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WEST VIRGINIA
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Member

SARA L. ROGERS
Executive Director

MEMORANDUM

TO: Depositors with the Municipal Bond Commission

FROM: Sara L. Rogers, Executive Director

DATE: July 14, 2022

RE: Annual Statements: July 1, 2021 – June 30, 2022

1. Available on our website are the annual, fourth quarter, and monthly statements for your account(s).

2. The amount of principal still outstanding on the issue is shown at the bottom of the Statement. Any paid-out issues will be noted as "no requirement for this issue". The Municipal Bond Commission ("Commission") pays principal on the date due. If the bond issue had debt service due on July 1, 2022, the funds for this debt service have **not** been withdrawn from the account, and the statement of principal outstanding is as of June 30, 2022.

Bonds owned by the Department of Environmental Protection, the WV Infrastructure Counsel, or Bureau of Public Health are usually issued on a principal draw down basis. This may result in the principal outstanding this year being greater than the amount shown last year.

3. All funds on deposit with the Commission are invested.

If this account has escrowed investments, specific investments held solely for this account, they will be shown near the bottom of the statement. Escrowed investments are made only at the direction of the issuer, and are primarily made to defease an issue, or limit the interest earnings. They are held in separate accounts.

All other funds are invested in the Government Money Market Pool at the Board of Treasury Investment, through the West Virginia State Treasury. It is under the management of an outside professional investment manager who has managed our investments for more than 30 years. This pool is limited to full faith and credit US Treasury investment of less than 13 months maturity, and has an average maturity of 90 days. The pool is a variable rate pool in which interest rates fluctuate monthly. Accounts receive credit from the date of deposit to the date of withdrawal, and interest distribution is calculated on the basis of average daily balance. No interest is earned by accounts with an average monthly balance of less than $50. Interest is calculated and posted to each account on the first day of the following month by computer.

The following is a statement of interest earnings for the funds of the Commission, which were invested in the Pool at the Board of Treasury Investments:

June 2021	0.004%	October 2021	0.01%	February 2022	0.07%
July 2021	0.01%	November 2021	0.02%	March 2022	0.14%
August 2021	0.01%	December 2021	0.02%	April 2022	0.26%
September 2021	0.01%	January 2022	0.03%	May 2022	0.62%

The average interest rate for the year was 0.10%

4. Following the payment of the final debt service on a bond issue, all surpluses remaining in the account(s) are the property of the issuer, and may be returned to them. As they are held in interest bearing accounts we normally do not return these surpluses until requested by the issuer. Due to continued interest earnings, most accounts will require more than one refund to close.

The comments on your statement(s) identify the availability of funds in your accounts. These specify accounts with surplus funds available for withdrawal following the paying out/calling of the issue. Discretionary accounts, (those whose account number's last two digits are 15-18) have comments indicating that the funds are unrestricted and available for withdrawal at any time. These are savings accounts in the eyes of the Commission, and unrestricted, but may have restrictions placed on them by you, (for example, that they were set up solely to fund future repairs to a sewer system) of which the Commission has no knowledge.

The Commission uses internal transfers of funds that are surplus, to accounts that are deficient for the same entity. Funds in your accounts, which are surplus to bond ordinance requirement, are available to correct deficiencies in other similar accounts. This increases the efficiency of your funds and helps ensure compliance with your bond ordinances and obligation to your bond holders. The Commission never transfers funds between different types of issues. An entity with several sewer bond issues may have transfers among them, but we never transfer water funds to a sewer issue. These transfers are made to keep your issues in compliance with your bond ordinances.

The Commission only closes accounts in July, following the end of the fiscal year. If your reconciliation and final refund have been completed, you will continue to receive statements for the remainder of the fiscal year.

5. Since April 1991, the Commission has functioned as a special revenue agency of State Government. The Commission will collect fees for its routine services for the coming year of .0020 (20/100 of 1%) of the debit service paid, with a maximum of $2,000 per issue. This is the same percentage as the 2021/2022 fiscal year.

6. Should any errors be detected in these statements, please bring them to our attention as soon as possible.