



West Virginia
State of the Treasury



John D. Perdue, State Treasurer



2014

State of the Treasury Report

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This report details the daily operations of the West Virginia State Treasurer's Office and highlights the many programs and initiatives we offer the citizens of our state. As you will read in the following pages, the Treasurer's Office stands strong with several successes in fiscal year 2014.



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Editor

Gina Long Joynes

Assistant Editors

Greg Stone

Kim Ward

Creative Design

Jason Philabaun

Cover Photo

Donnie Nunley

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Treasurer Perdue speaks with winners of the 2014 SMART529 When I Grow Up essay contest.

About the Fiscal Year

A Message From the Treasurer

Amid all the changes in fiscal year 2014 – economically, politically and socially – my office maintained focus on a singular task. We served as the state’s bank. Every year, we handle some \$13 billion in revenues and manage another \$3.2 billion in investments. We take neither duty lightly.

On the investment side, the Board of Treasury Investments continues to responsibly manage \$3.2 billion in assets. The BTI is a wonderful tool for state agencies and local governments that need to keep their funds safe and easily accessible. The Board passed a milestone in 2014, exceeding \$1 billion placed on deposit with state banks through our online certificate of deposit auctions. The longtime program is meant to infuse local economies with lending capital.

In 2014, the state continued to develop and implement a new statewide computer system, wvOASIS. This government improvement project allows for the consolidation of fragmented functions such as accounting, budgeting and other governmental duties. The effort proves to be one of the largest multi-agency projects in state history.

Some of our staffers played vital roles in that transition, serving as team leaders. Project workers noted their expertise in accounting, human relations and other disciplines.

Our Unclaimed Property Division returned more than \$7 million to rightful owners in fiscal year 2014, adding to the approximate \$120 million returned during my administration. We urge state residents to take part in our online auctions of unclaimed safe deposit box contents. We typically sell all items offered in a given auction, with the proceeds remaining in the rightful owner’s account.



Fall 2014 Unclaimed Property insert ready for publication.



Treasurer Perdue talks about saving for higher education at a SMART529 event.

Another success this year is the e-Government program, which allows individuals and state agencies to remit payments electronically, by debit, credit or automated clearinghouse. West Virginia University students led the way with \$115 million remitted for tuition and fees, as they have since the program's inception in 2002.

SMART529, the state's officially sanctioned college savings plan, surpassed the \$2 billion assets mark in 2014. It boasts 120,000 account members across the country, lured by high ratings from organizations such as the website www.savingforcollege.com.

Whether it's for higher education or retirement, I believe educating the public on personal savings opportunities is an important task. The West Virginia Retirement Plus program is a supplemental retirement plan we offer to state

employees, as well as employees of many counties, cities and other political subdivisions. We have built the program to \$173 million in total assets and 15,355 active members.

On the financial education front, NetWorth remains our flagship program. We have trained dozens of state teachers on how to better incorporate financial education into their lesson plans. One of our most successful attempts to expose children to financial literacy is the "Get A Life" budget simulation. It gives kids a realistic look at what it takes to financially make it in the world.

In 2014, I was honored to become the longest-serving Treasurer in state history. I have been in office 18 consecutive years and am grateful and humbled for the faith this state has in me. I consider continuity to be an asset when it comes to guiding financial matters in these budget-conscious, technologically advanced days.

It is my goal to continue growing our programs and services to benefit the people of our state. The old adage maintains that the only constancy is change. At the State Treasurer's Office, I think we manage both well. I hope you share that opinion.

Sincerely,

John D. Perdue
West Virginia State Treasurer



*For more information on
our programs and services
call 304-558-5000 or visit
www.wvtreasury.com*



*State Capitol Building,
Charleston, W. Va.*

About the Office

West Virginia State Treasury

The Office of the West Virginia State Treasurer was established at the Constitutional Convention held in Wheeling in 1863 after the western counties of Virginia split to become West Virginia. The Treasurer's Office is one of six constitutionally mandated offices in West Virginia.

The State Treasurer is the chief financial officer for the state and is responsible for overseeing the state's operating funds, monitoring the state's debt and performing additional banking and accounting duties as prescribed by state law. The Treasurer also serves as a member of the major financial decision-making boards throughout state government.

Over the years, the office has widened its scope of duties beyond basic treasury functions. The State Treasurer now advocates for citizens' rights through several programs mandated by state code and other valuable initiatives. This annual report details many of these accomplishments.

Did You Know?

- The West Virginia State Treasurer is elected to a four-year term. There is no limit on the number of terms that may be served.
- The Treasurer's vault, located in the East Wing of the State Capitol building in Charleston, weighs 16 tons and is secured with an intricate lock system.
- The Seal of the State Treasurer of West Virginia contains a combination of symbolic images including 50 stars representing the 50 states, plus five additional stars, for a total of 55, representing the 55 counties of West Virginia.
- Campbell Tarr of Brooke County was appointed and elected the first treasurer in 1863 and 1864 with no opposition.

About the State Treasurer

John D. Perdue

“I am very honored and humbled that the voters of West Virginia have once again entrusted me with the state’s finances. I will continue to serve the people of our state by providing quality financial services and educational programs.”

- West Virginia State Treasurer John D. Perdue



A radio reporter in Charleston interviews State Treasurer Perdue.

The honorable John D. Perdue is the 24th State Treasurer of West Virginia and is currently serving his fifth term in office. Elected in 1996, Treasurer Perdue is West Virginia’s longest-serving state treasurer.

Treasurer Perdue oversees the state’s Board of Treasury Investments, the West Virginia Retirement Plus deferred compensation plan, the SMART529 college savings program and the Unclaimed Property program.

Treasurer Perdue’s office accomplishments include:

- The Board of Treasury Investments receiving Standard and Poor’s AAAM rating, the highest principal stability rating available from the agency.
- The establishment of the SMART529 college savings program. The program currently has assets totaling more than \$2.2 billion.
- The creation of the nationally award-winning NetWorth financial education initiative.
- Hosting dozens of money workshops and learning opportunities to help West Virginia residents better manage their financial assets.

- The return of more than \$120 million in unclaimed property to state residents.
- Growing the state’s 457 deferred compensation plan by more than 10,000 participants and increasing total assets by \$100 million.
- Service as past president of the National Association of State Treasurers and the National Association of Unclaimed Property Administrators. Treasurer Perdue was also given NAUPA’s lifetime achievement award.

Before Being Elected

State Treasurer Perdue worked as a senior executive assistant to former Governor Gaston Caperton and served as the assistant agriculture commissioner to then-commissioner Gus Douglass.

Perdue is a 1972 graduate of West Virginia University and a native of Boone County.



The Treasurer's vault in the East Wing of the State Capitol Building.

Securing Your Money

Revenue Collections

The Cash Management Division of the West Virginia State Treasurer's Office processes all state receipts and disbursements. Duties of this Division include managing the state's operating fund, performing cash reconcilements and processing checks. In all, Cash Management oversees more than \$13 billion in state government receipts on an annual basis.

The types of monies received by the state include:

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

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

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

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

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

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

Agency Revenues - Revenues collected by a state agency

are deposited with the State Treasurer's Office for credit to the agency's appropriate account.

The various methods of accepting deposits include:

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

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

Credit Card Payments - The state collects credit card payments in person with a point of sale (POS) terminal and over the internet for many of the state agencies and schools.

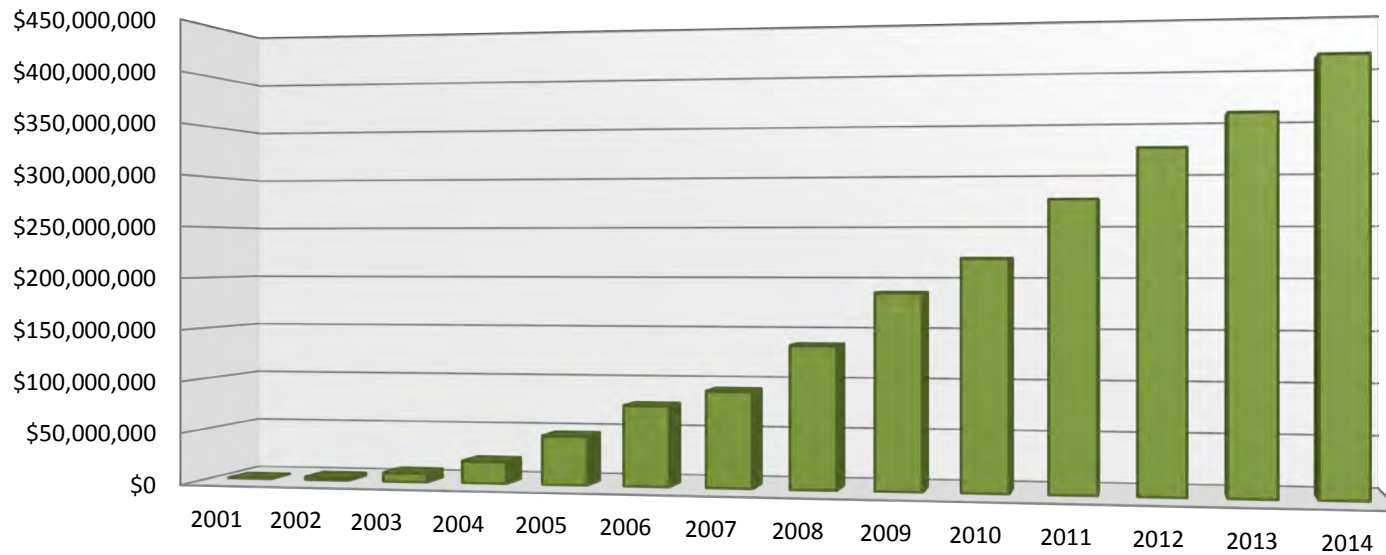
Checks and Cash - Payees may hand deliver or mail their checks and cash to the state office where they make their payment.

e-Government program continues to grow

A growing number of state revenue collections are processed through the State Treasurer's e-Government program. Payments are remitted with the use of credit cards, debit cards or ACH. e-Government is a process that saves the state time and money.

The program collected approximately \$405 million in fiscal year 2014. West Virginia University leads the program with \$114.9 million in e-Government transactions for FY2014.

e-Government Dollars Processed



L-Government program helps cities and towns

State Treasurer John Perdue's office processed \$3.4 million in electronic receipts for 11 separate governmental bodies in fiscal year 2014. The local government program assists cities, school lunch programs, public service districts and other

local entities in processing receipts. About 34,000 transactions make up the \$3.4 million total. The top user of the program was the City of Fairmont, with Treasury staff processing more than \$1 million in utility payments for FY2014.



e-Government Top Performers by Dollar Amount

WVU	\$114,949,461.65
Municipal Bond Comm.	\$101,645,850.68
CPRB	\$52,646,184.42
PEIA	\$33,852,133.54
Workforce OBA	\$29,708,915.49
Marshall University	\$23,011,630.06
Fairmont State Uni.	\$8,827,045.70
Natural Resources	\$5,589,801.52
Shepherd University	\$ 5,564,100.84
Tax and Revenue	\$5,182,925.43
West Liberty State	\$3,318,963.17
Secretary of State	\$2,327,586.35



Growing Your Money

The Board of Treasury Investments

The BTI is a showpiece of the Treasury, providing conservative investment opportunities to state agencies, local governments and other political entities. The state's pools are managed conservatively to provide safe, efficient and liquid investments for state and local governments. The Board has established goals, including investing a portion of the funds with West Virginia banks, reducing operating costs and improving the rate of return.

Board of Treasury Investments staff pictured from left to right: Kara Hughes, Steve Smith, Karl Shanholtzer, Holly Garner, Randy Covert and Denise Baker

West Virginia Values

The West Virginia Board of Treasury Investments (BTI) manages approximately \$3.2 billion in short-term, fixed income investments. It serves as an investment vehicle for the operating cash of West Virginia state agencies and authorities, local governments and other political subdivisions. Various investment pools and individual investment accounts managed by the BTI are collectively known as the Consolidated Fund. The Consolidated Fund's investment pools and accounts contain short-term fixed income instruments managed for the participants' sole benefit.

The BTI's two money market pools continue to carry Standard and Poor's AAAm rating, the highest principal stability rating available from the agency.

The BTI only invests in fixed income securities and does not invest in equities. Its investment policy objectives put safety first, followed by liquidity of assets and rate of return.

BTI's CFO achieves CFA designation



Karl Shanholtzer

The Board of Treasury Investments' chief financial officer has earned the Chartered Financial Analyst designation, one of only 25 such designees in West Virginia.

Karl Shanholtzer has passed the third and final level of the CFA exam. The CFA Institute lists nine of its 25 state members in the Charleston area, including Shanholtzer.

Shanholtzer, a certified public accountant, is an 18-year veteran of the Treasurer's Office. He worked as the BTI's internal auditor before assuming CFO duties in 2012. A native of Greenbrier County, he lives in Charleston with his wife and daughter.

"Our support of Karl in this endeavor is eclipsed only by his determination to complete it," State Treasurer John

Perdue said. “Karl is truly in select company by passing this most arduous of exams. It also underscores our desire within the BTI and the Treasurer’s Office to maintain the most skilled, qualified staff possible.”

Board of Treasury Investments Earns Financial Reporting Honors

For the eighth straight year, the Board of Treasury Investments has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the BTI’s comprehensive annual financial report (CAFR).

The certificate is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents significant accomplishment.

The annual financial report has been judged by an impartial panel to meet the high standards of the program, including a constructive “spirit of full disclosure.”

“Another certificate from the GFOA proves that the

BTI is exemplifying outstanding financial management of the state’s short term funds,” State Treasurer John Perdue said. “It is again another testament to the quality of our operations.”

State online CD auctions surpass \$1 billion in deposits

The West Virginia Board of Treasury Investments has deposited more than a billion dollars with banks across the state, since the inception of its online certificates of deposit auction program in 2006.

In fiscal year 2014, the BTI’s seven-year total surpassed \$1 billion. The program has resulted in \$1.4 million in greater interest return than if the funds were not put up for bid.

“Passing the \$1 billion milestone is obviously something we’re proud of,” said State Treasurer John Perdue, who also serves as chairman of the BTI. “We have done just what we have set out to do – provide lending capital to small and large banks in hopes of creating an economic engine for growth.”

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

Members of the Board

Chairman

Treasurer John D. Perdue

Vice Chairman

Governor Earl Ray Tomblin

Director

Auditor Glen B. Gainer, III

Director

Martin J. Glasser

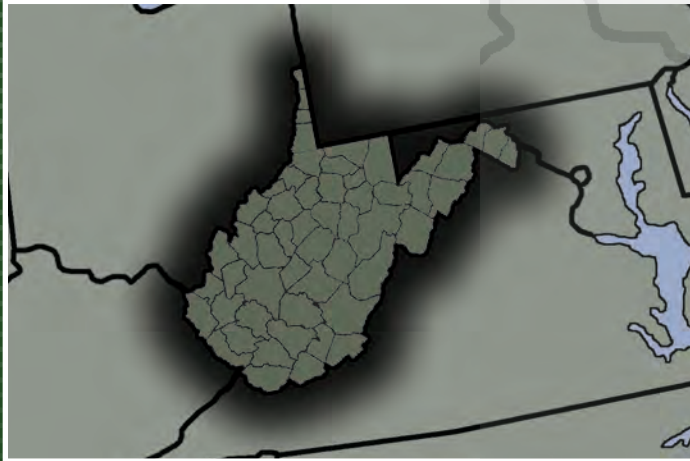
Secretary

Richard C. Donovan



WEST VIRGINIA
BOARD OF TREASURY
INVESTMENTS

Visit our website at www.wvbt.org to view additional investment reports and learn about the BTI’s Certificate of Deposit program.



Managing Your Money

Revenue Disbursements

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

The Number Breakdown

The numbers in this report are fiscal year totals. For a complete breakdown of disbursements to counties and municipalities go to our website at www.wvtreasury.com

Revenue Disbursements for Fiscal Year 2014

Coal County Reallocation Severance Tax Distribution

\$ 3,974,396

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

Coal Severance Tax Distribution

\$ 19,198,658

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

**See a county breakdown on the next page.*

Coalbed Methane Gas Severance Tax Distribution

\$ 954,523

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

Coal Severance Tax Distribution by County - Fiscal Year 2014*

County	Severance	County	Severance
Barbour	\$140,954.49	Mineral	\$59,524.18
Berkeley	\$224,307.87	Mingo	\$775,438.18
Boone	\$1,801,180.45	Monongalia	\$681,903.88
Braxton	\$62,173.35	Monroe	\$31,288.24
Brooke	\$31,790.57	Morgan	\$42,490.16
Cabell	\$115,794.71	Nicholas	\$206,593.29
Calhoun	\$18,297.00	Ohio	\$498,969.38
Clay	\$23,071.03	Pendleton	\$18,058.78
Doddridge	\$19,102.29	Pleasants	\$12,538.09
Fayette	\$410,645.73	Pocahontas	\$18,416.10
Gilmer	\$18,118.33	Preston	\$68,032.45
Grant	\$25,675.34	Putnam	\$107,280.61
Greenbrier	\$186,246.27	Raleigh	\$1,178,039.75
Hampshire	\$56,348.87	Randolph	\$61,078.39
Hancock	\$29,159.71	Ritchie	\$16,849.48
Hardy	\$29,027.65	Roane	\$32,166.08
Harrison	\$150,279.86	Summers	\$29,133.84
Jackson	\$57,182.67	Taylor	\$126,728.95
Jefferson	\$105,478.35	Tucker	\$290,548.00
Kanawha	\$1,077,919.68	Tyler	\$15,606.55
Lewis	\$30,692.64	Upshur	\$145,468.83
Lincoln	\$484,083.19	Wayne	\$345,022.96
Logan	\$1,551,378.45	Webster	\$206,716.73
Marion	\$ 1,500,977.57	Wetzel	\$21,818.66
Marshall	\$ 2,682,798.34	Wirt	\$12,672.73
Mason	\$ 50,242.94	Wood	\$106,102.40
McDowell	\$ 706,870.20	Wyoming	\$692,862.04
Mercer	\$145,827.62		

**This list is a county-by-county breakdown. It does not include Coal Severance Tax Distributions to cities and other political subdivisions.*



Where is my Payment?

To assist with payment questions, the Treasurer's Office cash management division offers the payment hotline.

The payment hotline can also assist with questions regarding charges on your credit card, debit card or bank statement. By calling the free payment hotline, you will be connected to knowledgeable staff that will help you find the answers to your questions.

***Call the check hotline at:
(866) 243-9010 or
(304) 558-3599***

Limited Video Lottery Top 10 Disbursements

Berkeley County	\$ 440,381.25
Wheeling	\$ 302,475.59
Kanawha County	\$ 296,873.60
Weirton	\$ 280,216.70
Wood County	\$ 259,783.59
Raleigh County	\$ 219,161.34
Monongalia County	\$ 207,999.77
Huntington	\$ 202,893.03
Parkersburg	\$ 199,660.87
Mercer County	\$ 191,877.92

Revenue Disbursements

Greenbrier Table Games

\$ 467,016

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

Limited Video Lottery Distributions

\$ 7,397,810

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

Municipal Sales & Service Use Tax

\$ 13,186,604

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

Oil & Gas Severance Tax Distribution

\$ 13,471,328

West Virginia law provides for the collection and distribution of a severance tax on oil and gas. The oil and gas severance tax is dedicated for the use and benefit of the counties and municipalities within West Virginia. The distribution for fiscal year 2014 was not made until October 2014.

Regional Jail Fund Distribution

\$ 3,651,907

The West Virginia Legislature passed a law in its 2005 Legislative Session which created the Regional Jail Operations Partial Reimbursement Fund. Revenues deposited into this fund are composed from fees collected by magistrate and circuit courts. The State Treasurer's Office has the responsibility of receiving the collection of these fees and disbursing the funds to counties and cities who participate in the regional jail system to help offset their costs of incarceration. This is an annual distribution.

Revenue Disbursements

Table Games Distributions

\$ 14,621,350

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

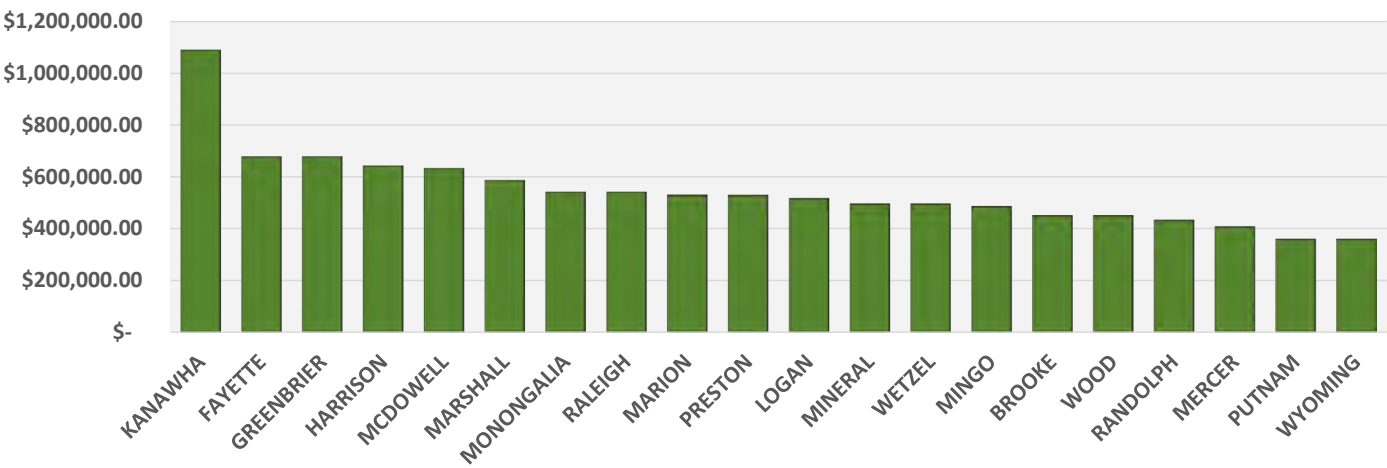
Volunteer Fire Department

\$ 18,789,097

In order to provide firefighting equipment and training, and to maintain the fire departments in West Virginia, additional revenue has been allocated from a .55 percent surcharge imposed on fire and casualty insurance policies issued in West Virginia. All of the funds collected from this surcharge go to Volunteer Fire Departments.

An additional one percent is allocated to be levied on fire and casualty insurance policies. These funds are collected by the Insurance Commissioner and transferred to the State Treasurer’s Office for distribution. Twenty-five percent of this once percent surcharge goes to Volunteer Fire Departments.

Volunteer Fire Department top 20 disbursements



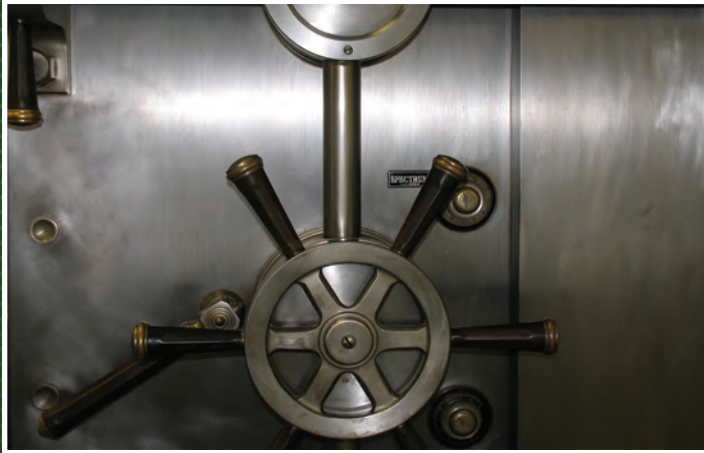
Wine, Liquor & Private Club Tax Distribution

\$ 8,769,492

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

Top 15 Table Games Disbursements

Jefferson School Board	\$3,092,818.19
Jefferson County	\$1,030,939.39
Wheeling	\$569,483.91
Charles Town	\$411,344.81
Hancock County	\$410,699.36
Nitro	\$397,606.76
Ranson	\$347,220.40
Kanawha County	\$333,362.24
Weirton	\$332,492.22
Charleston	\$196,699.34
Shepherdstown	\$168,249.32
Ohio County	\$148,508.82
South Charleston	\$105,559.79
St. Albans	\$89,156.94
Bolivar	\$81,753.50



Monitoring Your Money

Debt Management

One of the most important measurements of debt for a state, city, county or any other municipal bond issuer is the amount of net tax supported debt outstanding. The State of West Virginia ended fiscal year 2014 with a net tax supported debt outstanding of almost \$1.65 billion.

West Virginia's General Obligation bond rating as of June 30, 2014

Moody's: Aa1

Fitch: AA+

S&P: AA

General Obligation debt outstanding at June 30, 2014

\$395.3 million (net)

General Obligation Bonds

Approximately \$395 million of West Virginia's outstanding net tax supported debt for fiscal year 2014 consisted of General Obligation (GO) bonds. Over the years, West Virginia's GO bonds have been issued for road construction, school construction, veterans' bonuses and infrastructure development. All of these bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt service. Outstanding GO bonds include road bonds and infrastructure improvement bonds.

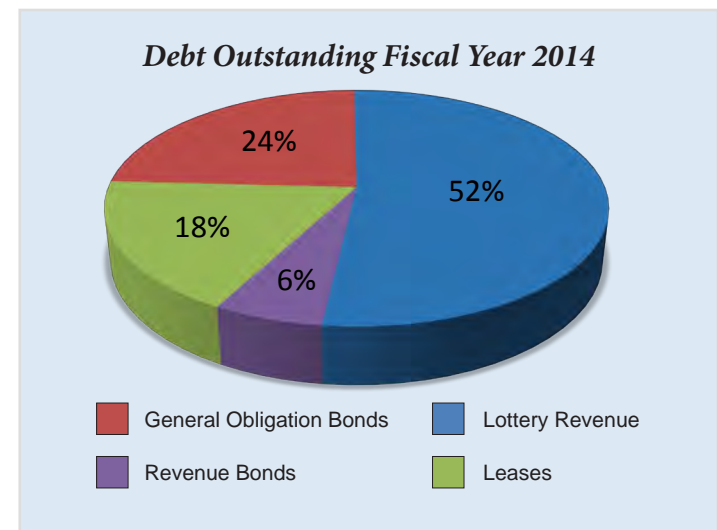
Revenue Bonds

Revenue bonds make up more than \$1 billion of West Virginia's net tax supported debt. A revenue bond is typically supported by the revenue from a specific project. For example, a bond issue for dormitory renovations at a college or university may be supported by certain student fees. The revenue bonds included in net tax supported debt are unique since the revenue source for repayment of the bonds is not tied to a specific project directly linked to the bond issues. The issuing authorities included in this section are the Economic

Development Authority, the Higher Education Policy Commission and the School Building Authority.

Leases

The State of West Virginia depends on lease obligations to finance capital improvements, large purchases of computer equipment, vehicles and many other projects. There was approximately \$303 million in lease obligations outstanding at the end of fiscal year 2014.



Net Tax Supported Debt Outstanding Fiscal Year 2014

Type of Debt		Principal Outstanding June 30, 2014
GENERAL OBLIGATION BONDS		
Safe Road Bonds	\$220,525,000	
Infrastructure Improvement Bonds	185,545,525	
Total General Obligation Bonds		\$406,070,525
REVENUE BONDS		
School Building Authority Capital Improvement Bonds	126,190,000	
Economic Development Authority, Lottery Revenue Bonds	145,370,000	
Economic Development Authority, Excess Lottery Revenue Bonds	163,830,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds	225,460,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	50,265,000	
School Building Authority, Lottery Revenue Bonds	76,055,000	
School Building Authority, Excess Lottery Revenue Bonds	103,520,000	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	150,480,000	
Total Revenue Bonds		1,041,170,000
TOTAL LEASE OBLIGATIONS		302,462,341
GROSS TAX SUPPORTED DEBT		1,749,702,866
DEDUCTIONS FOR ESCROW/SINKING FUND/RESERVE FUNDS		
Economic Development Authority, Excess Lottery Revenue Bonds	-24,941,484	
Infrastructure Improvement Bonds, General Obligation Bonds	-10,810,000	
School Building Authority Capital Improvement Revenue Bonds	-23,020,801	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	-40,072,844	
Total Deductions		-98,845,129
NET TAX SUPPORTED DEBT		\$1,650,857,737



View the complete Annual Debt
Position Report on our website at
www.wvtreasury.com



Planning for the Future

West Virginia Retirement Plus

The West Virginia Retirement Plus Plan is a supplemental retirement plan designed to provide an extra savings alternative for all state, county, city and other political subdivision employees. 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.

"Saving is important in all its forms and retirement savings certainly can't be underestimated.

I urge every public employee in the state to give it consideration."

*– West Virginia State Treasurer
John Perdue*

Accomplishments

- 250 political subdivisions have joined the Plan as of June 30, 2014.
- Participant base grew to more than 15,000 members with more than \$172 million in total assets. Both totals represent all-time highs for the program.
- More than 1,700 new participants were enrolled in fiscal year 2014.

Mission

The West Virginia Retirement Plus mission is to provide participants with a deferred compensation plan that offers attractive, high-performing, low-cost investment options coupled with comprehensive financial education programs needed to help them gain financial security at retirement.

Plan Statistics on July 1, 2006	
Total Plan Participants	5,022
Total Contributing State Agency Participants	3,676
Contributing Participation Rate - State Employees	15%
Plan Statistics on June 30, 2014	
Total Plan Participants	15,085
Total Contributing State Agency Employees	8,833
Total Contributing Participants	9,631
Contributing Participation Rate - State Employees	35%

Managing Your Money

wvOASIS

The State of West Virginia will leverage enterprise resource planning (ERP) technology to gain operational efficiencies and seamless integration across administrative business functions by fundamentally transforming how the State manages its financial, human resources, procurement and other administrative business processes.



State workers continue to learn wvOASIS technology

Since 2011, West Virginia has been working toward the development and implementation of wvOASIS, which stands for Our Advanced Solution with Integrated Systems. It is the largest government improvement project ever attempted in West Virginia. The business management software allows an organization to use a system of integrated applications to manage its business functions. wvOASIS will replace more than 100 outdated business applications.

In FY2014, the West Virginia Enterprise Resource Planning (ERP) Board made large strides by completing the Budget Development and Department of Transportation project phases. The Budget Development phase included the release of a new budgeting program for all branches of state government to begin planning fiscal year 2015.

“wvOASIS Budget Development will enable the state to develop its annual budget more efficiently by providing an

online process that eliminates redundancy,” said Treasurer Perdue. “By operating electronically, wvOASIS will save West Virginia time and money in managing its budgets and related costs.”

State employee wages to be paid electronically

Although some vendor and other checks from the state are still being printed, the goal is to eventually make all state payments electronically to make the process easier, safer and more cost effective. The first step was starting this process with state workers. In October 2013, West Virginia state employees started receiving their paychecks electronically through the West Virginia Pay Card system.

“This is going to streamline the process and make it easier and faster for state employees to access their paychecks,” said State Treasurer Perdue.

Eliminating the need to write payroll checks is expected to save the state more than \$500,000 in production costs and future operational enhancements to wvOASIS.

From left to right: Project Director Todd Childers, State Auditor Glen Gainer, State Treasurer John Perdue and Team Leader Matt Ellison

State runs first set of checks in new wvOASIS system

In July 2014, just as FY2014 came to a close, the ERP Board implemented Phase C of the wvOASIS system. This phase targeted the financial, procurement, and treasury applications. As part of this implementation, State Auditor Glen Gainer and State Treasurer John Perdue were able to process and print the first batch of checks received from the wvOASIS system.



Returning Your Money Unclaimed Property

A national leader, the West Virginia State Treasurer's Office is diligent in its efforts to return unclaimed property to its rightful owner. Treasurer John Perdue works hard to educate and communicate with small businesses and individuals alike about the importance of pursuing and recovering unclaimed property.

Treasurer Perdue returns safe deposit box items to Nitro Mayor David Casebolt.

Perdue returns lost family treasure to local mayor

Treasurer John Perdue has traveled the state presenting checks for unclaimed property. While it's very satisfying to return money to its rightful owners, there is one type of unclaimed property Perdue rarely has the opportunity to return.

Each year, along with thousands of dollars in unclaimed money reported to the Treasurer's Office, boxes and boxes of tangible property are also delivered – the contents of abandoned safe deposit boxes from around the state.

“While we reunite people with unclaimed money daily, very rarely are we able to return tangible unclaimed property items to the rightful owners,” said Treasurer Perdue.

A stroke of luck and a little name recognition made it possible for Treasurer Perdue to make such a presentation in 2014.

A Treasurer's Office staff member was able to confirm that Nitro City Mayor David Casebolt was due property that was left unclaimed in a bank safe deposit box.

“I was so pleased when the Treasurer's Office contacted me about these items,” said Mayor Casebolt. “The coins and jewelry are family heirlooms that we stored for safekeeping, but forgot about over the years. I'd like to thank the Treasurer and his staff. They do an outstanding job of returning unclaimed property.”



Casebolt's safe deposit box items include two coin proof sets from 1981 and 1982; three ladies rings; and a 250th Anniversary George Washington half dollar.

Unclaimed items available in Treasurer's online auction

Not every property owner is as lucky as Nitro City Mayor David Casebolt. Every year, hundreds of items left in dormant safe deposit boxes are sent to auction.

One example is a U.S. Liberty coin set sold at auction in late January 2014. The set consisted of a one dollar coin, a five dollar coin and a half dollar.

The set was sold to the highest bidder for \$760.

"We're happy to see the item attract such notice," said Treasurer Perdue of the coin set. "We like to highlight popular items in order for West Virginia residents to get in on the bidding."

Safe deposit box contents range from personal keepsakes like photos, letters, even locks of hair, to valuable collectables including coin collections and expensive jewelry. Contents of a safe deposit box are only turned over to the Treasurer's Office after a certain period of time where there is no activity associated with the safe deposit box.

The Treasurer's Office finds it necessary to hold online unclaimed property auctions because it does not possess the space to house everything gathered from abandoned safe deposit boxes and law enforcement seizures. All auction proceeds remain in the rightful owner's account as more attempts are made to find the person. For more information on the auctions, go to www.wvtreasury.com.

NAUPA gives West Virginia Deputy Treasurer lifetime award



Carolyn Atkinson

A State Treasurer's Office deputy has been given a Lifetime Achievement Award by the National Association of Unclaimed Property Administrators, the second such milestone reached by a West Virginian.

NAUPA officials presented Carolyn Atkinson the honor during a 2014 National Association of State Treasurers conference in Orlando, Fla. The award acknowledges Atkinson's long activity both as a state and national unclaimed property official. She follows State Treasurer John Perdue as West Virginians who have won the lifetime distinction.

"It's a real honor to receive this award," Atkinson said. "It's very much a surprise. It's very humbling to see the caliber of people who have also received this award, including Treasurer Perdue."

Treasurer Perdue received the Lifetime Achievement Award in May of 2012.

In addition to the recent lifetime achievement honor, Atkinson received the group's Distinguished Service Award in 2011.

UNCLAIMED PROPERTY

Report. Search. Claim.
wvtreasury.com

Division Accomplishments of Fiscal Year 2014

- *Returned more than \$7 million to rightful owners of unclaimed property*
- *Liquidated more than \$3.4 million in stock and mutual funds, with proceeds held for the benefit of the rightful owner*
- *Conducted eight online auctions of safe deposit box items in conjunction with a nationwide electronic auction site*
- *Presented at national workshops for NAUPA, UPPO and IRS Compliance*



Encouraging Higher Learning SMART529 College Savings Plan

Thanks to Treasurer John Perdue's commitment to providing access to education for every West Virginian, nearly 120,000 future students nationwide have taken advantage of the SMART529 college savings plan. The SMART529 college savings plan provides an opportunity for every citizen to invest in the future at every stage of life.

At an event in February 2014, Treasurer Perdue announced West Virginia's SMART529 College Savings Plan surpassed \$2 billion in financial assets.

Members of the Board

Chairman

State Treasurer John D. Perdue

Ex Officio Members

Brian Weingart

Kay Goodwin

Dr. Jo Harris

Appointed Members

Phyllis Arnold

Jamie Dickenson

Robert Galloway

Chuck Smith

Terri Underhill

SMART529 College Savings Program surpasses \$2 billion in financial assets

West Virginia State Treasurer John Perdue joined with members of the Higher Education Policy Commission and other state officials in early 2014 to announce that SMART529, West Virginia's College Savings Plan, surpassed \$2 billion in financial assets.

"Reaching \$2 billion in investments is a significant achievement for the SMART529 program. It is evidence that more and more West Virginians are investing in the future of their children and preparing for life after high school," said Treasurer Perdue, who serves as chairman of SMART529's governing board. "Saving for college has never been more important, with tuition costs rising and student debt climbing."

A SMART529 account may be used for higher education expenses at most colleges, universities, vocational, technical and trade schools around the nation. There are also state and federal tax incentives.

"Based on today's rates, the average cost of college is more than \$18,000 a year. Even if your child receives a scholarship, it may not be enough to cover all the expenses associated with costs of higher education. Parents need to act now, to make sure their child isn't left behind," Perdue said.

State Treasurer's Office celebrates 5-29 Day

West Virginia State Treasurer John Perdue's office and SMART529 joined with 529 plans around the nation in May to celebrate "5-29 College Savings Day."

In recognition of the day, the State Treasurer's Office hosted a free Ice Cream Social at the State Capitol Complex in Charleston. State employees and the public celebrated the SMART529 program's success with complimentary ice cream, balloons, games and a visit from the West Virginia University Mountaineer. Attendees were able to visit with SMART529 professionals and learn more about West Virginia's college savings program.

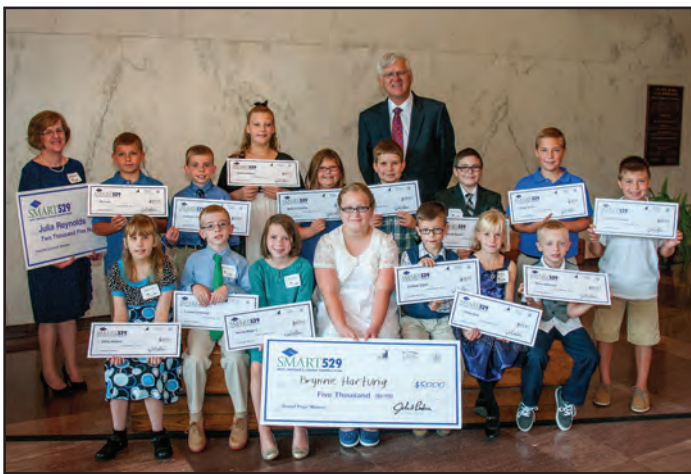


SMART529[®]

WEST VIRGINIA'S COLLEGE SAVINGS PLAN

Bright Futures for 2014 SMART529 When I Grow Up Contest Winners

What do you want to be when you grow up? Answering this question helped 15 West Virginia students win money toward their dreams of higher education. This is the seventh year for the SMART529 “When I Grow Up” essay contest. Every year, State Treasurer John Perdue recognizes the winners for writing about their future goals. Each winner receives \$500 invested into a SMART529 WV Direct account. An additional \$4,500 invested in a SMART529 account was



2014 When I Grow Up contest winners with State Treasurer John Perdue show off their award checks.

awarded to this year’s grand prize winner, Brynne Hartung, a student at Frankfort Intermediate in Mineral County. Hartung’s name was selected during a random drawing. Each winning student’s school was also recognized and awarded a \$500 cash prize to support school programs.

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

The contest gives kindergarten through fifth grade students a chance to share in nearly \$20,000 in SMART529 savings for higher education. Three age group winners (K-1, 2-3, 4-5) were judged in each of the five regions, making for a total of 15 winners.

In addition to the student winners, Shady Spring Elementary School teacher Julia Reynolds was awarded \$2,500 cash for her essay about how she planned to educate children about going to college and saving with the SMART529 program.

The contest is sponsored by the SMART529 College Savings Program and the West Virginia State Treasurer’s Office to bring awareness to the need for saving for higher education.

When I Grow Up Contest

Fifteen West Virginia school children are on their way to a brighter future with a SMART529 college savings plan after winning regional awards in the 2014 “When I Grow Up” essay contest.

“When I Grow Up” Contest Winners:

Natalie Gunnoe	Raleigh County
Diesel Bryant	Logan County
Jordan Morris	Nicholas County
Landon Kennedy	Putnam County
Nicholas Kennedy	Putnam County
Emily Harper	Kanawha County
Dominic Egidi	Monongalia County
Kenly Rogers	Marion County
JD Love	Harrison County
Chloe Hiet	Berkeley County
Andrew Oyerly	Jefferson County
Brynne Hartung	Mineral County
Blake Mitchell	Doddridge County
Dominic Guiddy	Hancock County
Riley Smith	Wood County

For more information about the winners and their essays go to www.SMART529.com



Achieving New Heights Financial Education

State Treasurer John Perdue is a national leader in promoting financial literacy at every stage of life. He has been a trailblazer in providing new opportunities for all West Virginians, whether they are still in the classroom or planning for retirement.

The West Virginia Treasurer's Vault was one of dozens of activity stations at the Moneyville exhibit in Beckley.

NETWORTH

PERSONAL FINANCE EDUCATION

Developed by State Treasurer Perdue, Networth is a comprehensive financial education initiative designed to teach person financial management in West Virginia's schools. It is the recipient of the 2009 Excellence in Financial Literacy Education Award and a two time finalist for the Council of State Governments Innovations Award.

State Treasurer welcomes Moneyville exhibit; unveils Financial Literacy Vault in Beckley

West Virginia State Treasurer John Perdue joined state and local dignitaries in the spring of 2014 to introduce the Youth Museum of Southern West Virginia's traveling exhibit, Moneyville.

"When I first heard about Moneyville, I knew it was a perfect opportunity for the youth of our state," said Treasurer Perdue. "This interactive exhibition is a great tool to help local children learn valuable math skills and economic concepts."

Moneyville, a 2,000 square foot traveling financial literacy exhibition, was place at the Beckley museum on loan from the Oregon Museum of Science and Industry. The exhibit was available from April to September 2014 with an interactive display that promoted healthy money management practices. It showcased more than 15 hands-on activities.

Moneyville activity stations included a stock market replica, an anti-counterfeiting lab, a bank teller window, a lemonade stand and a kid's market.

To complement the Moneyville activities with a local component, Treasurer Perdue unveiled the West Virginia Treasurer's Vault, a financial literacy activity station designed to teach money management concepts and financial facts unique to West Virginia.



State Treasurer John Perdue and local students test out the "Save. Spend. Share." activity in Moneyville.

Opportunities for Growth

Get a Life Program

The Get a Life activity is a component of the NetWorth program, a comprehensive financial education initiative from the Office of West Virginia State Treasurer John D. Perdue. NetWorth is designed to teach personal financial management skills at all grade levels in West Virginia.



Get a Life program a huge success

The Get a Life program was created to educate young people about the challenges they will face once they're out of school.

By visiting various business stations and managing an expense ledger, students learn to make choices that will affect their financial future.



Kanawha County students visit one of the business stations during a Get a Life budget simulation.

“This program gives students a realistic look at a typical family budget. The car payment, the house payment, the utility payments and those extra, unexpected expenses are all components of the activity that help teach students about life,” said Treasurer Perdue.

Local businesses come into schools to help with the Get a Life game. Students visit with each business to learn what services they offer or products they sell.

The program helps students gain skills to make better financial decisions. They also learn how higher education will help advance their earning potential.

Special funding for NetWorth and the Get a Life activity is provided by the West Virginia Financial Education Foundation.

For more information on NetWorth, Get a Life and other financial literacy opportunities, call the Treasurer's Office at 304-558-5000 or visit www.wvtreasury.com.

Middle school students in Kanawha County show their support for Treasurer Perdue's Get a Life activity.

Interactive

The program promotes economic literacy with realistic financial situations and resolution options. It teaches problem-solving skills.

Educational

Get a Life establishes strategies for living within a budget. It helps students understand needs versus wants. It also helps build basic math skills.

Community-Oriented

The simulation encourages participation from local business leaders.



Managing the State's Money

Financial Highlights

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.

Assets Under Management (as of June 30, 2014)

Board of Treasury Investments:

State agencies and participants	\$1,388,143,000
State funds and accounts under purview of State Treasurer's Office	1,670,147,000
Local governments	131,039,000
Treasurer's Safekeeping Fund (with Board of Treasury Investments)	41,440,000
Total Board of Treasury Investments	3,230,769,000
West Virginia College Prepaid Tuition and Savings Program.....	2,315,018,000
Unclaimed Property	200,122,000
Securities held in Safekeeping.....	86,766,000
Treasurer's Safekeeping Fund (with Investment Management Board).....	8,598,000
West Virginia Retirement Plus	172,546,000
Total Assets Under Management	\$6,013,819,000

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

**From the office of West Virginia
State Treasurer John D. Perdue**

Fiscal Year 2014 State of the Treasury Report



West Virginia State Treasurer's Office
1900 Kanawha Boulevard East | Room E-145
Charleston, West Virginia 25305
304-558-5000 | 800-422-7498
www.wvtreasury.com