

| 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, 2024

**Audited Financial Statements
With Other Financial Information**

**West Virginia Board of Treasury Investments
Year Ended June 30, 2024**

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West Virginia Board of Treasury Investments
Financial Statements with Other Financial Information
For the Year Ended June 30, 2024

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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, 2024, 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, 2024, 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
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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 and *Government 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 8, 2024 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.

Maher Duessel

Pittsburgh, Pennsylvania
August 8, 2024

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2024

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, 2024. 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

West Virginia's General Revenue Fund collections for fiscal year 2024 totaled \$5.7 billion, exceeding the Governor's original estimates by more than \$826 million and the revised estimates from May 2024 by almost \$590 million. This is a decline from fiscal year 2023's total general revenue fund collections that were in excess of \$6.4 billion. The major contributors to the drop in revenue were declines in personal income tax collections (\$423 million) and severance taxes (\$577 million). Other sources of general revenue income increased by a combined \$228.6 million year-over-year. The largest contributors to this increase were an increase in interest income (\$94.1 million), corporate net income tax (\$45.5 million), and consumer sales and use tax (\$66.1 million). Interest income for the general fund is generated from investments with the West Virginia Board of Treasury Investments (BTI). BTI investments for the benefit of the general fund include appropriated general revenue funds that have not yet been expended, cash balances of general revenue fund accounts, and the cash of all other funds which do not retain their accumulated interest.

Although BTI management expected balances available for investment would decline over the fiscal year, the magnitude of the decline was uncertain. During the 2023 Regular Session, the Legislature passed House Bill 2526 which was signed into law by the Governor on March 7, 2023. The largest provision in this legislation was an across-the-board reduction in each personal income marginal tax rate by approximately 21.25 percent. These reductions were made retroactive to January 1, 2023, resulting in lower withholdings after passage but also higher refunds from over withholding during early 2023 prior to the bill's passage. Due to the excess withholding and larger resulting refunds, some bounce back in personal income tax collections might be expected. However, a different provision of HB 2526 created refundable personal income tax credits for personal property taxes timely paid on automobiles and by small businesses on inventory, machinery, and equipment. The one-time over withholding due to the timing and implementation of the personal income tax rate reductions is of a roughly similar magnitude to these new refundable credits. In other words, the one-time drop in personal income tax collections from over withholding is replaced by a permanent decrease in collections due to these new tax credits. Severance taxes were also expected to decline, as collections over the previous two fiscal years were abnormally high as compared to historical levels. These two sources of income have a significant influence on the level of general revenue funds available to invest by the BTI. There was also an expectation that road bond proceeds from the 2018 and

2019 Roads to Prosperity bond issues would decline more significantly as road construction and improvement projects funded from the proceeds were underway at the end of fiscal year 2023.

While there was a decline in state investments in the pools, the decline was significantly lower than expected. For the year, net position of the Consolidated Fund only fell by \$108.3 million. This decline includes net participant contributions/withdrawals, net investment income reinvestments and changes in the fair value of investments. Separating this net decline into its constituents reveals that participant-initiated activity for the year was significantly negative, with participants withdrawing a net of \$717 million during the year. However, net investment income distributions for the year of \$592.7 million and improvements in fair value of \$18.3 million nearly offset participant net withdrawals. Net position of the WV Money Market Pool fell by \$242.8 million as participants in the WV Money Market Pool withdrew approximately \$791.1 million while receiving approximately \$548.3 million in net investment income distributions. Overall, state agency investments in the pool fell by \$300.7 million for the year. State Participation, which is the largest participant balance in the pool, declined by \$341.3 million during the fiscal year. State Participation, which is composed of cash of the general revenue fund and uninvested cash of state agencies, experienced most of this decline in the final quarter of the fiscal year. This decline was at least partly attributable to the effects of the tax cuts implemented by the Legislature during fiscal year 2023. Due to over-withholding during tax year 2023 as a result of the retroactive tax cut enacted, there was a greater amount of tax refunds than normal in April 2024. Approximately \$57.7 million of the decline in State Participant was attributable to an increase in investments in participant directed accounts. The State Treasurer, who is responsible for directing the investment of State Participation, re-allocated a portion of State Participation into the the WV Term Deposit Account (\$40 million) and had to fund draws against the Broadband Loan of the State Loan Pool (almost \$18 million). The invested proceeds of the Roads to Prosperity bonds decreased by almost \$220 million as payments were made for road construction projects during the year, leaving just over \$1 billion remaining. Local government investments in the pool increased by approximately \$49 million as local governments sought higher returns for their available cash. Investments in state agency trust accounts increased by \$8.9 million. Net position of the WV Government Money Market Pool increased by \$96.6 million as participants contributed a net of \$72.3 million and received \$24.3 million in net investment income distributions. State agency investments in the pool increased by \$18.4 million while local government investments increased by \$78.2 million. The increase in local government investments was mostly as a result of the investment of bond proceeds by a county board of education. Net position of the WV Short Term Bond Pool declined by \$19.4 million, primarily as a result of two participants closing their accounts in the pool. Participant withdrawals totaled \$56.7 million while net investment income reinvestments and fair value appreciation for the year totaled \$37.3 million.

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 5.69%, 5.47%, and 5.82%, respectively, for the fiscal year ended June 30, 2024. The performance of the Pools was mostly attributable elevated yields during the fiscal year. Average yields were higher for the year, with front-end yields up more significantly than yields in maturities beyond six months. The WV Short Term Bond Pool experienced substantially better performance in fiscal year 2024 as compared to fiscal year 2023, primarily as a result of higher yields during the year (increase in net investment income), narrowing credit spreads and a decline in yields in the one- to three-year maturity range (increase in fair value).

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 4.09% for fiscal year 2023 to 5.69% for fiscal year 2024. In July 2023 the Fed hiked their benchmark rate to the 5.25% to 5.50% range and remained on hold for the remainder of the fiscal year. The pool's investment managers began to cautiously extend maturities of securities purchased for the pool, raising the weighted average maturity ("WAM") of the pool from an upper 20-day range to the high 30s by fiscal year-end. Over the fiscal year, managers had an increased preference for fixed-rate securities over floating-rate

securities to lock in yields. While daily liquidity levels increased slightly year-over-year, there was a small decline in weekly liquidity levels as managers extended maturities. Looking forward, it appears that the first Fed rate cut could come as early as September 2024. The pool's managers are expecting two possible rate cuts over the first half of fiscal year 2025, with a quarter-point cuts in September and December 2024, with another three to four over the second half of the fiscal year. There is a risk that the magnitude of rate cuts, and the frequency of the cuts, could increase if there is significant deterioration in the labor markets and the U.S. economy. With a higher confidence level that the Fed will finally begin easing rates in the near term, BTI management anticipates that the yield of the WV Money Market Pool will decline in fiscal year 2025.

The WV Government Money Market Pool is also structured as a money market fund with an objective 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 3.86% for fiscal year 2023 to 5.47% for fiscal year 2024. As with the WV Money Market Pool, the primary driver for increased performance over fiscal year 2024 was the high level of yields throughout the fiscal year. After the last rate cut of the fiscal year in July 2023, the pool's manager began carefully extending maturities. By November 2023, the WAM of the pool had risen to 42 days and was maintained in the mid-40s for remainder of the fiscal year. The extension in WAM resulted from extended maturities on new purchases and a reduction to the allocation to overnight repo. The allocation to repo decreased from 43% at the end of fiscal year 2023 to around 28% by the end of fiscal year 2024. As the flood of Treasury bills hit the markets over the first half of fiscal year 2024, yields on Treasuries grew more attractive versus agency securities. With agencies trading at or below equivalent-term Treasuries, the pool's manager increased the allocation to Treasuries from 4.2% of pool holdings to 65.8% by fiscal year-end. The pool's manager will likely extend the pool's WAM in the next year as the Fed begins easing rates. As with the WV Money Market Pool, BTI management expects the yield on the pool to decline over fiscal year 2024.

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 2024 net-of-advisor-fee return of 5.82% was 405 basis points higher than the 1.77% rate of return for fiscal year 2023. Pool performance continued to outperform the benchmark, beating it by 75 basis points for the year. Strong asset allocation and security selection drove most of the Pool's outperformance versus its benchmark over the fiscal year. Treasury holdings were reduced in favor of a further overweight to corporate bonds and asset-backed securities ("ABS") in the second quarter of fiscal year 2024 when it became apparent that further Fed rate hikes were unlikely. With corporates and ABS outperforming Treasuries significantly during the period, these were the two largest positive contributors to benchmark-relative performance. Within corporate bonds, the manager's preference for financials also boosted relative returns, as did exposure to select BBB issuers in the industrial space. Duration and yield curve positioning did not contribute significantly to relative performance during the period. The manager moved from a short duration position at the beginning of the fiscal year to a more benchmark neutral stance which added a minor amount of excess return. However, this was mostly offset by the pool's slightly bar belled curve structure which was hurt by the modest steepening in the front end of the yield curve. The pool's manager will look to extend the duration of the pool relative to the benchmark as the Fed begins easing rates. BTI management expects that pool performance for the next fiscal year will be comparable to, if not better, than fiscal year 2024. However, there is some risk that a rise in credit spreads could result in underperformance versus the benchmark as the pool is heavily overweight to credit and structured products as compared to the benchmark.

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 six legally separate investment pools and accounts. There are three external investment pools, one special-purpose internal investment account, and two 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, 2024 and 2023 (in thousands).

	2024	2023
Current assets	\$ 3,568	\$ 2,729
Noncurrent assets	4	7
Total assets	<u>3,572</u>	<u>2,736</u>
Current liabilities	<u>1,468</u>	<u>1,020</u>
Total liabilities	<u>1,468</u>	<u>1,020</u>
Net position:		
Net investment in capital assets	4	7
Unrestricted	<u>2,100</u>	<u>1,709</u>
Total net position	<u><u>\$ 2,104</u></u>	<u><u>\$ 1,716</u></u>

The net position of the Operating Fund increased by \$388,000 during fiscal year 2024. The increase in net position was the result of an increase in current assets of \$839,000 which was partially offset by an increase of \$448,000 in current liabilities. Noncurrent assets decreased by \$3,000 during fiscal year 2024.

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 \$3,568,000 comprises \$2,197,000 in cash and \$1,371,000 in accounts receivable. The cash balance increased from fiscal year 2023 by \$778,000 while the accounts receivable balance had increased \$61,000 by the end of fiscal year 2024.

The increase in the cash balance primarily resulted from the net operating income of \$388,000 and the transfer of \$425,000 to the Operating Fund from the fiduciary fund for advisor fee invoices for the WV Money Market and WV Government Money Market Pools for the quarter ending March 31, 2024. The advisor, UBS Global Asset Management, changed their organizational structure from a corporation to a limited liability corporation, which required them to update the various registrations necessary to do business with the state. The BTI is unable to make payment on these invoices until UBS is in compliance with state vendor registration requirements. As of June 30, 2024, UBS was still in the process of updating their registrations with the state.

The accounts receivable balance of \$1,371,000 represents fees that have been accrued but not withdrawn from the investment pools at June 30, 2024 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 \$61,000 over the fiscal year-end 2023 balance. This increase was composed of an increase in administrative fees receivable of \$8,000, an increase in advisor fees receivable of \$45,000, and an increase in custodian fees receivable of \$8,000. The increase

in administrative fees receivable was the result of a higher level of net position over the last quarter of fiscal year 2024 as compared to the last quarter of fiscal year 2023. The administrative fee charged for fiscal year 2024 remained at 1.25 basis points. The average net position for the final quarter of fiscal year 2024 was approximately \$200 million higher than the last quarter of fiscal year 2023. As advisor fees, in basis points assessed on assets under management, 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 2024 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 a higher level of assets under custody in the final quarter of the fiscal year.

Capital assets, net of accumulated depreciation, decreased by \$3,000 during the year. The decrease was due to annual depreciation of \$3,000. Fully depreciated capital assets with a value of \$7,000 were retired during the fiscal year. There were no asset acquisitions during the year.

The balance of \$1,468,000 in current liabilities represents \$1,405,000 in accounts payable and \$63,000 of reimbursements due to the West Virginia State Treasurer's Office (the "STO") as of June 30, 2024. Current liabilities increased by \$448,000 as compared to the fiscal year-end 2023 balance. The net increase in current liabilities was composed of an increase of \$468,000 in accounts payable and a decrease of \$20,000 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, 2024, custodian fees for May and June 2023, and maintenance costs for June 2024 for the BTI's investment management system. The net increase of \$468,000 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 \$470,000 over 2023 levels. The primary factor in this increase was \$425,000 in unpaid invoices for UBS Global Asset Management for the quarter ending March 31, 2024. The invoices had not been paid as of fiscal year end due to the previously mentioned issues with UBS' vendor registration with the state. The remainder of the increase was due to 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 2024 as compared to the final quarter of fiscal year 2023. Custodian fees payable were \$6,000 higher as the result of the higher levels of assets under custody in the final two months of fiscal year 2024 as compared to fiscal year 2023. Other accounts payable decreased by \$8,000. The \$63,000 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 \$19,000 lower than at the end of fiscal year 2023, primarily due to a decrease of \$19,000 in amounts payable for staffing services. This decrease was due to three pay periods occurring in June 2023 versus only two pay periods in June 2024. Reimbursements for other expenses were comparable to the amounts payable at the end of fiscal year 2023.

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, 2024 and 2023 (in thousands).

	2024	2023
Revenues		
Operating revenues:		
Management services	\$ 1,598	\$ 1,463
Advisor and custodian services	3,786	3,404
Total revenues	5,384	4,867
Expenses		
Operating expenses:		
General and administrative	1,207	1,283
Advisor and custodian fees	3,786	3,403
Depreciation	3	3
Total expenses	4,996	4,689
Increase (decrease) in net position	388	178
Net position at beginning of year	1,716	1,538
Net position at end of year	<u>\$ 2,104</u>	<u>\$ 1,716</u>

Operating revenues at June 30, 2024 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. Direct expenses, which include investment advisor and custodian fees, are charged directly to the pools as they are incurred. Indirect expenses, such as staff costs, rent, and insurance, are charged to the pools based upon a fixed basis point fee against the net position of the pools and accounts. In accordance with *West Virginia Code §12-6C-19*, the fees collected are deposited in an account in the STO designated as the Board of Treasury Investments Fee Fund

Operating revenues for fiscal year 2024 increased by \$517,000. The increase in revenue consisted of a increase of \$135,000 in management (administrative) fees charged to the pools, an increase of \$353,000 in advisor fee revenues, and an increase of \$29,000 in custodial fee revenue.

Advisor fees are computed based upon the fair values of securities held in the pools. The average fair value of assets under management were approximately \$871 million higher over the course of fiscal year 2024 for the WV Money Pool, resulting in an increase in advisor fees of \$304,000. Advisor fees for the WV Government Money Market Pool increased year-over-year by \$51,000 as the average fair value of assets under management increased by approximately \$158.1 million from fiscal year 2023 levels. Advisor fees charged to the WV Short Term Bond Pool decreased during fiscal year 2024, falling by \$2,000 from fiscal year 2023. Average assets under management for the Pool were approximately \$11.5 million lower than fiscal year 2023 levels, resulting in the decrease in the advisor fee year-over-year. Custodian fees increased by a total of \$29,000 primarily as a result of increases in average assets under management in the WV Money Market and WV Government Money Market Pools over the fiscal year. Custody fees related to investment trades across all pools were comparable to fiscal year 2023 levels. Administrative fee revenue increased by \$135,000 from fiscal year 2023 levels. The fee charged for fiscal year 2024 was unchanged from fiscal year 2024. However, average assets under management during the fiscal year increased by approximately \$871 million from fiscal year 2023 levels.

Total operating expenses for the year increased by \$307,000. This includes a decrease of \$76,000 in general and administrative expense and an increase in advisor and custodian fees of \$383,000. 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 decreased by \$59,000 from the prior year. The decrease was primarily the result of organizational changes within the State Treasurer's Office. In July 2023, the Cash Management division of the STO and the Board of Treasury Investments divisions were consolidated into the Investments and Banking Services Division. The BTI's Executive Director was elevated to the Chief Executive Officer of the combined division and the Chief Financial Officer of the BTI was named as the Chief Investment Officer of the combined division. In addition to these changes, the BTI's Internal Auditor was promoted to the Chief Operating Officer of the combined division. A new Internal Auditor was hired for the BTI to replace the previous Internal Auditor. Approximately 20% of the CEO's and 25% of the CFO's salaries and benefits were allocated to Banking Services activities with the remainder continuing to be allocated to BTI activities. These changes resulted in a decrease of approximately \$63,000 in salary and related expenses charged to the BTI. Also, during the fiscal year mandatory contributions to fund other post-employment benefits ("OPEB") were reduced by approximately \$5,000 as a result of the suspension of OPEB contributions for the fiscal year. These charges will resume in fiscal year 2025. Offsetting these decreases were increases resulting from an across-the-board salary increases granted by the Legislature that became effective with the first full pay period in July 2023. Professional services decreased from fiscal year 2023 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, a \$1,000 increase in investment consultant fees, and a \$1,000 increase in professional services paid for by the BTI. The decrease in reimbursements to the STO were the result of decreases in expenses allocable to the BTI. The increases in investment consultant and professional service fees paid by the BTI were the result of contractual increases in provider fees. Other general and administrative expenditures decreased by \$14,000 from fiscal year 2023. The decrease was primarily related to a decrease of \$19,000 in rent and utility reimbursements to the STO. During fiscal year 2024, the STO did not request reimbursement for seven months of rent and utilities as these expenses were paid for with other expiring funds. This accounted for approximately \$17,000 of the decrease. The remaining decrease was the result of reduction in the amount of monthly rent charges to the BTI. In fiscal year 2023, the BTI revised its marketing materials and incurred design and production costs for the redesign. There were no such expenditures in fiscal year 2024 resulting in decrease of \$6,000 in advertising and promotional expenses. Training and development expenses decreased by \$3,000 as BTI staff attended fewer conferences during fiscal year 2024. Offsetting these decreases were increases in office expenses, travel and other general and administrative expenses. Travel costs increased by \$6,000 as the costs of traveling rose from fiscal year 2023 levels. Although staff attended fewer conferences and trainings events, the costs of travel, such as airfare, mileage reimbursements, and lodging and meal expenses, increased significantly from fiscal year 2023. Office expenses increased by \$5,000 as a result of increases in the cost of office supplies and the purchase of a new investment news subscription service. Remaining expenses, such as miscellaneous equipment purchases, maintenance contracts, computer services, and non-capitalizable computer equipment expenditures increased by a combined \$3,000.

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 \$3,472,000 and custodian fees of \$314,000. Investment advisor fees increased by \$353,000 and custodian fees increased by \$29,000 over fiscal year 2023 levels. Approximately \$304,000 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 2024. The average level for fiscal year 2024 was approximately \$871 million higher than fiscal year 2023 levels.

Advisor fees for the WV Government Money Market Pool increased by approximately \$51,000 in fiscal year 2024. The increase resulted from an average increase of \$158.1 million in assets under management during fiscal year 2024 as compared to fiscal year 2023. There was a decrease in advisor fees of \$2,000 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 \$11.5 million from the prior fiscal year. Custodian fees increased by \$29,000 during fiscal year 2023, primarily due to the higher levels of assets under management in the WV Money Market and WV Government Money Market Pools.

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, 2024 and 2023 (in thousands).

	2024	2023
Assets		
Investments	\$ 10,836,167	\$ 10,955,581
Receivables	39,378	32,569
Total assets	<u>10,875,545</u>	<u>10,988,150</u>
Liabilities		
Accrued expenses	1,371	1,309
Dividends and purchases payable	7,312	11,647
Total liabilities	<u>8,683</u>	<u>12,956</u>
Net Position		
Held in trust for investment pool participants	10,789,599	10,955,159
Held in trust for individual investment account holders	77,263	20,035
Net position	<u>\$ 10,866,862</u>	<u>\$ 10,975,194</u>

As of June 30, 2024, 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 2024 was approximately \$108.3 million lower than the fiscal year-end 2023 net position. The decrease in net position was composed of a net decrease of over \$165 million in investments by state agencies and local governments in the investment pools. The remaining changes were the result of an increase of over \$57 million in investments in individual accounts during fiscal year 2024.

As more fully discussed below, the BTI experienced a net decrease in participant investments during fiscal year 2024. The WV Money Market Pool experienced a net decrease of \$242.8 million in net position as a result of net participant withdrawals of \$791.1 million. Offsetting these net withdrawals were net investment income reinvestments during the fiscal year totaling \$548.3 million. Net position of the WV Government Money Market Pool increased by \$96.6 million. The increase in net position was the result of a net increase in state and local government investments of \$72.3 million and net investment income reinvestments of \$24.3 million. Net position of the WV Short Term Bond Pool decreased by \$19.4 million primarily as a result of participant withdrawals of \$56.7 million. Offsetting these withdrawals were reinvestments of net investment income distributions totaling \$18.9 million and an increase in the fair value of the investments of the pool of \$18.4 million for the year. Three of the five individual investments accounts experienced a decline in net position totaling \$1.5 million while the remaining two accounts

experienced increases totaling \$58.8 million. Net position of the WV Bank Pool decreased by \$65 thousand as the account was closed out effective September 30, 2024. The EDA-AW Account net position declined by \$1.5 million as the account was also closed effective September 30, 2024. Net position of the WV Term Deposit Account, which was created in March 2024, increased by \$40.5 million. Net position of the State Loan Pool increased by \$18.3 million as the EDA drew against the WVEDA Broadband Loan to fund broadband loan insurance commitments. The School Fund account net position was little changed from the prior fiscal year.

The receivables balance is composed of accrued interest and dividends and receivables for investments sold. Receivables increased by \$6.8 million from fiscal year-end 2023 balances. The increase was composed of an increase in interest and dividends receivable of \$13.5 million and a decrease in receivables for securities sold of \$6.7 million. As more fully discussed below, the increase in interest and dividends receivable was primarily due to a higher level of interest rates at fiscal year-end 2024 as compared to fiscal year-end 2023.

In the WV Money Market Pool, interest and dividends receivable increased by \$11.3 million from fiscal year-end 2023 levels. The primary drivers for this increase were higher rates at the end of fiscal year 2024 as compared to fiscal year-end 2023 and a greater number of days receivable of interest at the end of fiscal year 2024. Although the balance of interest-bearing securities at fiscal year-end 2024 was \$690 million less than at the end of fiscal year 2023, higher average coupons and a greater number of days of interest accrued at the end of fiscal year 2024 resulted in a higher balance year-over-year. The average coupon for interest bearing securities at the end of fiscal year 2024 was 5.56% versus 5.36% as of the end of fiscal year 2023. Additionally, at the end of fiscal year 2024, there was an average of 50 days of accrued interest versus only 28 at the end of fiscal year 2023. As the investment managers extended maturities to lock in yields in anticipation of Fed rate cuts, the extension in maturities of securities that pay interest at maturity resulted in a greater number of days of accrued interest. At the end of fiscal year 2024, the average number of days accrued interest for securities that pay interest at maturity had increased from 32 days to 83 days. For securities that pay interest monthly or quarterly, the average number of days accrued increased by 2 to 4 days.

The interest and dividend receivable balances of the WV Government Money Market Pool increased approximately \$0.3 million from fiscal year-end 2023. Although the pool's net position increased by \$96.6 million year-over-year, the pool's manager favored investing in Treasury bills, which are discount securities, over interest-bearing securities. As a result, the pool ended fiscal year 2024 with approximately the same amount invested in interest bearing securities as at the end of fiscal year 2023. However, the average coupon increased from 5.09% to 5.24% and at the end of fiscal year 2024 there was an average of 26 days of interest receivable versus 16 days at the end of fiscal year 2023. The increase in days receivable was related to changes in the timing of the next coupon payment on securities relative to fiscal year-end 2023.

Receivables in the WV Short Term Bond Pool decreased by approximately \$5.0 million from fiscal year-end 2023 levels. The decrease was composed of an increase in interest and dividends receivable of \$1.7 million and a decrease in receivables for securities sold of \$6.7 million. Even with a \$38 million decrease in the face value of interest-bearing securities, interest and dividends receivable increased year-over-year as the weighted-average coupon rate increased from 3.18% at the end of fiscal year 2023 to 4.72% at the end of fiscal year 2024. The decrease 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 2024.

Interest and dividends receivable in the participant directed investment accounts increased by \$0.2 million from the prior fiscal year-end. Interest receivable in the State Loan Pool increased by \$0.1 million as a result of an increase in the Broadband Loan interest rate from 1.28% at the end of fiscal year 2023 to 2.28%

for fiscal year 2024. Also contributing to this increase was an increase of \$18.1 million in the Broadband Loan during fiscal year 2024. Interest receivable in the WV Term Deposit Account increased by \$0.1 million from fiscal year-end 2023. The account was created during fiscal year 2024 so there was no interest receivable at the end of fiscal year 2023. Interest receivable in the Economic Development Authority – American Woodmark Account (“EDA-AW”) account fell by \$34 thousand to zero as the account was closed during fiscal year 2024. The WV Bank Pool, which was also closed during the fiscal year, had a minimal receivable balance at the end of fiscal year 2023 and no receivable balance at the end of fiscal year 2024. The remaining participant directed investment accounts were little changed from the prior fiscal year.

Total liabilities decreased by approximately \$4.3 million from June 30, 2023 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 liability for investments purchased decreased by \$5.6 million year-over-year. The majority of the decrease was the result of a \$10.5 million decrease in this liability of the WV Short Term Bond Pool as there was no payable at the end of fiscal year 2024. Offsetting this was an increase of \$4.9 million in outstanding security purchases in the WV Government Money Market Pool. The pool had no liability for unsettled transactions at the end of fiscal year 2023. Dividends payable in the WV Short Term Bond Pool increased by approximately \$1.3 million year-over-year. Pool net income for the final month of the fiscal year was \$0.9 million higher than June 2023 while realized losses for the final month of the fiscal year decreased by \$0.4 million. Net investment income in the final month of the current fiscal year had increased over June 2023 levels due to higher yield levels at the end of fiscal year 2024. Accrued expenses were up approximately \$0.1 million as compared to the end of fiscal year 2023.

Net position is the excess of total assets over total liabilities. As of June 30, 2024, 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 decreased approximately \$165.6 million from the prior year due to decreases in investments in the WV Money Market Pool and WV Short Term Bond Pool. Net position of the WV Government Money Market Pool, however, increased from fiscal year end 2023. As more fully discussed below, net position of the individual investment accounts increased by a combined \$57.2 million during the fiscal year.

Net position of the WV Money Market Pool decreased by approximately \$242.8 million from the prior year. The primary source of the decrease was a decrease in State agency investments totaling \$300.7 million. Local governments increased their investments in the Pool, investing an additional \$49.0 million during the fiscal year, largely due to an increase of \$55.6 million in investments by county boards of education and a \$4.9 million increase in county government investments. Other local government entities, such as volunteer fire departments and public service districts increased their investments balances by a combined \$2.2 million. Municipalities, however, decreased their investments in the pool by \$13.7 million. The decrease in state agency investments was primarily due to a \$341.3 million decrease in the balance of State Participation. State Participation is composed of cash of the General Fund and cash of other state agencies that is not invested for the benefit of a particular agency. Other state agency investments increased year over year, rising by \$40.7 million. It should be noted that the net decrease of \$242.8 million includes total dividend reinvestments during the year of \$548.3 million. Actual net participant activity for the year, which is participant contributions minus participant withdrawals, was a net withdrawal of \$791.1 million.

Net position of the WV Government Money Market Pool increased by approximately \$96.6 million from fiscal year end 2023. State agency deposits, which made up just under 54% of the funds invested in the Pool at the end of fiscal year 2024, increased by \$18.4 million during the fiscal year. The increase in state

agency deposits was composed of a \$16.1 million increase in amounts invested by the Municipal Bond Commission (the "MBC") and a \$9.2 million increase in investments by the WV Housing Development Fund. Two agencies decreased their investment balances during the fiscal year. The West Virginia Jobs Investment Trust ("WVJIT") withdrew \$2.6 million, and funds held in trust by the WV State Treasurer's Office decreased by \$4.6 million. Other state agency investments increased by \$0.3 million during the fiscal year. Local governments increased their investment in the pool by \$78.2 million with the increases coming from school boards and public service districts. County boards of education increased investments by a total of \$58.3 million. One board of education invested \$69.0 million in bond proceeds while two others invested general funds totaling \$6.7 million. Offsetting these increases were withdrawals of \$13.5 million of invested bond proceeds by one school board and withdrawals totaling \$3.9 million by a school board that closed their investment account. The remaining school boards increased their investments by a net of \$0.1 million. Investments by public service districts increased by \$19.9 million, primarily due to new accounts totaling \$19.7 million opened by two public service districts. Investment balances of the remaining PSDs increased by \$0.2 million year-over-year. Other local government investment balances were little changed during the year. As with the WV Money Market Pool, it should be noted that the above balance changes include dividend reinvestments totaling \$24.3 million during fiscal year 2024. Net participant contributions, exclusive of dividend reinvestments, totaled \$72.3 million.

The net position of the WV Short Term Bond Pool decreased by \$19.4 million from fiscal year-end 2023. The net decrease was primarily the result of participant withdrawals of \$56.7 million during the fiscal year. Offsetting this decrease were an \$18.4 million increase in fair value of investments and an \$18.9 million increase in income and realized loss distributions to participants. Two participants, one a state agency and the other a local government, closed their accounts in the pool, withdrawing a total of \$44.5 million. The WVEDA closed out their investment account in the pool, withdrawing \$19.8 million and a city closed out their pension reserve account, withdrawing \$24.8 million. The WV Division of Environmental Protection also withdrew funds during the year, withdrawing a total of \$10.5 million during the fiscal year. Two other state agencies made withdrawals totaling \$1.6 million. Offsetting these withdrawals were increases in the fair value of investments of \$18.4 million and net income and realized loss distributions of approximately \$18.9 million. The increase in fair value was the result of changes in market yields over the fiscal year. With the Fed ending their tightening campaign in early fiscal year 2024, markets began aggressively pricing in rate cuts which led to longer-dated yields falling. Credit spreads also fell during the fiscal year which helped to increase the fair value of credit products held in the pool. Both factors contributed to the \$18.9 million increase in the fair value of securities held by the pool. The \$18.9 million in distributions to participants was composed of \$27.6 million in net income distributions and \$8.7 million of realized loss distributions.

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 increased by \$57.2 million from the prior fiscal year.

Investments in the State Loan Pool increased during the fiscal year, rising by \$18.3 million. During the fiscal year, the WVEDA drew \$18.1 million against the WVEDA Broadband Loan to fund increases in loan balances insured under the WVEDA's broadband loan insurance program. The remaining increase of approximately \$0.2 million in loan principal repayments received during the year that were not withdrawn by the STO. The WVEDA Broadband Loan program is more fully discussed in Note 7 to the financial statements.

Net position of the WV Term Deposit Account increased by \$40.5 million during fiscal year 2024. The account was created for the State Treasurer's Office to invest a portion of State Participation in term deposit accounts at approved state depositories. The STO funded the account in March 2024 and all funds were auctioned off with a placement date of April 1, 2024. The increase in net position was the result of the initial funding of \$40.0 million and \$0.5 million in interest earned over the quarter ending June 30, 2024.

The EDA-AW account was closed effective September 30, 2024 and all maturity proceeds were withdrawn by WVEDA resulting in a decrease in net position of \$1.5 million. The WV Bank Pool also closed in September 2023 and the \$0.1 million in net position was withdrawn by the STO and reinvested in the WV Money Market Pool State Participation account. Net position of the School Fund did not change significantly year-over-year.

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, 2024 and 2023 (in thousands).

	Year Ended June 30,	
	2024	2023
Additions		
Net investment income	\$ 602,326	\$ 394,762
Net realized loss	(8,337)	(12,598)
Net increase in fair value of investments	18,455	7,725
Unit purchases and contributions	14,500,712	17,430,809
Total additions	15,113,156	17,820,698
Deductions		
Distributions	592,828	381,450
Unit redemptions and withdrawals	14,628,660	15,698,749
Total deductions	15,221,488	16,080,199
Change in net position	(108,332)	1,740,499
Net position at beginning of year	10,975,194	9,234,695
Net position at end of year	<u>\$ 10,866,862</u>	<u>\$ 10,975,194</u>

Fiscal year 2024 net investment income increased significantly from fiscal year 2023, increasing by \$207.6 million year-over-year. The increase in net investment income was due to a higher average level of net position during fiscal year 2024 and higher yield levels during the fiscal year. In July 2023, the Fed hiked rates one last time, raising their benchmark rate to a range of 5.25% to 5.50%, before remaining on hold over the rest of the fiscal year. Average Treasury yields over fiscal year 2024 were 61 to 125 basis points higher than in fiscal year 2023, depending on tenor. The average yield on one-month Treasury bills was up 125 basis points, rising from an average of 4.24% for fiscal year 2023 to an average of 5.50% for fiscal year 2024. With the curve remaining inverted throughout fiscal year 2024, and the market aggressively pricing in Fed easing over the year, longer-term yields did not rise as substantially as short-term yields. The average yield for three-year Treasury notes was only up 61 basis points, rising from an average of 3.91% for fiscal year 2023 to 4.52% for fiscal year 2024. Also contributing to the increase in net investment income was a higher level of net position in the Consolidated Fund during the fiscal year. Fiscal year 2024 average net position was approximately \$896.9 million higher than the average net position for fiscal year 2023. Net investment income increased for all pools and accounts with the exception of the WV Bank Pool and the EDA-AW Account, which were closed at the end of the first quarter of fiscal year 2024.

After hiking rates in July 2023, the Fed remained on pause for the remainder of the fiscal year. Although the markets began pricing in a series of rate cuts over the fiscal year, the Fed consistently communicated that any pivot to rate cuts would be entirely dependent on incoming economic data indicating that inflation was sustainably moving towards the Fed's 2% inflation target. Front-end yields peaked in October 2023 at around 5.60% before falling into a range of 5.40% to 5.50% over the remaining eight months of the fiscal year. WV Money Market Pool net-of-advisor-fees performance, which tracks front-end rates closely, was up year-over-year, rising from 4.09% for fiscal year 2023 to 5.69% for fiscal year 2024. In addition to the higher yield levels, a higher average level of net position over fiscal year 2024 contributed to the increased net investment income. Fiscal year 2024 average net position for the pool was approximately \$870.7 million higher than the average net position for the pool for fiscal year 2023. The combination of these two factors resulted in an increase of \$182.2 million in net investment income as compared to fiscal year 2023 levels.

The WV Government Money Market Pool experienced a similar increase in performance in fiscal year 2024. Performance, net-of-advisor-fees, was up 161 basis points, rising from 3.86% for fiscal year 2023 to 5.47% for fiscal year 2024. Over the fiscal year, the pool's investment manager began extending the weighted average maturity from the low- to mid-teens to the mid-40's to lock in higher yields. The allocation to repo was reduced from 43% of the pool to just over 27% at the end of fiscal year 2024. Floating rate securities were maintained at a similar percentage of net position year-over-year. Instead, the investment manager increased allocations to Treasury bills during the fiscal year to lock in attractive yields at various points along the yield curve. Also contributing to the increase in net investment income was an increase in the average net position of \$169.3 million during fiscal year 2024. These two factors contributed to an increase in net investment income of \$13.3 million in fiscal year 2024.

Performance of the WV Short Term Bond Pool improved over fiscal year 2023 levels as the pool posted an annual return, net of advisor fees, of 5.82%. This was more than triple the 1.77% total return for fiscal year 2023. Net investment income, which is one component of the total return for the Pool, rose by \$11.6 million from fiscal year 2023 levels. Although the Fed remained on hold after its July 2023 rate hike, normal portfolio turnover during the fiscal year resulted in new securities being purchased at significantly higher yields than in the previous fiscal year. At the end of fiscal year 2023, the average purchase yield on securities was 3.41%. By the end of fiscal year 2024, the purchase yield of the portfolio had risen by 161 basis points to approximately 5.02%. Participant activity reduced some of the effects of the higher yields as participants withdrew \$56.7 million during fiscal year 2024. Approximately \$36.7 million of the participant withdrawals were in the first few months of the fiscal year, with the rest occurring over January and February 2024. Although these participant withdrawals resulted in some reduction in investment income, net investment income still increased by \$11.6 million as a result of the higher yield levels in fiscal year 2024.

Net investment income in the Loan Pool increased by \$0.1 million from fiscal year 2023 levels. The primary driver for the increase was an increase in the average loan balance outstanding on the Broadband Loan and an increase in the interest rate on the loan. The average loan balance increased from \$18.6 million during fiscal year 2023 to an average outstanding balance of \$26.2 million over fiscal year 2024. The rate for the Broadband Loan, which averaged 0.92% for fiscal year 2023, rose to an average of 2.28% for fiscal year 2024. The higher average balance, as well as the higher average loan rate, were responsible for the increase in net investment income of \$0.1 million. See Note 7 to the audited financial statements for more information on the loan programs of the Loan Pool.

Net investment of the WV Term Deposit Account increased by \$0.5 million year-over-year. There was no investment income reported for this account in fiscal year 2023 since it was created during fiscal year 2024. The account was funded in March 2024 and the first term deposit auction settled on April 1, 2024. Net investment income decreased by \$9 thousand in the WV Bank Pool. The account was only open for the first quarter of the fiscal year and was closed out effective September 30, 2023. Net investment income of

the EDA-AW account fell by \$0.1 million year-over-year. The account had minimal investment earnings during fiscal year 2024 as the lone holding of the account matured and the proceeds withdrawn by the WVEDA in August 2023. The account was fully closed effective September 30, 2023. Net investment income of the School Fund was comparable to the prior fiscal year.

For the year, the investment pools had a combined net realized loss of \$8.3 million. The net realized loss for fiscal year 2024 was approximately \$4.3 million lower than fiscal year 2023's net realized loss of \$12.6 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 2024 of \$8.3 million. The net realized losses were the result of trading activity by the portfolio manager to reposition the Pool in response to elevated yields available in the market and to manage the Pool's duration within investment policy constraints. The WV Money Market Pool had minimal net realized losses during fiscal year 2024. The realized net losses of the WV Money Market Pool 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 2024 with fair values of pool and account holdings increasing by \$18.4 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 \$18.4 million during fiscal year 2024. 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 maintain duration or gain exposure to market sectors with higher expected returns. The remaining changes in fair value were the result of declining yields and credit spreads over fiscal year 2024. Although the Fed hiked rates once during the fiscal year, in July 2023, yields peaked in October 2023 and then generally trended downwards over the remainder of the fiscal year. Credit spreads narrowed during the fiscal year, elevating the fair value of credit products, as investor demand remained strong even with a 23% year-over-year increase in issuance of short-duration credit products. As a result of the strong demand, short-duration corporate bonds outperformed Treasuries by approximately 141 basis points for the year. These factors helped to contribute to an improvement of the fair value of holdings in the WV Short Term Bond Pool. The change in the fair value of the EDA-AW account was minimal and the result of the lone holding of the account maturing in August 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.

Inflation remained the primary focus for fixed income investors over the past year and the ebbs and flows of monthly data releases drove price action in interest rates and risk premia. The period began as the Federal Reserve's Open Market Committee ("FOMC") hiked the federal funds rate for what was likely the last time during the current cycle in response to stubbornly high consumer price increases. At the time, the core U.S. Consumer Price Index ("CPI") had increased nearly 5% year-over-year and had shown few signs of slowing. The U.S. economy expanded at a nearly 5% annualized rate in the second quarter of the fiscal year and job growth remained robust while the unemployment rate sat at just 3.6%. The trend of high inflation and strong growth pushed short term Treasury yields higher for most of first quarter of the fiscal year and the early part of second quarter. Two-year yields moved from 4.90% at the end of fiscal year 2023 to a peak of 5.22% in mid-October before the trend in monthly inflation prints began to show encouraging signs of moving closer to the FOMC's 2% target and job growth slowed. This "immaculate disinflation", as some economists called it, allowed the Fed to pause and possibly end its rate hiking cycle and begin thinking about when cutting the fed funds rate might be appropriate. Bond

market participants welcomed these developments and bought bonds in droves, driving up prices and driving down yields across asset classes. Two-year Treasury yields closed calendar year 2023 at 4.25% after Federal Reserve Chair Jerome Powell ("Chair Powell") indicated that the FOMC had begun discussing rate cuts at their December meeting. At year-end, the fed funds futures market showed that market participants expected six cuts in the fed funds rate in 2024. Unfortunately for the FOMC, the easing in financial conditions in final quarter of calendar year 2023 seemed to reverse much of the progress made during the course of the year and inflation surged again early in 2024. Core consumer prices in the U.S. advanced at a faster pace than expected each month to begin the year and although inflation slowed significantly from a year earlier, at 3.2% on the core consumer price index ("core CPI") and 2.8% on the core personal consumption expenditure index ("core PCE"), it remained far above the Fed's 2% long-run target on a year-over-year basis. As a result, market participants gradually removed expectations for cuts in the fed funds rate and short-term interest rates rose once more with the two-year Treasury yield moving back above 5% briefly in April 2024. However, this was to be the high-water mark for rates as the economic data turned south once again in the second quarter. Month-over-month CPI moved from 0.4% for the first three months of the year to 0.1% in June. Rates rallied in response and the two-year Treasury yield closed the period at 4.75%, just 14 basis points lower for the fiscal year.

The higher level of yields over the fiscal year was very beneficial for the WV Money Market and WV Government Money Market Pools. The pool managers began extending pool WAMs to lock in yields in expectation of the Fed turning dovish. The marked-to-market NAVs of the two liquidity pools of the Consolidated Fund remained well within guidelines as rates were relative stable to declining over the fiscal year. The WV Short Term Bond Pool turned in strong performance for the year as credit spreads and longer yields declined over the fiscal year and. Rising income from higher coupon rates and narrowing credit spreads contributed to the pool's performance for the year.

Management expects that net position will decline again next year, as the various tax cuts enacted by the Legislature take full effect. House Bill 2526 ("HB 2526"), passed by the Legislature during the 2023 Regular Session, has at least two provisions that took effect for tax year 2024. One provision of HB 2526 created refundable personal income tax credits for personal property taxes timely paid on automobiles and by small businesses on inventory, machinery, and equipment. Another provision of HB 2526 created an automatic trigger which would further reduce the personal income tax marginal rates if certain general revenue conditions are met. Collections from fiscal year 2024 met conditions for an additional 4 percent reduction in personal income tax on January 1, 2025. Using fiscal year 2024's actual collections, a 4 percent reduction equals \$89.6 million. Note that due to the timing of collections across the fiscal year, the anticipated impact on fiscal year 2025 collections would be approximately 40 percent of this amount. During the 2024 Regular Session, the Legislature unanimously passed, and the Governor signed into law, House Bill 4880 ("HB 4880") which will fully eliminate personal income taxes on Social Security benefits over a period of three years, with full elimination beginning January 1, 2026. Upon full elimination, this exemption is anticipated to reduce revenues by approximately \$40 million per fiscal year. It is also expected that the spend down of Roads to Prosperity bond proceeds will increase in the next fiscal year. Some general revenue funds will remain invested with the BTI longer than anticipated, which may offset some of the expected declines from the tax cuts. The Legislature appropriated an additional \$400 million into the Personal Income Tax Reserve Fund as a safeguard against lower than anticipated personal income tax collections. These funds are invested by BTI as a part of State Participation. As long as such funds remain unspent, they will continue to be invested in the WV Money Market Pool. Significant surpluses have been realized over the past several fiscal years, and portions of those surpluses have been allocated to one-time purposes. Some of these purposes, such as deferred maintenance or capital projects (e.g. the state laboratory facilities), may take years to be expended, which

would reduce expected declines in the short term. As these funds are expended for their original purpose, those balances will decrease, reducing the amount available for investment.

The most recent report from the Urban Institute & Brookings Institution's Tax Policy Center details trends in state revenues through the end of calendar year 2023, or the second quarter of West Virginia's 2024 fiscal year. The report notes that nominal revenue collections rose by 4.5% on average across the country from West Virginia's second quarter fiscal year 2023 to second quarter fiscal year 2024. West Virginia's collections declined by 12.4%, the third largest decline over this period ahead of only Wyoming (-18.8%) and Alaska (-40.9%), two other extraction-intensive states. As previously noted, this decline is driven by the largest tax cuts in West Virginia's history and mean reversion of historic severance tax collections.

Natural gas marketed production in West Virginia has risen exponentially since the Marcellus shale boom. In 2010, natural gas marketed production in West Virginia, according to the Energy Information Administration ("EIA"), totaled 265,174 million cubic feet ("MMcf"). By 2023, that production had grown more than 10 times over to 3,239,174 MMcf, with year over year growth every year. Despite record production levels, volatile prices receive more attention as price spikes can lead to larger royalty payments and severance taxes (as was seen through much of 2021 and 2022), and price collapses can have the opposite effect (as was seen in 2023 and the first half of 2024). The Henry Hub spot natural gas price peaked in August 2022 at \$8.80 per million British thermal units ("BTUs") before bottoming out in March 2024 at \$1.49 per million BTUs. EIA's Short-Term Energy Outlook forecasts prices to generally rise through the remainder of 2024 and 2025, with prices generally in the \$3.00 to \$3.50 per million BTU range.

Coal production in West Virginia for the first three months of 2024 was 20.1 million short tons according to the EIA. That is a small increase of around 500,000 short tons from the previous quarter, but a 9.9% drop from the same period in 2023. Nationally, coal production dropped 12.7% between the first quarter of calendar year 2023 and the first quarter of calendar year 2024. Declining production is somewhat expected, as export prices for coal declined to \$153.34 per short ton in the first quarter of 2024 from \$177.89 in the first quarter of 2023 and \$187.20 in the first quarter of 2022. Nevertheless, current prices remain above pre-pandemic levels, when prices were \$106.94 and \$110.18 per short ton in the first quarters of 2018 and 2019, respectively. Across the Appalachian region, EIA forecasts total coal production to decline from 165.1 million short tons in 2023 to 144.6 million short tons in 2024 and 139.3 million short tons in 2025.

West Virginia has made a concerted effort to diversify its economy in recent years, with high-profile manufacturing economic development projects including a Nucor steel mill in Mason County, expansions to Toyota's manufacturing facility in Putnam County, Procter & Gamble's plant in Berkeley County, Form Energy's iron-air battery factory in Hancock County, and significant investments in tourism especially in the New River Gorge region, which is the United States' newest National Park. Nevertheless, the energy industry remains an important contributor to West Virginia's economy and tax base.

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, 2024

(In Thousands)

Assets	
Current assets:	
Cash	\$ 2,197
Receivables	1,371
Total current assets	<u>3,568</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	4
Total assets	<u>3,572</u>
Liabilities	
Current liabilities:	
Accounts payable	1,468
Total liabilities	<u>1,468</u>
Net position	
Net investment in capital assets	4
Unrestricted	2,100
Total net position	<u><u>\$ 2,104</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, 2024

(In Thousands)

Operating revenues	
Management services	\$ 1,598
Advisor services	3,472
Custodian services	314
Total operating revenues	<u>5,384</u>
Operating expenses	
Advisor fees	3,472
Management fees	702
Trustee Fees	4
Professional service fees	250
Fiduciary bond	19
Custodian fees	314
General and administrative	232
Depreciation	3
Total operating expenses	<u>4,996</u>
Operating income	<u>388</u>
Change in net position	388
Net position at beginning of period	<u>1,716</u>
Net position at end of period	<u><u>\$ 2,104</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, 2024

(In Thousands)

Cash flows from operating activities	
Cash received for services	\$ 5,324
Payments to vendors	<u>(4,542)</u>
Net cash provided by operating activities	<u>782</u>
Cash flows from capital and related financing activities	
Purchase of capital equipment	<u>(4)</u>
Net cash used by capital and related financing activities	<u>(4)</u>
Net increase in cash	778
Cash at beginning of period	<u>1,419</u>
Cash at end of period	<u>\$ 2,197</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 388
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3
Changes in assets and liabilities:	
Receivables	(61)
Accounts payable	<u>452</u>
Net cash provided by operating activities	<u>\$ 782</u>

See accompanying notes to financial statements

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

June 30, 2024

(In Thousands)

Assets	
Investments:	
At amortized cost	\$10,157,010
At fair value	<u>679,157</u>
Total investments	10,836,167
Receivables:	
Accrued interest	39,317
Dividends	<u>61</u>
Total receivables	39,378
Total assets	<u>10,875,545</u>
Liabilities	
Accrued expenses	1,371
Dividends payable	2,398
Investments purchased	<u>4,914</u>
Total liabilities	<u>8,683</u>
Net Position	
Held in trust for investment pool participants	10,789,599
Held in trust for individual investment account holders	<u>77,263</u>
Total net position	<u>\$10,866,862</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, 2024

(In Thousands)

Additions	
Investment income:	
Interest	\$ 282,579
Dividends	10,884
Net accretion	314,247
Total investment income	<u>607,710</u>
Investment expenses:	
Investment advisor fees	3,473
Custodian bank fees	314
Administrative fees	1,597
Total investment expenses	<u>5,384</u>
Net investment income	602,326
Net realized loss from investments	(8,337)
Net increase in fair value of investments	<u>18,455</u>
Net increase in net position from operations	612,444
Participant transaction additions:	
Purchase of pool units by participants	13,850,575
Reinvestment of pool distributions	591,552
Contributions to individual investment accounts	58,585
Total participant transaction additions	<u>14,500,712</u>
Total additions	<u>15,113,156</u>
Deductions	
Distributions to pool participants:	
Net investment income	601,165
Net realized loss from investments	(8,337)
Total distributions to pool participants	<u>592,828</u>
Participant transaction deductions:	
Redemption of pool units by participants	14,626,141
Withdrawals from individual investment accounts	2,519
Total participant transaction deductions	<u>14,628,660</u>
Total deductions	<u>15,221,488</u>
Change in net position	(108,332)
Net position at beginning of period	<u>10,975,194</u>
Net position at end of period	<u>\$ 10,866,862</u>

See accompanying notes to financial statements

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West Virginia Board of Treasury Investments

Notes to Financial Statements

June 30, 2024

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. This account was closed effective September 30, 2023.

Loan Pool – This account is composed of intergovernmental loans made by the Consolidated Fund to other state agencies. There are two loan programs authorized by statute that are accounted for in the Loan Pool: the WVEDA Broadband Loan and the WVDOT Infrastructure Investment Revolving Loan. The State is the sole participant in the account.

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: West Virginia Term Deposit Account, School Fund, and Economic Development Authority – American Woodmark Account (“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. The EDA-AW account was closed effective September 30, 2023.

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. At year-end, the Consolidated Fund is composed of three external investment pools (WV Money Market, WV Government Money Market, and WV Short Term Bond) and three individual investment accounts (WV Term Deposit, Loan, and School Fund). Two individual investment accounts, the WV Bank Pool and ED-AW Account, were closed effective September 30, 2023.

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 Pool, WV Government Money Market Pool, WV Term Deposit Account, 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 accounts referred to above are defined in professional standards as follows. The WV Term Deposit Account contains nonnegotiable time deposit accounts, 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, 2024, 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 \$2,197,000 at June 30, 2024. 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, 2024.

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 Term Deposit Account, 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
Commercial Paper	A-1+	\$ 3,626,718	37.76%
	A-1	3,636,575	37.85
Negotiable certificates of deposit	A-1+	844,998	8.80
	A-1	709,000	7.38
Money market funds	AAAM	2,820	0.03
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	134,000	1.40
U.S. Agency bonds and notes	AA+	651,000	6.78
		<u>\$ 9,605,111</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 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+	\$ 59,829	12.56%
U.S. Treasury bills *	A-1+	253,430	53.22
U.S. agency bonds and notes	AA+	31,000	6.51
Money market funds	AAAm	215	0.05
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	105,000	22.05
U.S. Agency bonds and notes	AA+	26,700	5.61
		<u>\$ 476,174</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 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+	\$ 83,668	12.33%
U.S. agency collateralized mortgage obligations			
U.S. government guaranteed*	AA+	3,852	0.57
Non-U.S. government guaranteed	AA+	640	0.09
Corporate fixed- and floating-rate bonds and notes	AA+	6,029	0.88
	AA	3,628	0.54
	AA-	20,134	2.97
	A+	49,565	7.31
	A	70,165	10.35
	A-	84,265	12.43
	BBB+	57,510	8.48
	BBB	52,664	7.77
	BBB-	42,895	6.33
	BB+	3,509	0.52
	NR	9,403	1.39
Commercial Mortgage-Backed Securities	NR	8,213	1.21
Municipal Securities	AAA	10,629	1.57
	AA+	1,577	0.23
	AA	5,874	0.87
	AA-	6,547	0.97
	A+	788	0.12
	NR	2,813	0.41
Asset-backed securities	AAA	104,860	15.47
	NR	41,557	6.13
Money market funds	AAAm	7,180	1.06
		<u>\$ 677,965</u>	<u>100.00%</u>

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

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

The Loan Pool is composed of loans made by the State. The account holds intergovernmental loans and an investment in a government money market mutual fund of approximately \$150,000. The mutual fund is rated AAAm 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 WV Term Deposit Account is composed of term deposit accounts in state depositories. The account also holds an interest in a government money market mutual fund valued at approximately \$29,000. The mutual fund is rated AAAm by Standard & Poor's. The term deposit accounts are not rated. The BTI addresses credit risk, with respect to depository accounts, by requiring balances in excess of insurance coverage provided by an agency of the federal government be collateralized in accordance with West

Virginia Code. The BTI does not have a policy specifically addressing credit risk of other investments in WV Term Deposit Account.

The School Fund Account holds only an interest in a government money market mutual fund valued at approximately \$1,013,000. 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.

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)
Commercial paper	\$ 7,263,293	36
Negotiable certificates of deposit	1,553,998	50
Repurchase agreements	785,000	3
Money market funds	2,820	3
	<u>\$ 9,605,111</u>	36

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	\$ 59,829	15
U.S. Treasury bills	253,430	77
U.S. agency bonds and notes	31,000	3
Repurchase agreements	131,700	3
Money market funds	215	3
	<u>\$ 476,174</u>	44

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, 2024, the effective duration of the benchmark was 664 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	\$ 83,668	734
U.S. agency collateralized mortgage obligations	4,492	39
Corporate fixed-rate bonds and notes	387,992	723
Corporate floating-rate bonds and notes	11,775	-
Commercial mortgage-backed securities	8,213	153
Municipal Securities	28,228	330
Asset-backed securities	146,417	579
Money market funds	7,180	-
	\$ 677,965	645

The Loan Pool holds an interest in a government money market mutual fund valued at approximately \$150,000 with a weighted average maturity of three days. 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 WV Term Deposit Account maintains funds totaling approximately \$40,318,000 in bank depository accounts and holds an interest in a government money market mutual fund valued at approximately \$29,000 with a weighted average maturity of three days. 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 government money market mutual fund valued at approximately \$1,013,000 with a weighted average maturity of three days. 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. The WV Term Deposit Account contains term deposit accounts valued at approximately \$40,318,000. 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 and the School Fund Account at fair value for financial reporting purposes. Certain investments of the State Loan Pool and WV Term Deposit Account, such as investments in government money market funds, are also measured 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, 2024 (in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$ 83,688	\$ -	\$ -	\$ 83,668
U.S. agency collateralized mortgage obligations	-	4,492	-	4,492
Corporate fixed-rate bonds and notes	-	387,992	-	387,992
Corporate floating-rate bonds and notes	-	11,775	-	11,775
Commercial mortgage-backed securities	-	8,213	-	8,213
Municipal Securities	-	28,228	-	28,228
Asset-backed securities	-	146,417	-	146,417
Money market funds	7,180	-	-	7,180
	<u>\$ 90,868</u>	<u>\$ 587,117</u>	<u>\$ -</u>	<u>\$ 677,965</u>

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. 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 State Loan Pool holds a government money market fund reported at a fair value of \$150,000 using Level 1 inputs.

The West Virginia Term Deposit Account holds a government money market fund reported at a fair value of \$29,000 using level 1 inputs.

The School Fund Account holds a government money market fund reported at a fair value of \$1,013,000 using Level 1 inputs.

6. Capital Assets

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

	June 30, 2023	Increases	Decreases	June 30, 2024
Equipment, at cost	\$ 24	\$ -	\$ 7	\$ 17
Accumulated depreciation	(17)	(3)	(7)	(13)
Equipment, net of accumulated depreciation	\$ 7	\$ (3)	\$ -	\$ 4

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, 2024, the BTI's intergovernmental investments, which are assets of the Loan Pool, included the following:

- a. 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%. Since the rate reset for the quarter ending September 30, 2023, exceeded 1.00%, and the maximum annual adjustment may not exceed 1.00%, the rate did not change during the remainder of the fiscal year. The annualized rate for fiscal year 2024 was 2.28%. 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, 2024, the outstanding balance was \$35,407,000.

As of June 30, 2024, 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 \$79,925,000. The loan insurance commitments cover thirteen broadband expansion related debt instruments for five separate broadband service providers. The WVBTI has transferred \$35,407,000 to the WVEDA for outstanding balances on insured debt instruments. The remaining \$44,518,000 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, 2024, the insured debt instruments are in good standing and the likelihood of a default appears remote.

- b. 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, 2024, 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, 2024, the BTI reimbursed the Treasurer's Office \$753,000 for services, which includes \$702,000 for management services provided by Treasurer's Office employees. As of June 30, 2024, the BTI had an amount payable to the Treasurer's Office totaling \$63,000, of which \$53,000 was for management services provided by Treasurer's Office employees. Also, during the year, the Treasurer's Office provided services valued at approximately \$17,000 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 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. Because there were no accounting changes or error corrections subject to the provisions of the is statement in fiscal year 2024, BTI management has not determined the effect, if any, this statement will have on its financial statements.

The GASB has issued a statement updating the recognition and measurement guidance for compensated absences: Statement No. 101, *Compensated Absences*. 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.

The GASB has issued a statement establishing financial reporting requirements for risks related to vulnerabilities due to certain concentrations and constraints: Statement No. 102, *Certain Risk Exposures*. The objective of Statement 102 is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The provisions of this statement are effective for reporting periods beginning after June 15, 2024. BTI management has not determined the effect, if any, this statement will have on its financial statements.

The GASB has issued a statement to improve key components of the financial reporting model: Statement No. 103, *Financial Reporting Model Improvements*. The objective of Statement 103 is to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and to address certain applications issues identified by the GASB. The provisions of this statement are effective for reporting periods beginning after June 15, 2025. BTI management has not determined the effect, if any, this statement will have on its financial statements.

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

June 30, 2024

(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	\$ 9,605,111	\$ 476,174	\$ -	\$ -	\$ 35,407
At fair value	-	-	677,965	-	150
Total investments	9,605,111	476,174	677,965	-	35,557
Receivables:					
Accrued interest	31,516	815	6,643	-	185
Dividends	17	1	37	-	2
Total receivables	31,533	816	6,680	-	187
Total assets	9,636,644	476,990	684,645	-	35,744
Liabilities					
Accrued expenses	1,166	69	133	-	2
Dividends payable	-	-	2,398	-	-
Investments purchased	-	4,914	-	-	-
Total liabilities	1,166	4,983	2,531	-	2
Net Position					
Held in trust for investment pool participants	9,635,478	472,007	682,114	-	-
Held in trust for individual investment account holders	-	-	-	-	35,742
Total net position	<u>\$ 9,635,478</u>	<u>\$ 472,007</u>	<u>\$ 682,114</u>	<u>\$ -</u>	<u>\$ 35,742</u>

(Continued)

WV Term Deposit Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
\$ 40,318	\$ -	\$ -	\$ 10,157,010
29	1,013	-	679,157
<u>40,347</u>	<u>1,013</u>	<u>-</u>	<u>10,836,167</u>
158	-	-	39,317
-	4	-	61
<u>158</u>	<u>4</u>	<u>-</u>	<u>39,378</u>
<u>40,505</u>	<u>1,017</u>	<u>-</u>	<u>10,875,545</u>
1	-	-	1,371
-	-	-	2,398
-	-	-	4,914
<u>1</u>	<u>-</u>	<u>-</u>	<u>8,683</u>
-	-	-	10,789,599
40,504	1,017	-	77,263
<u>\$ 40,504</u>	<u>\$ 1,017</u>	<u>\$ -</u>	<u>\$10,866,862</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, 2024

(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	\$ 240,502	\$ 13,437	\$ 27,566	\$ -	\$ 588
Dividends	10,374	13	403	1	9
Net (amortization) accretion	302,070	11,122	1,057	-	-
Total investment income	552,946	24,572	29,026	1	597
Investment expenses:					
Investment advisor fees	2,919	138	416	-	-
Custodian bank fees	274	21	19	-	-
Administrative fees	1,420	73	99	-	4
Total investment expenses	4,613	232	534	-	4
Net investment income	548,333	24,340	28,492	1	593
Net realized gain (loss) from investments	(28)	-	(8,309)	-	-
Net increase in fair value of investments	-	-	18,454	-	-
Net increase in net position from operations	548,305	24,340	38,637	1	593
Participant transaction additions:					
Purchase of pool units by participants	13,450,230	400,345	-	-	-
Reinvestment of pool distributions	548,305	24,340	18,907	-	-
Contributions to individual investment accounts	-	-	-	-	18,238
Total participant transaction additions	13,998,535	424,685	18,907	-	18,238
Total additions	14,546,840	449,025	57,544	1	18,831
Deductions					
Distributions to pool participants:					
Net investment income	548,333	24,340	28,492	-	-
Net realized gain (loss) from investments	(28)	-	(8,309)	-	-
Total distributions to pool participants	548,305	24,340	20,183	-	-
Participant transaction deductions:					
Redemption of pool units by participants	14,241,332	328,085	56,724	-	-
Withdrawals from individual investment accounts	-	-	-	66	555
Total participant transaction deductions	14,241,332	328,085	56,724	66	555
Total deductions	14,789,637	352,425	76,907	66	555
Change in net position	(242,797)	96,600	(19,363)	(65)	18,276
Net position at beginning of period	9,878,275	375,407	701,477	65	17,466
Net position at end of period	\$9,635,478	\$ 472,007	\$ 682,114	\$ -	\$ 35,742

(Continued)

WV Term Deposit Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
\$ 475	\$ -	\$ 11	\$ 282,579
30	54	-	10,884
-	-	(2)	314,247
505	54	9	607,710
-	-	-	3,473
-	-	-	314
1	-	-	1,597
1	-	-	5,384
504	54	9	602,326
-	-	-	(8,337)
-	-	1	18,455
504	54	10	612,444
-	-	-	13,850,575
-	-	-	591,552
40,347	-	-	58,585
40,347	-	-	14,500,712
40,851	54	10	15,113,156
-	-	-	601,165
-	-	-	(8,337)
-	-	-	592,828
-	-	-	14,626,141
347	60	1,491	2,519
347	60	1,491	14,628,660
347	60	1,491	15,221,488
40,504	(6)	(1,481)	(108,332)
-	1,023	1,481	10,975,194
\$ 40,504	\$ 1,017	\$ -	\$ 10,866,862

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2024
(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>Commercial Paper</i>							
Anglesea Funding LLC		0.000 %	5.396 %	07/01/2024	30,000	\$ 30,000	\$ 29,987
Atlantic Asset Securities Corporation		0.000	5.386	07/01/2024	25,000	25,000	25,000
Barton Capital Corporation		0.000	5.386	07/01/2024	101,000	101,000	100,955
Cabot Trail Funding LLC		0.000	5.386	07/01/2024	50,000	50,000	49,978
Longship Funding LLC		0.000	5.410	07/01/2024	100,000	100,000	99,956
Nieuw Amsterdam Receivables		0.000	5.386	07/01/2024	26,391	26,391	26,379
Sheffield Receivables		0.000	5.508	07/01/2024	25,000	25,000	24,989
Starbird Funding Group		0.000	5.386	07/01/2024	140,000	140,000	140,000
Australia & New Zealand Banking		0.000	5.762	07/01/2024	50,000	50,000	49,978
BNG Bank NV		0.000	5.394	07/01/2024	154,000	154,000	153,932
Chevron Corporation		0.000	5.399	07/01/2024	75,000	75,000	74,967
DNB Nor Bank ASA		0.000	5.359	07/01/2024	75,000	75,000	74,967
DZ Bank AG NY		0.000	5.376	07/01/2024	395,000	395,000	394,825
Nationwide Building Society		0.000	5.379	07/01/2024	75,000	75,000	74,967
Oversea - Chinese Banking		0.000	5.490	07/01/2024	20,000	20,000	19,990
UnitedHealth Group Inc		0.000	5.409	07/01/2024	120,000	120,000	119,946
Antalis SA		0.000	5.551	07/02/2024	12,000	11,998	11,993
Atlantic Asset Securities Corporation		0.000	5.449	07/02/2024	35,000	34,995	34,979
Barton Capital Corporation		0.000	5.399	07/02/2024	100,000	99,985	99,941
LMA Americas LLC		0.000	5.509	07/02/2024	32,875	32,870	32,855
Canadian Imperial Bank		0.000	5.425	07/02/2024	50,000	49,993	49,970
Chevron Corporation		0.000	5.403	07/02/2024	50,000	49,993	49,970
DNB Nor Bank ASA		0.000	5.359	07/02/2024	50,000	49,993	49,971
Fed Caisses Desjardins		0.000	5.442	07/02/2024	50,000	49,993	49,970
Royal Bank of Canada		0.000	6.020	07/02/2024	25,000	24,996	24,985
Longship Funding LLC		0.000	5.410	07/03/2024	100,000	99,970	99,926
Fed Caisses Desjardins		0.000	5.438	07/03/2024	50,000	49,985	49,963
UnitedHealth Group Inc		0.000	5.409	07/03/2024	70,000	69,979	69,948
Bank of Nova Scotia		5.980	F 5.980	07/03/2024	25,000	25,000	25,000
DNB Nor Bank ASA		0.000	5.359	07/05/2024	50,000	49,971	49,949
Anglesea Funding LLC		0.000	5.477	07/08/2024	55,000	54,942	54,918
Antalis SA		0.000	5.551	07/08/2024	25,000	24,973	24,963
Bennington Stark Capital Company		0.000	5.433	07/08/2024	100,000	99,896	99,851
Gotham Funding Corporation		0.000	5.522	07/08/2024	25,000	24,974	24,963
Longship Funding LLC		0.000	5.412	07/08/2024	45,000	44,953	44,933
Manhattan Asset Funding Company		0.000	5.514	07/08/2024	25,000	24,974	24,963
Starbird Funding Group		0.000	5.499	07/08/2024	25,000	24,974	24,963
Anglesea Funding LLC		0.000	5.462	07/09/2024	100,000	99,880	99,837
Antalis SA		0.000	5.582	07/09/2024	15,000	14,982	14,975
Manhattan Asset Funding Company		0.000	5.513	07/09/2024	25,000	24,970	24,959
Podium Funding Trust		5.570	F 5.553	07/09/2024	13,000	13,000	13,000
Mizuho Bank		0.000	5.514	07/09/2024	35,000	34,958	34,943
Manhattan Asset Funding Company		0.000	5.517	07/10/2024	50,000	49,932	49,911
MUFG Bank LTD/NY		0.000	5.520	07/10/2024	50,000	49,932	49,912
Antalis SA		0.000	5.582	07/11/2024	10,000	9,985	9,981
Barton Capital Corporation		0.000	5.519	07/11/2024	23,000	22,965	22,956
Gotham Funding Corporation		0.000	5.519	07/11/2024	50,000	49,925	49,903
Cabot Trail Funding LLC		0.000	5.428	07/12/2024	50,000	49,918	49,896
Gotham Funding Corporation		0.000	5.547	07/12/2024	20,000	19,967	19,958
Sumitomo Mitsui Bank NY		5.580	F 5.580	07/12/2024	25,000	25,000	25,001
Albion Capital Corporation		0.000	5.536	07/15/2024	22,588	22,540	22,530
Chariot Funding LLC		0.000	5.466	07/15/2024	50,000	49,895	49,874
Australia & New Zealand Banking		0.000	5.451	07/15/2024	8,000	7,983	7,980
Fed Caisses Desjardins		0.000	5.441	07/15/2024	50,000	49,896	49,874
Bedford Row Funding Corporation		0.000	5.480	07/16/2024	25,000	24,944	24,933

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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, 2024
(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>
Victory Receivables Corporation		0.000	5.549	07/16/2024	12,000	11,973	11,968
LMA Americas LLC		0.000	5.499	07/17/2024	27,300	27,234	27,222
United Overseas Bank LTD		0.000	5.540	07/17/2024	25,000	24,939	24,930
Victory Receivables Corporation		0.000	5.552	07/18/2024	12,000	11,969	11,964
Old Line Funding LLC		5.580	F 5.580	07/18/2024	7,000	7,000	7,000
Home Depot Inc		0.000	5.485	07/18/2024	22,000	21,944	21,935
Starbird Funding Group		0.000	5.532	07/19/2024	25,000	24,932	24,922
DBS Bank LTD		0.000	5.507	07/19/2024	24,000	23,935	23,925
Albion Capital Corporation		0.000	5.538	07/22/2024	29,369	29,276	29,263
Chariot Funding LLC		0.000	5.469	07/23/2024	50,000	49,836	49,814
Groupe BPCE		0.000	5.550	07/23/2024	50,000	49,833	49,815
National Australia Bank		5.510	F 5.500	07/23/2024	26,000	26,000	26,000
Manhattan Asset Funding Company		0.000	5.449	07/25/2024	50,000	49,822	49,798
Nieuw Amsterdam Receivables		0.000	5.421	07/25/2024	24,645	24,557	24,545
Fed Caisses Desjardins		0.000	5.449	07/25/2024	50,000	49,822	49,799
Liberty Street Funding LLC		0.000	5.528	07/29/2024	19,000	18,920	18,912
ANZ National (INTL) LTD		0.000	5.370	07/29/2024	13,000	12,947	12,940
Svenska Handelsbanken AB		0.000	5.372	07/30/2024	17,000	16,928	16,920
Antalis SA		0.000	5.620	08/01/2024	26,000	25,876	25,868
Cabot Trail Funding LLC		0.000	5.419	08/01/2024	26,000	25,881	25,867
Sheffield Receivables		0.000	5.544	08/01/2024	31,000	30,855	30,842
Bank of Montreal		5.980	5.980	08/01/2024	20,000	20,000	20,000
Liberty Street Funding LLC		0.000	5.528	08/05/2024	6,000	5,968	5,966
Westpac Banking Corporation		0.000	5.728	08/05/2024	7,000	6,962	6,961
Atlantic Asset Securities Corporation		0.000	5.460	08/06/2024	50,000	49,732	49,707
Sheffield Receivables		0.000	5.541	08/06/2024	25,000	24,864	24,854
Victory Receivables Corporation		0.000	5.527	08/06/2024	30,000	29,837	29,825
Mizuho Bank		0.000	5.555	08/06/2024	25,000	24,864	24,854
National Australia Bank LTD		0.000	5.310	08/06/2024	9,000	8,953	8,948
Liberty Street Funding LLC		0.000	5.530	08/07/2024	6,000	5,967	5,964
Cabot Trail Funding LLC		0.000	5.503	08/08/2024	25,000	24,858	24,845
Sumitomo Mitsui Singapore		0.000	5.545	08/08/2024	50,000	49,713	49,698
Liberty Street Funding LLC		0.000	5.530	08/09/2024	25,000	24,853	24,843
Bennington Stark Capital		5.510	F 5.510	08/09/2024	30,000	30,000	30,000
Australia & New Zealand Banking		0.000	5.797	08/09/2024	24,000	23,852	23,850
Victory Receivables Corporation		0.000	5.550	08/13/2024	50,000	49,675	49,655
Nordea Bank		5.490	F 5.473	08/13/2024	25,000	25,000	25,002
Barclays Bank PLC		0.000	5.529	08/14/2024	50,000	49,669	49,650
Podium Funding Trust		0.000	5.539	08/15/2024	50,000	49,661	49,643
Sheffield Receivables		0.000	5.544	08/16/2024	25,000	24,827	24,816
Australia & New Zealand Banking		0.000	5.950	08/16/2024	30,000	29,777	29,782
Nieuw Amsterdam Receivables		0.000	5.478	08/19/2024	50,000	49,635	49,612
ANZ National (INTL) LTD		0.000	5.765	08/20/2024	18,000	17,859	17,859
Albion Capital Corporation		0.000	5.572	08/21/2024	25,357	25,161	25,150
Gotham Funding Corporation		0.000	5.531	08/21/2024	50,000	49,617	49,596
Sheffield Receivables		0.000	5.479	08/21/2024	25,000	24,810	24,797
Nieuw Amsterdam Receivables		0.000	5.447	08/22/2024	23,000	22,823	22,811
Home Depot Inc		0.000	5.560	08/26/2024	20,000	19,831	19,825
Albion Capital Corporation		0.000	5.583	08/28/2024	20,000	19,824	19,816
Cabot Trail Funding LLC		0.000	5.477	08/28/2024	25,000	24,784	24,770
Anglesea Funding LLC		5.500	F 5.563	08/30/2024	20,000	20,000	20,000
United Overseas Bank LTD		0.000	5.522	08/30/2024	50,000	49,550	49,530
Cabot Trail Funding LLC		0.000	5.530	09/03/2024	25,000	24,760	24,747
Old Line Funding LLC		5.530	F 5.515	09/03/2024	20,000	20,000	20,001
Old Line Funding LLC		5.560	F 5.545	09/04/2024	50,000	50,000	50,000
Liberty Street Funding LLC		0.000	5.483	09/05/2024	10,000	9,902	9,897
Sheffield Receivables		0.000	5.519	09/05/2024	25,000	24,753	24,741

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
MUFG Bank LTD/NY		0.000	5.546	09/06/2024	25,000	24,748	24,740
Ridgefield Funding Company LLC		0.000	5.544	09/09/2024	33,978	33,621	33,606
Barclays Bank PLC		0.000	5.523	09/10/2024	25,000	24,734	24,725
Old Line Funding LLC		5.520	F 5.520	09/10/2024	25,000	25,000	25,000
Sumitomo Mitsui Singapore		0.000	5.552	09/10/2024	25,000	24,733	24,725
Fairway Finance Corporation		0.000	5.545	09/11/2024	25,000	24,730	24,719
Sheffield Receivables		0.000	5.542	09/13/2024	50,000	49,444	49,422
TotalEnergies Capital SA		0.000	5.567	09/13/2024	20,000	19,777	19,770
United Overseas Bank LTD		5.500	F 5.500	09/13/2024	24,000	24,000	24,000
United Overseas Bank LTD		0.000	5.491	09/16/2024	20,000	19,771	19,761
Sumitomo Mitsui Trust NY		0.000	5.545	09/17/2024	50,000	49,414	49,396
Atlantic Asset Securities Corporation		0.000	5.550	09/18/2024	50,000	49,407	49,381
Old Line Funding LLC		5.550	F 5.538	09/20/2024	12,000	12,000	12,000
Thunder Bay Funding LLC		5.550	F 5.538	09/20/2024	8,000	8,000	8,000
Gotham Funding Corporation		0.000	5.529	09/23/2024	28,000	27,648	27,635
United Overseas Bank LTD		5.520	F 5.520	09/23/2024	25,000	25,000	25,000
LMA Americas LLC		0.000	5.574	09/27/2024	25,000	24,668	24,659
Chariot Funding LLC		0.000	5.547	09/30/2024	20,000	19,727	19,718
Societe Generale		0.000	5.543	09/30/2024	50,000	49,318	49,302
Atlantic Asset Securities Corporation		0.000	5.544	10/01/2024	50,000	49,311	49,284
Old Line Funding LLC		5.540	F 5.525	10/01/2024	50,000	50,000	50,000
Oversea - Chinese Banking		0.000	5.525	10/01/2024	25,000	24,657	24,646
Atlantic Asset Securitization		5.570	F 5.555	10/04/2024	25,000	25,000	25,000
Old Line Funding Corporation		0.000	5.556	10/07/2024	25,000	24,633	24,623
Sheffield Receivables		0.000	5.552	10/07/2024	25,000	24,633	24,622
Podium Funding Trust		5.570	F 5.570	10/08/2024	25,000	25,000	25,000
Skandinaviska Enskilda Bank		0.000	5.522	10/08/2024	25,000	24,631	24,623
Sheffield Receivables		0.000	5.567	10/11/2024	11,000	10,831	10,827
Anglesea Funding LLC		5.570	F 5.635	10/11/2024	40,000	40,000	40,000
Bedford Row Funding Corporation		5.630	F 5.616	10/16/2024	20,000	20,000	20,000
Royal Bank of Canada		0.000	5.997	10/16/2024	9,000	8,845	8,852
Svenska Handelsbanken AB		5.540	F 5.524	10/17/2024	25,000	25,000	25,000
Barclays Bank PLC		0.000	5.629	10/18/2024	25,000	24,587	24,582
Old Line Funding LLC		5.590	F 5.577	10/22/2024	13,000	13,000	13,000
Thunder Bay Funding LLC		5.590	F 5.577	10/22/2024	20,000	20,000	20,004
Nordea Bank		5.540	F 5.530	10/22/2024	25,000	25,000	25,000
GTA Funding LLC		0.000	5.562	10/23/2024	25,000	24,573	24,562
Thunder Bay Funding LLC		5.630	F 5.630	10/28/2024	50,000	50,000	50,000
Liberty Street Funding LLC		0.000	5.586	10/31/2024	25,000	24,542	24,535
National Australia Bank		5.540	F 5.526	11/01/2024	25,000	25,000	25,002
Versailles		5.480	F 5.480	11/05/2024	25,000	25,000	25,000
Swedbank		5.570	F 5.555	11/05/2024	24,000	24,000	24,000
Ciesco LP		0.000	4.727	11/07/2024	15,000	14,754	14,773
Collateralized Flex Comapny LLC		5.640	F 5.692	11/08/2024	45,000	45,000	45,000
Collateralized Flex Comapny LLC		5.640	F 5.692	11/08/2024	25,000	25,000	25,003
Collateralized Flex Comapny LLC		5.640	F 5.693	11/12/2024	25,000	25,000	25,000
Commonwealth Bank of Australia		5.530	F 5.521	11/12/2024	25,000	25,000	25,000
Podium Funding Trust		5.590	F 5.576	11/17/2024	25,000	25,000	25,000
Swedbank		5.580	F 5.565	11/18/2024	23,000	23,000	23,000
Collateralized Flex Comapny LLC		5.640	F 5.693	11/20/2024	50,000	50,000	50,000
Collateralized Flex Comapny LLC		5.640	F 5.700	11/22/2024	50,000	49,998	49,998
Collateralized Flex Comapny LLC		5.640	F 5.692	11/25/2024	5,000	5,000	5,000
Australia & New Zealand Banking		0.000	5.528	11/29/2024	24,000	23,463	23,456
Fairway Finance Corporation		0.000	5.564	12/02/2024	25,000	24,426	24,415
UnitedHealth Group Inc		0.000	5.635	12/02/2024	50,000	48,839	48,834
Chariot Funding LLC		5.640	F 5.625	12/03/2024	25,000	25,000	25,000
Skandinaviska Enskilda Bank		0.000	5.521	12/03/2024	24,000	23,450	23,446

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<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		5.570 <i>F</i>	5.570	12/06/2024	10,000	10,000	10,000	
Podium Funding Trust		5.600 <i>F</i>	5.600	12/09/2024	25,000	25,000	25,000	
Bank of Nova Scotia		5.550 <i>F</i>	5.532	12/11/2024	25,000	25,000	25,000	
Bedford Row Funding Corporation		5.560 <i>F</i>	5.560	12/12/2024	15,000	15,000	15,000	
Collateralized Flex Comapny LLC		5.660 <i>F</i>	5.713	12/16/2024	25,000	25,000	25,000	
Chariot Funding LLC		5.640 <i>F</i>	5.624	12/16/2024	35,000	35,000	35,000	
Chariot Funding LLC		5.640 <i>F</i>	5.624	12/17/2024	25,000	25,000	25,000	
Svenska Handelsbanken AB		0.000	5.441	01/03/2025	25,000	24,325	24,308	
Bank of Montreal		5.720 <i>F</i>	5.697	01/06/2025	25,000	25,000	25,000	
Old Line Funding LLC		5.560 <i>F</i>	5.560	01/13/2025	25,000	25,000	25,000	
National Bank of Canada		5.700 <i>F</i>	5.695	01/16/2025	40,000	40,000	40,000	
National Bank of Canada		5.710 <i>F</i>	5.696	01/17/2025	50,000	50,000	50,000	
Bank of Montreal		0.000	5.137	01/27/2025	25,000	24,280	24,227	
National Bank of Canada		0.000	5.082	01/27/2025	25,000	24,287	24,217	
National Bank of Canada		0.000	5.062	01/31/2025	25,000	24,277	24,203	
National Australia Bank		5.620 <i>F</i>	5.603	02/12/2025	25,000	25,000	25,012	
Westpac Banking Corporation		0.000	5.245	02/14/2025	26,000	25,171	25,136	
Chariot Funding LLC		5.660 <i>F</i>	5.645	03/04/2025	25,000	25,000	25,000	
Canadian Imperial Bank		5.640 <i>F</i>	5.624	03/05/2025	50,000	50,000	50,000	
Westpac Banking Corporation		5.610 <i>F</i>	5.594	03/05/2025	24,000	24,000	24,000	
Toyota Credit Canada Inc		0.000	5.566	03/11/2025	25,000	24,064	24,088	
Toyota Credit		0.000	5.566	03/12/2025	25,000	24,060	24,034	
Bank of Montreal		5.640 <i>F</i>	5.623	03/12/2025	40,000	40,000	40,000	
National Bank of Canada		5.640 <i>F</i>	5.623	03/13/2025	40,000	40,000	40,000	
Commonwealth Bank of Australia		5.610 <i>F</i>	5.602	03/14/2025	25,000	25,000	25,010	
Bank of Montreal		0.000	5.391	03/18/2025	25,000	24,068	24,051	
National Bank of Canada		0.000	5.391	03/18/2025	15,000	14,441	14,426	
Chariot Funding LLC		5.660 <i>F</i>	5.647	03/24/2025	50,000	50,000	50,000	
Australia & New Zealand Banking		0.000	5.434	04/07/2025	25,000	23,990	23,997	
Westpac Banking Corporation		5.670 <i>F</i>	5.652	04/11/2025	23,000	23,000	23,000	
Toyota Motor Credit Corporation		5.690 <i>F</i>	5.690	04/14/2025	50,000	50,000	50,039	
Bank of Montreal		0.000	5.545	05/02/2025	50,000	47,762	47,783	
Australia & New Zealand Banking		0.000	5.436	05/19/2025	50,000	47,686	47,718	
Canadian Imperial Bank		0.000	5.501	05/22/2025	25,000	23,819	23,834	
Bank of Montreal		0.000	5.255	05/25/2025	25,000	23,860	23,871	
Total Commercial Paper	75.6%					7,263,293	7,261,077	
<i>Negotiable Certificates of Deposit</i>								
Credit Agricole		5.320	5.320	07/02/2024	75,000	75,000	75,000	
Sumitomo Mitsui Trust NY		5.420	5.420	07/03/2024	50,000	50,000	50,001	
Cooperative Rabobank		5.900	5.900	07/03/2024	25,000	25,000	25,001	
Toronto Dominion Bank		6.050	6.050	07/03/2024	50,000	50,000	50,000	
Bank of Nova Scotia		5.990 <i>F</i>	5.990	07/10/2024	30,000	30,000	30,005	
MUFG Bank		5.570 <i>F</i>	5.570	07/11/2024	25,000	25,000	25,001	
Oversea-Chinese Banking Corporation		5.540 <i>F</i>	5.540	07/16/2024	21,000	21,000	21,001	
Oversea-Chinese Banking Corporation		5.530 <i>F</i>	5.508	07/18/2024	9,000	9,000	9,000	
Skandinav Enskilda BK NY		5.520 <i>F</i>	5.520	07/18/2024	12,000	12,000	12,001	
Mitsubishi UFJ Trust & Banking		5.540 <i>F</i>	5.540	07/19/2024	25,000	25,000	24,996	
Citibank		5.920	5.920	07/22/2024	30,000	30,000	30,007	
Mizuho Bank LTD		5.530 <i>F</i>	5.517	07/23/2024	26,000	26,000	26,002	
Sumitomo Mitsui Trust NY		5.530 <i>F</i>	5.520	07/23/2024	26,000	26,000	26,002	
Wells Fargo Bank NA		5.940 <i>F</i>	5.940	07/31/2024	50,000	50,000	50,023	
Nordea Bank		5.245	5.245	08/01/2024	13,000	13,000	12,997	
Mizuho Bank LTD		5.490	5.490	08/02/2024	50,000	50,000	50,004	
KBC Bank NV		5.380	5.380	08/05/2024	50,000	50,000	50,001	
MUFG Bank		5.480	5.480	08/05/2024	10,000	10,000	10,001	

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
KBC Bank NV		5.380	5.380	08/07/2024	25,000	25,000	25,001
MUFG Bank		5.510	F 5.510	08/08/2024	25,000	25,000	24,989
Bank of America		5.920	5.920	08/09/2024	40,000	40,000	40,010
Citibank		5.740	5.740	08/21/2024	50,000	50,000	50,008
Bank of America		6.000	6.000	08/22/2024	35,000	35,000	35,000
Skandinav Enskilda BK NY		5.230	5.230	08/30/2024	25,000	25,000	24,990
Wells Fargo Bank NA		5.940	F 5.940	09/03/2024	50,000	50,000	50,048
Sumitomo Mitsui Bank NY		5.510	F 5.494	09/05/2024	15,000	15,000	15,000
Toronto Dominion Bank		6.000	6.000	09/09/2024	20,000	20,000	20,000
Wells Fargo Bank NA		5.940	F 5.940	09/12/2024	50,000	50,000	50,053
KBC Bank NV		5.440	5.440	09/18/2024	50,000	50,000	50,002
Citibank		6.010	6.010	09/18/2024	10,000	10,000	10,008
Bank of America		6.000	6.000	09/23/2024	10,000	10,000	10,000
Toronto Dominion Bank		6.000	6.000	10/02/2024	24,000	24,000	24,000
Toronto Dominion Bank		6.010	6.010	10/03/2024	25,000	25,000	25,021
Sumitomo Mitsui Banking		5.580	F 5.580	10/07/2024	25,000	25,000	25,006
Sumitomo Mitsui Trust NY		5.570	F 5.554	11/01/2024	25,000	25,000	24,985
Nordea Bank		5.440	5.440	11/05/2024	24,000	24,000	24,001
Nordea Bank		5.530	F 5.514	11/07/2024	25,000	25,000	25,003
Wells Fargo Bank NA		5.940	F 5.940	11/13/2024	20,000	20,000	20,031
Oversea-Chinese Banking Corporation		5.570	F 5.552	12/09/2024	25,000	25,000	25,002
Svenska Handelsbanken		5.560	F 5.560	12/11/2024	24,000	24,000	24,000
Oversea-Chinese Banking Corporation		5.560	F 5.542	12/12/2024	25,000	25,000	24,966
Canadian Imperial Bank		5.850	F 5.850	01/03/2025	25,000	25,000	25,000
Toronto Dominion Bank		5.690	F 5.668	01/16/2025	25,000	25,000	25,017
Bank of America		5.180	5.180	01/24/2025	20,000	20,000	19,959
Bank of America		5.220	5.220	02/05/2025	27,000	27,000	26,950
Bank of America		5.200	5.200	02/10/2025	10,000	10,000	10,000
Westpac Banking Corporation		5.150	5.150	02/13/2025	25,000	25,000	24,950
Westpac Banking Corporation		5.150	5.150	02/14/2025	25,000	25,000	24,950
Bank of Nova Scotia		5.630	F 5.613	02/18/2025	25,000	25,000	25,000
Svenska Handelsbanken		5.455	5.450	03/05/2025	24,000	23,997	24,004
Canadian Imperial Bank		5.640	F 5.624	03/06/2025	25,000	25,000	25,010
Toronto Dominion Bank		5.640	F 5.640	03/11/2025	24,000	24,000	24,006
Toronto Dominion Bank		5.400	5.400	03/28/2025	25,000	25,000	24,984
Nordea Bank		5.650	F 5.650	04/10/2025	25,000	25,000	25,013
Toronto Dominion Bank		5.530	5.530	05/28/2025	25,000	25,001	25,027
Total Negotiable Certificates of Deposit	16.2%					1,553,998	1,554,037
Repurchase Agreements							
Bank of America Securities		5.310	5.310	07/01/2024	351,000	351,000	351,000
BNP Paribas SA		5.310	5.310	07/01/2024	134,000	134,000	134,000
Natixis Financial		5.340	5.340	07/01/2024	300,000	300,000	300,000
Total Repurchase Agreements	8.2%					785,000	785,000
Money Market Funds							
Dreyfus Government Cash Management		5.201	**		2,820	2,820	2,820
Total Money Market Funds	0.0%					2,820	2,820
Total Money Market Pool	100.0%					\$ 9,605,111	\$ 9,602,934

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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		5.342 % F	5.410 %	07/31/2024	5,000	\$ 5,000	\$ 4,999
United States Treasury		0.625	5.043	10/15/2024	2,000	1,975	1,973
United States Treasury		1.500	5.053	10/31/2024	2,000	1,977	1,974
United States Treasury		5.445 F	5.470	10/31/2024	11,000	10,999	11,004
United States Treasury		0.750	5.172	11/15/2024	1,000	984	983
United States Treasury		1.500	5.185	11/30/2024	1,000	985	984
United States Treasury		5.505 F	5.470	01/31/2025	9,000	9,002	9,008
United States Treasury		5.550 F	5.523	01/31/2026	15,900	15,907	15,925
United States Treasury		5.471 F	5.468	04/30/2026	13,000	13,000	13,001
Total U. S. Treasury Notes	12.6%					59,829	59,851
<i>U.S. Treasury Bills</i>							
United States Treasury		0.000	5.391	07/02/2024	5,000	4,999	4,999
United States Treasury		0.000	5.312	07/05/2024	10,000	9,994	9,994
United States Treasury		0.000	5.368	07/11/2024	5,000	4,993	4,993
United States Treasury		0.000	5.375	07/16/2024	5,000	4,989	4,989
United States Treasury		0.000	5.285	07/18/2024	10,000	9,975	9,975
United States Treasury		0.000	5.311	07/25/2024	10,000	9,965	9,965
United States Treasury		0.000	5.370	07/30/2024	5,200	5,178	5,178
United States Treasury		0.000	5.290	08/01/2024	10,000	9,955	9,955
United States Treasury		0.000	5.373	08/06/2024	10,000	9,947	9,948
United States Treasury		0.000	5.395	08/08/2024	5,000	4,972	4,972
United States Treasury		0.000	5.389	08/13/2024	10,000	9,937	9,937
United States Treasury		0.000	5.395	08/15/2024	5,000	4,967	4,967
United States Treasury		0.000	5.359	08/22/2024	8,000	7,939	7,940
United States Treasury		0.000	5.406	08/27/2024	5,000	4,958	4,959
United States Treasury		0.000	5.374	08/29/2024	8,000	7,931	7,931
United States Treasury		0.000	5.412	09/03/2024	5,000	4,953	4,953
United States Treasury		0.000	5.371	09/05/2024	7,000	6,933	6,933
United States Treasury		0.000	5.406	09/10/2024	5,000	4,948	4,949
United States Treasury		0.000	5.362	09/12/2024	8,000	7,915	7,915
United States Treasury		0.000	5.401	09/17/2024	5,000	4,943	4,944
United States Treasury		0.000	5.367	09/19/2024	10,000	9,884	9,884
United States Treasury		0.000	5.401	09/24/2024	5,000	4,938	4,938
United States Treasury		0.000	5.346	09/26/2024	10,000	9,874	9,874
United States Treasury		0.000	5.406	10/01/2024	5,000	4,933	4,934
United States Treasury		0.000	5.335	10/03/2024	5,000	4,932	4,932
United States Treasury		0.000	5.391	10/08/2024	5,000	4,928	4,928
United States Treasury		0.000	5.329	10/10/2024	5,000	4,927	4,927
United States Treasury		0.000	5.385	10/15/2024	5,000	4,923	4,923
United States Treasury		0.000	5.367	10/17/2024	5,000	4,922	4,922
United States Treasury		0.000	5.385	10/22/2024	5,000	4,918	4,918
United States Treasury		0.000	5.372	10/24/2024	5,000	4,917	4,917
United States Treasury		0.000	5.385	10/29/2024	5,000	4,914	4,914
United States Treasury		0.000	5.378	10/31/2024	5,000	4,912	4,912
United States Treasury		0.000	5.367	11/07/2024	5,000	4,907	4,907
United States Treasury		0.000	5.378	11/14/2024	5,000	4,902	4,903
United States Treasury		0.000	5.372	11/21/2024	5,000	4,897	4,898
United States Treasury		0.000	5.378	11/29/2024	5,000	4,891	4,893
United States Treasury		0.000	5.367	12/05/2024	5,000	4,887	4,888
United States Treasury		0.000	5.378	12/12/2024	5,000	4,882	4,883
United States Treasury		0.000	5.362	12/19/2024	5,000	4,878	4,879
United States Treasury		0.000	5.351	12/26/2024	5,000	4,873	4,874
Total U. S. Treasury Bills	53.2%					253,430	253,444

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
<i>U. S. Government Agency Bonds and Notes</i>							
Federal Farm Credit Bank		5.440 F	5.440	08/08/2024	500	500	500
Federal Farm Credit Bank		5.430 F	5.430	08/26/2024	1,000	1,000	1,000
Federal Farm Credit Bank		5.475 F	5.475	09/05/2024	1,500	1,500	1,500
Federal Farm Credit Bank		5.480 F	5.474	10/10/2024	1,500	1,500	1,501
Federal Home Loan Bank		5.440 F	5.440	10/28/2024	2,000	2,000	2,000
Federal Farm Credit Bank		5.445 F	5.445	11/22/2024	2,000	2,000	2,001
Federal Farm Credit Bank		5.540 F	5.540	12/05/2024	1,000	1,000	1,001
Federal Farm Credit Bank		5.490 F	5.490	01/03/2025	1,000	1,000	1,001
Federal Home Loan Bank		5.455 F	5.455	01/17/2025	2,000	2,000	2,001
Federal Farm Credit Bank		5.520 F	5.520	01/17/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.510 F	5.510	01/23/2025	1,000	1,000	1,001
Federal Farm Credit Bank		5.500 F	5.500	01/30/2025	1,000	1,000	1,001
Federal Farm Credit Bank		5.505 F	5.505	02/06/2025	1,000	1,000	1,000
Federal Farm Credit Bank		5.490 F	5.490	02/14/2025	1,500	1,500	1,500
Federal Farm Credit Bank		5.470 F	5.470	02/28/2025	1,500	1,500	1,500
Federal Home Loan Bank		5.465 F	5.465	03/03/2025	2,000	2,000	2,001
Federal Farm Credit Bank		5.470 F	5.470	03/10/2025	1,500	1,500	1,500
Federal Farm Credit Bank		5.460 F	5.460	05/01/2025	1,500	1,500	1,501
Federal Farm Credit Bank		5.500 F	5.500	05/15/2025	500	500	500
Federal Farm Credit Bank		5.500 F	5.500	08/04/2025	1,000	1,000	1,001
Federal Home Loan Bank		5.500 F	5.500	08/08/2025	1,000	1,000	1,001
Federal Farm Credit Bank		5.495 F	5.495	08/18/2025	2,000	2,000	2,002
Federal Home Loan Bank		5.495 F	5.495	08/22/2025	2,000	2,000	2,002
Total U. S. Government Agency Bonds and Notes	6.5%					31,000	31,015
<i>Repurchase Agreements</i>							
Goldman, Sachs & Co		5.260	5.260	07/01/2024	105,000	105,000	105,000
Bank of America Securities		5.310	5.310	07/01/2024	26,700	26,700	26,700
Total Repurchase Agreements	27.7%					131,700	131,700
<i>Money Market Funds</i>							
Dreyfus Government Cash Management		5.201 **			215	215	215
Total Money Market Funds	0.0%					215	215
Total Government Money Market Pool	100.0%					\$ 476,174	\$ 476,225

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		3.625 %	4.346 %	05/15/2026	47,850	\$ 47,236	\$ 46,874
United States Treasury		4.625	4.489	11/15/2026	28,321	28,406	28,307
United States Treasury		4.500	4.673	04/15/2027	8,500	8,462	8,487
Total U. S. Treasury Notes and Bonds	12.4%					84,104	83,668

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
<i>U.S. Agency Collateralized Mortgage Obligations</i>							
Government National Mortgage Association		4.000	2.366	09/16/2026	231	235	230
Federal Home Loan Mortgage Association		6.047	F	1.766	08/15/2030	24	24
Federal Home Loan Mortgage Association		6.034	F	1.864	09/15/2030	9	9
Federal Home Loan Mortgage Association		5.847	F	1.445	07/15/2031	17	17
Federal Home Loan Mortgage Association		5.897	F	1.858	12/15/2031	34	34
Federal Home Loan Mortgage Association		5.847	F	1.912	01/15/2033	52	52
Federal National Mortgage Association		5.674	F	0.805	03/25/2036	404	398
Federal National Mortgage Association		1.750		1.777	08/25/2042	107	105
Government National Mortgage Association		5.831	F	5.989	12/20/2060	470	469
Government National Mortgage Association		5.931	F	5.991	12/20/2060	641	640
Government National Mortgage Association		6.031	F	6.053	02/20/2061	350	350
Government National Mortgage Association		5.931	F	5.991	06/20/2062	230	230
Government National Mortgage Association		5.951	F	6.002	08/20/2062	190	190
Government National Mortgage Association		5.783	F	5.899	12/20/2062	253	252
Government National Mortgage Association		5.831	F	5.923	03/20/2063	397	397
Government National Mortgage Association		5.881	F	5.955	04/20/2063	250	249
Government National Mortgage Association		6.158	F	6.161	08/20/2063	332	332
Government National Mortgage Association		5.934	F	6.040	04/20/2065	515	514
Total U.S. Agency Collateralized Mortgage Obligations	0.7%					4,526	4,492
<i>Corporate Fixed-Rate Bonds and Notes</i>							
Fifth Third Bancorp		5.852		6.280	10/27/2025	3,000	2,997
Oracle Corporation		5.800		5.848	11/10/2025	1,950	1,959
Met Life Funding		5.000		4.963	01/06/2026	5,250	5,232
John Deere Capital Corporation		4.800		4.817	01/09/2026	6,000	5,963
Royal Bank of Canada		4.875		4.886	01/12/2026	7,000	6,948
Reliance Stand Life II		5.243		5.243	02/02/2026	6,250	6,183
Philip Morris International Inc		4.875		4.985	02/13/2026	5,246	5,205
American Express		4.900		4.918	02/13/2026	5,225	5,191
Athene Global Funding		5.684		5.684	02/23/2026	6,500	6,515
Raytheon Tech Corporation		5.000		5.010	02/27/2026	1,472	1,465
Union Pacific Corporation		2.750		4.717	03/01/2026	2,755	2,650
NXP Funding LLC		5.350		5.980	03/01/2026	7,252	7,233
Sprint		7.625		5.467	03/01/2026	3,350	3,442
Williams Companies Inc		5.400		5.317	03/02/2026	5,475	5,470
Capital One Financial Corporation		2.636		2.636	03/03/2026	3,000	2,936
Sumitomo Mitsui Trust Bank		5.650		5.692	03/09/2026	5,325	5,357
National Rural Utilities		4.450		4.473	03/13/2026	1,752	1,728
Newmont/Newcrest Finance		5.300		5.308	03/15/2026	3,068	3,067
Kenvue Inc		5.350		5.338	03/22/2026	5,450	5,464
Pioneer Natural Resources Company		5.100		5.400	03/29/2026	5,000	4,989
Mercedes-Benz Finance		4.800		4.848	03/30/2026	5,300	5,254
Lowe's Corp Inc		4.800		4.761	04/01/2026	5,275	5,230
General Motors Financial Company		5.400		5.438	04/06/2026	4,961	4,950
UBS Group AG		4.125		5.958	04/15/2026	4,000	3,899
Shell International Finance		2.875		4.407	05/10/2026	5,450	5,240
Toyota Motor Credit Corporation		5.200		5.235	05/15/2026	5,250	5,259
Penske Truck Leasing		5.750		5.756	05/24/2026	4,280	4,290
Apollo Management Holdings		4.400		6.317	05/27/2026	5,325	5,222
Southern Cal Edison		4.900		4.939	06/01/2026	3,520	3,491
Toronto Dominion Bank		1.200		4.508	06/03/2026	5,960	5,520
Svenska Handelsbanken AB		5.250		5.288	06/15/2026	4,800	4,806
Cargill Inc		4.500		4.563	06/24/2026	5,543	5,473
AIG Global Funding		5.750		5.787	07/02/2026	5,250	5,269
Concentrix Corporation		6.650		6.053	08/02/2026	4,560	4,607

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
Centerpoint Energy Inc		5.250	5.317	08/10/2026	5,500	5,493	5,486
Schwab Charles Corporation		5.875	5.906	08/24/2026	5,105	5,102	5,164
New York Life Global FDG		5.450	5.457	09/18/2026	6,000	5,999	6,028
Home Depot Inc		4.950	5.037	09/30/2026	3,822	3,815	3,817
Canadian Imperial Bank		5.926	5.926	10/02/2026	5,200	5,200	5,267
Diageo Capital PLC		5.375	5.474	10/05/2026	4,497	4,488	4,521
State Street Corporation		5.751	5.751	11/04/2026	5,600	5,600	5,622
Raytheon Tech Corporation		5.750	5.783	11/08/2026	4,894	4,890	4,946
Charter Communications		6.150	6.183	11/10/2026	3,892	3,889	3,930
Roche Holdings Inc		5.265	5.265	11/13/2026	3,610	3,610	3,628
National Rural Utilities		5.612	5.612	11/13/2026	3,500	3,499	3,531
VICI Properties		5.771	5.771	12/01/2026	2,179	2,105	2,101
DTE Electric Company		4.845	4.845	12/01/2026	5,000	5,001	4,997
Ameren Corporation		5.742	5.742	12/01/2026	2,068	2,066	2,084
Energy Transfer LP		6.074	6.074	12/01/2026	4,560	4,558	4,618
Citibank NA		5.488	5.488	12/04/2026	5,450	5,450	5,479
Macquarie Bank LTD		5.391	5.391	12/07/2026	5,150	5,150	5,162
Wells Fargo Bank NA		5.254	5.254	12/11/2026	5,150	5,150	5,155
Duke Energy Corporation		4.854	4.854	01/05/2027	3,205	3,205	3,180
Hyundai Capital America		5.363	5.363	01/08/2027	6,185	6,169	6,160
Enterprise Products		4.637	4.637	01/11/2027	7,000	6,994	6,933
AerCap Ireland Capital		6.241	6.241	01/15/2027	4,348	4,334	4,412
PNC Financial Services Group		4.725	4.725	01/26/2027	5,250	5,254	5,186
Boeing Company		6.183	6.183	02/01/2027	5,560	5,104	5,126
Georgia Power Company		5.004	5.004	02/23/2027	1,333	1,333	1,329
AON North America Inc		5.196	5.196	03/01/2027	2,787	2,782	2,782
Ford Motor Credit Company		5.846	5.846	03/05/2027	5,375	5,369	5,375
Element Fleet Management		5.643	5.643	03/13/2027	5,100	5,100	5,112
Blackstone Private Credit Fund		6.276	6.276	03/15/2027	5,020	4,647	4,634
Brixmor Operating		5.891	5.891	03/15/2027	5,265	5,006	5,057
AbbVie Inc		4.849	4.849	03/15/2027	4,900	4,894	4,878
Fiserv Inc		5.178	5.178	03/15/2027	2,912	2,910	2,913
BAE Systems PLC		5.149	5.149	03/26/2027	5,000	4,981	4,963
Diamondback Energy Inc		5.216	5.216	04/18/2027	1,436	1,435	1,436
Bank of NY Mellon Corporation		4.926	4.926	04/26/2027	5,748	5,751	5,713
Boeing Company		6.259	6.259	05/01/2027	2,055	2,055	2,069
LPL Holdings Inc		5.714	5.714	05/20/2027	914	914	918
Bank of Montreal		5.370	5.370	06/04/2027	5,650	5,650	5,674
F&G Global Funding		5.896	5.896	06/10/2027	5,100	5,097	5,073
National Australia Bank		5.087	5.087	06/11/2027	5,100	5,100	5,108
FirstEnergy Corporation		5.782	5.782	07/15/2027	5,250	5,014	5,038
Lloyds Banking Group PLC		5.977	5.977	08/07/2027	5,100	5,100	5,130
ING Group		6.063	6.063	09/11/2027	5,250	5,252	5,308
Apache Corporation		5.693	5.693	11/15/2027	3,615	3,525	3,509
Blackstone Private Credit Fund		6.108	6.108	11/15/2027	5,250	5,213	5,212
Howmet Aerospace Inc		5.296	5.296	01/15/2028	3,450	3,610	3,614
American Express		5.119	5.119	02/16/2028	5,047	5,044	5,025
Danske Bank		5.427	5.427	03/01/2028	5,300	5,300	5,303
Sprint Spectrum		5.557	5.557	03/20/2028	2,483	2,452	2,471
Morgan Stanley		5.636	5.636	04/13/2028	6,485	6,488	6,549
JP Morgan Chase & Company		5.571	5.571	04/22/2028	6,708	6,708	6,762
Total Corporate Fixed-Rate Bonds and Notes	57.3%					387,774	387,992

(Continued on Next Page)

F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
<i>Corporate Floating-Rate Bonds and Notes</i>							
Macquarie Group LTD		6.050	F	6.102	10/14/2025	3,000	3,001
Verizon Communications		6.130	F	6.162	03/20/2026	1,674	1,686
Schwab Charles Corporation		5.860	F	5.901	05/13/2026	3,600	3,600
NatWest Markets PLC		6.100	F	6.146	09/29/2026	3,500	3,488
Total Corporate Floating-Rate Bonds and Notes	1.7%					11,774	11,775
<i>Commercial Mortgage-Backed Securities</i>							
Well Fargo Commercial Mortgage		3.405		2.688	12/15/2047	8,321	8,213
Total Commercial Mortgage-Backed Securities	1.2%					8,896	8,213
<i>Municipals</i>							
Metro Atlanta Rapid Transit		0.630		0.630	07/01/2024	1,355	1,355
State of Hawaii		0.802		0.802	10/01/2024	1,595	1,577
State of Oregon DOH		0.566		0.566	11/15/2024	1,250	1,228
Forsyth County School District		1.212		1.212	02/01/2025	2,755	2,691
University of California		3.063		4.570	07/01/2025	6,000	5,873
Massachusetts Commonwealth MA		3.670		4.267	07/15/2025	2,860	2,813
Sales Tax Securitization Corporation		4.558		4.558	01/01/2026	4,160	4,118
City of San Antonio TX		5.635		5.635	02/01/2026	5,340	5,355
State of Connecticut		5.050		4.552	05/15/2026	2,430	2,430
Dallas Fort Worth Internationa		4.738		4.738	11/01/2026	795	788
Total Municipal Securities	4.2%					28,457	28,228
<i>Asset-Backed Securities</i>							
Great American Leasing Receivables		0.670		0.677	07/15/2025	1,512	1,269
AESOP		3.350		4.604	09/22/2025	1,231	920
Hertz Vehicle Financing LLC		1.210		1.130	12/26/2025	2,570	2,536
Carvana Auto Receivables Trust		0.490		0.493	03/10/2026	271	133
CarMax Auto Owner Trust		0.630		0.631	06/15/2026	2,332	2,000
Discover Card Master Trust		4.930		5.300	06/15/2026	5,300	5,278
Hertz Vehicle Financing LLC		1.990		2.005	06/25/2026	1,000	971
Enterprise Fleet Financing		0.650		0.661	07/20/2026	1,326	943
Carvana Auto Receivables Trust		0.700		0.710	11/10/2026	2,418	2,149
Great American Leasing Receivables		0.550		0.554	12/15/2026	2,085	1,810
Ally Auto Receivables Trust		4.760		4.805	05/17/2027	3,000	2,821
Mercedes Benz Auto Receivables		5.210		5.273	08/16/2027	7,000	2,994
Great American Leasing Receivables		1.310		5.323	09/15/2027	6,000	6,548
Toyota Auto Receivables		4.630		4.672	09/15/2027	6,032	5,980
Discover Card Master Trust		5.030		5.086	10/15/2027	4,215	4,200
Hertz Vehicle Financing LLC		1.680		6.876	12/27/2027	6,636	6,057
World Omni Auto Receivables		5.610		5.681	02/15/2028	7,000	7,004
Bank of America Credit Card		5.000		5.056	04/17/2028	4,215	4,199
Santander Drive Auto Receivables		5.730		5.805	04/17/2028	3,628	3,643
OneMain Direct Auto Receivables		0.870		0.875	07/14/2028	4,974	4,395
Chase Issuance Trust		5.160		5.225	09/15/2028	3,936	3,946
American Express Master Trust		5.230		5.286	09/15/2028	5,893	5,912
Hyundai Auto Receivables Trust		5.540		5.607	10/16/2028	4,315	4,341
AESOP		5.130		6.053	10/20/2028	7,000	6,944
CarMax Receivables Trust		5.870		5.977	11/15/2028	4,494	4,265
Verizon Master Trust		4.490		4.538	01/22/2029	3,890	4,438
GM Financial Securitized Term		5.100		5.161	03/16/2029	2,222	3,889
SBNA Auto Receivables Trust		5.210		5.277	04/16/2029	7,000	2,216
PFS Financing Corporation		5.340		5.404	04/16/2029	4,393	7,020

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(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>
Synchrony Card Issuance Trust		5.540	5.535	07/15/2029	5,325	4,400	4,422
Enterprise Fleet Financing		5.420	5.489	10/22/2029	1,400	5,324	5,322
Ally Auto Receivables Trust		5.070	5.123	06/15/2031	2,873	1,400	1,394
ARI Fleet Lease Trust		6.050	6.125	07/15/2032	581	2,873	2,884
Chesapeake Funding II LLC		0.470	0.472	04/15/2033	7,774	503	497
Toyota Auto Loan Extended		1.070	3.346	02/27/2034	7,774	7,002	7,247
OneMain Financial Issuance		5.940	6.014	05/15/2034	6,900	6,899	6,918
Wheels Fleet Lease Funding		5.490	5.553	02/18/2039	8,910	8,909	8,912
Total Asset Backed Securities	21.6%					146,445	146,417
<i>Money Market Funds</i>							
Invesco Government & Agency		5.246 **			7,180	7,180	7,180
Total Money Market Funds	1.1%					7,180	7,180
Total Short Term Bond Pool	100.0%					\$ 679,156	\$ 677,965

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		2.280 %			35,407	\$ 35,407	\$ 35,407
Total Intergovernmental Loans	99.6%					35,407	35,407
<i>Money Market Funds</i>							
Invesco Government & Agency		5.246 **			150	150	150
Total Money Market Funds	0.4%					150	150
Total State Loan Pool	100.0%					\$ 35,557	\$ 35,557

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2024
(In thousands)

TERM DEPOSIT PROGRAM							
<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>Term Deposit</i>							
Citizens Bank of WV		4.600 F	4.600	04/01/2025	1,008	1,008	1,008
Citizens Bank of WV		4.580 F	4.580	04/01/2025	9,069	9,069	9,069
Freedom Bank		5.080 F	5.080	04/01/2025	1,009	1,008	1,008
Freedom Bank		4.630 F	4.630	04/01/2025	1,008	1,008	1,008
Freedom Bank		4.680 F	4.680	04/01/2025	1,008	1,008	1,008
Freedom Bank		4.630 F	4.630	04/01/2025	1,008	1,008	1,008
Freedom Bank		4.830 F	4.830	04/01/2025	1,008	1,008	1,008
First Exchange Bank		4.680 F	4.680	04/01/2025	1,008	1,008	1,008
First Exchange Bank		4.710 F	4.710	04/01/2025	1,008	1,008	1,008
First Exchange Bank		4.730 F	4.730	04/01/2025	1,008	1,008	1,008
First Exchange Bank		4.750 F	4.750	04/01/2025	1,008	1,008	1,008
First Exchange Bank		4.630 F	4.630	04/01/2025	1,008	1,007	1,007
United Bank		4.580 F	4.580	04/01/2025	10,077	10,077	10,077
WesBanco Bank		5.080 F	5.080	04/01/2025	10,085	10,085	10,085
Total Term Deposit	99.9%					40,318	40,318
<i>Money Market Funds</i>							
Invesco Government & Agency		5.246 **			29	\$ 29	\$ 29
Total Money Market Funds	0.1%					29	29
Total School Fund	<u>0.1%</u>					<u>\$ 40,347</u>	<u>\$ 40,347</u>
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>							
Invesco Government & Agency		5.246 **			1,013	\$ 1,013	\$ 1,013
Total Money Market Funds	100.0%					1,013	1,013
Total School Fund	<u>100.0%</u>					<u>\$ 1,013</u>	<u>\$ 1,013</u>

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Other Financial Information

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

SCHEDULE OF NET ASSET VALUES (UNAUDITED)

JUNE 30, 2024

(IN THOUSANDS EXCEPT FOR INVESTMENT UNIT DATA)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool
Paid-in capital	\$ 9,635,478	\$ 472,007	\$ 683,303
Accumulated undistributed net investment income (loss)	-	-	-
Accumulated undistributed net realized gain (loss)	-	-	-
Unrealized net appreciation (depreciation) of investments	-	-	(1,189)
Net position at value	<u>\$ 9,635,478</u>	<u>\$ 472,007</u>	<u>\$ 682,114</u>
Investment unit data:			
Units outstanding	9,635,477,815	472,006,596	6,691,119
Net position, unit price	\$ 1.00	\$ 1.00	\$ 101.94

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PORTFOLIO STATISTICS (UNAUDITED)

JUNE 30, 2024

	<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	36 days	44 days	N/A
Maximum Weighted Average Investment Maturity Term Per Board Guidelines	60 days	60 days	N/A
Effective Duration	N/A	N/A	645 days
Effective Duration Permissible Range Per Board Guidelines	N/A	N/A	465 to 864 day range
Money Market Yield - Monthly	5.46%	5.31%	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 366-day year, assuming no reinvestment of earnings.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PARTICIPANT NET ASSET VALUES (UNAUDITED)

JUNE 30, 2024

(IN THOUSANDS)

WV Money Market Pool			
State Agencies:		Local Governments:	
WV State Treasurer's Office:		Cabell County Board of Education	131,309
State Participation	\$ 3,599,078	Jefferson County Board of Education	13,073
Banking Services	401,799	Mercer County Board of Education	41,655
Unclaimed Prop Fund Invest	126,715	Wetzel County Board of Education	26,271
Safekeeping	42,482	Putnam County Board of Education	38,332
Broadband Loan Guarantee	44,711	Hampshire County Board of Education	4,685
Roads to Prosperity	490	City of Charleston	25,812
Safe Road Bonds	213	Marshall County Board of Education	59,945
College&Jumpstart Savings	3,996	Fayette County Board of Education	18,328
Savings & Investment Programs	3,532	Mason County Board of Education	17,683
Veterans Lottery	1,318	Taylor County Board of Education	12,920
Savings & Invest Trust Fund	1,001	Tyler Co Board of Education	47,032
Prepaid Tuition Trust	1,104	Berkeley County Board of Education	58,644
Total WV State Treasurer's Office	4,226,439	Roane County Board of Education	1,475
Department of Transportation	1,449,152	Kanawha Emergency Operations Center	8,299
WV Economic Development Authority	1,108,687	Taylor County Commission General Fund	9,851
Governor's Office	28,206	Lincoln County Board of Education	9,550
Higher Education Policy Commission	288,681	Braxton County Board of Education	4,901
WV Housing Development Fund	91,844	Wood County Board of Education	7,326
Department of Commerce	23,141	Berkeley County PSWD	8,130
Department of Environmental Protection	318,814	Kanawha County Emergency Ambulance Authority	7,263
Public Employees Insurance Agency	25,953	City of Weirton	4,831
WV Lottery Commission	223,035	Boone County Commission	4,493
Water Development Authority	546,202	Pleasants County Board of Education	8,598
Division of Natural Resources	101,632	Clarksburg Water Board	7,013
School Board Authority	253,350	Berkeley County PSSD	7,472
WV Municipal Pension Oversight Board	31,181	City of Dunbar	1,570
Regional Jail Authority	27,210	Greenbrier County Board of Education	2,289
West Virginia University	110,785	Fayette County Commission	2,361
Board of Risk and Insurance Management	31,959	Ritchie County Board of Education	1,571
Department of Health and Human Resources	23,691	Wyoming County Board of Education	1,217
Insurance Commission	6,278	Pleasants County Commission	1,154
WV State Auditor's Office	8,906	Jackson County Sheriff	5,119
Department of Administration	14,704	North Beckley PSD	1,059
Performance and wage bond accounts	20,321	Upshur Board of Education	4,766
Other	7,161	Mason County Commission	1,603
Total State Agencies	8,967,332	Town of Barboursville	8,468
		Town of Ripley	5,887
		Putnam County Development Authority Park Funds	1,460
		Fayette County Farmland	1,244
		Greenbrier County Farmland Protection Board	2,473
		Mercer County Development Authority	2,117
		Lewis County Board of Education	1,266
		Doddridge County Board of Education	10,375
		Parkersburg Utility Boards	3,667
		City of Hinton	1,478
		Wirt County Board of Education	3,589
		Buckhannon Municipal Sales Tax	1,021
		Other	17,501
		Total Local Governments	668,146
		Total net asset value	\$ 9,635,478

WV Government Money Market Pool	
State Agencies:	
Municipal Bond Commission	\$ 209,409
WV State Treasurer's Office - Safekeeping	13,777
WV Housing Development Fund	14,336
Department of Environmental Protection	9,485
Other	7,136
Total State Agencies	254,143
Local Governments:	
Berkeley Co Bd of Ed Investment Account	115,993
Wood County Board of Education	68,979
Huntington Water Quality Board - Sanitation	15,189
Mingo County Board of Education	5,133
Huntinton Water Quality Board - Stormwater Utility	5,289
Upshur Co Bd of Ed Investment Account	3,245
Hancock County Commission	1,272
Hardy County Board of Education	1,236
Other	1,528
Total Local Governments	217,864
Total net asset value	\$ 472,007

WV Short Term Bond Pool	
State Agencies:	
WV State Treasurer's Office:	
State Participation	\$ 332,278
Banking Services	194,713
Total WV State Treasurer's Office	526,991
Department of Environmental Protection	120,207
WV Municipal Pension Oversight Board	10,346
Higher Education Policy Commission	6,694
WV Court of Claims	6,348
DHHR - Children's Health Insurance	3,774
WV Parkways Authority	2,475
Department of Transportation	2,422
Other	1,625
Total State Agencies	680,882
Local Governments:	
Other	1,232
Total Local Governments	1,232
Total net asset value	\$ 682,114

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.

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, 2024, 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 8, 2024.

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.

Maher Duessel

Pittsburgh, Pennsylvania
August 8, 2024