

West Virginia  
State of the Treasury Report

150  
YEARS OF  
EXCELLENCE





# State of the Treasury Report

## Table of Contents

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 2013.



**About the Fiscal Year - A Message From the Treasurer..... 2**

**About the Office - West Virginia State Treasury ..... 4**

**About the Treasurer - John D. Perdue ..... 5**

**Securing Your Money - Revenue Collections ..... 6**

**Growing Your Money - The Board of Treasury Investments ..... 8**

**Managing the State’s Money – Revenue Disbursements ..... 10**

**Monitoring Your Money - Debt Management ..... 14**

**Returning Your Money - Unclaimed Property ..... 16**

**Encouraging Higher Learning - SMART529 College Savings Plan ..... 18**

**Achieving New Heights - Financial Education..... 20**

**Planning for the Future - West Virginia Retirement Plus..... 22**

**Opportunities for Growth - Employee Development ..... 23**

**Managing the State’s Money - Financial Highlights ..... 24**

Editor  
*Gina Long Joynes*  
 Deputy Treasurer of Communications

Assistant Editors  
*Greg Stone*  
 Communications Specialist  
*Kim Ward*  
 Communications Specialist

Creative Design  
*Jason Philabaun*  
 Graphic Designer

Cover Photo  
*Calder Loth for the Institute of  
 Classical Architecture & Art*

*Published by the West Virginia  
 State Treasurer’s Office*



# About the Fiscal Year

## A Message From the Treasurer

In the midst of budget cuts and an economy still in recovery, the State Treasurer's Office continued to make improvements and advancements in our banking procedures during fiscal year 2013, as well as set milestones with our other long-standing programs.

*Treasurer Perdue announces changes to SMART529 program at Piedmont Elementary School in Charleston.*

Despite a difficult financial landscape, our office met and surpassed the challenge, marking new standards in local investments, cash management procedures and supplemental retirement savings, among other successes.

The State Treasurer's Office is first and foremost the bank of state government. Our e-Government program, which allows residents to easily do business with the state through online payments, again set new records. Our office processed more than \$353 million in electronic transactions from customers of various state agencies.

Once again, Standard and Poor's gave the West Virginia Board of Treasury Investments a rating of AAAm for its money market pools, the highest designation available. Also, as the fiscal year came to a close, the BTI inched closer to depositing a total of \$1 billion with state banks through its online certificate of deposit (CD) auction program.

In the Unclaimed Property realm, we returned \$7.75 million to rightful owners this year, and our online auction of unclaimed property has proven a huge success, garnering approximately \$184,000 in fiscal year 2013. Once again, two newspaper advertisement inserts listing unclaimed property account holder names generated a flurry of claim activity for our office.

In an effort to make higher education more attainable for everyone in West Virginia, we made some adjustments to the SMART529 WV Direct Plan. With lower fees and no minimum contribution requirements, saving for future educational expenses is possible on any budget. As awareness of the state's college savings plan increases, so does the number of account holders. Fiscal year 2013 also saw another increase in the number of children who participated in the widely successful SMART529 When I Grow Up essay contest.





*Treasurer Perdue listens to a Paw Paw Elementary School student read her When I Grow Up essay contest entry at an event in Morgan County.*

Our award winning financial education initiative, NetWorth, has become a vital part of many West Virginia classrooms, introducing students to the basics of financial education. Programs like the Get A Life budget simulation, as well as lesson plans designed to integrate seamlessly into advanced courses like civics and economics, are helping provide the skills our young students need to create a better financial future for themselves.

West Virginia Retirement Plus, the state's supplemental retirement plan, has more than doubled in total assets from \$68 million to \$146 million since our office took control of the plan in 2006. During that same time period, the number of plan participants has nearly tripled.

As you can see, our office continues to break new ground and clear new hurdles on behalf of Mountain State residents. Thank you for taking an interest in the West Virginia State Treasurer's Office.

Sincerely,

A handwritten signature in blue ink that reads "John D. Perdue".

John D. Perdue  
West Virginia State Treasurer



*Treasurer Perdue explains the programs available through the State Treasurer's Office to various television media outlets around the state.*



# 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



In January 2013, the honorable John D. Perdue was sworn in to serve his fifth consecutive term as West Virginia’s 24th State Treasurer. Treasurer Perdue was first elected to office in November of 1996.

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 for its money market pools.
  - The establishment of the SMART529 college savings program. SMART529 has grown to a \$1.9 billion program, with approximately 120,000 active accounts nationwide.
  - The creation of the nationally award-winning NetWorth financial education initiative.
  - The execution of dozens of workshops and conferences to help West Virginians better manage financial assets.
- The return of more than \$120 million in unclaimed property to state residents.
  - Growing the state’s 457 deferred compensation plan (West Virginia Retirement Plus) by more than 10,000 participants and an increase in assets by 91 percent, to \$146 million.
  - Serving 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**

*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.*





# 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 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.

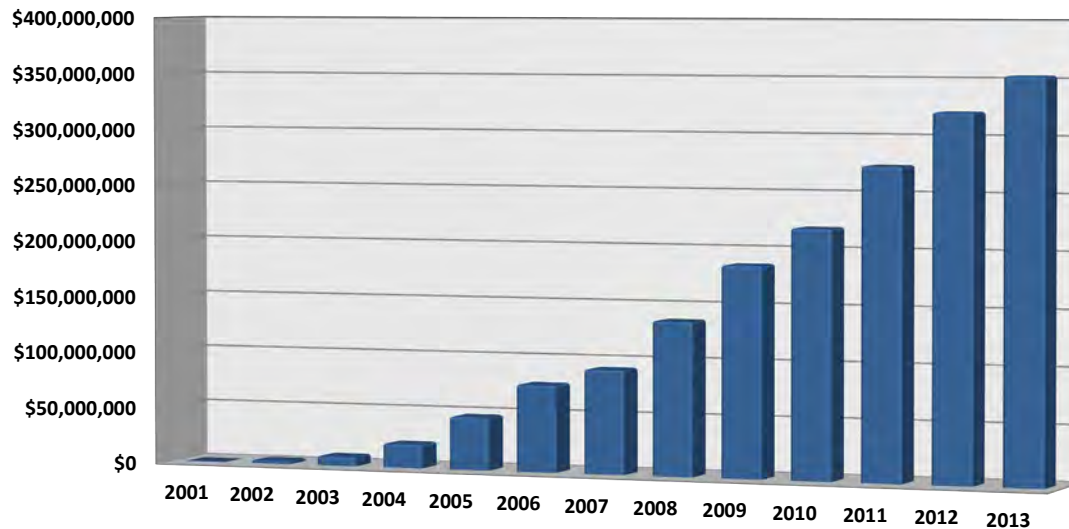
***e-Government sets new record in FY2013***

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 \$353 million in fiscal year 2013, compared to \$321 million in fiscal year 2012. West Virginia University leads the program with \$116.6 million in e-Government transactions for FY2013.



**e-Gov Dollars Processed**



***L-Government processes \$2.4 million in payments***

In addition to e-Government for state agencies, the State Treasurer’s Office also processes payment for many local governments, which is known as the L-Government program. State Treasurer John Perdue’s office processed \$2.4 million in payments to municipalities and other entities in fiscal year 2013.

“This is a fairly unique service we are offering to cities and other political bodies,” Treasurer Perdue said. “We feel L-Government is a great, ground-level service for cities, PSDs and other entities that have limited staff.”

The top user of the L-Government program was the City of Fairmont, with Treasury staff processing nearly \$747,000 in utility payments for FY2013.

**e-Government Top Performers by Dollar Amount**

WVU	\$116,589,620.26
Municipal Bond Comm.	\$92,183,901.90
CPRB	\$49,442,507.91
PEIA	\$30,818,662.28
Marshall University	\$20,714,843.68
Fairmont State	\$9,295,789.33
Natural Resources	\$5,288,825.42
Shepherd University	\$4,845,998.89
Tax and Revenue	\$4,423,297.47
West Liberty State	\$2,433,834.43
Secretary of State	\$2,347,540.20





# 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. West Virginia Money.***

The West Virginia Board of Treasury Investments (BTI) manages approximately \$3.9 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.

### ***Fiscal responsibility at the forefront for BTI***

West Virginia State Treasurer John Perdue announced he is confident West Virginia will stay the course and continue to serve as a leader among other states in its efforts to maintain fiscal responsibility.

The Treasurer, who also serves as chairman of the West Virginia Board of Treasury Investments, said the BTI ended fiscal year 2013 with a budget surplus. While actual fee collections fell below estimates by a small amount, the BTI was able to end the fiscal year with a budget surplus of \$188,218.

With the Federal Reserve continuing its ultra-accommodative monetary policy stance, 2013 presented another challenging year for short term investments. However, the BTI's West Virginia Money Market and West Virginia Government Money Market pools have continued to provide a rate of return that places them at or near the top of their respective peer groups.

# BOARD OF TREASURY INVESTMENTS

“The portfolios meet the liquidity needs of the participants and are well positioned to handle the anticipated ongoing market volatility,” said Perdue.

In rankings prepared by NEPC, the BTI’s investment consultant, the West Virginia Money Market Pool was ranked second over the previous one year period when compared to a peer group composed of 147 Tier One institutional money market funds. Over this same time period, the West Virginia Government Money Market Pool was also ranked second when compared to a peer group comprising 80 institutional government money market funds.

“The Board of Treasury Investments’ portfolios are based on an ultra-conservative policy and consist of well-diversified and high quality securities,” said Treasurer Perdue. “While these are uncertain times, I am confident our state’s short-term investments are well-managed.”

On other fronts, Standard & Poor’s rated the West Virginia Money Market Fund AAAM for its safety and liquidity for the sixth straight year.

## *Board of Treasury Investments Earns Financial Reporting Honors*

For the seventh 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.”

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

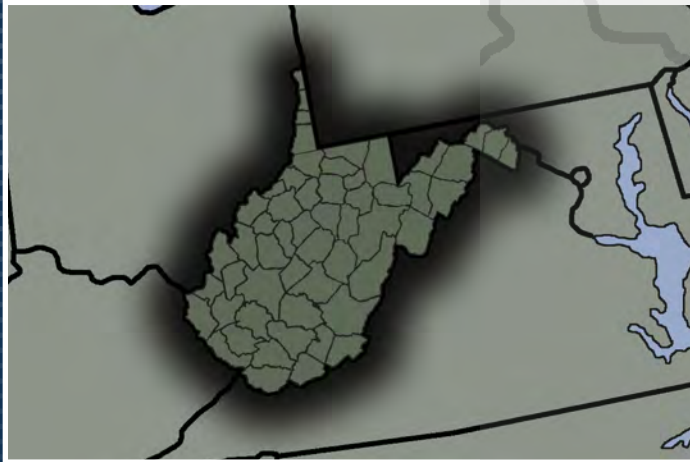
*Secretary*

Richard C. Donovan



**Visit our new website at [wvbt.org](http://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](http://www.wvtreasury.com)

### Revenue disbursements for Fiscal Year 2013

#### *Coal County Reallocation Severance Tax Distribution*

**\$ 3,161,754.70**

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*

**\$ 32,494,966.98**

While not every county in West Virginia produces coal, all counties receive a severance tax paid by the coal industry. Seventy-five percent of the net proceeds is distributed to coal-producing counties. The remaining twenty-five 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*

**\$ 954,523.17**

West Virginia law provides for the collection and distribution of a 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 2013\*

County	Severance	County	Severance
Barbour	272,145.95	Mineral	99,690.46
Berkeley	379,780.42	Mingo	1,350,841.66
Boone	3,228,351.48	Monongalia	1,237,953.77
Braxton	103,433.17	Monroe	52,976.11
Brooke	53,826.80	Morgan	71,941.63
Cabell	196,057.92	Nicholas	561,655.30
Calhoun	30,979.61	Ohio	1,077,032.99
Clay	103,292.15	Pendleton	30,576.38
Doddridge	32,342.88	Pleasants	21,228.79
Fayette	718,733.41	Pocahontas	31,181.35
Gilmer	30,676.66	Preston	115,188.15
Grant	54,407.01	Putnam	181,641.89
Greenbrier	383,656.80	Raleigh	2,071,894.72
Hampshire	95,406.25	Randolph	140,820.63
Hancock	49,371.98	Ritchie	28,528.71
Hardy	49,147.93	Roane	54,462.20
Harrison	240,482.57	Summers	49,327.73
Jackson	96,818.59	Taylor	90,880.99
Jefferson	178,589.15	Tucker	491,231.72
Kanawha	1,809,800.26	Tyler	26,424.29
Lewis	51,967.41	Upshur	129,374.21
Lincoln	738,470.06	Wayne	728,499.17
Logan	3,123,445.16	Webster	380,094.07
Marion	2,398,823.20	Wetzel	36,942.33
Marshall	3,471,704.15	Wirt	21,456.85
Mason	85,068.51	Wood	179,647.31
McDowell	1,162,120.08	Wyoming	1,045,354.23
Mercer	235,754.47		

\*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 County Disbursements

Berkeley County	\$ 459,000.90
Kanawha County	\$ 310,189.26
Wood County	\$ 274,271.59
Raleigh County	\$ 232,762.87
Monongalia County	\$ 228,865.24
Mercer County	\$ 227,005.80
Cabell County	\$ 198,001.91
Hancock County	\$ 195,846.86
Harrison County	\$ 186,182.67
Brooke County	\$ 174,778.00

# Revenue Disbursements

## ***Greenbrier Table Games***

**\$ 478,871.14**

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***

**\$ 7,927,709.75**

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

## ***Municipal Sales & Service Use Tax***

**\$ 6,856,524**

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 the 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***

**\$ 6,968,753.11**

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***

**\$ 3,651,906.65**

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

**\$ 20,155,479.53**

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.

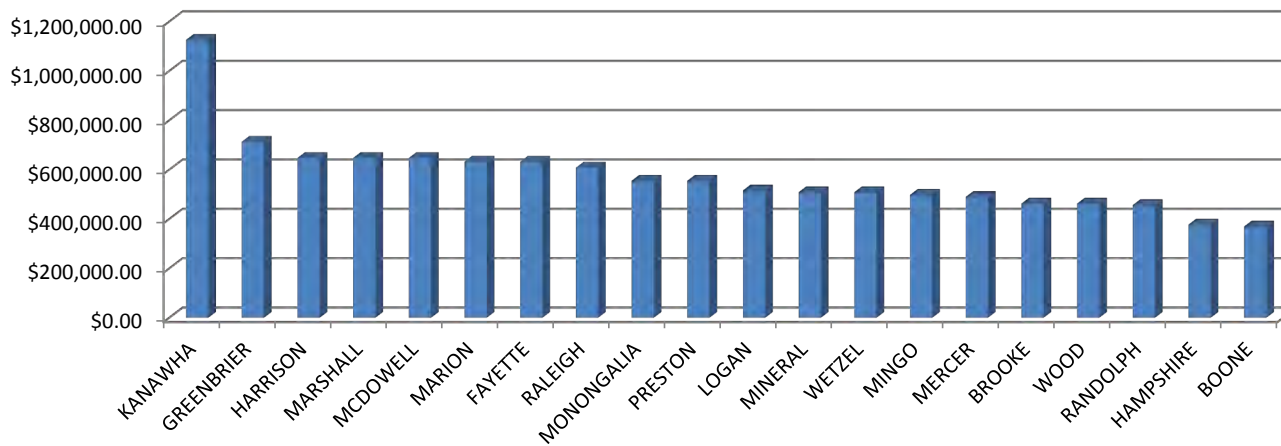
## Volunteer Fire Department

**\$ 19,628,323.04**

In order to provide the fire fighting equipment, 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.

**Volunteer Fire Department top 20 disbursements**



## Wine, Liquor & Private Club Tax Distribution

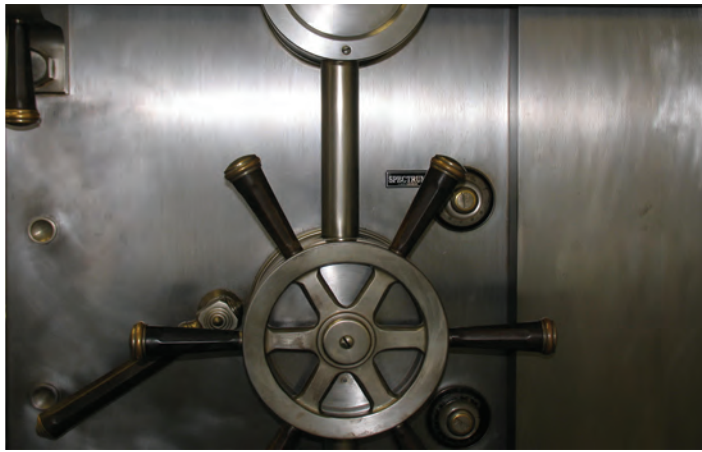
**\$ 8,884,702.05**

West Virginia code requires the Tax Commissioner to collect various taxes on the sale of intoxicating liquors. After collection, 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	\$ 4,681,630.15
Jefferson County	\$ 1,554,894.32
Wheeling	\$ 703,611.73
Charles Town	\$ 636,340.91
Ranson	\$ 536,997.60
Nitro	\$ 533,045.09
Hancock County	\$ 441,515.73
Weirton	\$ 362,047.26
Kanawha County	\$ 351,580.92
Shepherdstown	\$ 225,436.12
Charleston	\$ 183,175.64
Ohio County	\$ 172,897.10
Bolivar	\$ 126,325.70
South Charleston	\$ 124,421.74
St. Albans	\$ 106,112.25





# 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 2013 with a net tax supported debt outstanding of almost \$1.74 billion.

**West Virginia's General  
Obligation bond rating as of  
June 30, 2013**

*Moody's: Aa1*

*Fitch: AA+*

*S&P: AA*

**General Obligation debt  
outstanding at June 30, 2013**

*\$431.8 million (net)*

View the complete Annual Debt  
Position Report on our website at  
[www.wvtreasury.com](http://www.wvtreasury.com)

### **General Obligation Bonds**

Approximately \$432 million of West Virginia's outstanding net tax supported debt for fiscal year 2013 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**

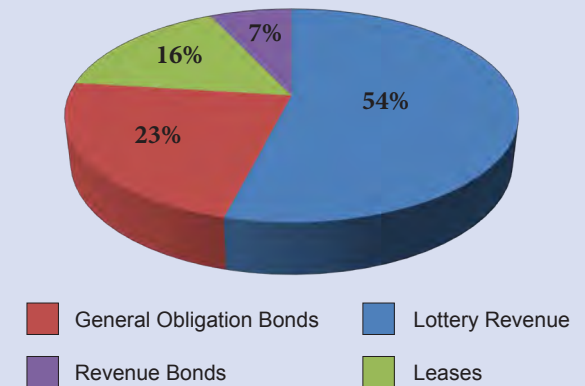
Revenue bonds make up more than \$1 billion of West Virginia's net tax supported debt. A revenue bond is typically supported by the revenue from a specific project. For example, a bond issue for dormitory renovations at a college or university may be supported by certain student fees. The revenue bonds 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 \$322 million in lease obligations outstanding at the end of fiscal year 2013.

**Debt Outstanding Fiscal Year 2013**



## Net Tax Supported Debt Outstanding Fiscal Year 2013

Type of Debt		Principal Outstanding 30-Jun-13
<b>GENERAL OBLIGATION BONDS</b>		
Safe Road Bonds	\$245,365,000	
Infrastructure Improvement Bonds	197,284,763	
<b>Total General Obligation Bonds</b>		<b>\$442,649,763</b>
<b>REVENUE BONDS</b>		
School Building Authority Capital Improvement Bonds	142,535,000	
Economic Development Authority, Lottery Revenue Bonds	148,250,000	
Economic Development Authority, Excess Lottery Revenue Bonds	173,070,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds	359,960,000	
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	50,265,000	
School Building Authority, Lottery Revenue Bonds	67,360,000	
School Building Authority, Excess Lottery Revenue Bonds	108,060,000	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	150,480,000	
<b>Total Revenue Bonds</b>		<b>1,199,980,000</b>
<b>TOTAL LEASE OBLIGATIONS</b>		<b>322,874,298</b>
<b>GROSS TAX SUPPORTED DEBT</b>		<b>1,965,504,061</b>
<b>DEDUCTIONS FOR ESCROW/SINKING FUND/RESERVE FUNDS</b>		
Economic Development Authority, Lottery Revenue Bonds	-24,077,819	
Higher Education Policy Commission, Excess Lottery Revenue Bonds	-124,585,000	
Infrastructure Improvement Bonds, General Obligation Bonds	-10,810,000	
School Building Authority Capital Improvement Revenue Bonds	-23,020,801	
School Building Authority Lottery Revenue Bonds	-14,180,000	
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	-30,877,898	
<b>Total Deductions</b>		<b>-227,551,518</b>
<b>NET TAX SUPPORTED DEBT</b>		<b>\$1,737,952,543</b>

## School Building Authority Capital Improvement Bonds

Approximately \$1.2 billion of West Virginia's \$1.74 billion in outstanding net tax supported debt as of June 30, 2013 consisted of revenue bonds. More than \$400 million (net) of those bonds are obligations of the West Virginia School Building Authority. The Authority was created by the State Legislature to facilitate and allocate state funds for the construction and maintenance of school facilities. While the School Building Authority often awards new grants at each of their quarterly meetings, it often takes months or years before construction on these projects is completed.



*A grant for the construction of a new St. Mary's High School in Pleasants County was awarded in April of 2011, but construction didn't begin until the spring of 2013.*





# 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.

*Kanawha County resident Robert Hull accepts an Unclaimed Property check from State Treasurer John Perdue.*

*The West Virginia Unclaimed Property Division currently holds approximately 1,050,000 accounts worth approximately \$184 million.*

*Find your unclaimed property at [www.wvtreasury.com](http://www.wvtreasury.com)*

## **\$7.75 million returned to unclaimed property owners**

State Treasurer John Perdue's office returned \$7.75 million to rightful owners in fiscal year 2013, topped by \$2.3 million in Kanawha County, the state's most populous.

"Nothing makes me happier than returning unclaimed property to our state's residents," Treasurer Perdue said.

Treasurer Perdue's office has returned \$120 million to state residents since he took office in January of 1997.

Unclaimed property is any asset from which an individual has become separated, such as a left-behind utility deposit, a forgotten paycheck or stock dividends not cashed and reported as unclaimed property.

William Ramsey of Harrison County received two unclaimed property checks during the 2013 fiscal year, for a total of \$47,870. Ramsey said he used the money to pay off a lake house he had been fretting about.

"I was extremely happy with it," said Ramsey. "I wish everybody whose name appears in those [newspaper] inserts would contact you all. They have nothing to lose but a few moments of their time that can maybe reap them a lot of benefit."



*Treasurer Perdue presents William Ramsey with his second Unclaimed Property Check of the year.*

### ***Treasurer, cities join forces to find unclaimed property***

State Treasurer John Perdue and West Virginia Municipal League officials have jointly announced a plan to help state residents recover unclaimed property, using city records already on file.

Treasurer Perdue, Municipal League President Dick Callaway and league executive director Lisa Dooley are encouraging municipalities across the state to cross reference citizens' records such as utility bills with the Treasury's unclaimed property database. Callaway is also St. Albans' mayor.

When a match pops up, both the Treasury and the respective city government will know that a resident is due unclaimed property.

"This is a new chapter in our quest to reunite residents with their property," Treasurer Perdue said. "What I like about this approach is we're taking our records to the cities and teaming up with them in an aggressive stroke to reunite people with their property."

The proof is already evident, the Treasurer said, noting that the cities of Nitro and St. Albans have already implemented the cross reference system and thousands of dollars have been returned to those cities' residents.

Dooley and Callaway both said they would work to persuade other cities to follow the leads of the two western Kanawha County cities.

"This can only help the residents of our cities, which of course is why the Municipal League functions," said the long-tenured Dooley. "I am in favor of anything that accomplishes that goal and I applaud the Treasurer's efforts and dedication."

### ***Division accomplishments:***

- Conducted 25 online auctions of safe deposit box items in conjunction with a nationwide electronic auction site. The division has successfully auctioned 99.7% of the items available for bid online.
- Hosted educational holder workshops on electronic reporting and due diligence.
- Presented workshops on a national level for NAUPA, UPPO and the IRS Compliance Conference.
- Returned more than \$7.75 million to rightful owners of unclaimed property, constituting 36 percent of the value of all unclaimed property reported for the period.
- Unveiled electronic reporting for law enforcement agencies. Law enforcement agencies can now upload a report or file directly online with the Treasurer's Office.
- Liquidated over \$3.6 million in stock and mutual funds, with proceeds held for the benefit of the rightful owner.

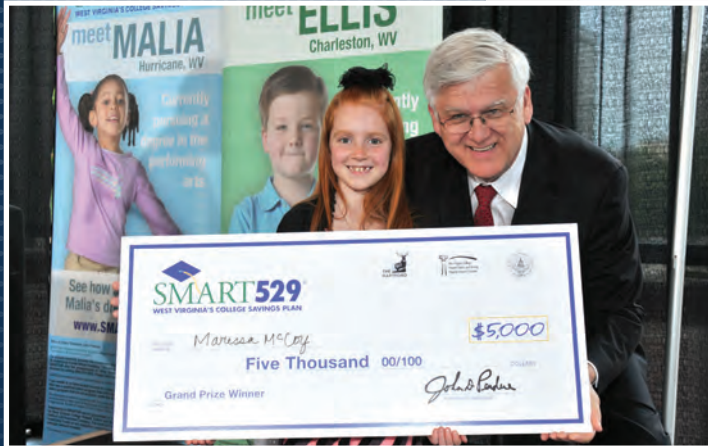
### **Ring appraises for \$14,000**

*A stunning two-carat diamond, surrounded by 10 smaller stones adding up to nearly another carat, was up for bid in an unclaimed property online auction administered by State Treasurer John Perdue's office. A certified gemologist appraised the ring for \$14,000.*

*In fiscal year 2013, the auctions grossed \$184,262, comprising 1,277 lots. The fiscal 2012 numbers – the first full year of the auction – showed \$88,392 in gross sales. The office attributes the increase to improved public awareness.*







# 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.

*“When I Grow Up” grand prize contest winner Marissa McCoy shows off her check with State Treasurer John D. Perdue*

## Members of the Board

### *Chairman*

State Treasurer John D. Perdue

### *Members*

Robert Anderson

Kay Goodwin

### *Private Citizen*

Robert Galloway

Phyllis Arnold

### *General Public*

Donna Kuhn

## *Treasurer announces SMART529 changes to benefit more West Virginians*

To make college education more attainable, the Treasurer and officials from The Hartford implemented changes to make enrollment into the SMART529 WV Direct plan easier. A lowered fee schedule is also part of the change.

There is now no minimum contribution to join the plan and no subsequent minimum contribution. In addition, a state fee has been waived and The Hartford has significantly lowered its asset based fees.

“If folks want to put a dollar in, they can get started,” Treasurer Perdue said. “No excuses now. We are so excited about our plan because we think it’s going to make us very competitive nationwide.”

Another change involves the entry of The Vanguard Group as manager of the WV Direct plan’s mutual funds. The SMART529 500 Index Fund is already sub-advised by Vanguard and will remain unchanged.

## *Paw Paw students bury essays in time capsule*

Shanna Poniris, a third grade teacher at Paw Paw Elementary School in Morgan County, won the 2013 When I Grow Up essay contest for teachers. In May, Treasurer Perdue joined Poniris as she and her students buried their contest essays and other memorabilia in a time capsule at the school. Poniris wrote about the use of SMART529 lesson plans in her classroom.



*Treasurer Perdue poses with third grade students at Paw Paw Elementary School.*



### *Fifteen students on way to brighter future*

Fifteen West Virginia school children are on their way to a brighter future with a SMART529 college savings plan after winning awards in the 2013 “When I Grow Up” essay contest.

The 15 were selected out of more than 4,500 entries from all over West Virginia, and each won a \$500 SMART529 WV Direct account. An additional \$4,500 in a SMART529 account was awarded to grand prize winner, Marissa McCoy. The schools the children attend also received \$500 to support school programs.

SMART529 also awarded \$2,500 cash to a West Virginia teacher who wrote an essay about how she planned to use SMART529 lesson plans in her classroom to encourage children to think about going to college.

“I am proud that this contest reaches more and more students every year,” said State Treasurer John Perdue, noting that a record 4,500 entries were received during this year’s contest. “A college education changed my life. It opened up opportunities that I never dreamed were possible.”

Perdue says studies indicate that a college graduate will earn over a million dollars more during their lifetime than an individual with only a high school degree. “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 “When I Grow Up” Essay Contest and the Teachers’ Essay Contest are sponsored by the SMART529 College Savings Program and the West Virginia State Treasurer’s Office to promote awareness of SMART529 and the need to save for higher education.



*Matthew Scarlatescu is interviewed about his winning essay at the WIGU award ceremony.*

## **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 2013 “When I Grow Up” essay contest.

### *“When I Grow Up” Contest Winners:*

Theron Brown - Raleigh County

Gracie Oxley - Mercer County

Hannah Hartfield - Logan County

Ruth Meyers - Roane County

Matthew Scarlatescu - Kanawha County

Leah Vannoy - Kanawha County

John Anthony Angiulli - Harrison County

Lilly Riggs - Marion County

Gwyn Martin - Harrison County

Sydney Bostic - Berkeley County

Marissa McCoy - Grant County

Emma Grace Thompson - Pendleton County

Jonathon “Gage” Lilley - Marshall County

Chloe Dicks - Wood County

Victoria Blaton - Ohio County

Shanna Poniris - Teacher Recipient

For more information about the winners and their essays go to [www.SMART529.com](http://www.SMART529.com)





# Achieving New Heights Financial Education

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

*Treasurer Perdue sits in on a Capital High School civics class focusing on financial education.*

## ***Award-winning program provides opportunity***



NetWorth is a comprehensive financial education initiative designed to teach personal financial management in all of West Virginia's public schools. State Treasurer John D. Perdue developed

the concept for the NetWorth program because of his commitment to financial education.

NetWorth is the recipient of the 2009 Excellence in Financial Literacy Education Award from the Institute for Financial Literacy. In addition, the program was selected as a 2010 and 2011 regional finalist for a Council of State Governments Innovations Award.

## ***Treasurer sees financial education in action***

State Treasurer John Perdue visited Capital High School

in early 2013, to witness in progress a financial education curriculum he helped create.

The Treasurer dropped in on civics teacher Paula Kerner's class to make a brief presentation. He then observed Mrs. Kerner as she led students through the basics of financial education, on this occasion the stock market.

"In 2008 I encouraged the Legislature to require mandatory financial education for graduation," Perdue said. "Through cooperation with the State Department of Education, those efforts evolved into a unit on financial education. Mrs. Kerner takes that mission very seriously and I'm elated to see our vision as reality."

The financial education unit addresses topics all graduating seniors should know such as credit card debt, the importance of saving, and living within a budget. Interest rates and other financial measurements are also explained.

**NETWORTH**  
PERSONAL FINANCE EDUCATION

# WEST VIRGINIA WOMEN & MONEY CONFERENCE

## *Women & Money conferences a big hit*

Women & Money Conferences provide comprehensive money management skills that give West Virginia citizens the knowledge they need to make informed financial decisions.

During fiscal year 2013, Treasurer Perdue hosted two Women and Money conferences, one in Beckley and the other in South Charleston. These two conferences alone reached more than three hundred people.

Since the Women and Money conference series first debuted in 2002, roughly 10,000 West Virginians have attended seeking financial advice from experts like Dee Lee. Lee, a Certified Financial Planner, has been a staple of the Women and Money program.

Because each conference is held in a different part of the state, years often pass before this free educational opportunity returns to the same city.

“When you go to a conference you hear only what you need to hear and you may be in an entirely different situation in

three, four years and so you come again and you’ll hear something different,” said Dee Lee.

These free, half-day events are for visionary women who want to discover the tools for success and leave feeling empowered and inspired to take action. Of course, men are welcome to attend as well!

“We’re here to help you become better educated and to help you make the right decisions as you go through life,” said Treasurer Perdue.

In true West Virginia hospitality, each conference opens with a continental breakfast and closes with a luncheon. Each attendee also receives a gift bag including a copy of Lee’s book so they may continue their education and financial planning at home.

*Right: Dee Lee speaks to a group of women in South Charleston about money management.*



*“Money plays a big part in our lives. Not having enough money is a scary thing, but that fear can either be motivating or crippling. Only you can decide which it will do to you.”*

*--Excerpt from Money: Your Personal Finance Guide*

*By Dee Lee*







# 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.

### *Accomplishments*

- More than 200 political subdivisions have joined the Plan as of June 30, 2013 with 52 out of 55 County Commissions participating.
- Participant base grew to more than 14,000 members with more than \$146 million in total assets. Both totals represent all-time highs for the program.
- More than 1,700 new participants were enrolled in fiscal year 2013.

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

<b>Plan Statistics on July 1, 2006</b>	
Total Plan Participants	5,022
Total Contributing State Agency Participants	3,676
Contributing Participation Rate - State Employees	15%
<b>Plan Statistics on June 30, 2013</b>	
Total Plan Participants	14,022
Total Contributing State Agency Employees	8,722
Total Contributing Participants	9,413
Contributing Participation Rate - State Employees	34%

# Opportunities for Growth

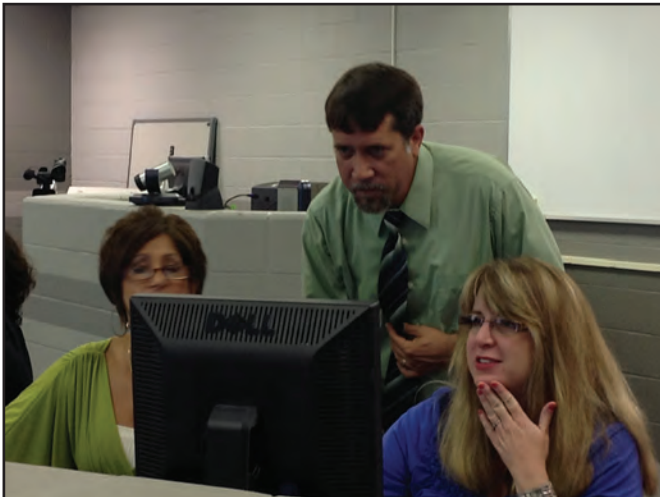
## Employee Development

Our facility is a premier source for Microsoft Office applications training. Our “hands-on” software classes provide you with real experience, and our instructors use a step-by-step approach that ensures faster learning while encouraging productivity.



### *Treasurer Perdue promotes training opportunities*

Treasurer Perdue is a strong believer in continuing education. From learning to better your personal finances, to assisting with professional development, the Treasurer’s Office offers free educational opportunities.



*Training center director Brian Bailey assists students.*

“Education and technology are the future of life and the future of the Treasurer’s Office,” said Treasurer Perdue.

The Treasurer’s Office has a state of the art computer training center at the Capitol Complex in Charleston offering hands-on software classes for Outlook, Access, PowerPoint, Word and Excel.

Once you’ve mastered the basics, intermediate and advanced courses are also offered for each subject.

The Treasurer’s Office computer training courses have been approved by the West Virginia Board of Accountancy for Continuing Professional Education credit. The classes are offered free of charge to all state, county and local government employees. The training center schedule, along with course descriptions and registration is available on the Treasurer’s Office website at [www.wvtreasury.com](http://www.wvtreasury.com).

### **Sign Up Online!**

- Classes are free of charge to all state, county and local government employees.
- To ensure personal attention to participants, class size is limited to 12 seats.
- Up-to-date facilities including custom-built workstations and an interactive white board
- After class support - Our instructors are available to lend a hand should you have any questions or need assistance after training.
- Free training manuals - Yours to take with you and make handy reference tools after class has ended.





# 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, 2013)

#### Board of Treasury Investments:

State agencies and participants .....	\$1,867,390,000
State funds and accounts under purview of State Treasurer's Office .....	1,764,267,000
Local governments .....	158,698,000
Treasurer's Safekeeping Fund (with Board of Treasury Investments) .....	42,786,000
Total Board of Treasury Investments .....	3,833,141,000
West Virginia College Prepaid Tuition and Savings Program .....	1,963,957,000
Unclaimed Property .....	185,488,000
Securities held in Safekeeping.....	86,135,000
Treasurer's Safekeeping Fund (with Investment Management Board).....	7,584,000
West Virginia Retirement Plus.....	146,525,000
<b>Total Assets Under Management .....</b>	<b>\$6,222,830,000</b>

**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 2013 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](http://www.wvtreasury.com)