

Riley Moore, West Virginia State Treasurer

State of the Treasury



Fiscal Year 2024

(July 1, 2023 to June 30, 2024)

A Publication of the West Virginia State Treasurer's Office

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The following report provides an overview of the West Virginia State Treasurer's Office's initiatives and financial reports during the 2024 fiscal year (July 1, 2023 to June 30, 2024).

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Riley Moore, State Treasurer

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



Letter from the Treasurer



It has been an honor to serve West Virginia as your 25th State Treasurer, and I'm humbled by the trust the people of our great state have placed with me in this role. Over the last four years, I have worked to make the State Treasurer's Office more modern, transparent, and accountable.

My principal duty as your State Treasurer has always been to safeguard the state's pocketbook, and I have never lost track of that mission. My staff and I have continued to find new and innovative ways to serve the people of this great state. In my first term, I reduced the size of the Office by five percent and returned \$15 million to taxpayers.

One of my top priorities was the Jumpstart Savings program. As a former welder, I know how difficult it can be to get started and maintain a career in a trade profession. There are upfront and ongoing expenses such as licensing fees, certification costs and equipment purchases. That's why my Office launched the Jumpstart Savings program to help remove those barriers for vocational careers.

I am proud to say I fought and won against finance giants who don't align with our energy priorities here in the state of West Virginia. In 2022, my Office published the nation's first Restricted Financial Institution list to protect energy jobs. Any institution with policies aimed at weakening our energy industries, tax base and job market has a clear conflict of interest in handling taxpayer dollars.

My Office's Unclaimed Property Division has returned nearly \$95 million to individuals, businesses and other organizations since I took office in 2021. During my term, my Office launched the "West Virginia Cash Now" program, which automatically sends unclaimed property checks to verifiable residents without the need to go through the claims paperwork process. I am proud to say we are returning money at the fastest pace in state history. We are also receiving claims at a near record pace with more than \$473 million worth of listings in our database.

At the beginning of 2021, when I took office, the West Virginia Board of Treasury Investments had nearly \$6.3 billion in assets under management. The Board's total assets under management has steadily increased over the past four years, plateauing around the \$11 billion level since mid 2023. The Board also produced a new record amount of interest and investment earnings during the recent fiscal year, generating more than \$612 million for the state and participating local governments. The reforms we've championed over the past three and a half years have produced greater returns for our people and demonstrated our continued commitment to being effective stewards of the taxpayers' money.

During the 2021 Legislative Session, I championed nine bills which became law. One of those bills, House Bill 2013, established the HOPE Scholarship program. It has been my goal, as the Chairman of the Hope Scholarship Board, to empower families to make educational choices that are right for their needs. Initially, the program was made available only to West Virginia children who were either entering kindergarten or enrolled in public school for a qualifying period;

Letter from the Treasurer

however, our enrollment numbers this year met the threshold established by the Legislature to expand eligibility for the program beginning in the 2026-2027 school year to all school-age children living in West Virginia. This will be a monumental step forward for school choice, allowing tens of thousands of additional West Virginia families to access the program.

I am incredibly proud that my Office's \$3 billion SMART529 program remains hands down the best option in the country for saving for your child's education. Under my leadership, SMART529 has been ranked as the top direct sold 529 plan in the country with all three SMART529 plans receiving "Top of the Class" recognition. These rankings should give families a tremendous amount of confidence in opening or depositing funds into a SMART529 plan.

During my time as State Treasurer, I've worked with West Virginia's Congressional delegation to successfully advocate for the passage of the Federal ABLE Age Adjustment Act, which will raise the age limit for the onset of a disability from before 26 to before 46 when it takes effect in 2026. This will significantly help tens of thousands of West Virginians, particularly our state's brave veterans who developed a disability later in life by allowing them to start saving with a WVABLE account.

Additionally, I have continued my advocacy efforts for requesting support of more key ABLE savings provisions, and as I head to Congress, I will continue to support these provisions for our WVABLE account holders, which will include (1) "ABLE to Work," which permits increased contributions for employed ABLE account owners, (2) the federal Saver's Credit eligibility for ABLE contributions, and (3) "529 to ABLE Rollover" which authorizes individuals with a 529 College Savings account to rollover monies tax-free to an ABLE account. These provisions are set to expire December 31, 2025. It is imperative that Congress take action to extend these benefits to some of our state's most vulnerable individuals.

My goal has always been to strive to make life in West Virginia better for all citizens. Guarding public funds and developing top-tier programs is only the beginning.

I want to take this opportunity to thank everyone in my Office for their hard work and dedication to the state and people of West Virginia. My Office will continue to work to remain on the cutting-edge and to bring forth new and exciting ideas as we head into 2025.

Sincerely,



Riley Moore
West Virginia State Treasurer



About the Office



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

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

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

Program Highlights

UNCLAIMED PROPERTY

Treasurer Moore's unclaimed property program continued to break records in the amount of money returned to rightful owners in FY2024. During fiscal year 2024, the Unclaimed Property Division returned nearly \$28 million worth of unclaimed property returned to individuals, businesses, and organizations.

The amount of \$27,989,624.99 returned topped the previous record of \$26.8 million set during the prior fiscal year. Since the program was launched in 1967, the State Treasurer's Office has returned more than \$311 million to rightful owners.

"I am once again proud to announce my Office continues to beat our own records for how much money we've returned to our citizens," Treasurer Moore said. "This is the third year in a row we've been able to set a new record for unclaimed property returns. Since I took Office in 2021, we have returned more than \$81 million to our citizens, and I know this record pace will continue."

Under Moore's tenure, the Unclaimed Property Division also launched West Virginia Cash Now, an automated matching program to return unclaimed money to individuals. In two years the program returned roughly \$7 million to individuals.

— | WEST VIRGINIA | — BOARD OF TREASURY INVESTMENTS

The West Virginia Board of Treasury Investments produced a new record amount of interest and investment earnings during Fiscal Year 2024, generating more than \$612 million for the state and participating local governments. The Board of Treasury Investments is responsible for managing what is typically referred to as the Consolidated Fund, a group of investment accounts containing the short-term operating funds from various state and local government agencies. The Board of Treasury Investments continues to receive top ratings from various financial organizations. This year, S&P Global Ratings once again reaffirmed its highest possible rating (AAAm) for the BTI's money market pools. The Government Finance Officers Association also awarded the BTI with its Certificate of Achievement for Excellence in Financial Reporting — the 18th consecutive year BTI has received the prestigious award.

\$28 Million

Nearly \$28 million returned to rightful owners of unclaimed property in Fiscal Year 2024.

\$98,000

More than \$98,000 raised for state and local law enforcement agencies during the eleventh unclaimed property firearms auction held in March 2024.



\$612 Million

The West Virginia Board of Treasury Investments produced a new record amount of interest and investment earnings during Fiscal Year 2024, generating more than \$612 million for the state and participating local governments.

Program Highlights



JUMPSTART SAVINGS PROGRAM

In September 2023, West Virginia State Treasurer Riley Moore launched a new “What makes YOU proud to be a West Virginia skilled worker?” contest that awarded 12 regional winners \$2,000 deposited in a Jumpstart Savings Account. The contestants were asked to submit a picture and essay detailing what makes them proud to be a West Virginia skilled worker.

Buckhannon welder, Brandon Littler, was named the grand prize winner of the contest, receiving a total of \$12,000 in a Jumpstart Savings Account.

The Jumpstart Savings Program allows individuals who wish to pursue a wide range of skilled vocations or trades to save money and enjoy certain state income tax benefits. Individuals can make up to \$25,000 per year in contributions to a Jumpstart Savings Account that will be eligible for a state income tax deduction.

Jumpstart Savings Account funds can be used to pay for tools, equipment, supplies, and other business costs, and those funds used on qualified expenses can also be eligible for additional state tax benefits. More information about the program and contest are available at www.wvjumpstart.com.



WVABLE

Powered by STABLE

In February 2024, Treasurer Moore celebrated the sixth anniversary of WVABLE, a savings program offered by the State Treasurer’s Office that provides individuals with disabilities the opportunity to save and invest without jeopardizing needs-based public benefits. Since the program’s inception, WVABLE has helped 797 individuals and their families save and invest over \$8.39 million. The average WVABLE account balance is more than \$8,800, which is over four times the amount individuals with a disability were permitted to save before the program was established.



Program Highlights



In fiscal year 2024, Treasurer Moore continued the long-time annual tradition of awarding 15 elementary school-aged students regional SMART529 “When I Grow Up” essay contest awards. All 15 students received \$500 invested into SMART529 accounts, with one grand prize winner receiving \$5,000 total in a SMART529 account. Abigail, a 5th grade student from Hancock County, received the grand prize in September 2023. In early 2024, Moore launched the 17th year of the contest and received more than 3,300 essay submissions.

Treasurer Moore also announced that West Virginians can now roll over certain unused SMART529 funds for account beneficiaries into a Roth IRA to help boost their retirement savings, thanks to federal law changes. Provisions in the SECURE 2.0 Act allow tax and penalty-free 529 plan rollovers into Roth IRAs for the beneficiaries if certain criteria are met.



The West Virginia Retirement Plus Deferred Compensation Plan is a 457 (b) deferred compensation plan available to state and other public employees. This Plan, when combined with an employer’s pension plan and Social Security (if you are eligible), provides an important complement to help public employees achieve their financial goals in retirement. In FY2024, the total number of participants grew to 19,154 members with \$382.7 million in total assets. In addition to the state, a total of 327 West Virginia political subdivisions have joined the plan to-date to offer the Plan as an optional benefit to their public employees.

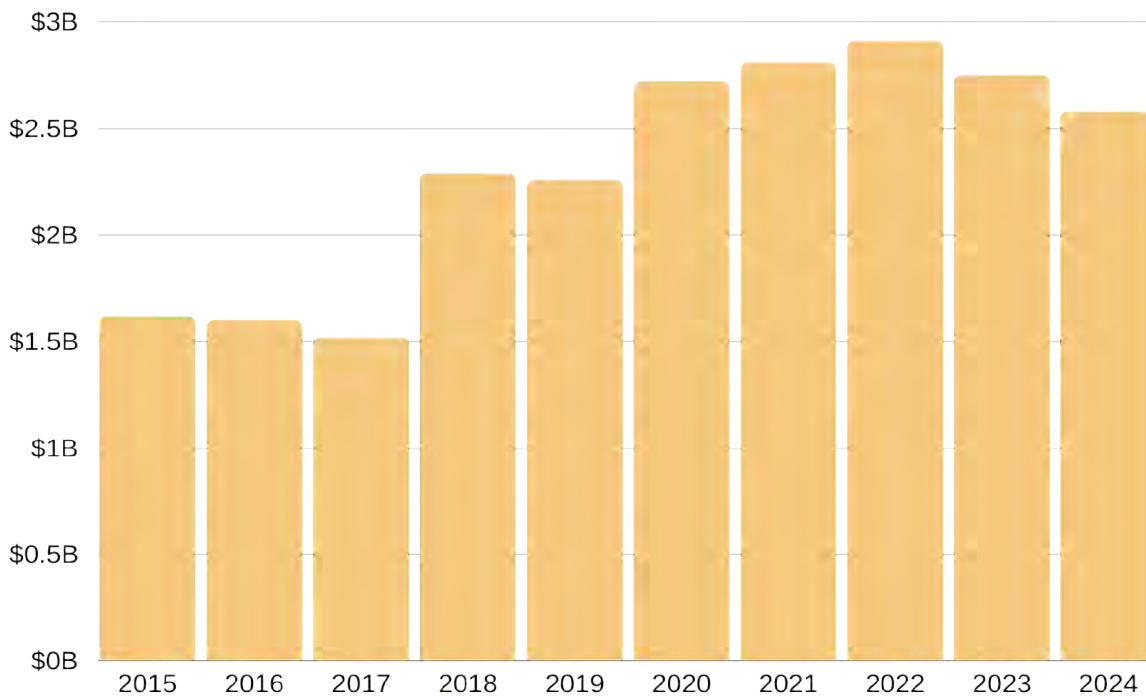


The Hope Scholarship is an education savings account program available for kindergarten through 12th grade students. It is designed to allow parents and families to use the state portion of their child’s education funding to tailor an individualized learning experience that works best for their child. The 2023-2024 school year was the first full year of operations for the Hope Scholarship program. Participation grew from 2,333 students during the 2022-2023 school year to 5,443 students during the 2023-2024 school year. Total Hope Scholarship student spending increased from \$7.8 million to \$22.3 million in 2023-2024. Because of increasing demand for the program, the Hope Scholarship Board voted to change the application windows for the program and began accepting applications year-round from eligible students with a prorated funding model based on the date of the application.

Debt Management

One of the most important measurements of debt for a state, city, county or any other municipal bond issuer is the amount of outstanding net tax-supported debt. The State of West Virginia ended fiscal year 2024 with a net tax-supported debt of \$2.58 billion. This reflects a decrease of approximately 6.2% from June 30, 2023, when the net tax supported debt totaled \$2.75 billion.

Net Tax Supported Debt Outstanding at June 30, 2024
Last Ten Years



General Obligation Bonds as of June 30, 2024

	Principal Outstanding	Number of Issues Outstanding	Final Maturity
Roads to Prosperity	\$1,450,755,000	6	June 1, 2046
Safe Road Bonds	\$22,090,000	1	June 1, 2025
Infrastructure Improvement Bonds	\$42,812,275	3	November 1, 2026

Approximately \$1.52 billion of West Virginia's \$2.58 billion in outstanding net tax supported debt as of June 30, 2024, consisted of General Obligation (GO) bonds. Previously, the State of West Virginia has issued GO bonds for road construction, school construction, veterans' bonuses and infrastructure development. All these GO bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt service. Outstanding GO bonds include roads bonds and infrastructure improvement bonds.

Debt Management

Leases and Notes Payable

The State of West Virginia depends on lease and notes payable obligations to finance capital improvements, large purchases of computer equipment, vehicles and many other projects. There are approximately \$454.4 million in lease obligations outstanding as of June 30, 2024.

Revenue Bonds as of June 30, 2024

	Principal Outstanding	Funds in Escrow, Reserve or Sinking Fund	Number of Issues Outstanding	Final Maturity
West Virginia Economic Development Authority, Lottery Revenue Bonds	\$251,680,000	\$135,940,000	2	June 15, 2040
West Virginia Economic Development Authority, Excess Lottery Revenue Bonds	\$108,705,000	\$28,623,390	3	July 1, 2039
West Virginia Higher Education Policy Commission, Excess Lottery Revenue Bonds	\$219,057,500	\$79,220,000	6	July 1, 2039
West Virginia Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	\$50,265,000	N/A	1	April 1, 2040
School Building Authority of West Virginia, Lottery Revenue Bonds	\$77,791,357	N/A	6	July 1, 2033
School Building Authority of West Virginia, Excess Lottery Revenue Bonds	\$74,631,500	\$17,350,000	4	July 1, 2042
School Building Authority of West Virginia, Excess Lottery Revenue Bonds (QSCBs)	\$150,480,000	\$113,011,957	3	June 15, 2027
West Virginia Infrastructure & Jobs Development Council	\$49,810,000	N/A	1	July 1, 2034

Approximately \$982 million or net \$608.3 million of the State of West Virginia's \$2.58 billion in outstanding net tax supported debt as of June 30, 2024, consisted of revenue bonds. A revenue bond is typically supported by the revenue from a specific project. For example, a bond issue for dormitory renovations at a college or university may be supported by certain student fees. The revenue bonds included in net tax supported debt are unique since the revenue source for repayment of the bonds is not tied to a specific project directly linked to the bond issues. The issuing authorities included in this section are the Economic Development Authority, the Higher Education Policy Commission, the School Building Authority, and West Virginia Infrastructure & Jobs Development Council.



Banking Services

The Banking Services Division (previously referred to as Cash Management) of the West Virginia State Treasurer's Office processes all state receipts and disbursements. Some duties of this division include performing bank reconciliations, establishing a daily cash position, managing the eCommerce system, processing electronic fund transfers, collecting and depositing state revenue, and overseeing the disbursement of state checks. In all, Banking Services oversees approximately \$20 billion in state government receipts on an annual basis.

Revenue Collections

The types of monies received by the state include:

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

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

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

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

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

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

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

The various methods of accepting deposits include:

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

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

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

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

Banking Services

Electronic Government Activity in FY2024

Top 10 E-Government Agencies by Dollar Amount Processed

Consolidated Public Retirement Board.....	\$243,396,672.30
PEIA	\$204,048,043.60
Municipal Bond Commission.....	\$171,703,947.69
Workforce OBA.....	\$59,195,654.16
Court Fees	\$18,633,207.53
Motor Vehicles	\$16,780,234.47
Unclaimed Property	\$13,938,764.12
Natural Resources	\$10,994,135.03
Shepherd University	\$9,307,008.03
Tax and Revenue.....	\$8,316,140.59

Top 10 E-Government Agencies by Total Transactions

Secretary of State	332,496
Natural Resources	193,411
State Treasurer's Office Service Fee Account	84,743
PEIA	68,682
Department of Health and Human Resources	55,991
WV State Treasurer's Office.....	54,697
Workforce OBA.....	47,520
Consolidated Public Retirement Board.....	34,039
Tax and Revenue.....	30,219
Court Fees	27,310





Revenue Disbursements

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

Coal County Reallocation Severance Tax Distribution \$13,438,883

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

Coalbed Methane Gas Severance Tax Distribution \$1,116,773

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

Wine, Liquor, and Private Club Tax Distribution \$12,561,417

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

Regional Jail Fund Distribution \$2,355,242

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

Coal Severance Tax Distribution \$31,123,247

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

Municipal Sales and Service Use Tax \$146,894,386

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

Oil and Gas Severance Tax Distribution \$73,343,328

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

Financial Highlights

Fund Inflows - FY2024

For the Year Ended June 30, 2024

Board of Treasury Investments

Net investment income.....	\$612,444,000
Participant purchases, contributions, and reinvestments.....	\$14,500,712,000
Operating Funds revenues and gains.....	\$5,384,000
Total Board of Treasury Investments.....	\$15,118,540,000

West Virginia College and Jumpstart Savings Programs

College and Jumpstart Savings Administrative Account revenues.....	\$1,769,000
Savings Plan Trust Fund and Jumpstart Savings Program:	
Net investment gain	\$330,997,000
Contributions.....	\$200,594,000
Custodial Fund - Prepaid Tuition Trust Escrow Fund:	
Net investment earnings	\$59,000
Total West Virginia College and Jumpstart Savings Programs	\$533,419,000

West Virginia Retirement Plus

Contributions	\$25,420,000
Net investment gain	\$47,488,000
Total West Virginia Retirement Plus.....	\$72,908,000

Unclaimed Property

Holder Remittances	\$49,900,000
Stale dated checks	\$15,700,000
Total Unclaimed Property.....	\$65,600,000

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

Collections	\$490,394,000
Appropriations	\$3,760,000
Transfers.....	\$684,972,000
Total Other Funds and Accounts	\$1,179,126,000

Total Revenues and Inflows.....	\$16,969,593,000
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Financial Highlights

Fund Outflows - FY2024

For the Year Ended June 30, 2024

Board of Treasury Investments

Participant distributions, redemptions, and withdrawals.....	\$15,221,488,000
Operating Fund expenses	\$4,996,000
Total Board of Treasury Investments.....	\$15,226,484,000

West Virginia College and Jumpstart Savings Programs:

College and Jumpstart Savings Administrative Account expense	\$1,364,000
Savings Plan Trust Fund:	
Participant redemptions.....	\$360,367,000
Administrative expense	\$6,004,000
Total West Virginia College and Jumpstart Savings Programs	\$367,735,000

West Virginia Retirement Plus

Distributions and withdrawals	\$20,869,000
Fees.....	\$880,000
Total West Virginia Retirement Plan	\$21,749,000

Unclaimed Property

Claims paid.....	\$28,000,000
Transfers.....	\$11,000,000
Administrative expense.....	\$4,800,000
Total Unclaimed Property.....	\$43,800,000

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

Transfers.....	\$314,481,000
Distributions	\$306,820,000
Disbursements	\$23,326,000
Total other funds and accounts	\$644,627,000

Total Expenses and Outflows.....	\$16,304,395,000
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