



2015



West Virginia
State of the Treasury



John D. Perdue, State Treasurer

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 2015.



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Treasurer Perdue speaks with reporters during an unclaimed property check presentation.

About the Fiscal Year

A Message From the Treasurer

Change is the law of life. This often quoted line from John F. Kennedy still rings true today. In my office, change is a sign of progress as improvements are made in technology and banking efficiency. It is this constant change that has allowed me to take the programs my office oversees to new and greater heights.

The Board of Treasury Investments exceeded expectations this year, managing \$3.2 billion in assets, and providing state agencies and local governments with an easy and reliable option to keep their funds safe. While many financial institutions struggle, the BTI was able to end Fiscal Year 2015 with a budget surplus.

The e-Government program, which allows individuals and state agencies to remit payments electronically, is still going strong. This year \$446 million flowed through the program, nearly one quarter of which came from the Bond Commission with almost \$108 million. West Virginia University was just behind the Bond Commission with students paying more than \$107 million for tuition and fees this year through e-Government.

In the spring of 2015, more than 50 state organizations attended the State Treasury Cash Handling Conference to learn standard practices for handling money. This conference allows employees involved in the collection

of payment and fees an opportunity to have hands-on training in the best practices in cash handling. The training is based on the statewide handbook developed by the Treasurer's Office three years ago.



Putnam county kids figure out a budget during a Get a Life event.

My office doesn't limit financial education to fellow employees. I believe you are never too young, nor too old, to learn and grow your knowledge of money. That lesson

begins at an early age, where students across the state have the opportunity to manage a monthly household budget through the simulation, Get a Life. Dozens of schools participate in this program each year, but this year we worked with the Putnam County school board to coordinate a two-day event which allowed every eighth grade student in the county to go through the simulation.

SMART529, the state's officially sanctioned college savings plan, is nearing \$2.5 billion dollars in assets. The number of account holders in the program continues to grow thanks to initiatives such as the "When I Grow Up" essay contest, which raises awareness for the need and flexibility of the plan. I'm also proud of a new SMART529 grant program developed this year, which assists with developing college savings plans for children recently adopted from West Virginia's foster care system.

Our other savings initiative, West Virginia Retirement Plus, achieved another milestone in Fiscal Year 2015. The plan surpassed 16,000 public employee enrollments. Of those, more than 14,000 have enrolled since July of 2006, when my office took over management of the plan.

It was a monumental year for our Unclaimed Property Division. During Fiscal Year 2015, we returned \$9 million to rightful owners, a \$2 million increase from the previous year. Another huge success this year was the unanimous ruling from the West Virginia Supreme Court of Appeals regarding the obligations of insurance



Treasurer Perdue presents an Unclaimed Property check to Anita Casey with St. Agnes Catholic Church for the Reverend Gallagher Foundation.

companies under the Uniform Unclaimed Property Act. The ruling clarifies that the obligation to pay for a life insurance policy is triggered by the death of the insured, rather than the filing of a claim. This decision reversed a 2013 circuit court dismissal of complaints filed against various life insurance agencies.

Amid all the changes, one thing that remains constant is my dedication to provide the best services possible for you and the State of West Virginia.

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 with no opposition.

About the State Treasurer

John D. Perdue

“I am extremely proud of the progress and advancements my staff and I have made here in the Treasurer’s Office. I look forward to continuing this trend, bringing treasury operations and the programs we oversee into the future with the latest technology and sound financial practices.”

- West Virginia State Treasurer John D. Perdue



John Perdue speaks at a Get a Life event in Putnam County.

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 \$150 million in unclaimed property to state residents.
- Growing the state’s 457 deferred compensation plan by more than 16,000 participants and increasing total assets by \$186 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. The treasurer's office will also debit individuals and collect monies for most large agencies.

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

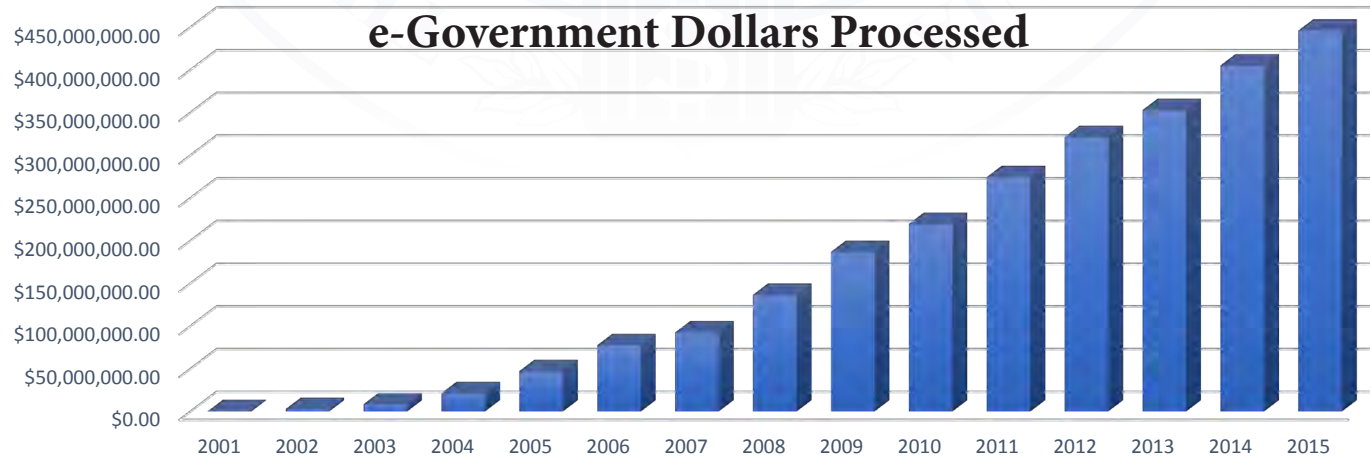
Credit Card Payments - The state collects credit card payments in person with a point of sale (POS) terminal and over the internet for many of the state agencies and schools.

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

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 \$446 million in Fiscal Year 2015.



L-Government program helps cities and towns

State Treasurer John Perdue's office processed nearly \$3 million for local government entities in Fiscal Year 2015. Hurricane residents were especially enthusiastic about the program, transacting online a cumulative \$609,000, largely for utility payments and city police fines.

The program is known as L-Government. The system provides a way for residents who owe money to local public service districts, municipal governments, police departments and other entities to pay electronically using a credit or debit card.

In the fiscal year ending June 30, City of Hurricane residents used the convenience to pay \$520,000 for utilities and

\$73,000 in police fines and fees. Smaller payments for other taxes and fees made up the rest of the total.

The system is similar to the Treasurer's e-Government program, which is tailored to state agencies and licensing boards. L-Government attempts to ease some burden from local bodies which may not have the staff to process cumbersome paper payments.

"We started the L-Gov program years ago and it continues to provide a valuable service both for residents who owe payments and for PSDs, cities and others who wish to avail themselves of its services," the Treasurer said.



e-Government Top Performers by Dollar Amount

Municipal Bond Comm.	\$107,990,623
WVU	\$107,479,201
CPRB	\$56,552,962
Workforce OBA	\$54,397,358
PEIA	\$42,139,846
Marshall University	\$21,224,043
Fairmont St. Univ.	\$8,382,642
Shepherd University	\$6,549,600
Tax and Revenue	\$5,937,830
Natural Resources	\$5,874,639
West Liberty State	\$4,036,624
Secretary of State	\$2,753,233



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

The BTI features three investment pools: West Virginia Money Market; West Virginia Government Money Market; and the West Virginia Short-Term Bond Pool. The former two pools are especially conservative, with

the goal of maintaining liquidity to meet the needs of participants while striving to earn a return above inflation. Contributions and withdrawals are allowed daily. Income is also distributed each day. These two pools continue to carry Standard and Poor's AAAM rating, the highest principal stability rating available from the agency.

Board celebrates 10-year anniversary

West Virginia's Board of Treasury Investments celebrated its 10-year anniversary in 2015, marking a period of intense early growth balanced by adjustments stemming from the nationwide financial crisis in 2008.

State Treasurer John Perdue helped support the BTI's genesis and guided its journey to this point. Perdue had long maintained that the state's "Consolidated Fund" should not be under the purview of a quasi-governmental body, as it had been until July of 2005. Perdue had fought that previous legislative session for the BTI's creation.

“I think we have proven the Legislature’s good judgement,” Treasurer Perdue said. “It had long been my contention that state operating funds belong within state government. I think our track record over the first 10 years justifies my position.”

Through the successes and trials, the BTI remains a conservative, dependable investment option for state and local agencies, focusing on money market funds and other short-term investments.

“It has been a true honor to work with such a talented staff and board of directors,” BTI Executive Director Kara Hughes said. “Our list of accomplishments is great, and more importantly, our ability to survive through the financial storm with stronger controls and stricter policies is an achievement in itself.”

Highlights of the past 10 years include:

- The BidWV CD Program was developed by the BTI to invest state dollars back into West Virginia financial institutions. In September 2013, the program surpassed \$1 billion in awards and has consistently outperformed its benchmark by 13 basis points over the one-year period.

- The BTI reached an all-time high Consolidated Fund balance of \$4.4 billion in September 2012.
- The BTI has received the GFOA’s Certificate of Achievement for Excellence in Financial Reporting for nine consecutive years.
- During Fiscal Year 2008, the BTI received Standard & Poor’s AAAM rating for the West Virginia Money Market and West Virginia Government Money Market funds. The funds have received this designation for eight consecutive years.
- The BTI developed peer group benchmarks to measure performance against similar money market funds. As of June 30, 2015, the BTI ranked first for the WV Money Market fund when compared against 139 institutional funds for the 1 and 3 year periods.
- As part of the SEC money market reform, the BTI submitted a comment letter to the SEC regarding its potential impact on the State of West Virginia. These comments were specifically referenced in the final SEC Money Market Reform ruling.

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

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

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

Members of the Board

Chairman

Treasurer John D. Perdue

Vice Chairman

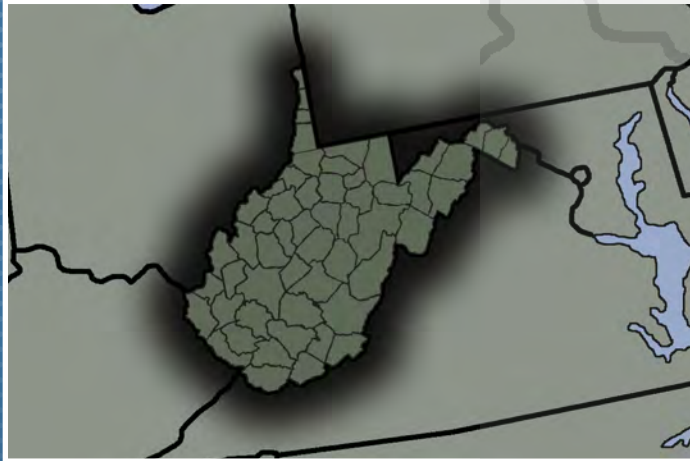
Governor Earl Ray Tomblin

Director

Auditor Glen B. Gainer, III

Secretary

Richard C. Donovan



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 2015

Coal County Reallocation Severance Tax Distribution

\$ 7,607,590

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

\$ 26,814,826

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

\$ 1,420,681

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 2015*

County	Severance	County	Severance
Barbour	\$219,627.79	Mineral	\$72,877.45
Berkeley	\$314,152.80	Mingo	\$1,128,835.40
Boone	\$2,326,443.33	Monongalia	\$797,127.77
Braxton	\$97,079.25	Monroe	\$43,820.52
Brooke	\$44,524.05	Morgan	\$59,509.31
Cabell	\$162,175.46	Nicholas	\$231,887.19
Calhoun	\$25,625.73	Ohio	\$1,173,332.21
Clay	\$32,258.84	Pendleton	\$25,292.09
Doddridge	\$26,753.58	Pleasants	\$17,560.13
Fayette	\$479,412.84	Pocahontas	\$25,792.54
Gilmer	\$25,375.49	Preston	\$95,282.36
Grant	\$357,961.79	Putnam	\$150,251.08
Greenbrier	\$244,254.27	Raleigh	\$1,420,601.54
Hampshire	\$78,919.01	Randolph	\$72,949.54
Hancock	\$40,839.42	Ritchie	\$23,598.43
Hardy	\$40,654.49	Roane	\$45,049.98
Harrison	\$187,961.86	Summers	\$40,803.19
Jackson	\$80,086.77	Taylor	\$498,356.91
Jefferson	\$147,726.94	Tucker	\$48,327.00
Kanawha	\$1,511,636.87	Tyler	\$21,857.64
Lewis	\$42,986.36	Upshur	\$146,325.38
Lincoln	\$727,594.75	Wayne	\$323,980.41
Logan	\$1,870,766.51	Webster	\$216,045.85
Marion	\$2,330,510.36	Wetzel	\$30,557.97
Marshall	\$4,539,951.96	Wirt	\$17,748.70
Mason	\$70,367.40	Wood	\$148,600.95
McDowell	\$636,801.80	Wyoming	\$757,720.49
Mercer	\$191,024.43		

**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***

Wine, Liquor, & Private Club Top 15 Disbursements

Charleston	\$938,569.01
Morgantown	\$929,634.06
Huntington	\$418,962.48
Wheeling	\$371,290.91
Parkersburg	\$358,126.02
Martinsburg	\$330,419.53
Barboursville	\$292,882.65
Fairmont	\$228,646.62
Beckley	\$217,989.98
Kanawha County	\$194,632.80
Bridgeport	\$187,658.87
Berkeley County	\$176,237.90
Lewisburg	\$151,152.00
Shepherdstown	\$133,382.04
Weirton	\$132,747.30

Revenue Disbursements

Greenbrier Table Games

\$ 376,080

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

Limited Video Lottery Distributions

\$ 9,688,100

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

Municipal Sales & Service Use Tax

\$ 16,437,432

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

\$ 15,869,841

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.

Regional Jail Fund Distribution

\$ 3,689,433

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 that participate in the regional jail system to help offset the costs of incarcerations. This is an annual distribution.

Revenue Disbursements

Table Games Distributions

\$ 13,211,654

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.

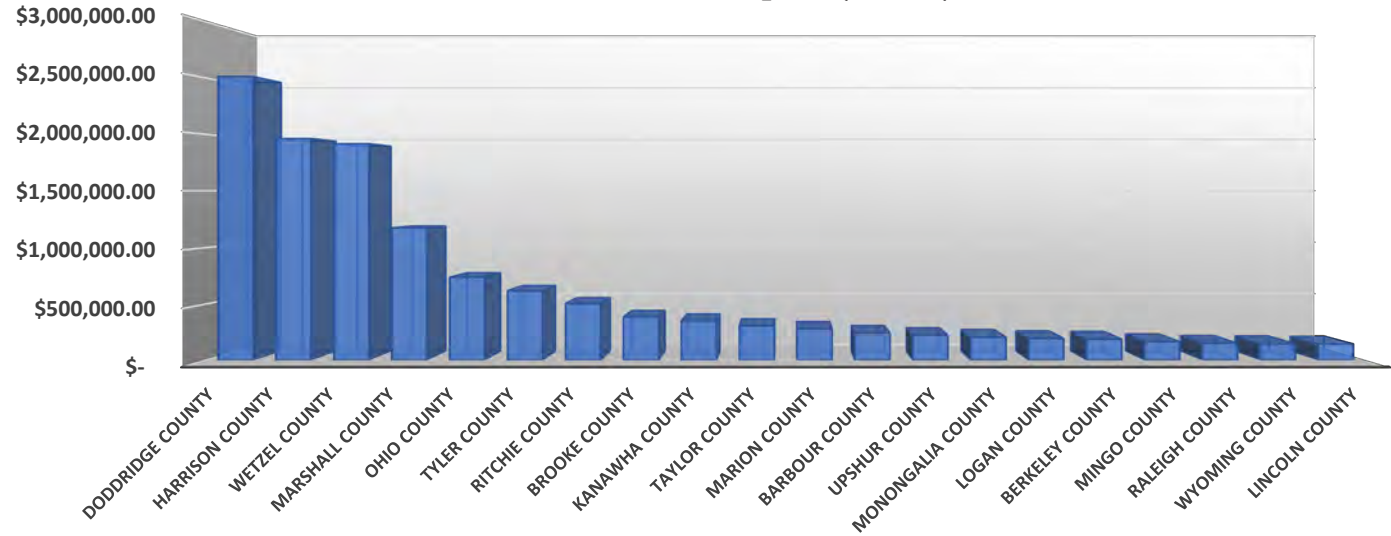
Volunteer Fire Department

\$ 19,562,033

In order to provide the 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 one percent surcharge goes to Volunteer Fire Departments.

Oil and Gas Revenue top 20 by county



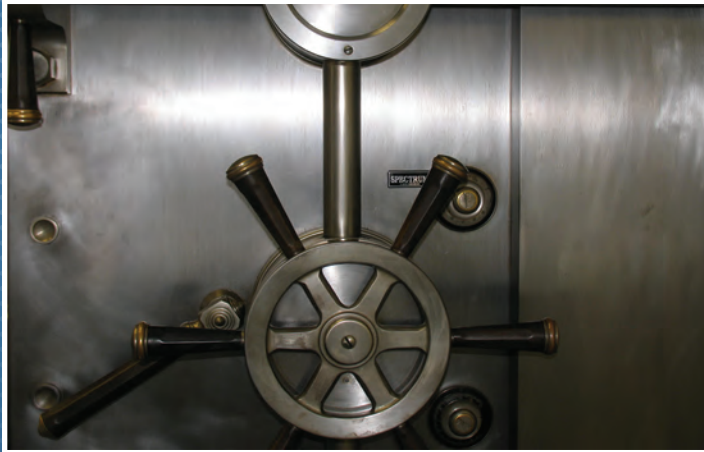
Wine, Liquor & Private Club Tax Distribution

\$ 9,315,019

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 20 Coal Severance Disbursements to Municipalities

Charleston	\$186,408.53
Huntington	\$163,974.23
Parkersburg	\$114,209.70
Morgantown	\$107,565.72
Wheeling	\$102,307.09
Fairmont	\$67,832.37
Beckley	\$63,879.39
Martinsburg	\$62,475.90
Clarksburg	\$60,122.18
Weirton	\$57,035.96
South Charleston	\$48,778.09
St. Albans	\$40,052.41
Vienna	\$38,982.58
Bluefield	\$37,887.34
Moundsville	\$33,792.90
Bridgeport	\$29,553.39
Dunbar	\$28,675.70
Oak Hill	\$28,033.84
Elkins	\$25,727.28
Princeton	\$23,326.46



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 2015 with a net tax supported debt outstanding of almost \$1.62 billion.

West Virginia's General Obligation bond rating as of June 30, 2015

Moody's: Aa1

Fitch: AA+

S&P: AA

General Obligation Bonds

Approximately \$327.5 million of West Virginia's outstanding net tax supported debt for Fiscal Year 2015 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 \$975.2 million 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 issued for dormitory renovations at a college or university may be supported by certain student fees. The revenue bonds included in net tax supported debt are unique since the revenue source for repayment of the bonds is not tied to a specific project directly linked to the bond issues. The issuing authorities included in

this section are the Economic Development Authority, the Higher Education Policy Commission, the School Building Authority and West Virginia Infrastructure & Jobs Development Council.

Leases

The State of West Virginia depends on lease obligations to finance capital improvements, large purchases of computer equipment, vehicles and many other projects. Approximately \$316.8 million in lease obligations were outstanding at the end of Fiscal Year 2015.

State Treasurer announces nearly \$26 million dollars in savings after road bond refunding

In April 2015, State Treasurer John Perdue announced that the state officially closed on the refunding of more than \$133.7 million dollars of general obligation state road bonds, which will save the state nearly \$26 million in debt service payments.

The bonds were sold competitively on April 16, at an overall 1.73 percent true interest cost. The refunded bonds were purchased by a group led by Morgan Stanley & Co. LLC.

The State Treasurer, as registrar and paying agent on the bonds, worked with the Governor and other state officials in making the refunding successful.

“This move will translate into significant savings without jeopardizing the state’s valuable bond ratings,” said

Treasurer Perdue. “The nearly \$26 million will help provide improved infrastructure for years to come.”

The original bonds and the refunding bonds were sold pursuant to the Safe Roads Amendment of 1996 to provide construction and repair of state roads.

Net Tax Supported Debt Outstanding Fiscal Year 2015

Type of Debt		Principal Outstanding June 30, 2015
GENERAL OBLIGATION BONDS		
Safe Road Bonds	\$168,845,000	
Infrastructure Improvement Bonds	239,548,538	
Total General Obligation Bonds		\$408,393,538
REVENUE BONDS		
School Building Authority Capital Improvement Bonds	109,075,000	
Economic Development Authority, Lottery Revenue Bonds	142,360,000	
Economic Development Authority, Excess Lottery Revenue Bonds	154,170,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds	219,640,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	50,265,000	
School Building Authority, Lottery Revenue Bonds	72,010,000	
School Building Authority, Excess Lottery Revenue Bonds	98,780,000	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	150,480,000	
West Virginia Infrastructure & Jobs Development Council (Excess Lottery Revenue Bond)	75,790,000	
Total Revenue Bonds		1,072,570,000
TOTAL LEASE OBLIGATIONS		316,784,254
GROSS TAX SUPPORTED DEBT		1,797,747,792
DEDUCTIONS FOR ESCROW/SINKING FUND/RESERVE FUNDS		
Economic Development Authority, Excess Lottery Revenue Bonds	-25,160,499	
Infrastructure Improvement Bonds, General Obligation Bonds	-80,915,000	
School Building Authority Capital Improvement Revenue Bonds	-23,020,801	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	-49,267,790	
Total Deductions		-178,364,090
NET TAX SUPPORTED DEBT		\$1,619,383,702



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



Members of Treasury staff join in the festivities during the Derby Days themed conference.

Handling Your Money

Cash Handling Conference

“I am proud to provide state financial professionals with this unique learning opportunity to become more familiar with the guidelines for the state’s cash handling processes,” said Treasurer Perdue.

Cash Handling Conference provides learning opportunity for state employees

This past spring more than 100 state financial professionals gathered for the West Virginia State Treasurer’s Office three-day Cash Handling Conference at The Resort at Glade Springs in Raleigh County.

The April conference was titled **Derby Days: A Run for the Money**. The conference was designed to introduce best practices and review guidelines for staff members in state government who handle cash or collect revenue. More than 55 state agencies, including colleges and universities, were represented at the conference.

“In this age of financial fraud, identity theft and cyber-crimes, it’s essential that these state workers, especially those who handle cash or credit card payments, are properly trained with strong practices and security measures,” said Treasurer Perdue.

One of the most important sessions dealt with Payment Card Industry (PCI) compliance, which ensures that

state employees have procedures in place to protect financial data.

“I can’t stress enough the importance of frequent and complete PCI compliance training. We feel it’s our responsibility to help state financial professionals be as prepared as they can be in this area,” said Misty Price, Deputy Treasurer of Cash Management and conference presenter.

In addition to PCI compliance training, highlights of Derby Days: A Run for the Money sessions included:

- Imprest funds v. petty cash
- Electronic payment options
- Alternative collections processes
- The wvOASIS enterprise resource planning system
- Unclaimed property reporting procedures
- Fraud protection
- Audit preparedness
- Banking industry trends



Treasurer's Office focuses on training

In 2011, the West Virginia State Treasurer's Office took the lead to create and publish a Cash Receipts Handbook for West Virginia Spending Units, after a legislative audit found many West Virginia agencies lack proper internal controls regarding cash handling. Since then, Treasurer Perdue has actively worked with state agencies to improve cash handling procedures.

This is the second Cash Handling Conference hosted by Treasurer Perdue. The first was held in March 2012 at the Waterfront Place Hotel in Morgantown, W.Va.



Conference sessions were engaging and well attended.

State Treasurer's Office goes electronic with conference app

The State Treasurer's Office partnered with West Virginia Interactive to produce a mobile application for the 2015 Cash Handling Conference.

The MyEvents2Go app was designed to make it easier for the more than 100 state financial professionals attending the three day conference.

"I am always looking for ways to be on the cutting edge of technology," said Treasurer Perdue. "Being able to pull up the conference agenda right on your phone makes it easier for our participants, and cuts down on the time and money we spend producing extra paper copies of agendas and presentations."

West Virginia Interactive, one of the conference sponsors, works with government agencies to provide government portals, online services and payment processing.

In addition to providing the conference agenda, the application allowed for instant communication with participants regarding room changes, scheduling updates and other noteworthy information. Attendees were also be able to download individual session presentations from a website link.



Planning for the Future

West Virginia Retirement Plus

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

Those who save through West Virginia Retirement Plus may have contributions conveniently deducted from their paychecks, lowering taxable income. The plan also offers an array of investment options to fit several investment styles. Visit www.wv457.com for more information.

Accomplishments

- 269 political subdivisions joined the Plan as of June 30, 2015.
- Participant base grew to more than 16,000 members with more than \$186 million in total assets.
- More than 1,600 new participants were enrolled in Fiscal Year 2015.

The numbers below show the progress of the Plan since the West Virginia State Treasurer's Office became the administrator of West Virginia Retirement Plus.

Plan Statistics on June 30, 2015	
Total Plan Participants	16,125
Total Contributing State Agency Employees	8,954
Total Contributing Participants	9,990
Contributing Participation Rate - State Employees	35%

Treasurer supports National Save for Retirement Week

Every year in October, Treasurer Perdue promotes National Save for Retirement Week by urging West Virginians to save whenever and however possible.

"Let me be clear," the Treasurer said, "I acknowledge saving isn't possible under some circumstances. But I

remember my dad putting something away on a regular basis. Sometimes it wasn't fun."

Americans' personal saving rate was 5.4 percent in August 2014. Personal saving as a percentage of disposable personal income (DPI), frequently referred to as "the personal saving rate," is calculated as the ratio of personal saving to DPI.

“Saving is common sense,” the Treasurer said. “Borrowing leads to a hole that might take years to dig out of, or result in bankruptcy, which has obvious and lasting effects on one’s financial future.”

Among public employees, the Treasurer’s Office offers a solution to the savings dilemma – West Virginia Retirement Plus. Retirement Plus is the state’s official retirement savings plan. It offers a broad array of investment options and attractive

tax breaks. In addition to state employees, nearly every county in the state makes the plan available to its employees.

Regardless of the plan, Treasurer Perdue just encourages savings.

“If West Virginia Retirement Plus is not available, then find a savings vehicle which meets your needs and stick with it,” the Treasurer said. “It’s not easy but the rewards are great.”

Why do I need a supplemental retirement plan?

Whether you knew it or not, you started saving for your retirement from the time you started working your first job. Then, and with every job since then, you’ve been paying into your social security retirement plan. But what you need to remember is that social security is only a piece of your retirement pie.

As a state employee, many of us have the luxury of being eligible to retire at age 55 or shortly thereafter. These employees are able to withdraw their public pensions at retirement. But it may not be in your best interest to apply for Social Security as soon as you retire. Your actual retirement age and the full retirement age recognized by Social Security may not be the same, which could minimize your benefits.

If you absolutely cannot wait until your full retirement age, you can get Social Security retirement benefits as early as age 62. However, your benefits can be reduced by 20-30 percent based on your age.

This is where supplemental retirement savings, like that in a 457 plan can help. West Virginia Retirement Plus savings

isn’t meant to be your only retirement income, it is meant to help fill the gaps where other retirement income may fall short of meeting your needs.

Below is a chart from the Social Security Administration that helps identify your full retirement age.

As with any financial situation, we advise you to talk with your financial advisor, accountant or others you may trust.

If you have any questions about your West Virginia Retirement Plus plan, contact our office.

Age to Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: People who were born on January 1 of any year should refer to the previous year.

*If you were born in 1945 or earlier, you are already eligible for your full Social Security benefits.



If you have questions or concerns about your individual account contact our office toll free at 800-422-7498.



Treasurer Perdue returns Unclaimed Property to the United Way.

Returning Your Money Unclaimed Property

The West Virginia State Treasurer's Office is a national leader in its efforts to return unclaimed property to its rightful owners. The office works hard to educate small businesses and individuals about the importance of pursuing and recovering unclaimed property. Since taking office, Treasurer John Perdue has returned approximately \$150 million to rightful owners.

What is Unclaimed Property?

Any asset that has remained unclaimed for a specific period of time. Examples may include:

- *Utility deposits*
- *Unredeemed stocks*
- *Uncashed checks*
- *Life insurance policies*
- *Bank safe deposit box contents*

Call our office today at 1-800-422-7498 to find out if you have Unclaimed Property!

The West Virginia State Supreme Court decision

This summer, a unanimous ruling from the West Virginia Supreme Court of Appeals reinforced Treasurer Perdue's efforts to ensure all unclaimed property is turned over to the state in a timely manner.

The high court's ruling clarified that, under the Uniform Unclaimed Property Act, the obligation to pay for a life insurance policy is triggered by the death of the insured, rather than the filing of a claim.

"I commend the justices of our state's highest court for siding with the people of West Virginia by clarifying that insurance companies, like all companies, must adhere to unclaimed property laws," said Treasurer Perdue. "For years insurance companies argued they were exempt from the law and had no duty to turn over certain types of unclaimed property in a timely manner. I have stood up against them to say this is simply not the case, and now the West Virginia Supreme Court of Appeals affirms this position."

The decision reversed a 2013 circuit court dismissal of complaints filed by the Treasurer against various life insurance agencies.

"As the custodian of West Virginia's unclaimed property, it is my duty to see that the people of our state are returned all money due to them, including unpaid life insurance policies. I believe this Supreme Court ruling is a victory for all West Virginians," Perdue said.



Joe Bigony receives an unclaimed property check from an insurance claim that would have previously been withheld.

The W.Va. Supreme Court of Appeals opinion was written by Justice Brent Benjamin and delivered on June 16, 2015.

Treasurer Perdue filed the appeal with the West Virginia Supreme Court of Appeals in May 2014, after the 2013 circuit court dismissal of a lawsuit filed by Perdue in September 2012 against the insurance companies.

State unclaimed property returns up in fiscal 2015

State Treasurer John Perdue's office returned just more than \$9 million in unclaimed property for Fiscal Year 2015, a \$2 million increase from the previous year's totals.

Treasurer Perdue said the uptick in claims filed came from an Unclaimed Property Division initiative that used a subscription database to obtain newer addresses for property owners. Much of the property the office is holding in custody is reported with outdated addresses, which accounts for much of the problem in returning the lost assets to rightful owners.



John Perdue readies the crowd before a live unclaimed property auction.

"I want to congratulate Unclaimed Property Deputy Treasurer Carolyn Atkinson for her continuously innovative approaches," the Treasurer said. "We have further plans to improve upon this strategy."

Crowds gather for live unclaimed property auctions at 2015 State Fair

Large crowds gathered at West Virginia State Treasurer John Perdue's State Fair exhibit in August 2015, eager to participate in the live unclaimed property auctions.

Coins, jewelry, antiques and much more were up for auction during the five events. More than 100 people packed the exhibit space during the five scheduled auction days to bid on featured items. Approximately 80 percent of available auction items sold at or above the estimated value.

"The goal is to get top dollar for these items, which is what the rightful owners are entitled to when they make a claim," said Treasurer Perdue. "We also want to educate the public about our unclaimed property program and how they can be reunited with their abandoned property."

During the fair, people also checked to see if they have unclaimed property listed with the state. Representatives were on hand to help people start the claims process.

UNCLAIMED PROPERTY

Report. Search. Claim.
wvtreasury.com

Division Accomplishments

- *Returned more than \$9 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 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

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.

State treasurer John Perdue kicks off the Bright Babies program at CAMC Women and Children's hospital in Charleston.

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

New Babies Get \$100 Toward College Savings If Enrolled Prior To First Birthday

If you open a SMART529 College Savings Plan during your child's first year, the program will give you \$100 to kick-start your child's college savings through the new Bright Babies grant program.

Any child born after January 1, 2015 who has not celebrated his or her first birthday is eligible. In addition, any adopted child who has yet to celebrate the one-year anniversary of his or her adoption can claim the \$100 grant. The only other requirement is that the child must be a resident of West Virginia. Money for the program comes from an independent program management firm.

"We know there is a lot going on when a family brings home a new addition," said Treasurer Perdue. "The hope is that this incentive will attract more new parents to the SMART529 program. The sooner you start to save, the more money you have to pay for your child's college education."

State Treasurer urges people to "Stache Some Cash for College" at the State Fair

People attending the 2015 State Fair of West Virginia in Greenbrier County once again had the opportunity to "Stache Some Cash for College" and get a fun picture at the photo booth display in the West Virginia University Building.

For the second year, participants were encouraged to choose their favorite mustache-on-a-stick and pose in



A mustache photo booth provided a memorable and fun way to spread the message.

SMART529®

WEST VIRGINIA'S COLLEGE SAVINGS PLAN

front of a digital photo display. The pictures were uploaded to the State Treasurer's Office social media sites.

"The Facebook picture gallery has been extremely popular with people checking back often to see their photos," said one organizer.

5-K race to provide college funds for kids in foster care

It's not easy to send a child to college these days. Costs keep spiraling, debt rising and grants harder to chase.

For kids in foster care, the outlook is far more dismal.

"A very small percentage of children from the foster care system complete college," said Rachel Kinder, M.S.W., the Permanency Coordinator for Frameworks, an agency which finds families waiting to adopt children out of the foster care system. "It's about three percent nationally."

In an effort to combat the problem, the West Virginia State Treasurer's Office hosted its first 5.29K Run/Walk fundraiser on May 30 near the Capitol Market in Charleston.

The SMART 5.29K Run/Walk is expected to become an annual event that will directly benefit children adopted from foster care in West Virginia by assisting with their future educational expenses. Proceeds from the 5.29K registration

will be deposited into SMART529 College Savings Accounts. The accounts are awarded through a selection process administered by Frameworks and Mission West Virginia.



"Kids in foster care face daunting challenges when attempting to attend college. We want to provide any help we can," said State Treasurer John Perdue.

So, why a 5.29K? A 529 College Savings Plan is a tax-advantaged investment plan designed to encourage saving for higher education expenses. West Virginia's plan, SMART529, is administered by the State Treasurer's Office. This year's run/walk was held in association with the national "529 College Savings Day" to increase awareness about the importance of saving for higher education expenses.

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 2015 "When I Grow Up" essay contest.

"When I Grow Up" Contest Winners:

Mega Ilangovan	Raleigh County
Luke Snuffer	Raleigh County
Kimberley Autumn Bane	Mercer County
Owen Martin	Putnam County
Archana Krishnathas	Kanawha County
Nathaniel Wilson	Mason County
Violet Nine	Monongalia County
Gabby Chico	Monongalia County
Zachariah Leggett	Harrison County
Shyla Hatti	Jefferson County
Kinsley Armstrong	Pendleton County
Isabelle Merritt	Mineral County
Leah McMahan	Hancock County
Samuel Wright	Hancock County
Gabriella Rose	Wood County

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



Achieving New Heights Financial Education

The West Virginia State Treasurer's Office is committed to ensuring all West Virginians have access to quality financial education. In 2008, the State Treasurer developed a comprehensive financial education initiative called NetWorth, which is designed to teach lifelong personal financial management starting at the elementary school level. The program also includes workshops and seminars at the adult level.

An organizer with the State Treasurer's Office instructs children before a Get a Life event in Ripley.

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 a Council of State Governments Innovations Award.

Program Focus:

- **All-Inclusive** – The goal is to ensure financial lessons are taught to all age groups. General concepts such as savings and budgeting are introduced at an early age, with lessons progressing to more complex issues such as financial planning and investing.
- **Comprehensive** – The efforts cover a wide variety of financial education topics that can be incorporated into core subject areas such as math, English and social studies.
- **Relatable** – Many of the initiatives are hands-on and focus on real-world problems. Students and adults retain more when they can relate to the subject matter.

Supplemental Learning Opportunities:

- **Bank at School** (Partnerships with local elementary schools and banks)
- The program works with elementary school age children,

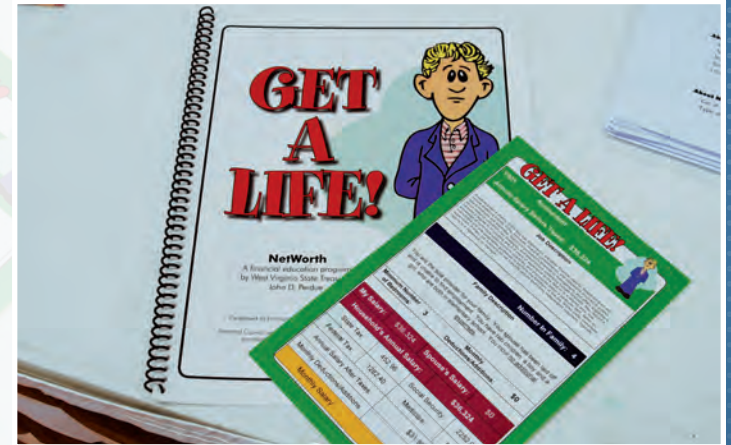
their teachers and local banks to open savings accounts and teach basic savings/spending principles.

- **Get a Life** (Partnerships with local middle schools and community volunteer groups)
- Get a Life is a 90 minute budget exercise for middle school students to walk through a hands-on budget simulation. Students visit various business stations and manage an expense ledger.
- **High School Money Conferences** (Partnership with local high schools and guest speakers)
- The State Treasurer's Office sponsors various motivational/financial literacy speakers to talk to high school students around the state. The office also provides a free book from the guest speaker and other financial literature.

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 West Virginia State Treasurer's Office. 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 futures.



The Green Reaper hands out an unforeseen expense during a Get a Life event in South Charleston.

"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 and products are offered.

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

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 304-558-500 or visit www.wvtreasury.com.

Middle school students receive material to supplement the 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, 2015)

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:

State agencies and participants	\$1,411,058,000
State funds and accounts under purview of State Treasurer's Office	1,626,382,509
Local governments	135,756,000
Treasurer's Safekeeping Fund (with Board of Treasury Investments)	17,491
Total Board of Treasury Investments	3,173,214,000
West Virginia College Prepaid Tuition and Savings Program.....	2,339,926,000
Unclaimed Property	252,969,000
Securities held in Safekeeping.....	85,595,000
West Virginia Retirement Plus	186,186,000
Reappropriations	425,000
Total Assets Under Management	\$15,249,846,000

Fund Revenues & Inflows (for the Year Ended June 30, 2015)

Board of Treasury Investments

Net investment increase from operations.....	\$7,399,000
Participant purchases, contributions & reinvestments	10,943,939,000
Operating Fund revenues & gains	2,982,000
Total Board of Treasury Investments	10,954,320,000

West Virginia College Prepaid Tuition and Savings Program

Prepaid Tuition Trust Fund net revenues (losses).....	2,064,000
College Prepaid Tuition and Savings Program Administrative Account.....	1,402,000

Savings Plan Trust Fund

Net investment gain.....	17,187,000
Contributions	203,788,000
Total West Virginia College Prepaid Tuition and Savings Program	224,441,000

West Virginia Retirement Plus

Contributions.....	14,551,000
Net investment gain.....	8,652,000
Total West Virginia Retirement Plus	23,203,000

Unclaimed Property

Holder Remittances.....	23,300,000
Stale Dated Checks	5,600,000
Total Unclaimed Property	28,900,000

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

Collections.....	211,409,000
Transfers.....	1,424,000
Appropriations	1,772,000
Statutory transfers.....	82,035,000
Total other funds and accounts.....	296,640,000

Total Inflows \$11,527,504,000

Fund Expenses & Outflows (for the Year Ended June 30, 2015)

Board of Treasury Investments

Participant distributions, redemptions & withdrawals.....	\$11,005,431,000
Operating Fund expenses	2,805,000
Total Board of Treasury Investments	11,008,236,000

West Virginia College Prepaid Tuition and Savings Program

Prepaid Tuition Trust Fund expenses	6,702,000
College Prepaid Tuition and Savings Program Administrative Account expenses	902,000
Savings Plan Trust Fund:	
Participant redemptions.....	181,829,000
Administrative expense.....	6,401,000
Total West Virginia College Prepaid Tuition and Savings Program	195,834,000

Unclaimed Property

Claims paid.....	9,000,000
Transfers.....	13,000,000
Administrative expense	4,000,000
Total Unclaimed Property	26,000,000

West Virginia Retirement Plus Distributions & Withdrawals.....	9,563,000
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All other funds and accounts overseen by the State Treasurer's Office

Transfers.....	122,344,000
Distributions	104,882,000
Disbursements	54,146,000
Total other funds and accounts.....	281,372,000

Total Outflows	\$11,521,005,000
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**From the office of West Virginia
State Treasurer John D. Perdue**

Fiscal Year 2015 State of the Treasury Report



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