	2,654
COMM Mortgage Trust		3.828	3.164	07/15/2047	3,147	3,373	3,071
Well Fargo Commercial Mortgage		3.405	2.688	12/15/2047	8,321	8,916	7,952
Total Commercial Mortgage-Backed Securities	1.9%					15,165	13,677
<i>Municipals</i>							
Virginia Public School Authority		0.550	0.550	08/01/2023	7,655	7,655	7,627
Massachusetts Water Resources		1.772	1.772	08/01/2023	3,445	3,445	3,436
Penn State University		1.353	1.353	09/01/2023	2,740	2,740	2,722
City of Dallas TX Waterworks		2.068	0.495	10/01/2023	2,775	2,786	2,752
County of Allegheny PA		0.694	0.694	11/01/2023	1,200	1,200	1,181
State of Oregon DOH		0.414	0.414	11/15/2023	1,235	1,235	1,212
Houston TX Utility System		1.746	1.746	11/15/2023	2,635	2,635	2,598
Metro Atlanta Rapid Transit		0.630	0.630	07/01/2024	1,355	1,355	1,289
State of Hawaii		0.802	0.802	10/01/2024	1,595	1,595	1,508
State of Oregon DOH		0.566	0.566	11/15/2024	1,250	1,250	1,172
Forsyth County School District		1.212	1.212	02/01/2025	2,755	2,755	2,585
University of California		3.063	4.570	07/01/2025	6,000	5,829	5,775
Massachusetts Commonwealth		3.670	4.267	07/15/2025	2,860	2,827	2,764
Sales Tax Secutization Corporation		4.558	4.558	01/01/2026	4,160	4,160	4,076
State of Connecticut		5.050	4.552	05/15/2026	2,430	2,462	2,436
Total Municipal Securities	6.1%					43,929	43,133
<i>Asset-Backed Securities</i>							
Great American Leasing Receivables		0.670	0.677	07/15/2025	3,650	3,650	3,489
AESOP		3.350	4.604	09/22/2025	1,847	1,822	1,792
Santander Consumer Auto Trust		0.330	0.335	10/15/2025	1,041	1,041	1,030
GM Financial Securitized		0.350	0.357	10/16/2025	2,078	2,078	2,026
Hertz Vehicle Financing LLC		1.210	1.130	12/26/2025	2,570	2,573	2,408
GM Financial Securitized		0.500	0.510	02/17/2026	3,000	3,000	2,840
Carvana Auto Receivables Trust		0.490	0.493	03/10/2026	1,862	1,862	1,812
CarMax Auto Owner Trust		0.630	0.631	06/15/2026	2,350	2,350	2,206
Discover Card Master Trust		4.930	5.300	06/15/2026	5,300	5,277	5,278
Hertz Vehicle Financing LLC		1.990	2.005	06/25/2026	1,000	1,000	928
Enterprise Fleet Financing		0.650	0.661	07/20/2026	3,418	3,417	3,268
Carvana Auto Receivables Trust		0.700	0.710	11/10/2026	5,004	5,004	4,764
Great American Leasing Receivables		0.550	0.554	12/15/2026	2,890	2,890	2,712

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Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
AmeriCredit Automobile Receivables		0.340	0.346	12/18/2026	1,997	1,997	1,954
Ally Auto Receivables Trust		4.760	4.805	05/17/2027	3,000	3,000	2,964
Mercedes Benz Auto Receivables		5.210	5.273	08/16/2027	7,000	6,999	6,967
Toyota Auto Receivables		4.630	4.672	09/15/2027	6,032	6,032	5,947
Discover Card Master Trust		5.030	5.086	10/15/2027	4,215	4,214	4,194
ARI Fleet Lease Trust		2.530	2.507	11/15/2027	4,538	4,541	4,481
Hertz Vehicle Financing LLC		1.680	6.876	12/27/2027	6,636	5,921	5,782
World Omni Auto Receivables		5.610	5.681	02/15/2028	7,000	6,999	7,007
Bank of America Credit Card		5.000	5.056	04/17/2028	4,215	4,214	4,194
OneMain Direct Auto Receivables		0.870	0.875	07/14/2028	8,250	8,249	7,791
Verizon Master Trust		4.490	4.538	01/22/2029	4,494	4,493	4,414
Wheels SPV LLC		0.620	0.616	08/20/2029	2,200	2,200	2,151
Enterprise Fleet Financing		5.420	5.489	10/22/2029	5,325	5,323	5,298
Ally Auto Receivables Trust		5.070	5.123	06/15/2031	1,400	1,400	1,394
OneMain Financial Issuance		3.840	3.212	05/14/2032	950	975	947
Chesapeake Funding II LLC		0.470	0.472	04/15/2033	1,504	1,503	1,461
Toyota Auto Loan Extended Trust		1.070	3.346	02/27/2034	7,774	6,932	6,942
OneMain Financial Issuance		5.940	6.014	05/15/2034	6,900	6,899	6,864
Total Asset Backed Securities	16.4%					117,855	115,305
Money Market Funds							
Dreyfus Government Cash Management		4.996 **			8,652	8,652	8,652
Total Money Market Funds	1.2%					8,652	8,652
Total Short Term Bond Pool	100.0%					\$ 721,195	\$ 701,550

WEST VIRGINIA BANK POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Money Market Funds							
Dreyfus Government Cash Management		4.996 **			65	\$ 65	\$ 65
Total Money Market Funds	100.0%					65	65
Total West Virginia Bank Pool	100.0%					\$ 65	\$ 65

(Continued on Next Page)

F – Floating rate note security.

* Fair value is determined by a third party pricing service and reported in accordance with GAAP. Fair value is not determined for loans. Their reported fair value equals amortized cost.

** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2023
(In thousands)

STATE LOAN POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Loans and Mortgages</i>							
WVEDA Broadband Loan		1.280 %			17,324	\$ 17,324	\$ 17,324
Total Intergovernmental Loans	99.6%					17,324	17,324
<i>Money Market Funds</i>							
Dreyfus Government Cash Management		4.996 **			69	69	69
Total Money Market Funds	0.4%					69	69
Total State Loan Pool	100.0%					\$ 17,393	\$ 17,393

SCHOOL FUND

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Money Market Funds</i>							
Dreyfus Government Cash Management		4.996 **			1,019	\$ 1,019	\$ 1,019
Total Money Market Funds	100.0%					1,019	1,019
Total School Fund	100.0%					\$ 1,019	\$ 1,019

EDA - AW

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Treasury Issues</i>							
United States Treasury Bond		6.250 %	4.929 %	08/15/2023	1,445	\$ 1,447	\$ 1,446
Total U. S. Treasury Issues	99.9%					1,447	1,446
<i>Money Market Funds</i>							
Dreyfus Government Cash Management		4.996 **			1	1	1
Total Money Market Funds	0.1%					1	1
Total EDA-AW	100.0%					\$ 1,448	\$ 1,447

F – Floating rate note security.

* Fair value is determined by a third party pricing service and reported in accordance with GAAP. Fair value is not determined for loans. Their reported fair value equals amortized cost.

** Rate represents last business day of the month.

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Other Financial Information

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSET VALUES (UNAUDITED)

JUNE 30, 2023

(IN THOUSANDS EXCEPT FOR INVESTMENT UNIT DATA)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool
Paid-in capital	\$ 9,878,275	\$ 375,407	\$ 721,120
Accumulated undistributed net investment income (loss)	-	-	-
Accumulated undistributed net realized gain (loss)	-	-	-
Unrealized net appreciation (depreciation) of investments	-	-	(19,643)
Net position at value	<u>\$ 9,878,275</u>	<u>\$ 375,407</u>	<u>\$ 701,477</u>
Investment unit data:			
Units outstanding	9,878,274,493	375,406,907	7,067,639
Net position, unit price	\$ 1.00	\$ 1.00	\$ 99.25

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PORTFOLIO STATISTICS (UNAUDITED)

JUNE 30, 2023

	<u>West Virginia Money Market</u>	<u>West Virginia Government Money Market</u>	<u>West Virginia Short Term Bond Pool</u>
Weighted Average Days to Maturity	29 days	17 days	N/A
Maximum Weighted Average Investment Maturity Term Per Board Guidelines	60 days	60 days	N/A
Effective Duration	N/A	N/A	609 days
Effective Duration Permissible Range Per Board Guidelines	N/A	N/A	470 to 873 day range
Money Market Yield - Monthly	5.28%	5.04%	N/A

The money market yield represents the rate of income, net of expenses, earned over the past month and is not intended to indicate future performance. The return is annualized over a 365-day year, assuming no reinvestment of earnings.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PARTICIPANT NET ASSET VALUES (UNAUDITED)

JUNE 30, 2023

(IN THOUSANDS)

WV Money Market Pool			
State Agencies:		Local Governments:	
WV State Treasurer's Office:		Cabell County Board of Education	152,597
State Participation	\$ 3,940,349	Jefferson County Board of Education	36,819
Banking Services	401,743	Mercer County Board of Education	29,571
Broadband Loan Guarantee	26,050	Wetzel County Board of Education	22,801
Unclaimed Prop Fund Invest	102,436	Putnam County Board of Education	36,274
Safekeeping	38,492	Hampshire County Board of Education	16,337
Roads to Prosperity	691	City of Charleston	38,341
Prepaid Tuition Trust	1,044	Marshall County Board of Education	44,507
College&Jumpstart Savings	3,781	Fayette County Board of Education	16,465
Safe Road Bonds	162	Mason County Board of Education	16,717
Veterans Lottery	3,858	Taylor County Board of Education	10,694
Savings & Investment Programs	1,332	Wood Co Board of Education	6,933
Total WV State Treasurer's Office	<u>4,519,938</u>	Tyler Co Board of Education	20,410
Department of Transportation	1,474,840	Berkeley County Board of Education	30,645
WV Economic Development Authority	1,166,838	Roane County Board of Education	2,185
Governor's Office	26,691	Kanawha Emergency Operations Center	7,965
Higher Education Policy Commission	273,180	Taylor County Commission General Fund	7,305
WV Housing Development Fund	116,648	Lincoln County Board of Education	8,499
Department of Commerce	113,062	Braxton County Board of Education	5,771
Department of Environmental Protection	266,381	Berkeley County PSWD	8,931
Public Employees Insurance Agency	108,214	Kanawha County Emergency Ambulance Authority	9,926
WV Lottery Commission	273,487	City of Weirton	4,571
Water Development Authority	512,160	Boone County Commission	3,865
Division of Natural Resources	92,892	Pleasants County Board of Education	6,184
School Board Authority	94,559	Clarksburg Water Board	7,802
WV Municipal Pension Oversight Board	26,067	Berkeley County PSSD	4,575
Regional Jail Authority	36,200	Whitehall PSD	1,391
West Virginia University	55,605	City of Dunbar	2,076
Board of Risk and Insurance Management	29,220	Greenbrier County Board of Education	1,509
Department of Health and Human Resources	24,051	Fayette County Commission	2,234
Insurance Commission	5,941	Lewis County Board of Education	1,083
WV State Auditor's Office	9,439	Ritchie County Board of Education	1,487
Department of Administration	10,351	Wyoming County Board of Education	1,151
Performance and wage bond accounts	18,796	Pleasants County Commission	1,092
Other	4,533	Jackson County Sheriff	1,783
Total State Agencies	<u>9,259,093</u>	North Beckley PSD	1,294
		Upshur Board of Education	3,135
		Mason County Commission	2,248
		Hinton General Fund	1,129
		Town of Barboursville	5,673
		Town of Ripley	5,526
		Putnam County Development Authority Park Funds	1,309
		Greenbrier County Farmland Protection Board	2,144
		Taylor County Commission - COAL	2,018
		Huntington Water Quality Sanitary Board	9,305
		Other	<u>14,905</u>
		Total Local Governments	619,182
		Total net asset value	<u>\$ 9,878,275</u>

WV Government Money Market Pool	
State Agencies:	
Municipal Bond Commission	\$ 193,337
WV State Treasurer's Office - SSBCI	18,451
Department of Environmental Protection	9,143
Other	14,768
Total State Agencies	<u>235,699</u>
Local Governments:	
Berkeley Co Bd of Ed Investment Account	129,470
Randolph Co Bd of Ed Investment Account	3,934
Upshur Co Bd of Ed Investment Account	3,593
Hancock County Commission	1,206
Other	1,505
Total Local Governments	<u>139,708</u>
Total net asset value	<u>\$ 375,407</u>

WV Short Term Bond Pool	
State Agencies:	
WV State Treasurer's Office:	
State Participation	\$ 314,678
Banking Services	184,400
Total WV State Treasurer's Office	<u>499,078</u>
Department of Environmental Protection	124,224
WV Economic Development Authority	19,097
WV Municipal Pension Oversight Board	9,798
Higher Education Policy Commission	6,339
WV Court of Claims	6,155
DHHR - Children's Health Insurance	3,717
WV Parkways Authority	3,575
Department of Transportation	2,344
Other	1,539
Total State Agencies	<u>675,866</u>
Local Governments:	
City of Charleston Pension Reserves	24,444
Other	1,167
Total Local Governments	<u>25,611</u>
Total net asset value	<u>\$ 701,477</u>

Glossary of Financial and Investment Terms

Agency Security - A security issued by a U.S. Government agency, such as the Federal Home Loan Bank. These securities have high credit ratings but are typically not backed by the full faith and credit of the U.S. Government.

Asset-Backed Commercial Paper (ABCP) - A form of commercial paper that is collateralized by other financial assets such as trade receivables, auto loans and credit cards. Similar to commercial paper, maturities range from one to 270 days.

Asset-Backed Security (ABS) - A financial security that is collateralized by a pool of assets such as loans, leases, credit card debt, royalties or receivables.

Banker's Acceptance - A high quality, short-term negotiable discount note drawn on and accepted by banks that are obligated to pay the face amount at maturity.

Basis Point - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield. One hundred basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% increased by 75 basis points.

Benchmark - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

Capital Gain (Loss) - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.

Certificate of Deposit (CD) - A debt instrument issued by banks, usually paying interest, with maturities ranging from seven days to several years.

Commercial Paper (CP) - Short-term obligations with maturities ranging from one to 270 days. They are issued by banks, corporations, and other borrowers to investors with temporarily idle cash.

Compounded Annual Total Return - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return smooths fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Consumer Price Index (CPI) - A measure of change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, electricity, etc.

Cumulative Rate of Return - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a \$100 investment grew to \$120 in a two-year period, the cumulative rate of return would be 20%.

Derivative - Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

Discount Rate - The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

Expense Ratio - The amount, expressed as a percentage of total investment, that shareholders pay for mutual fund operating expenses and management fees.

Federal Funds Rate - The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The federal funds rate is one of the most sensitive indicators of the direction of interest rates because it is set daily by the market.

Federal Open Market Committee (FOMC) - A committee within the Federal Reserve System that is responsible by law for overseeing the nation's open market operations (the Fed's buying and selling of securities in the market). The FOMC makes key decisions about interest rates and the growth of the United States money supply.

Federal Reserve Board - The governing body of the Federal Reserve System (twelve regional Federal banks monitoring the commercial and savings banks in their regions). The board establishes Federal Reserve System policies on such key matters as reserve requirements and other regulations, sets the discount rate, and tightens or loosens the availability of credit in the economy.

Floating Rate Note - Securities with a variable coupon rate that is adjusted at set intervals, such as daily, weekly, or monthly. The coupon rate is based on a benchmark interest rate, such as LIBOR, Fed Funds, and Treasury Bills plus or minus a spread.

Gross Domestic Product (GDP) - Total final value of goods and services produced in the United States over a particular period of time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

Index - A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. An index implicitly assumes cost-free transactions; some assume reinvestment of income. Examples: S&P Index, Lehman Brothers Aggregate Index, Russell 2000 Index.

Inflation - A measure of the rise in price of goods and services, as happens when spending increases relative to the supply of goods on the market, i.e. too much money chasing too few goods.

Investment Income - The equity dividends, bond interest, and/or cash interest paid on an investment.

London Interbank Offered Rate (LIBOR) - A benchmark interest rate that is calculated daily from estimates submitted by a panel of leading banks in London. Each bank estimates what interest rate it would be charged if it were to borrow from other banks. LIBOR rates are calculated in five currencies and for seven borrowing periods ranging from overnight to

one year. Most LIBOR settings will stop being issued at the end of 2021, with certain U.S. dollar settings continuing to be provided until the end of June 2023.

Maturity Date - The date on which the principal amount of a bond or other debt instrument becomes payable or due.

Money Market Fund (MMF) - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. MMF's are managed to maintain a net asset value of \$1 per share.

Mortgage-Backed Security (MBS) - A mortgage-backed security is a type of ABS that is secured by a mortgage or collection of mortgages. There are multiple sub-types of MBS, such as pass-through securities, collateralized mortgage obligations, and commercial mortgage-backed securities. MBS are classified as agency, or government, MBS and non-agency, or private label, MBS. Agency MBS are issued by government sponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae. Certain agency MBS are fully guaranteed as to repayment of principal and interest by the U.S. government. Non-agency MBS are issued by non-governmental issuers such as trusts and other special purpose entities.

Net Asset Value (NAV) - The total assets minus total liabilities, including any valuation gains or losses on investments or currencies, and any accrued income or expense.

Par Value - The stated or face value of a stock or bond. It has little significance for common stocks; however, for bonds it specifies the payment amount at maturity.

Principal - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.

Realized Gain (Loss) - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.

Repurchase Agreements (Repos) - An agreement to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. Repos are widely used as a money market instrument.

Reverse Repurchase Agreements (Reverse Repos) - An agreement to sell securities to an entity for a specified amount of cash and to repurchase the securities from the entity at an agreed upon price and time.

Secured Overnight Financing Rate (SOFR) - SOFR is a benchmark interest rate for dollar-denominated derivatives, loans and securities that is replacing LIBOR. SOFR is based on transactions in the Treasury repurchase market and is seen as preferable to LIBOR since it is based on data from observable transactions rather than on estimated borrowing rates.

Treasury Bill (T-Bill) - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

Treasury Bond or Note - Debt obligations of the Federal government that make semi-annual coupon payments and are sold at or near par value in denominations of \$1,000 or more.

Turnover - The minimum of security purchases or sales divided by the fiscal year's beginning and ending fair value for a given portfolio.

Unrealized Gain (Loss) - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

Volatility - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

Yield - The return on an investor's capital investment.

Yield Curve - A graphical representation of the interest rates on debt for a range of maturities. The shape of the yield curve refers to the relative difference, or spread, between longer-term and shorter-term interest rates. Yield curves are used to assess the expected future state of the economy and play a crucial role in credit modeling, including bond valuation and risk and rating assessment.

Yield to Maturity - The total return anticipated on a bond if it is held until maturity. Yield to maturity is expressed as an annual rate.

Independent Auditor's 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

**To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia**

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 business-type activities and the combined fiduciary funds of the West Virginia Board of Treasury Investments (BTI), a component unit of the State of West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BTI's basic financial statements, and have issued our report thereon dated August 21, 2023.

Report on Internal Control over Financial Reporting

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

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BTI's financial statements are free from 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.

Pittsburgh, Pennsylvania
August, 21, 2023