



**Strength in Numbers**  
**Fiscal Year 2008**  
State of the Treasury Report  
West Virginia State Treasurer John D. Perdue

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As the Bank of State Government, the Treasurer's Office deals with many of the same challenges as most other financial institutions. Our 2008 State of the Treasury Report shows that our market performance has been competitive and will illustrate some of our successes in the past year.

We are particularly proud that our Board of Treasury Investments has maintained its AAAM rating from Standard & Poor's in two pools. That has been a formidable task in these difficult financial times. Also, with local governments and other political divisions, the BTI has enjoyed a 50 percent value increase and contributed \$53 million in earned interest to the state's general revenue fund.

In addition, the Government Financial Officers Association has awarded the BTI for the second consecutive year, its coveted Certificate of Achievement for Excellence in Financial Reporting. The professional staff has insured that the BTI satisfies both generally accepted accounting principles and applicable legal requirements.

The SMART529 Direct college savings plan has continued to achieve a high rating nationally from savingsforcollege.com. It again earned the five-cap ranking, the highest, in comparison with similar programs across the country. Also, our always nationally-ranked Unclaimed Property Division was featured on NBC's Dateline program for its return of property to owners.

Within these pages, you will find other indicators that the State Treasurer's Office is working as hard as it can for the taxpayers of West Virginia. We are not content to rest here. Next year will bring more opportunities and more challenges. It is incumbent on us to insure that our performance will be just as solid.

Sincerely,



John D. Perdue  
West Virginia State Treasurer



JOHN D. PERDUE | *State Treasurer*

Elected the 24th State Treasurer of West Virginia in 1996 and re-elected each term thereafter, Perdue began his public service with the Department of Agriculture where he was assistant commissioner. He was recruited in 1989 to work for Governor Gaston Caperton's administration where he was senior executive assistant for eight years. He is a native of Boone County and a graduate of West Virginia University. During his tenure as Treasurer, Perdue has been president of the National Association of State Treasurers and president of the National Association of Unclaimed Property Administrators. He and his wife, Robin, are the proud parents of two daughters.



## ACCOMPLISHMENTS

The State Treasurer's Office is always trying to find ways to help the citizens of West Virginia. We have been able to achieve many things this past year. In the following pages, we have included some highlights of our accomplishments for 2008.

## BOARD OF TREASURY INVESTMENTS

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- The BTI achieved the Standard and Poor's AAAm rating on the West Virginia Money Market and West Virginia Government Money Market Pools. This rating is the highest money market fund rating assigned by Standard and Poor's.
- The BidWV CD Program has been a huge success in West Virginia with total earnings to date of \$7.2 million, and additional earnings over the benchmark of \$686,000.

## CASH MANAGEMENT

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- In fiscal year 2008, cash management processed more than \$7.8 billion in disbursements by electronic funds transfer.
- The department has continued to further its initiative to increase electronic payments as opposed to paper checks. When Treasurer Perdue took office, the state was writing 4.5 million checks and this fiscal year it is down to 1.6 million.

## e-GOVERNMENT

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- The total e-Government dollar activity was \$136 million, an increase of 48% more than fiscal year 2007.
- Major renovations to hardware and software were made during fiscal year 2008 resulting in a more efficient and user-friendly system.

## DEBT MANAGEMENT

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- Cleared more than \$73 million of general obligation debt service while effectuating the early redemption of more than \$104 million of general obligation bonds.
- Collected and maintained information on more than \$637 million of state agency/board/commission debt issued during fiscal year 2008.

## COLLEGE SAVINGS PROGRAMS

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- The Savings Plan Trust ended the fiscal year with 93,769 participant accounts valued at \$1.11 billion. This compares to 2007, which ended with 86,224 accounts at a total market value of \$1.07 billion.
- The first annual SMART529 "When I Grow Up" essay contest was held during the fall enrollment campaign. Grand prize winners as well as fifteen regional winners were chosen.

## FINANCIAL EDUCATION

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- Women & Money Conferences were held throughout West Virginia with over 600 attendees.
- The NetWorth initiative was successfully kicked off to expand and improve personal finance education in the state's public schools. In conjunction with the West Virginia Department of Education, the NetWorth Task Force has approximately 20 teachers and 20 community representatives working together on designing the curriculum pieces.

## UNCLAIMED PROPERTY

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- This year the division acquired the Wagers UPS2000™ System which represents a major advance in streamlining the receipt and return of property to its rightful owner. This system is used in 41 other states.
- Enhancements to our e-Holder system allow holders to remit large amounts of unclaimed property to the State in a more efficient manner. Legislation that was passed in this fiscal year mandates electronic reporting.

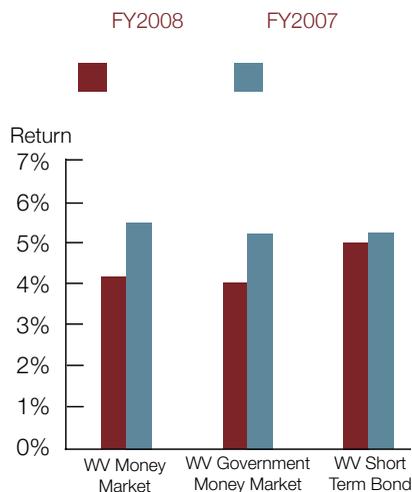
## WEST VIRGINIA RETIREMENT PLUS

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- More than 200 enrollment meetings, presentations and booths at key public employee venues were conducted.
- A detailed marketing plan resulting in more than 2,000 new enrollees was completed.

# BOARD OF TREASURY INVESTMENTS

The West Virginia Board of Treasury Investments (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.



Returns are annualized fiscal year to date for West Virginia Money Market and West Virginia Government Money Market;



GLEND A PROBST, CPA, CTP  
Executive Director of  
Board of Treasury Investments

## PERFORMANCE

- The BTI experienced a net asset level of more than \$3.6 billion – up \$248.7 million from the prior fiscal year.
- This new asset level represents a gain of 7.3% from the prior fiscal year due to an initiative by the BTI to increase participation in the fund.
- The investment portfolios of the West Virginia Money Market, West Virginia Government Money Market and West Virginia Short Term Bond Pools had a 4.15%, 4.03%, and 5.02% annualized fiscal year to date return, respectively, for the year ended June 30, 2008.

## STANDARD & POOR'S AAAM RATING

- The BTI passed another milestone this year by obtaining Standard & Poor's AAAM rating for the West Virginia Money Market and West Virginia Government Money Market Fund.
- The rating signifies that the safety of invested principal is excellent, and there is superior capacity to sustain a stable net asset value.

## BidWV CD PROGRAM

- The BidWV CD Program has been a huge success in West Virginia with earnings to date of \$7.2 million and additional earnings over the benchmark of \$686,000.
- Twelve CD Auctions have been held since its inception in May 2006.

## GROWTH OF POLITICAL SUBDIVISIONS

- Total dollars invested by political subdivisions have increased nearly 50% during the last two fiscal years.
- In 2006 only three counties were invested in the state's short term pools. Today, that number has grown to 10 with more in the process of opening accounts. The number of municipalities invested has also increased significantly from 21 to 36.
- Many factors have been cited for this increase in participants, including the high AAAM rating of the money market pools from Standard and Poor's, daily availability of funds, and the pools' competitive rates.

## BOARD OF TRUSTEES

### John D. Perdue

West Virginia State Treasurer, Chairman

### Joe Manchin, III

Governor, State of West Virginia,  
Vice Chairman

### Glen B. Gainer, III

West Virginia State Auditor, Director

### Jack Rossi

Director

### Martin Glasser

Director



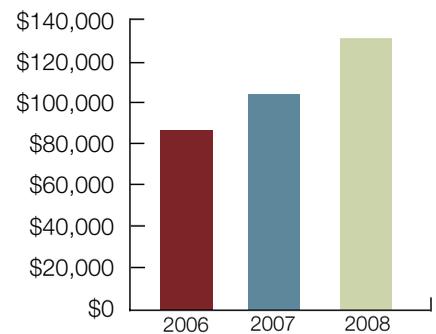


**Standard & Poor's awarded the Board of Treasury Investments its AAAM rating, a historical achievement for the West Virginia short term funds.**

Pictured from left to right: Mike Conley, Ashley Smolder, Denise Baker, State Treasurer John D. Perdue, Governor Joe Manchin III, Auditor Glen B. Gainer III, Glenda Probst, Kara Brewer and Patty Brumfield.

It is the investment philosophy of the Board to invest assets in a manner that strives for maximum safety, provides adequate liquidity, and achieves the highest possible investment return consistent with the objectives of safety and liquidity.

**Local Government Investment Balances**  
(in thousands)



# CASH MANAGEMENT DIVISION

The Cash Management Division is responsible for receiving and disbursing the state's budget, which includes writing approximately 2 million checks per year and electronic transfers of money; filing and retaining all paid checks and various bonds issued by the state; collecting various fees; and handling various other banking and accounting functions that deal with state finances.



SARAH H. LONG, CPA  
Deputy Treasurer of  
Cash Management and  
Unclaimed Property

## ELECTRONIC FUNDS TRANSFER

- In fiscal year 2008, Cash Management processed more than \$7.8 billion in disbursements by electronic funds transfer.
- The department has continued to further its initiative to increase electronic payments as opposed to paper checks. When Treasurer Perdue took office, the state was writing 4.5 million checks. Now that number is down to 1.6 million.

## COURT FEE REMITTANCE

The Cash Management Division collected \$22.2 million in fiscal year 2008, which amounts to a portion of fines collected by magistrate, circuit and municipal courts. Leading the way were three different funds collected on behalf of the Regional Jail Authority totaling \$13 million.

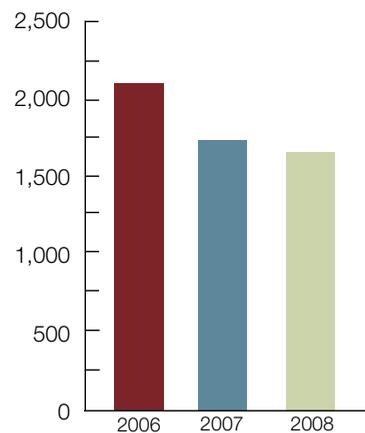
## UNCLAIMED PROPERTY

The division, this year, began sending out postcards to state check recipients prior to the checks going stale, in an attempt to save the funds from going into Unclaimed Property. The program has been very successful at preventing these funds from being abandoned.

## PARTICIPANT ACCOUNTING

- The participant accounting department within Cash Management rolled out an on-line banking system to all local government participants, called iPAS. This system allows participants to view their account 24 hours per day and initiate on-line transactions that post immediately. Approximately 2,240 transactions (deposits, withdrawals, and transfers) were entered by participants using iPAS.
- New applications and resolutions were developed to facilitate a streamlined and expedited investment application process.

Decline in Written Checks





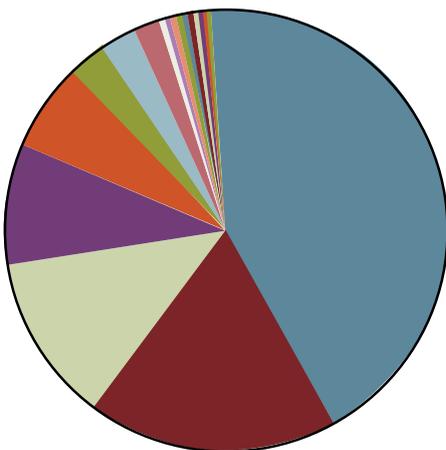
“ The responsibility that the citizens of West Virginia have bestowed upon our State Treasurer’s Office is massive in many ways. The Cash Management Division of this office is one in which we are very passionate. Effective and efficient management of the collection and disbursement of billions of dollars requires our team to be meticulous in detail and aggressive in areas of efficiency. I am very proud of the efforts, and the subsequent results, of this division.”

- John D. Perdue  
State Treasurer

## e-GOVERNMENT

The West Virginia e-Government Services Program is an initiative of the State Treasurer's Office to provide an electronic system (i.e. credit card and electronic funds transfer [EFT]) for goods and services offered by state agencies, colleges, universities, boards and commissions. This program is currently being expanded for implementation by local governments.

e-Government Activity by Dollar Amounts



- West Virginia University
- Consolidated Public Retirement Board
- Marshall University
- Municipal Bond Commission
- Fairmont State University
- Insurance Commission
- Division of Natural Resources
- Shepherd University
- Board of Medicine
- PEIA
- Highways
- West Virginia State Board of Examiners for Registered Nurses
- Secretary of State



LELLA MILLER  
Director of e-Government

## GROWTH and DEVELOPMENT

Our programmers worked very hard to maintain compliance with the Payment Card Industry (PCI) security standards. We made major changes in our hardware and software and we continue to work towards a better, more efficient and user-friendly system.

## DOLLAR ACTIVITY

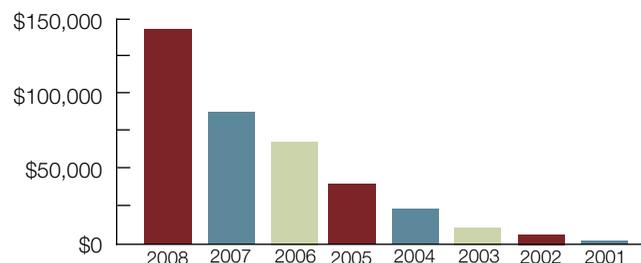
The total dollar activity for the 2008 fiscal year was over \$136 million, an increase of more than 48% over fiscal year 2007 figures.

- West Virginia University collected more than \$56 million of their tuition dollars over the internet.
- Another \$28 million were processed for Marshall, Fairmont, and Shepherd Universities.
- State agencies like the Municipal Bond Commission added \$12 million to their online activity and the Consolidated Public Retirement Board's activity generated \$25 million.
- DNR's Hunting and Fishing Licenses still had the highest volume with nearly 50,000 licenses sold online.
- We were proud to add the Public Employees Insurance Agency to our online agencies.
- The Insurance Commission increased their online presence by adding new activity, and the Division of Labor started collecting their contractor's licensing renewals and other fees online.
- The Women's Commission and WVNET were also rolled out in fiscal year 2008.

## FUTURE GOALS

- We plan to substantially reduce costs to the users by working with our bank to participate in the Visa tax pilot program and developing methods that allow us to clear debit cards using the ATM network rather than the credit card network.
- We are continuing to work toward increasing our knowledge of the process and develop our expertise in the field.

Growth in e-Government: Dollars Processed  
(in thousands)



## DEBT MANAGEMENT

The primary responsibility of the Division of Debt Management is to pay the debt service on all of the state's General Obligation Bonds. The division is also responsible for tracking and reporting on the State's debt and to make recommendations as to the future capacity of the State to incur additional debt.

### DOLLAR ACTIVITY

- Cleared more than \$73 million of general obligation debt service while effectuating the early redemption of more than \$104 million of general obligation bonds.
- Collected and maintained information on more than \$637 million of state agency/board/commission debt issued during fiscal year 2008.

The State of West Virginia had a net tax supported debt of \$1.53 billion at June 30, 2008. The chart below shows the calculation of this figure which does not include claims and judgments, accrued compensated absences, pension costs or other post-employment benefit costs or other liabilities of the State.

### WEST VIRGINIA NET TAX SUPPORTED DEBT

Type of debt	Principal outstanding June 30, 2008	Percentage of gross tax supported debt outstanding
<b>General Obligation Bonds</b>		
State Road Bonds	\$ 706,100,000	51.2%
Infrastructure Bonds	285,121,319	
<b>Revenue Bonds</b>		
School Building Authority Capital Improvement	215,675,000	28.7%
Economic Development Authority Lottery	214,125,000	
School Building Authority Lottery	99,040,000	
State Building Commission Lottery	25,465,000	
<b>Lease Obligations</b>		
All Agencies	389,256,294	20.1%
<b>Gross Tax Supported Debt</b>	<b>1,934,782,613</b>	<b>100.0%</b>
<b>Deductions for Escrow Accounts</b>		
GO Safe Road Bonds	304,910,000	
GO Infrastructure Bonds	41,945,000	
<b>Deductions for Debt Service Reserve Funds</b>		
School Building Authority Capital Improvement	23,021,000	
Economic Development Authority Lottery	18,990,000	
School Building Authority Lottery	14,180,000	
State Building Commission Lottery	2,600,000	
<b>Net Tax Supported Debt</b>	<b>\$ 1,529,136,613</b>	

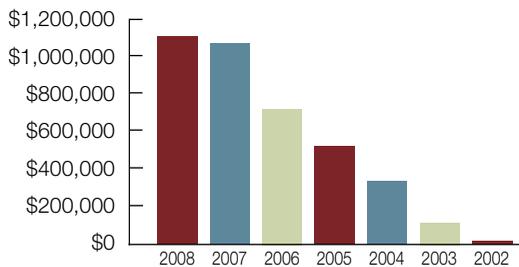


BRYAN ARCHER  
Director of Debt Management

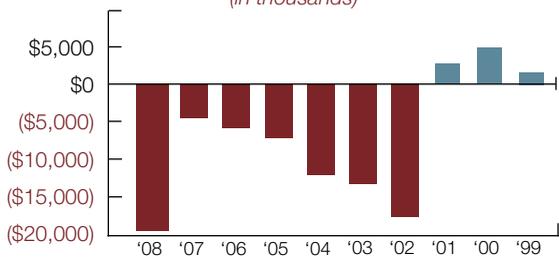
# COLLEGE SAVINGS PROGRAMS

The West Virginia College Prepaid Tuition and Savings Program offers a Prepaid Tuition Trust Fund that provides individuals and organizations the opportunity to prepay tomorrow's college tuition and mandatory fees at West Virginia public and private colleges and universities, and to offer a Savings Plan Trust Fund that provides a means of savings to pay for the variety of costs of attending college. The Program uses the SMART529 brand name for all of the various college savings products it offers.

Savings Plan Trust Fund Net Assets



Prepaid Tuition Trust Fund Net Assets (Deficit) (in thousands)



**CHARLES BOCKWAY**  
Deputy Treasurer of  
Financial Education and  
College Savings Programs

## SAVINGS PLAN PROGRESSES

- The Savings Plan ended the fiscal year, with 93,769 participant accounts valued at more than \$1.1 billion.
- The Savings Plan Trust Fund added 7,545 new accounts during the year, and it increased in value by \$46.6 million.
- Participants contributed \$197.0 million during the year and withdrew \$66.6 million.

## PREPAID TUITION PLAN CONTINUES

- The Prepaid Tuition Plan ended the fiscal year with 7,376 accounts and assets valued at \$95.0 million.
- During the fiscal year, nearly 2,500 prepaid tuition benefit distributions used to pay college expenses were processed totaling more than \$7.1 million.
- The Escrow Account, established to hold funds transferred from the Treasurer's Unclaimed Property Division to support the Prepaid Tuition Plan in the event it falls short of funds, ended the year with \$2.5 million in funds.

## MAJOR ACCOMPLISHMENTS

- The first annual SMART529 "When I Grow Up" essay contest was held. Fifteen regional winners were chosen and a grand prize winner was selected from among them.
- A special direct mailing was sent out to 50,000 households with young children reminding those receiving federal stimulus package checks to consider college savings.
- The College Day at Preschool program was again successful. The 126 participating preschools agreed to distribute SMART529 information packets to parents of approximately 2,400 five-year-old students.
- The Program used the assistance of various promotional partners. The Newborn program distributed 2,500 SMART529 pamphlets in baby bottle coin banks to 23 participating hospital birth centers across the state. The SMART529 Employer Partner program recruited 37 large state employers to distribute SMART529 information to their 5,500 employees. Other promotions included sponsorships and exhibits at a variety of events and activities that attracted parents of young children. Sponsorships included the Mountain State Coal Classic Basketball Tournament, Regional Charleston Newspapers Spelling Bee, United Way Putt-Putt Tournament, and the Smart Family Expo. SMART529 exhibits were also staffed at about 40 children or parent oriented events throughout the state.

## BOARD OF TRUSTEES

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

*Thais Blatnik*  
*Paul Chewning*  
*Martin J. Gargano*  
*Georgette George*  
*Kay Goodwin*  
*Peggy C. Hawse*  
*Jack Toney*  
*Blair Montgomery*



# Financial Education

Treasurer Perdue has made financial education programs a high priority for his office. He started the West Virginia Prepaid College Plan, SMART529 College Savings Plan and the statewide Bank at School Program. Perdue also pushed for legislation that requires a unit of financial education for high school graduates and started the Women and Money Conferences for adults throughout West Virginia.



## ADULT PROGRAMS

The Treasurer's Money Conferences are designed to educate and motivate West Virginians to improve their lives through good money management skills. During the 2008 fiscal year, Money Conferences were held throughout West Virginia and were attended by 675 people. Over the last seven years, 20 Money Conferences have been offered reaching nearly 7,500 citizens.

Through the West Virginia Financial Education Foundation, sponsors have continued their support throughout the years which has allowed the program to be provided free of charge to citizens. Additionally, financial services firms and agencies are encouraged to become exhibitors at the conferences.

## TEACHER and YOUTH PROGRAMS

The year was an active one for financial education programs for schools and youth. The two more structured programs include the Bank at School Program, which has an elementary school focus, and the NEFE High School Financial Planning Program. Many additional activities were conducted that generally fall into one of four core functions:

**1. School Visits** – assessing interest in and promoting the incorporation of financial education lessons in the classroom.

- High school students received approximately 15,000 ABCs of Credit Card Finance lesson booklets provided by the Center for Student Credit Card Education.
- Over 11,000 copies of The Budget Game were distributed to middle school students. The Budget Game demonstrates how to make decisions on family budgeting, estimate monthly expenses, differentiate between wants and needs, and understand the need for planning for emergencies.
- A total of approximately 10,000 copies of Dragons Decide lesson books were distributed to elementary schools across the State.
- Our most recent surveys have identified 138 schools reporting that they conduct banking/savings activities at school.

**2. Free Resource Identification** – 173 resources were located, assessed and promoted as some of the best free educational resources available to use with youth and in the classroom.

**3. Teacher Training** – includes a variety of activities to train classroom teachers and other business and community youth workers on how to teach personal finance topics and how to use the exciting free resources that are available. During fiscal year 2008, a total of eight teacher training classes were held in the following counties: Berkeley, Kanawha, Harrison, Logan, Mason and Ohio where 94 people attended and 53 registered for graduate credit.

**4. Partnership Building** – recruiting and working collaboratively with other organizations in financial education efforts. Active cooperative programs were continued or established with 60 organizations.

## NEW PROGRAMS OFFERED

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- **The Game of Life**

During the fall of 2007, a special financial education edition of The Game of Life was used as a special tool for getting young people involved in financial education. The Treasurer's Office provided copies of the game to 218 West Virginia middle schools and to 174 West Virginia public libraries. The game, which was produced by Visa USA and Hasbro to promote financial literacy education, was provided at no cost to the state.

The staff trained teachers and other youth workers in how to use the game in an educational context and also for tournament play. Extra copies of the game were made available so that schools and youth groups could hold Game of Life tournaments. Some who participated were Gear-Up participants, West Virginia librarians, and Mercer County business teachers.

- **Personal Finance Education Project**

In early 2008, the State Treasurer, working cooperatively with the State Superintendent of Schools, proposed a major new personal finance education initiative that would significantly improve and expand personal finance education in the state's public schools.



# UNCLAIMED PROPERTY

The State Treasurer is responsible for implementing the West Virginia Uniform Unclaimed Property Act. Under this legislation, the Treasurer is the custodian of all unclaimed property in the state. Unclaimed property includes items such as bank accounts, matured insurance policies, stocks, bonds, safe deposit box contents, weapons, and a wide variety of other items abandoned by their original owners. The property is collected, processed, and kept or auctioned under the Treasurer's authority. Money from this program is deposited in the state's general revenue account or held indefinitely, until the original owner, or their heirs, can be found.



## DOLLAR ACTIVITY

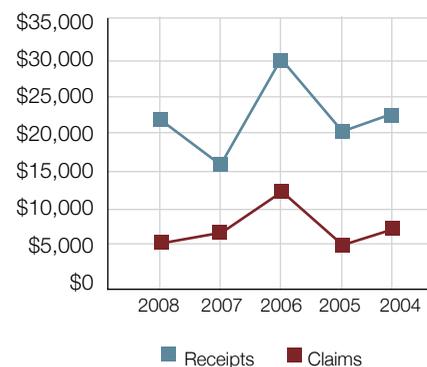
- The State currently holds approximately 400,000 accounts worth \$100 million.
- Since 1997, the Unclaimed Property Division has returned approximately \$60 million to rightful owners and collected \$92 million from businesses.

## GROWTH and DEVELOPMENT

The division acquired a new unclaimed property system, the Wagers UPS2000™ System, representing a major advance in streamlining the receipt of unclaimed property and the return of property to its rightful owner. In addition, the division has also:

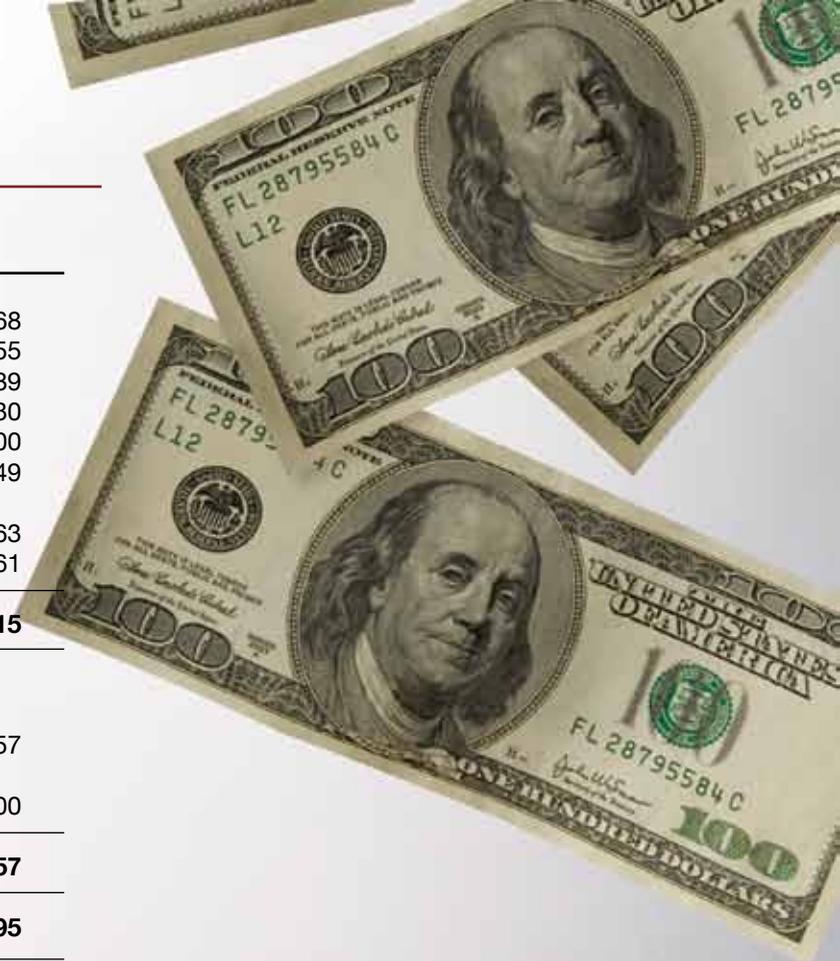
- Conducted eight regional holder-education seminars.
- Collected more than \$21.6 million in gross revenue.
- Returned \$5.6 million to rightful owners of unclaimed property in 2008.
- Served as custodian for over 858,258 unclaimed property accounts that total more than \$178 million in unclaimed funds.
- Obtained legislation authorizing electronic sales of tangible property (eBay®).
- Developed a streamlined process to allow the Bureau of Child Support Enforcement to claim unclaimed property belonging to delinquent child support obligors.
- Mailed out approximately 4,000 postcards to potential unclaimed property owners.
- Instituted a dedicated call center for claimants, following unclaimed property newspaper ads.
- Updated to an Electronic Database Request System saving paper, time and money.
- Implemented and revised Unclaimed Property Division procedures and guidelines.
- Liquidated over \$1.6 million in stock and mutual funds.

Receipts and Claim Activity



## UNCLAIMED PROPERTY DIVISION

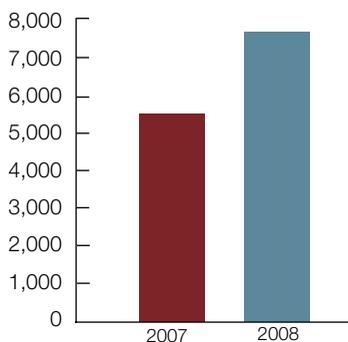
Revenue	2008
Holder Cash Remittance	\$ 15,159,968
Citigroup Security Liquidation	1,619,555
Citigroup Interest	39,989
Security Dividends	42,430
Security Liquidation	1,168,400
Redeposit Claim Checks	35,149
Stale-Dated Checks (includes Workers' Compensation)	3,620,863
Huntington National Bank Principal/Interest	1,261
<b>Total Gross Receipts</b>	<b>21,687,615</b>
Revenue Transfers	
Prepaid College Tuition Fund (WV Code 18-30-6(i)(3))	47,557
Deferred Compensation Matching (WV Code 5-10B-10a (g))	1,000,000
<b>Total Revenue Transfers</b>	<b>1,047,557</b>
<b>Total Claims Paid</b>	<b>5,595,395</b>
<b>Net Receipts</b>	<b>\$ 15,044,663</b>



# WEST VIRGINIA RETIREMENT PLUS

The West Virginia Retirement Plus Division provides an extra savings alternative for all state, county, city and other political subdivision employees through a supplemental retirement plan. This retirement program is similar to a 401(k) plan in structure except that it is designed to supplement a participant's primary retirement plan. Employee contributions to the plan are managed via convenient payroll deductions.

Participant Growth



JOHN FISHER  
Deputy Treasurer of

## PARTNERSHIP

The West Virginia Treasurer's Office continues to partner with ING Financial Services, our third party administrator, to transform West Virginia Retirement Plus into one of the premier 457 plans in the nation.

## CONTRIBUTION MATCHING PROGRAM

This marked the first year of our contribution matching program for eligible plan participants. More than 4,000 participants met the criterion for the matching program with over \$400,000 in matching funds due to those participants.

## INVESTMENTS

Following a detailed analysis by our investment consultant, the plan's investment menu was revamped to provide quality options to our participants. The following were some key accomplishments in this area:

- Implemented an investment policy outlining and establishing investment option standards and benchmarks.
- Created a new investment menu with improved Morningstar ratings, lower fees and superior return history.

## OUTREACH

An effective outreach strategy is imperative to adding new participants and increasing total plan assets. In order to improve outreach effectiveness, staff time was dedicated to analyzing public employee data and establishing outreach targets. Outreach strategies were then developed and implemented to reach and educate all plan stakeholders. The following are some key accomplishments in this area:

- Met with key public officials and department managers to educate them on the benefits of the plan and facilitate employee enrollment meetings at their office locations.
- Conducted two state benefit/payroll coordinator training seminars educating 175 participants.
- Implemented a local government market entry plan increasing membership to more than 40 entities.
- Conducted approximately 200 enrollment meetings, presentations and booths at key public employee venues.
- Updated the plan's website providing an informative, educational, and "user friendly" interface.
- Increased assets by \$2 million as total plan assets grew to \$82 million.
- Completed a detailed marketing plan resulting in more than 2,000 new enrollees.
- Increased participant base from less than 6,000 to nearly 8,000 members.



## ADMINISTRATION DIVISION

The Administration Division provides centralized office functions. The division is composed of four main areas: Payroll/Personnel, Procurement, Accounts Payable, and Safekeeping/Deposits. The division is also responsible for the distribution of fees to various municipal organizations. The Safekeeping area provides custodial services for state agencies with a balance of 2,133 items with a value of \$95.2 million.



### Fee Distribution *(in millions)*

Policemen's and Firemen's Municipal Pension and Protection Relief Funds	\$ 16.57
Volunteer Fire Departments	\$ 19.04
Volunteer Fire Department Audit Account	\$ 0.59
Teachers' Retirement System	\$ 2.56
Coal Severance Taxes to Counties and Municipalities	\$ 27.36
Oil and Gas Severance Taxes to Counties and Municipalities	\$ 7.20
Wine, Liquor and Private Club Taxes to Counties and Municipalities	\$ 8.37
Waste Coal Taxes to Counties	\$ 0.33
Regional Jail Operations Partial Reimbursement	\$ 4.52



BLAIR TAYLOR  
*Deputy Treasurer of  
Administration Division*

## AUDIT DIVISION

The Audit Division's objectives and goals are to assist the Treasurer in achieving honest, efficient management and full accountability throughout the office.



MALISSA HOHMANN  
Director of Audit Division

## AUDIT DIVISION

The Audit Division's duties and responsibilities include reviewing and testing the effectiveness and efficiency of internal control structures in accordance with rules, regulations and internal office procedures; report the results and recommendations to the Audit Committee; research and report on compliance, internal control or other issues as required; and to assist the Unclaimed Property Division in the enforcement and administration of the Uniform Unclaimed Property Act by providing audit services and oversight of six contract audit vendors.

## GROWTH AND DEVELOPMENT

- Audited fiscal year 2007 Cash Management Improvement Act (CMIA) Annual Report and related procedures for gathering information for the preparation of the annual report.
- Audited the 2009 Treasury State Agreement in preparation of the 2008 CMIA Annual Report.
- Conducted a first time risk assessment audit of the West Virginia Prepaid College Tuition and Savings Plan.
- Supervised contract audit vendors in performance of Unclaimed Property compliance audits. Audits have resulted in the identification of \$5.5 million in unreported unclaimed property.
- Developed procedures and implemented production of the Wagers Audit Module for management and tracking of voluntary and involuntary unclaimed property examinations.
- Recorded all past Unclaimed Property examinations since 1996 into the Wagers Audit Module to reflect audit scope, findings, deposits and status.
- Reactivated the State Treasurer's Office Audit Committee including new audit charter, audit policy and job descriptions and Strategic plan for 2009-2013.

# FINANCIAL HIGHLIGHTS

## Assets Under Management (Year Ended June 30, 2008)

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

Board of Treasury Investments*	\$	3,642,045,000
West Virginia College Prepaid Tuition and Savings Program		1,214,046,000
Unclaimed Property		212,509,000
Securities and other items held in Safekeeping		95,200,000
West Virginia Retirement Plus		82,122,000
	<b>\$</b>	<b>5,245,922,000</b>

\* The Consolidated Fund includes \$1,757,645 in State funds and accounts directly under the purview of the State Treasurer's Office.

## Fund Revenues & Inflows (Year Ended June 30, 2008)

Board of Treasury Investments:		
Net investment increase from operations*	\$	149,136,000
Participant purchases, contributions & reinvestments		10,449,892,000
Operating Fund revenues & gains		2,478,000
<b>Total Board of Treasury Investments</b>		<b>10,601,506,000</b>
West Virginia College Prepaid Tuition and Savings Program:		
Prepaid Tuition Trust Fund net revenues & losses		(6,353,000)
College Prepaid Tuition and Savings Program Administrative Account		1,007,000
Savings Plan Trust Fund:		
Net investment loss		(77,472,000)
Contributions		264,784,000
<b>Total West Virginia College Prepaid Tuition and Savings Program</b>		<b>181,966,000</b>
West Virginia Retirement Plus:		
Contributions		9,533,000
Net investment loss		(4,704,000)
<b>Total West Virginia Retirement Plus</b>		<b>4,829,000</b>
<b>Unclaimed Property Holder Remittances</b>		<b>21,688,000</b>
All other funds and accounts overseen by the State Treasurer's Office:		
Collections		165,092,000
Transfers		94,638,000
Appropriations		3,955,000
Statutory transfers		2,010,000
Revenues		404,000
<b>Total Other Funds and Accounts</b>		<b>266,099,000</b>
	<b>\$</b>	<b>11,076,088,000</b>

\* The Board of Treasury Investments amount includes \$63,430 earned in State funds and accounts directly under the purview of the State Treasurer's Office

# FINANCIAL HIGHLIGHTS

## Fund Expenses & Outflows (Year Ended June 30, 2008)

Board of Treasury Investments:		
Participant distributions, redemptions & withdrawals	\$	10,157,666,000
Operating fund expenses		2,265,000
<b>Total Board of Treasury Investments</b>		<b>10,159,931,000</b>
West Virginia College Prepaid Tuition and Savings Program:		
Prepaid Tuition Trust Fund expenses		8,674,000
College Prepaid Tuition and Savings Program Administrative Account expenses		852,000
Savings Plan Trust Fund:		
Participant redemptions		137,408,000
Administrative expense		3,307,000
<b>Total West Virginia College Prepaid Tuition and Savings Program</b>		<b>150,241,000</b>
Unclaimed Property:		
Claims paid		5,595,000
Statutory transfers		1,048,000
Administrative expense		4,314,000
<b>Total Unclaimed Property</b>		<b>10,957,000</b>
<b>West Virginia Retirement Plus Distributions &amp; Withdrawals</b>		<b>4,544,000</b>
All other funds and accounts overseen by the State Treasurer's Office:		
Transfers		109,605,000
Distributions		93,247,000
Disbursements		61,041,000
Statutory transfers		348,000
<b>Total Other Funds and Accounts</b>		<b>264,241,000</b>
	\$	<b>10,589,914,000</b>

## Transaction Processing Activity (Year Ended June 30, 2008)

This is a summary of the activity the State Treasurer's Office performs in its responsibility for processing State receipts and payments.

<b>Inflows</b>		
Incoming wires	\$	10,817,517,000
ACH receipts		4,600,000,000
Checks		3,887,439,000
ACH debits*		2,800,344,000
e-Government collections*		68,344,000
	\$	<b>22,173,644,000</b>
<b>Outflows</b>		
Electronic funds transfer (EFT) disbursements	\$	7,800,000,000
Outgoing wires		7,045,859,000
Checks		3,303,363,000
	\$	<b>18,149,222,000</b>

\* ACH debits include \$68,344,000 in e-Government credit card collections. E-Government collections including ACH debits totaled \$136,688,000.



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

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## **BOARD OF TREASURY INVESTMENTS**

West Virginia State Treasurer's Office  
Board of Treasury Investments  
1900 Kanawha Boulevard | Capitol Complex Building #1 | Room E-122  
Charleston, WV 25305  
(304) 340-1578

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## **CASH MANAGEMENT**

West Virginia State Treasurer's Office  
Cash Management Division  
One Players Club Drive | Charleston, WV 25311  
Check Hotline: (304) 558-3599 or (866) 243-9010

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## **COLLEGE SAVINGS PROGRAMS**

Customer Service and Information  
P.O. Box 5015 | Hartford, CT 06102-5015  
Toll Free: (866) 574-3542

WV Prepaid Tuition Plan Service Center  
P.O. Box 5051 | Hartford, CT 06102-5051  
Toll Free: 1 (866) 574-3542

SMART529 College Savings Plan Service Center  
P.O. Box 64388 | St. Paul, MN 55164  
Toll Free: (866) 574-3542

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## **DEBT MANAGEMENT**

West Virginia State Treasurer's Office  
Debt Management Division  
1900 Kanawha Boulevard | Capitol Complex Building #1 | Room E-145  
Charleston, WV 25305  
(304) 341-0713

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## **e-GOVERNMENT**

West Virginia State Treasurer's Office  
e-Government Division  
One Players Club Drive | Charleston, WV 25311  
(304) 340-1575

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## **FINANCIAL EDUCATION**

West Virginia State Treasurer's Office  
One Players Club Drive | Charleston, WV 25311  
(800) 422-7498, ext: 6575

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## **UNCLAIMED PROPERTY**

West Virginia State Treasurer's Office  
Unclaimed Property Division  
One Players Club Drive | Charleston, WV 25311  
(304) 558-2937 | Toll Free: (800) 642-8687

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## **WEST VIRGINIA RETIREMENT PLUS**

457 Deferred Compensation  
One Player's Club Drive | Charleston, WV 25311  
(304) 558-5000 | Toll Free: (800) 422-7498

