

# State of the Treasury



- Fiscal Year 2019 -

*A Publication of the West Virginia State Treasurer's Office*

# Table of Contents

*This report details the daily operations of the West Virginia State Treasurer's Office and highlights the many programs and initiatives the office offers the citizens of our state. As you will read in the following pages, the Treasurer's Office stands strong with many noteworthy successes in fiscal year 2019.*

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**Published by the West Virginia State Treasurer's Office  
John D. Perdue, State Treasurer**

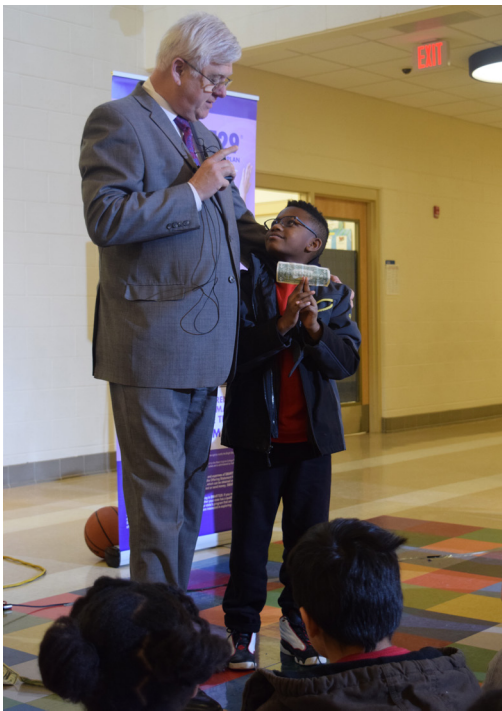
*Disclaimer: The financial information in this report includes data extracted from the audited financial statements of the West Virginia Board of Treasury Investments and the West Virginia College Prepaid Tuition and Savings Program. All other financial information has not been audited by an independent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

# Letter from the Treasurer

My principal duty as State Treasurer is to safeguard the state's pocketbook. I'll never lose track of that mission.

I saw, however, so many more opportunities to serve the public when I assumed this office. We have certainly expanded the traditional role of a State Treasury, adding a college savings plan, a supplemental retirement plan, a savings plan for individuals with disabilities, and an investment arm which allows state operating funds to remain within state government.

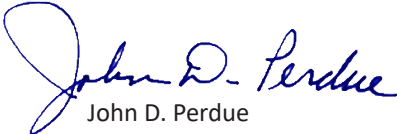
Fiscal year 2019 saw the return of \$15 million in Unclaimed Property to rightful owners throughout the state. This included \$1.2 million returned to life insurance beneficiaries. In 2012, my office began litigation aimed at getting life insurance companies to either pay out benefits or report them to our unclaimed property program. Since then, we have been able to return \$5.2 million in life insurance to rightful owners.



My office has worked to continue to expand financial literacy across the state through the Get a Life program, which continues to reach more and more schools each year. In ensuring educational opportunity for all West Virginians, my office also coordinates the SMART5.29K walk/run each May to raise money to provide college savings funds for children adopted out of foster care. Drawing from the race proceeds and sponsorships, the Smart Start Award has provided \$57,600 in scholarships to 48 children in the last four years.

The When I Grow Up contest, now an annual staple for the SMART529 Program, entered its 11th year in 2019. The contest gives kindergarten through fifth grade students a chance to share in nearly \$12,000 in SMART529 savings for higher education. I'm always proud to stand by the 15 winners each year as they read their essays detailing their dreams for the future. Our hope is that the scholarships can lend a helping hand in allowing more students to receive an education after high school, whether it's through a traditional four-year institution or vocational training, in order to reach the goals they have set for themselves.

Our primary job, as I said earlier, is to guard public funds. Embracing that truth has allowed us to continue to strive to make life in West Virginia better for all citizens. We will continue to work to provide quality programs while remaining on the cutting-edge to bring forth new and exciting ideas.

  
John D. Perdue  
West Virginia State Treasurer

# SMART529

## Treasurer joins multi-state effort to address student debt issue

West Virginia State Treasurer John Perdue and the SMART529 College Savings Program joined a 27-state effort to take on the student debt problem in a national campaign launched in March 2019. The aim of the campaign, led by the 529 College Savings Plans Network, is to limit college debt for new generations by helping families plan ahead for higher education costs.

“Since starting West Virginia’s SMART529 program more than a decade ago, my goal has always been clear: to give every child in West Virginia a chance to benefit from some sort of education beyond high school,” said Treasurer Perdue. “Creating awareness about the benefits of saving for higher education is an ongoing effort, but I believe this national campaign will elevate the conversation about saving for college to a new level.”

The 27-state alliance, which includes Washington D.C., involves 46 partners, including state treasurers, higher education agencies, financial service firms and other state officials. The public-private partnership was formed on the basis of increasing awareness of 529s, the state-led college savings plans designed to help families save for higher education and lessen reliance on student loans.

The movement’s 529 message will be amplified into 2020 under an agreement with Fred Rogers Productions, the company founded by Mister Rogers, the beloved advocate of children’s education. The campaign’s spots air before and after episodes of Daniel Tiger’s Neighborhood nationally, including on West Virginia Public Broadcasting. The series is one of the highest co-viewed children’s shows between parents and young children and is based on Mister Rogers’ Neighborhood.

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## Daniel Tiger, State Treasurer visit Clay Center



Beloved children’s character Daniel Tiger joined State Treasurer John Perdue as special guest for Tiny Tales Story Time in June 2019 at the Clay Center, as part of a SMART529 College Savings Plan event to raise awareness about saving for college and eliminating student debt.

The two sessions drew an estimated 400 patrons. In addition to the story and special guests, financial education activities were on-hand for children and information on SMART529 and college savings was available to parents.

# SMART529

## New SMART529 card a gift for college savers



West Virginia State Treasurer John Perdue teamed up with West Virginia University President E. Gordon Gee and Marshall University President Jerry Gilbert to introduce a new SMART529 Gift Card that will

make the “gift of college” a lot easier for parents and grandparents saving for a child’s college education.

The Treasurer held media events with both Gee and Gilbert in November 2018 to tout the new program. The new gift cards may be purchased for any child and can be redeemed at [www.SMART529.com](http://www.SMART529.com), through an existing account or after a new account is established.

## SMART529 Quick Facts

- K-12 SMART529 distributions can be made from existing or newly opened accounts
- Contributions to a SMART529 account provide state tax advantages
- A SMART529 plan can be used at most colleges and universities, trade and vocational schools, graduate schools, and for K-12 tuition
- Funds can be used at any eligible institution around the country, and at more than 400 around the world
- Tax-free transfers between investment options are allowed twice per calendar year

## SMART529 Plan Comparison Chart

	SMART529 WV Direct	SMART529 Select	The Hartford® SMART529®
<b>How To Open An Account</b>	Direct through <a href="http://smart529.com">smart529.com</a> or by mail	Direct through <a href="http://SMART529Select.com">SMART529Select.com</a> or by mail	Available through Financial Investment Professionals in your area
<b>Residency Requirements</b>	Available to West Virginia residents	Available nationwide	Available nationwide
<b>Minimum Initial Investment</b>	No minimum	\$250 (\$50 for West Virginia residents)	\$250 (\$50 for West Virginia residents)
<b>Minimum Subsequent Investment Per Fund</b>	No minimum	\$25 (no minimum for West Virginia residents)	\$25 (no minimum for West Virginia residents)
<b>Sales Charges</b>	None	None	Varies by Share Class and Investment Option. See Offering Statement.
<b>Annual Maintenance Fee</b>	None	\$25	\$25
<b>Investment Options</b>	9 Age-Based Portfolios, 5 Static Portfolios, a Stable Value Portfolio and an Indexed Equity Portfolio	9 Age-Based Portfolios and 10 Static Portfolios	9 Age-Based Portfolios, 5 Static Portfolios, and 14 Individual Portfolio Options
<b>Who Chooses the Investments</b>	Selected by the Account Owner	Selected by the Account Owner	Selected With Assistance from a Financial Investment Professional
<b>Contribution Limit</b>	\$400,000	\$400,000	\$400,000

# SMART529

## Bright Futures for “When I Grow Up” Winners

The West Virginia State Treasurer’s Office and SMART529 celebrated 11 years of the SMART529 “When I Grow Up” essay contest for elementary school students with an award ceremony in September 2018 at the West Virginia State Culture Center. State Treasurer John Perdue recognized fifteen West Virginia students for their essays detailing what they want to be when they grow up.

The regional winners were selected from more than 2,500 entries. Each winner received \$500 invested into a SMART529 WV Direct account. An additional \$4,500 was awarded to Drew Tarrant of Middle Creek Elementary School in Ohio County, after being selected as the grand prize winner during a random drawing at the event. Each winning student’s school was also recognized and awarded a \$500 cash prize to support school programs.

“I want you all to be successful,” Treasurer Perdue told the winners. “The best way to guarantee success is by continuing your education after high school.”

The contest gives kindergarten through fifth grade students a chance to share in nearly \$12,000 in SMART529 savings for higher education. Essays from three age groups (grades K-1, 2-3, and 4-5) were judged in each of the five regions, for a total of 15 winners.



“I want you all to be successful. The best way to guarantee success is by continuing your education after high school.”

- Treasurer John Perdue



In addition to the student winners, Kanawha City Elementary School second grade teacher, Amanda Freeman, was awarded \$2,500 cash for her essay about how she planned to educate children about going to college and saving with the SMART529 program.

“We rely on teachers to emphasize the importance of saving for higher education. I am thrilled to we are able to reward one of them for making a special effort to encourage students to think beyond high school,” said Perdue.

The “When I Grow Up” student and teacher essay contests are sponsored by the SMART529 Education Savings Solution, The Hartford and the West Virginia State Treasurer’s Office to promote awareness of SMART529 and the need for high education savings.

# SMART529

## Kids adopted from foster care receive college help



State Treasurer John Perdue presented seven families who have adopted children from West Virginia's foster care system a total of \$20,400 in November 2018 at the Clay Center in Charleston, as part of the fourth annual SMART529 Smart Start Adoption Awards. In the last four years, proceeds of an annual race and sponsor contributions have provided \$57,600 in Smart Start awards to 48 children. Several families have claimed more than one award winner, which is again the case this year.

Smart Start is an effort to provide college savings to West Virginia children through the State Treasurer's Office SMART529 college savings plans. Mission West Virginia and its Frameworks program, which finds families for children waiting in the foster care system, is the primary partner for the event. Several other child welfare organizations in the state joined the effort in FY2019, including Braley & Thompson, Children's Home Society of West Virginia, KVC, NECCO and Pressley Ridge. The Hartford administers SMART529 funds and is also a key player in the Smart Start effort.

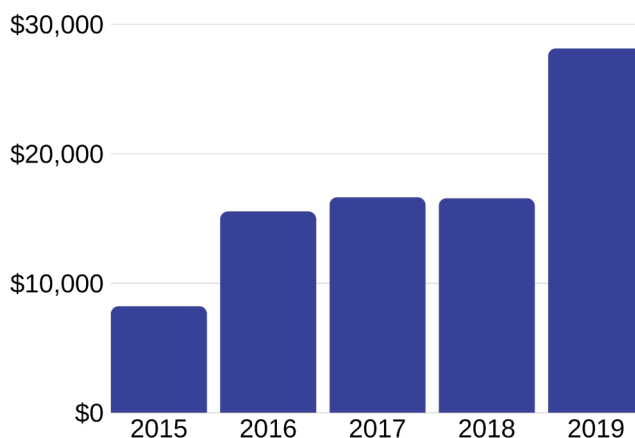
Each May, Treasurer Perdue's office and the partnering organizations hold the SMART5.29K Run/Walk, a 5.29-mile jaunt from Appalachian Power Park to the State Capitol and back. Proceeds from the event fund the awards, which are selected by Mission West Virginia through a formal application process.

Each May, Treasurer Perdue's office and the partnering organizations hold the SMART5.29K Run/Walk, a 5.29-mile jaunt from Appalachian Power Park to the State Capitol and back. Proceeds from the event fund the awards, which are selected by Mission West Virginia through a formal application process.

## 2019 SMART5.29K sees spike in participation

With participation of more than 90 people, the 2019 SMART5.29K Run/Walk easily outpaced its four predecessors, both in bodies on the course and in sponsorships. The Treasurer's Office and Mission West Virginia are the principal partners of the project, backed by a growing host of partners and sponsors. Between sponsorships, registrations and donations, race advocates and participants raised over \$28,000. The money raised allowed for a record number of Smart Start Awards to be given out in 2019.

**SMART5.29K FUNDS RAISED BY YEAR**



# WVABLE

A WVABLE Account is a savings and investment account available to eligible individuals with disabilities. WVABLE Accounts are made possible by the federal Achieving a Better Life Experience (“ABLE”) Act. WVABLE Accounts allow individuals with disabilities to save and invest money without losing eligibility for certain public benefits programs, like Medicaid or SSI. Earnings in a WVABLE Account are not subject to federal income tax, so long as funds are spent on “Qualified Disability Expenses.”

## FY2019 Account Statistics

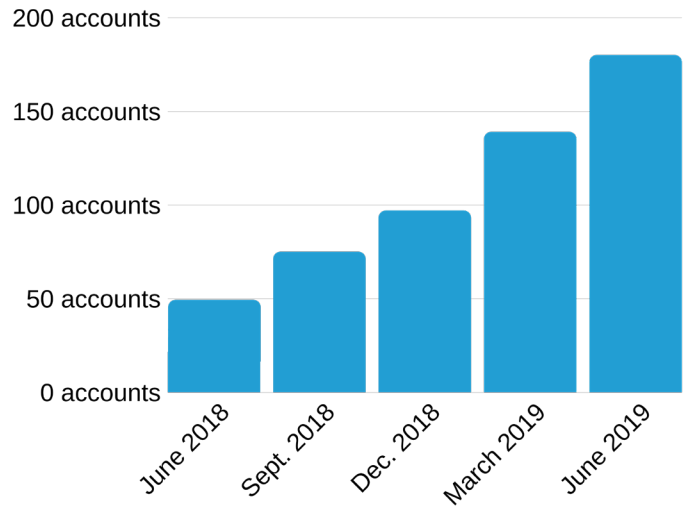
There are a total of **180 accounts**



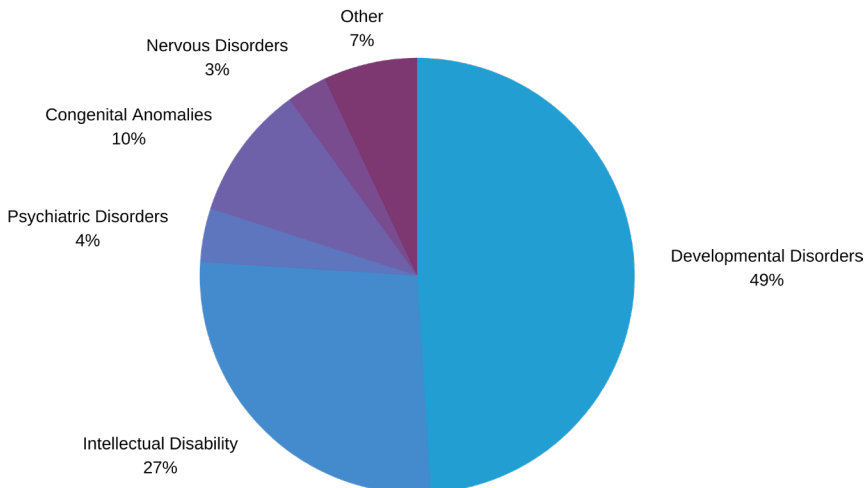
Total assets  
**\$588,646**

WVABLE accounts launched in February 2018. As of the end of FY2019, contributions totaled \$651,263 and withdrawals totaled \$121,125. The total of 180 includes 174 active accounts and six pending accounts as of June 30, 2019.

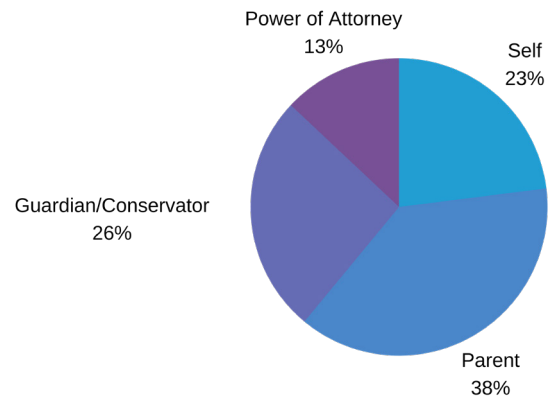
### WVABLE ACCOUNT GROWTH From FY2018 to FY2019



### ACCOUNT DISABILITY DEMOGRAPHICS



### ACCOUNT ADMINISTRATION RELATIONSHIP



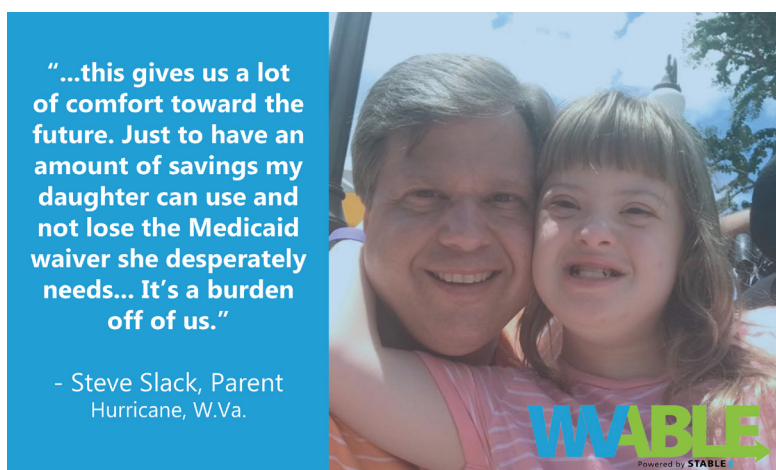


# WVABLE

## Future brighter for people with disabilities

People with disabilities face health, financial and social obstacles which often throw even more difficulty into the challenge of life. Parents are often the ones fretting in the wings. That is the story of Steve Slack, wife Sandy and daughter Sophie, a 14-year-old eighth grader at Hurricane Middle School who has Down Syndrome. The couple is also raising two boys.

As they navigate life, the Slacks, of Putnam County, are feeling a bit better about what it may hold for Sophie. "What's going to happen when we're gone?" Slack wondered aloud recently. "The ability to start saving now for her future is huge. Before this law was passed, we weren't able to save up for these things – no way to easily access money for emergencies. This gives a huge relief to us."



Slack, 50, refers to the 2014 federal ABL Act, which stands for “Achieving a Better Life Experience.” Under the law, individuals that developed their disability before the age of 26 can now save more than \$2,000 without losing eligibility for government benefits such as Medicaid or Supplemental Security Income (SSI). State Treasurer John Perdue’s office has led the way in setting up such a savings program in West Virginia, known as WVABLE.

“Our Treasurer, Mr. Perdue, has been such a supporter of this and such a supporter of individuals with disabilities,” Slack said. “As a dad, it gives me a huge amount of hope. It makes me very grateful and humbled that the Treasury Department is supporting this program.”

WVABLE gives people with disabilities not just an immediate but long-term future, Slack said. “Right now, obviously, our daughter is not going to have to pay for her own housing or clothes,” Slack said. “We’re taking care of that. But this gives us a lot of comfort toward the future. We can use that money for educational opportunities, which is something quickly coming upon us. Just to have an amount of savings my daughter can use and not lose the Medicaid waiver she desperately needs. . . It’s a burden off of us.”

Slack says WVABLE transcends providing more financial latitude for people with disabilities. “Having ABL is a huge, huge point for human rights in our country. Anytime futures are improved for a particular group of people because they have access to things others have -- it’s truly a human rights triumph.”

# Financial Education

For more than a decade, Treasurer's Office staffers have been traveling the state, giving middle school students a fictional, but first-hand look at what it means to negotiate life's twists and turns. "Get a Life" offers students a look at how important financial literacy can be through a hands-on financial reality activity.

Students begin the game with a hypothetical income and are asked to purchase common commodities and objects, such as a house, car, health insurance and other essentials. Often those given a low-paying job find themselves in financial trouble and are allowed to earn a college degree or trade midway through the simulation, making getting the life they want a little easier. Local community volunteers help complete the learning experience by serving as sales people, insurance agents and doctors in the simulated world.



Dedicated office staff members brought "Get a Life" to 9,495 students across the state in FY2019. The game is geared mainly toward middle school students, who are just beginning to understand the importance of choices they make later in life.

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*"When I took office, I made financial education a priority. I could see the glaring need for it. From the feedback we're getting, it seems we're making an impact one school at a time."*

*- Treasurer John Perdue*

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The Treasurer's Office Financial Education Center is another cornerstone in encouraging students to learn the basics of money. Located in the East Wing Basement of the Capitol Complex, the center offers a variety of activities, including the opportunity to hold a million dollars shredded by the Federal Reserve. Students can also have their pictures placed on a \$100 bill.

The Treasurer's Vault is another highlight, focusing on the Spend, Save, and Share activity. Students take common items and decide whether they would spend money on them immediately, save money to buy later, or share with someone else. They also receive a take home Spend, Save, Share sticker activity.

# Unclaimed Property

The Treasurer's Office takes pride in reuniting current and former state residents with lost assets, returning approximately \$206 million to rightful owners during Treasurer Perdue's administration. Because of his efforts, West Virginia routinely leads the nation in Unclaimed Property returns.

## Fiscal Year 2019 Returns

State Treasurer John Perdue's Unclaimed Property Division returned \$15 million in claims to rightful owners in fiscal year 2019.



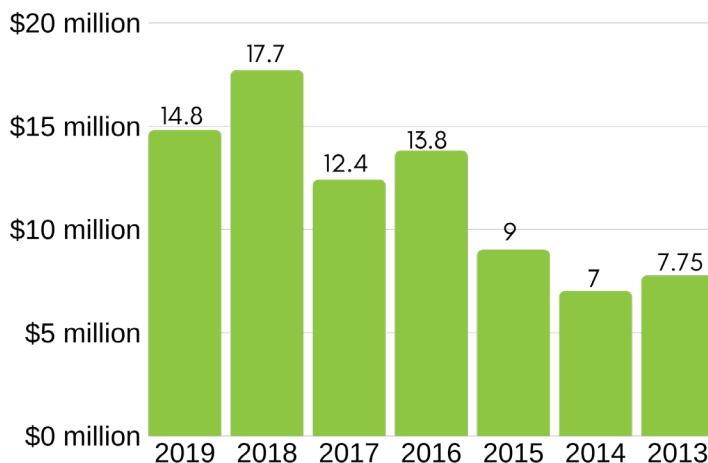
Kanawha County lead the county-by-county breakdown, with \$2.2 million returned to residents.



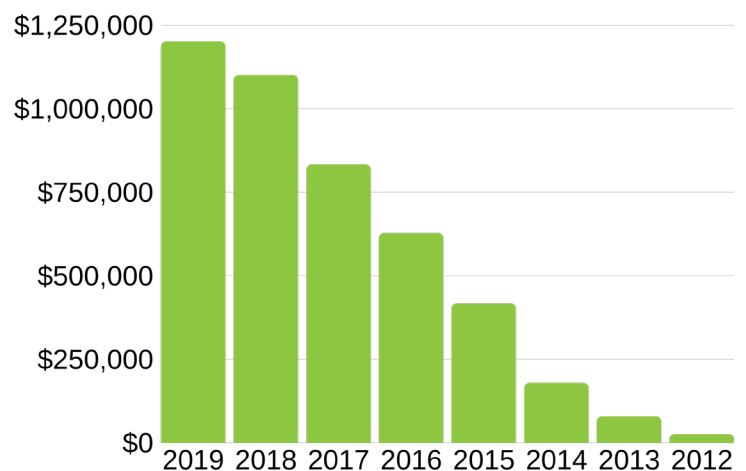
### TOP 10 COUNTIES IN AMOUNTS RETURNED TO RESIDENTS

Kanawha.....	\$2.2 M	Marion.....	\$361,705
Monongalia.....	\$859,749	Berkeley.....	\$336,980
Raleigh.....	\$503,196	Putnam.....	\$290,403
Cabell.....	\$453,658	Ohio.....	\$257,123
Harrison.....	\$400,926	Wood.....	\$190,815

### UNCLAIMED PROPERTY RETURNS



### LIFE INSURANCE TOTALS

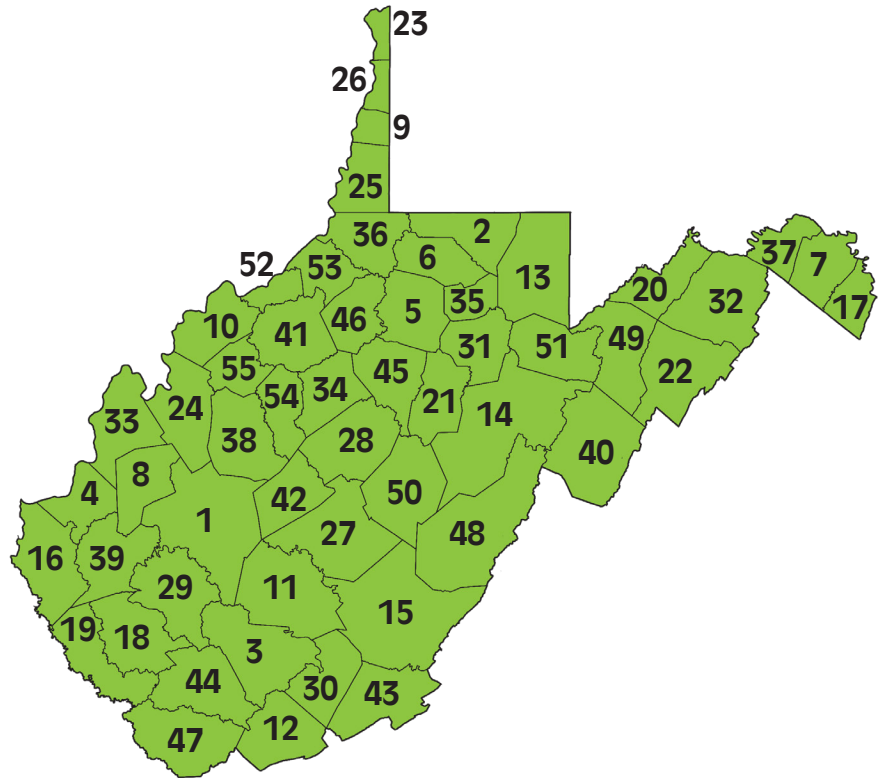


\* State Treasurer John Perdue's Unclaimed Property Division returned \$1.2 million in life insurance benefits for fiscal year 2019, 44 percent of the amount it took in from insurance companies during the period. In all, the Unclaimed Property Division has returned \$5.2 million in life insurance benefits under Treasurer Perdue.

# Unclaimed Property

## Unclaimed Property Totals Returned by County

	Claims	Totals
KANAWHA	1,604	\$2,215,703.80
MONONGALIA	546	\$859,749.56
RALEIGH	477	\$503,196.70
CABELL	496	\$453,658.75
HARRISON	494	\$400,926.43
MARION	358	\$361,705.05
BERKELEY	414	\$336,980.39
PUTNAM	419	\$290,403.61
OHIO	261	\$257,123.20
WOOD	411	\$190,815.00
FAYETTE	254	\$155,110.49
MERCER	306	\$139,907.52
PRESTON	196	\$135,539.71
RANDOLPH	138	\$117,498.43
GREENBRIER	160	\$112,552.00
WAYNE	165	\$111,455.16
JEFFERSON	206	\$104,775.79
LOGAN	159	\$92,972.36
MINGO	107	\$83,404.30
MINERAL	133	\$64,828.83
UPSHUR	117	\$56,497.44
HARDY	68	\$54,327.35
HANCOCK	172	\$53,055.33
JACKSON	159	\$50,426.65
MARSHALL	127	\$48,663.79
BROOKE	93	\$46,805.42
NICHOLAS	134	\$43,899.91
BRAXTON	58	\$41,426.69
BOONE	161	\$41,040.89
SUMMERS	50	\$37,679.75
BARBOUR	67	\$34,894.99

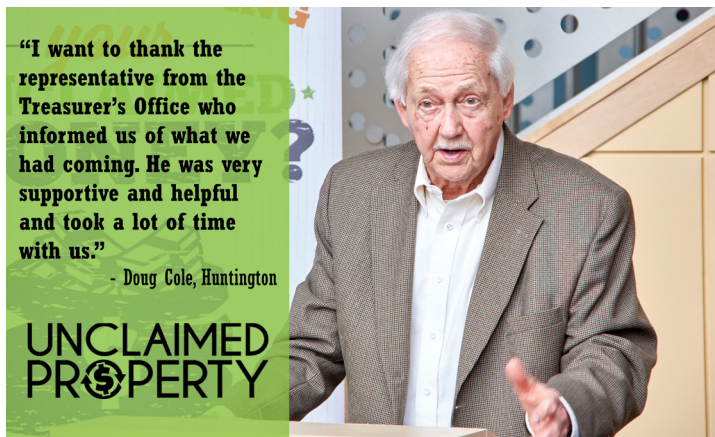


	Claims	Totals
HAMPSHIRE	87	\$33,696.76
MASON	111	\$31,277.84
GILMER	29	\$30,938.66
TAYLOR	79	\$30,405.95
WETZEL	86	\$27,089.84
MORGAN	71	\$23,904.19
ROANE	55	\$21,371.67
LINCOLN	95	\$19,199.17
PENDLETON	35	\$19,018.77
RITCHIE	42	\$18,537.19
CLAY	69	\$18,437.42
MONROE	70	\$18,431.79

	Claims	Totals
WYOMING	65	\$17,565.06
LEWIS	81	\$15,992.75
DODDRIDGE	22	\$15,612.12
MCDOWELL	52	\$15,209.24
POCAHONTAS	40	\$14,711.36
GRANT	52	\$12,880.55
WEBSTER	37	\$11,470.96
TUCKER	18	\$11,441.64
PLEASANTS	25	\$9,592.22
TYLER	27	\$8,678.41
CALHOUN	35	\$5,041.84
WIRT	25	\$3,273.76

# Unclaimed Property

## Veteran leaves \$83,000 in unclaimed funds



D. Randall Cole spent a year stateside during the Vietnam War learning the Vietnamese language, then more than a year as a military policeman, living in villages and providing security for Vietnamese citizens.

“Randy” – the family never called him Randall – returned home to a lifelong career on the C&O Railroad, later to become the CSX Corp. He bought stock in the company but apparently did not keep up with cashing his dividends or timely correspondence with the company. In that scenario, stock certificates and dividends become unclaimed property administered by State Treasurer John Perdue’s office.

About a week before Christmas 2018, a representative from the Treasurer’s Office called Doug Cole - 85 and a retired educator who lives in the Huntington area - to tell him Randy had died with about \$83,000 in unclaimed CSX stock. Because Doug and another brother were Randy’s only living heirs, the assets naturally fell to them. Split two ways, the checks work out to \$41,731 each. Doug accepted the money in early February at Marshall University’s Drinko Library, on behalf of himself and his brother, 82, who prefers to remain anonymous.

“To reunite heirs of a true patriot with their rightful assets, well, it doesn’t get any better than that in the unclaimed property world,” Treasurer Perdue said. “This state has a long history of men and women volunteering for service. Randall Cole is just another example.”

Doug and his brother had already settled the estate of Randy, who died in 2017 at age 67. He left no will. The two brothers had no idea any more loose financial ends remained.

“I want to thank the representative from the Treasurer’s Office who informed us of what we had coming,” Doug said. “He was very supportive and helpful and took a lot of time with us.”

## Treasurer finds funds for Marion charities

State Treasurer John Perdue presented an Unclaimed Property check of \$34,000 to United Way of Marion County, the last estate remnants of the late Gleason and Jean Kuhn of Fairmont.

The two had already left approximately \$275,000 each to the United Way and two local hospice organizations.

The final check was overlooked during the couple’s official estate settlement. A representative of State Treasurer John Perdue’s office notified United Way that it was the rightful owner and should claim the funds as unclaimed property.

“Philanthropy cannot be overvalued,” said Treasurer Perdue, after presenting the check of \$34,411 to United Way executive director Brett White. “The Kuhns worked hard, lived frugally and decided to enrich the lives of their fellow citizens. Very inspiring.”

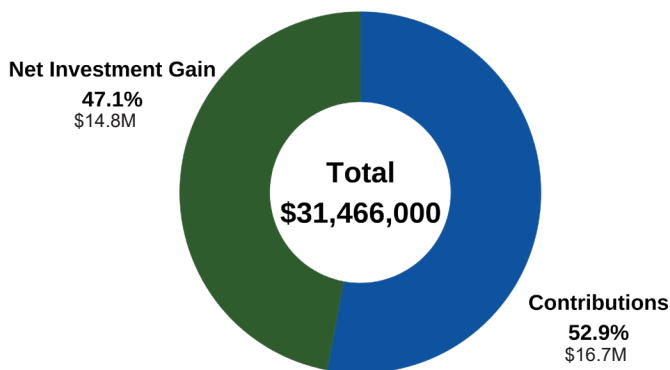


# WV Retirement Plus

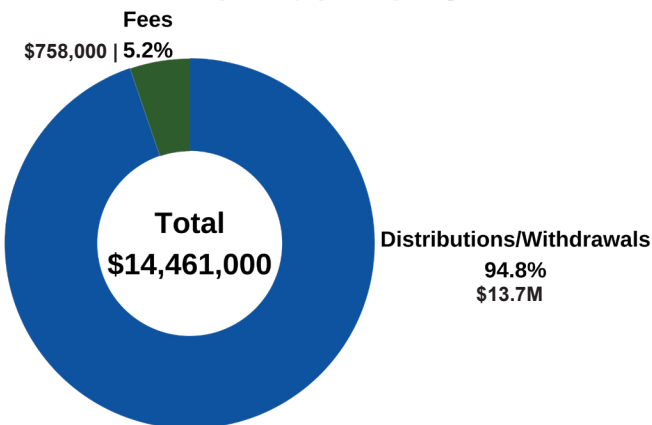
West Virginia Retirement Plus is a supplemental retirement plan designed to provide an extra savings alternative for all state, county, city, and other political subdivision employees. Such 457 programs, names for a section of IRS code, are similar to a 401(k) plan in structure except they are designed to supplement a participant's primary retirement plan.

## Plan Statistics for FY2019

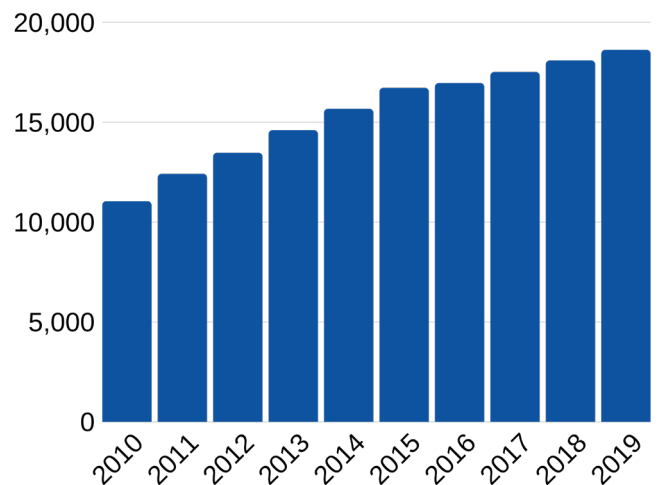
### FUND REVENUE AND INFLOWS



### FUND OUTFLOWS



### PLAN PARTICIPANTS Past 10 Fiscal Years



\* As of the end of FY2019, there were 8,397 local government entity plan participants and 18,609 total plan participants. Since the Treasurer's Office assumed custody of the Plan in 2016, there has been a net increase in participation of 13,587.



Total plan assets  
**\$252,351,000**

## Fall into Savings event a Retirement Plus success

Potential enrollees and those already investing with the West Virginia Retirement Plus Plan received free consultation in October 2018 during the Plan's annual "Fall Into Savings" event.

This event is held each fall as a part of National Retirement Security Week. A steady stream of visitors made their way through the Treasurer's Office Capitol reception area in the East Wing throughout the three hour session.

# Board of Treasury Investments

## Members of the Board of Treasury Investments

The West Virginia Board of Treasury Investments was created as a public body corporate and established to provide prudent investment management for the State's short term operating funds.

The Board consists of five members. The Governor, State Treasurer, and State Auditor serve by virtue of their offices. The State Treasurer is Chairman of the Board. Two additional members are appointed by the Governor.

**Jim Justice**  
*Governor*

**John D. Perdue, Chairman**  
*West Virginia State Treasurer*

**J.B. McCuskey**  
*West Virginia State Auditor*

**Glenda Probst**  
*Appointed by the Governor*

**Michael L. Glasser, Esquire**  
*Appointed by the Governor*

*The West Virginia Board of Treasury Investments (BTI) manages approximately \$5.2 billion in short-term, fixed income investments. It serves as an investment vehicle for the operating cash of West Virginia state agencies and authorities, local governments and other political subdivisions.*

## The State's Investment Vehicle

The West Virginia Board of Treasury Investments, which manages the short-term investments for the state government, is recognized for both Standard & Poor's AAAM rating and financial reporting excellence. For the 12th straight year, Standard & Poor's has re-affirmed its AAAM ratings for the BTI's WV Money Market and WV Government Money Market pools.

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 managed for the participant's sole benefit. The BTI only invests in fixed income securities and does not invest in equities. Its investment policy objectives put safety first, followed by liquidity of assets and rate of return.

The BTI features three investment pools: West Virginia Money Market, West Virginia Government Money Market, and the West Virginia Short-Term Bond Pool. The former two pools are especially conservative, with the goal of maintaining liquidity to meet the needs of participants while striving to earn a return above inflation. Contributions and withdrawals are allowed daily. Income is also distributed each day. These two pools continue to carry Standard & Poor's AAAM rating, the highest principal stability rating available from the agency.

## BTI grabs 13th consecutive CAFR

The West Virginia Board of Treasury Investments has been awarded its 13th consecutive Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

The BTI earned another CAFR, as the certificate is commonly known, for its comprehensive annual financial report. The CAFR is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

BTI staff members collaborated to produce a report "judged by an impartial panel to meet the high standards of the program, including a constructive 'spirit of full disclosure' to clearly communicate its financial story and motivate potential users to read the CAFR."

# Cash Management

The Cash Management Division of the West Virginia State Treasurer’s Office processes all state receipts and disbursements. Some duties of this division include performing bank reconciliations, establishing a daily cash position, managing the e-Government system, processing electronic fund transfers, collecting and depositing state revenue, and overseeing the disbursement of state checks. In all, Cash Management oversees approximately \$16 billion in state government receipts on an annual basis.

## Record number of attendees at annual Cash Management Conference



The Treasurer’s Office hosted its annual Cash Management Conference April 30 through May 2, 2019 at Stonewall Resort, drawing a record 155 registrants. That easily outpaced the previous high of 110. The theme was “Clue - A Money Management Mystery.”

The conference is designed to introduce best practices and review guidelines for staff members in state government who handle cash or collect revenue. Multiple state agencies are represented each year at the conference. This was the sixth conference hosted by the State Treasurer’s Office Cash Management Division.

### TOP 10 E-GOVERNMENT AGENCIES By Dollar Amount Processed

Municipal Bond Commission.....	\$136 million
West Virginia University.....	\$119 million
Consolidated Public Retirement Board.....	\$103 million
Workforce OBA.....	\$95 million
PEIA.....	\$90 million
Marshall University.....	\$25 million
Motor Vehicles.....	\$15 million
Fairmont State University.....	\$10 million
Tax and Revenue.....	\$7 million
Shepherd University.....	\$7 million

### TOP 10 E-GOVERNMENT AGENCIES By Total Transactions

Secretary of State.....	269,438
Motor Vehicles.....	209,927
Natural Resources.....	122,383
WV State Treasurer's Office - Service Fee Account.....	115,677
West Virginia University.....	112,466
Workforce OBA.....	50,466
Board of Registered Nurses.....	37,750
PEIA.....	36,929
WV State Treasurer's Office.....	33,675
Marshall University.....	32,120



# Cash Management

## 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 a point of sale (POS) terminal 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.

# 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 2019 with a net tax supported debt outstanding of \$2.2 billion.

## General Obligation Bonds

Approximately \$1 billion of West Virginia's outstanding net tax supported debt for fiscal year 2019 consisted of General Obligation (GO) bonds. Over the years, West Virginia's GO bonds have been issued for road construction, school construction, veterans' bonuses and infrastructure development. All of these bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt services. Outstanding GO bonds include road bonds and infrastructure improvement bonds.

## Revenue Bonds

Revenue bonds make up more than \$879 million (net) of West Virginia's net tax supported debt. 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.

## Leases and Notes Payable

The State of West Virginia depends on lease and notes payable obligations to finance capital improvements, large purchases of computer equipment, vehicles and many other projects. There was approximately \$312.8 million in lease and notes payable obligations outstanding at the end of fiscal year 2019.

## Roads to Prosperity General Obligation Bonds

The Roads to Prosperity Amendment of 2017 authorized bonds in the aggregate amount of \$1.6 billion, to be issued over a four year period, as follows:

July 1, 2017, an amount not to exceed \$800 million	July 1, 2018, an amount not to exceed \$400 million	July 1, 2019, an amount not to exceed \$200 million	July 1, 2020, an amount not to exceed \$200 million
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Bonds not issued may be carried forward and issued in any subsequent year before July 1, 2021. Proceeds are to be used to match federal funds for highway and bridge construction, and for general highway and secondary road and bridge construction, and improvements in each of the 55 counties.

Issue Dated	Principal Outstanding	True Interest Cost	Average Annual Debt Service FY20 - Maturity	Final Maturity
June 7, 2018A	\$149.9 million	2.85%	\$8.3 million	June 1, 2043
June 7, 2018B1	\$330.3 million	3.37%	\$29.3 million	December 1, 2036
June 7, 2018B2	\$302.1 million	3.89%	\$25.2 million	June 1, 2043

# By The Numbers

## Assets Under Management

As of June 30, 2019

*These assets include those of the State Treasurer's Office and those of other entities for which the State Treasurer's Office is responsible for managing or overseeing.*



*Board of Treasury Investments*  
**\$5,173,705,000**



*Unclaimed Property*  
**\$292,127,000**



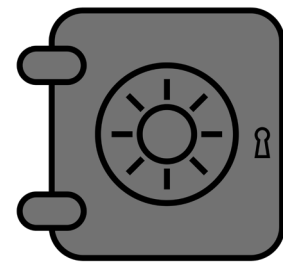
*West Virginia Retirement Plus*  
**\$252,351,000**



*WVABLE Accounts*  
**\$588,646**



*West Virginia College Prepaid  
Tuition and Savings Program*  
**\$2,699,546,000**



*Securities held in Safekeeping*  
**\$72,859,000**

# Revenue Disbursements

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

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

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

**Coalbed Methane Gas Severance Tax Distribution.....\$731,130.70**

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

**Greenbrier Table Games.....\$445,799.46**

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

**Limited Video Lottery Distributions.....\$7,672,597.50**

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

**Wine, Liquor, and Private Club Tax Distribution.....\$10,443,148.58**

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.....\$2,769,453.31**

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.

# Revenue Disbursements

**Municipal Sales and Service Use Tax.....\$83,357,433.97**

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.....\$17,613,366.39**

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

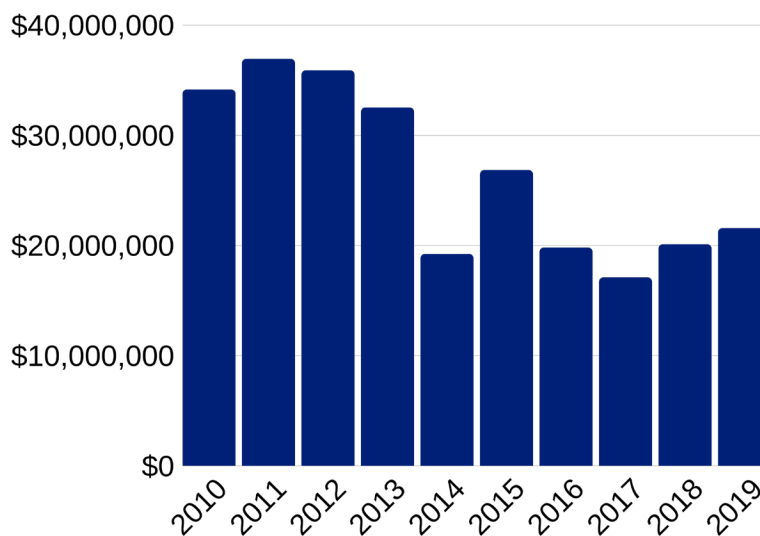
**Table Games Distribution.....\$10,059,458.23**

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

**Coal Severance Tax Distribution.....\$21,545,437.80**

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.

**COAL SEVERANCE DISTRIBUTIONS  
Past 10 Fiscal Years**



# Financial Highlights

## Fund Revenues and Inflows

For the Year Ended June 30, 2019

### Board of Treasury Investments

Net investment increase from operations.....	\$133,702,000
Participant purchases, contributions & reinvestments.....	11,538,994,000
Operating Funds revenues & gains.....	3,610,000

**Total Board of Treasury Investments** .....**11,676,306,000**

### West Virginia College Prepaid Tuition and Savings Program

Prepaid Tuition Trust Fund net revenues.....	4,792,000
College Prepaid Tuition and Savings Program Administrative Account.....	1,525,000

#### Savings Plan Trust Fund:

Net Investment Gain.....	129,684,000
Contributions.....	196,893,000

**Total West Virginia College Prepaid Tuition and Savings Program**.....**332,894,000**

### West Virginia Retirement Plus

Contributions.....	16,653,000
Net investment gain.....	14,813,000

**Total West Virginia Retirement Plus**.....**31,466,000**

### Unclaimed Property

Holder Remittances.....	31,500,000
Stale Dated Checks.....	8,600,000

**Total Unclaimed Property**.....**40,100,000**

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

Collections.....	354,142,000
Appropriations.....	3,374,000
Transfers.....	165,452,000

**Total Other Funds and Accounts**.....**522,968,000**

Total Revenues & Inflows.....\$12,603,734,000

# Financial Highlights

## Fund Outflows

*For the Year Ended June 30, 2019*

### Board of Treasury Investments

Participant distributions, redemptions & withdrawals.....	\$10,932,954,000
Operating Fund expenses.....	3,201,000

**Total Board of Treasury Investments.....10,936,155,000**

### West Virginia College Prepaid Tuition and Savings Program

College Prepaid Tuition and Savings Program Administrative Account expense.....	1,400,000
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#### Savings Plan Trust Fund:

Participant redemptions.....	256,224,000
Administrative expense.....	5,409,000

**Total West Virginia College Prepaid Tuition and Savings Program.....263,033,000**

### West Virginia Retirement Plus

Distributions and Withdrawals.....	13,703,000
Fees.....	758,000

**Total West Virginia Retirement Plan.....14,461,000**

### Unclaimed Property

Claims paid.....	15,000,000
Transfers.....	11,000,000
Administrative expense.....	4,700,000

**Total Unclaimed Property.....30,700,000**

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

Transfers.....	261,267,000
Distributions.....	176,640,000
Disbursements.....	17,839,000

**Total other funds and accounts.....455,746,000**

Total Expenses & Outflows.....\$11,700,095,000



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