

No Weak Links



Fiscal Year 2009

State of the Treasury Report

West Virginia State Treasurer John D. Perdue

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JOHN D. PERDUE | State Treasurer

A Message from the STATE TREASURER JOHN D. PERDUE

West Virginia faced daunting challenges in fiscal year 2009 as did all state governments. Although there will be more challenges in 2010, as your State Treasurer I pledge to keep assets working for you in this economic storm. But let us not keep concerns of the past from acknowledging the successes of 2009.

Despite market-wide low interest rates, our Board of Treasury Investments reaffirmed its AAAM rating from Standard & Poor's and also its Certificate of Achievement for Excellence in Financial Reporting. Both are coveted designations. The BTI's on-line certificate of deposit auctions, meanwhile, have consistently performed above their benchmarks, earning the state \$1.2 million more in interest than if it had simply invested directly in U.S. Treasury bills.

Another relatively new program is West Virginia Retirement Plus, the state's 457 deferred compensation program administered by this office. Since we inherited the program, public employee participant totals have risen to more than 9,000 in fiscal year 2009. This was accomplished by aggressive outreach efforts and a revamping of our investment options.

Our unclaimed property program returned a nationally-leading 82 percent of property reported to it during fiscal year 2009. It also unveiled a way for holders of property to file claims electronically and the program processed \$200,000 in claims for the Bureau of Child Support Enforcement.

In our award-winning financial education series, fiscal year 2009 saw us launch "NetWorth," a kindergarten-through-12th grade financial education initiative. During the next couple of years, schoolchildren across the state will receive financial education instruction folded into already existing subjects. With the help of the state Department of Education, we have trained a special cadre of teachers, who will in turn train other teachers.

We hope you enjoy reading about these and other successes in this report, which contains a complete sketch of The State of the Treasury.

Sincerely,



John D. Perdue, West Virginia State Treasurer

"Throughout these difficult times our performance has continued to be positive. I, along with my staff, am committed to the strength of the financial position of our state today and in the future."

“ In the face of challenging economic times we have made certain that all of our resources are as strong as they can be. We are one of the very few states that have shown positive results over the past year and look forward to continuing that trend. ”

- JOHN D. PERDUE, West Virginia State Treasurer



Accomplishments

BOARD OF TREASURY INVESTMENTS

- The BTI experienced a net asset level of more than \$3.6 billion – up \$299 million from the prior fiscal year.
- During a year with record unemployment rates and low interest rates, the BTI is proud to report operations were \$55,000 under budget.

CASH MANAGEMENT

- In fiscal year 2009, cash management processed more than \$8.8 billion in disbursements by electronic funds transfer.
- The department fully implemented image conversion of incoming state checks, called Check 21. Check 21 has saved thousands of dollars by providing same day credit and allowing the State to earn additional interest.

e-GOVERNMENT

- The total e-Government dollar activity was \$186 million, an increase of 37% over fiscal year 2008.
- West Virginia University collected more than \$70 million of its tuition dollars over the Internet.

DEBT MANAGEMENT

- Processed more than \$164 million of general obligation debt service while effectuating the early redemption of more than \$90 million of general obligation bonds.
- Collected and maintained information on more than \$760 million of state agency/board/commission debt issued during fiscal year 2009.

COLLEGE SAVINGS PROGRAMS

- The Savings Plan ended the fiscal year with 100,240 participant accounts valued at more than \$978.9 million.
- The Second annual SMART529 “When I Grow Up” essay contest was held. Participation nearly doubled with the grand prize winner receiving a \$5,000 college savings account.

FINANCIAL EDUCATION

- The NetWorth program initiative included the recruitment and training of approximately 80 West Virginia teachers to pilot the program in 35 West Virginia counties.
- NetWorth's ultimate goal is to create a permanent, long-term sustainable curriculum, to ensure that West Virginia students graduate from high school equipped with the skills required to make wise financial decisions for their future.

UNCLAIMED PROPERTY

- The division currently holds approximately 690,000 accounts worth approximately \$146 million.
- Since 1997, the division has returned approximately \$75 million to rightful owners and collected in excess of \$140 million from holders of unclaimed property.

WEST VIRGINIA RETIREMENT PLUS

- The West Virginia State Treasurer's Office continues to partner with ING Financial Services to transform West Virginia Retirement Plus into one of the premier 457 retirement plans in the nation.
- More than 7,000 participants met the criterion for the matching program with more than \$500,000 in matching funds due to those participants.

Board of Treasury Investments

The West Virginia Board of Treasury Investments (“BTI”) serves as an investment vehicle for the operating cash of West Virginia State agencies and authorities, local governments such as cities and counties, and other political subdivisions throughout the State. The various investment pools and individual investment accounts managed by the BTI are collectively known as the Consolidated Fund. The Consolidated Fund’s investment pools and accounts contain short-term fixed income instruments that are managed for the sole benefit of the participants.

GLEND A PROBST, CPA, CTP



Executive Director of
Board of Treasury Investments

PERFORMANCE

- The BTI experienced a net asset level of more than \$3.6 billion – up \$299 million from the prior fiscal year.
- This new asset level represents a gain of 8.9% from the prior fiscal year due to an initiative by the BTI to increase participation in the fund.

STANDARD & POOR’S AAAM RATING

- Standard and Poor’s (“S&P”) affirmed the BTI’s AAAM rating for the second year on the West Virginia Money Market and West Virginia Government Money Market Pools.
- This rating is the highest money market rating assigned by S&P. The AAAM rating is based on S&P’s analysis of the fund’s credit quality, investment policies, market price exposure, and conservative management.

ADDITIONAL SAFETY PROVIDED TO POOLS

- During fiscal year 2009, the BTI established the Reserve Pool to provide an added layer of security for the West Virginia Money Market and West Virginia Government Money Market Pools.
- The objective of the pool is to ensure the Money Market Pools’ net asset level does not “break the buck.”

BIDWV CD PROGRAM

- The BidWV CD Program has been an enormous success in West Virginia with total earnings to date of \$8.5 million, and additional earnings over the benchmark of \$1.2 million. The pool has led its benchmark index on an annualized basis by 1.2% for the year.
- The program has been so successful it was showcased at the Government Finance Officer’s Association “GFOA” 2009 annual conference.

POSITIVE BUDGET

- During a year with record unemployment rates and low interest rates, the BTI is proud to report operations were \$55,000 under budget.
- While many entities have reported going in the red this past year, we believe that our continued efforts to reduce costs and closely monitor our expenditures have put us in a positive position.

INVESTMENT MANAGER FEE REDUCTION

- The BTI negotiated a reduced fee with UBS Global Asset Management for investing in their UBS Prime Preferred Fund. This reduction results in a cost savings of approximately \$8,000 per month on advisor fees.

GROWTH OF POLITICAL SUBDIVISIONS

- During fiscal year 2009, the BTI obtained 27 new local government accounts worth \$11.2 million due to extensive efforts in educating and marketing.

EXCELLENCE IN FINANCIAL REPORTING

- For the third consecutive year, the BTI received the Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment.

Standard & Poor's awarded the Board of Treasury Investments its AAAm rating, a historical achievement for the West Virginia Short Term Funds.

Pictured is the BTI staff from left to right: Denise Baker, Karl Shanholtzer, Ashley Smolder, Glenda Probst, Randy Covert, Michael Conley and Kara Brewer.



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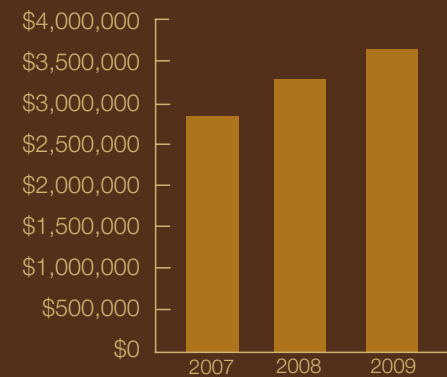
JACK ROSSI

Director

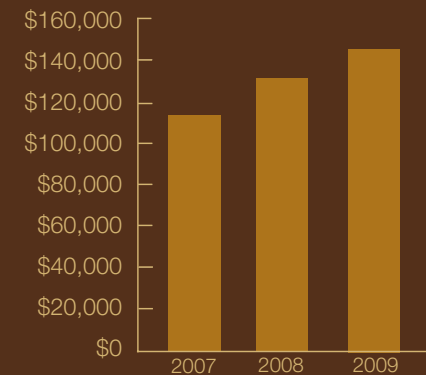
MARTIN GLASSER

Director

NET ASSETS BALANCE
(in thousands)



LOCAL GOVERNMENT
INVESTMENT BALANCE
(in thousands)



Cash Management Division

The Cash Management Division is responsible for receiving and disbursing the State's budget, which includes disbursing 1.6 million checks per year and electronic transfers of money; filing and retaining all paid checks and various bonds posted with issues by the state; collecting various fees; and handling various banking and accounting functions that deal with state finances.

SARAH H. LONG, CPA

Deputy Treasurer of
Cash Management

CHECK 21-IMAGE CONVERSION OF CHECKS

- In fiscal year 2009, the Cash Management Division fully implemented image conversion of incoming state checks (also called Check 21). This process involves scanning all checks for a given day for deposit by a state agency with specialized banking encoding equipment. At the end of the day, all imaged checks are sent to the Federal Reserve for same day credit.
- Check 21 has saved thousands of dollars by speeding up deposit times and has allowed the State to earn additional interest. Checks deposited in our vault area at the capitol are scanned and electronically transmitted to our Receipts Processing Division.

COURT FEE REMITTANCE

- The Cash Management Division collected \$22.3 million in fiscal year 2009, which amounts to a portion of fines collected by magistrate, circuit and municipal courts. Leading the way were three different funds collected on behalf of the Regional Jail and Correctional Facility Authority totaling \$12 million.

ON-LINE BANKING

- Last year, the participant accounting section of Cash Management implemented iPAS (Internet Participant Accounting System) which is an on-line banking service offered to state agency and local government customers.
- This system allows participants to view their account 24 hours a day and initiate transactions (deposits, withdrawals, and transfers) that post immediately.

ELECTRONIC FUNDS TRANSFER

- In fiscal year 2009, Cash Management processed more than \$8.8 billion in disbursements by electronic funds transfer. The department has continued to further its initiative to increase electronic payments as opposed to paper checks.
- When Treasurer Perdue took office in 1997, the state was writing 4.5 million checks. Now that number is down to 1.6 million.

“ In the years since the citizens of the State of West Virginia have elected me to serve as their State Treasurer, we have intensified the focus on our ability, as an office, to operate effectively in the area of cash management. I am extremely proud of the efforts of our team in this arena. Their outstanding results are due to their ability to marry the challenges of cash management with the latest technologies and their commitment to the fiscal responsibility of our state.

- JOHN D. PERDUE, West Virginia State Treasurer



e-Government

The West Virginia e-Government Services Program provides an electronic payment system, such as the use of credit cards and electronic fund transfers, for state goods and services.

LELLA MILLER



Director of e-Government

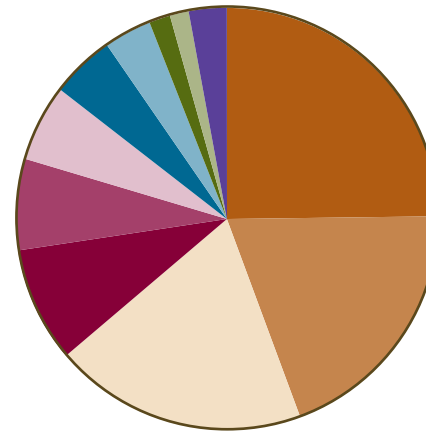
DOLLAR ACTIVITY

The total dollar activity for the 2009 fiscal year was \$186 million, an increase of more than 37% over fiscal year 2008 figures.

- West Virginia University collected more than \$70 million of its tuition dollars over the Internet.
- Another \$29 million were processed for Marshall, Fairmont State and Shepherd universities.
- State agencies, such as the Municipal Bond Commission, added \$35 million to their online activity and the Consolidated Public Retirement Board's activity generated \$26 million.
- Division of Natural Resources' Hunting and Fishing licenses still had the highest volume with 69,000 licenses sold on-line.
- The Department of Agriculture was added to the e-Government system during 2009.



e-GOVERNMENT ACTIVITY BY DOLLAR AMOUNTS



- West Virginia University - 24.79%
- Division of Natural Resources - 19.56%
- Licensing Boards - 19.44%
- Treasurer's Office - 8.83%
- Marshall University - 7.00%
- Secretary of State - 5.90%
- Public Employees Insurance Agency - 4.88%
- Fairmont State University - 3.64%
- Consolidated Public Retirement Board - 1.62%
- Shepherd University - 1.45%
- Others - Below 1%

Debt Management

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

BRYAN ARCHER



Director of Debt Management



DOLLAR ACTIVITY

- Processed more than \$164 million of general obligation debt service while effectuating the early redemption of more than \$90 million of general obligation bonds.
- Collected and maintained information on more than \$760 million of state agency/board/commission debt issued during fiscal year 2009.

The State of West Virginia had a net tax supported debt of \$1.53 billion at June 30, 2009. The table shows the calculation of this figure which does not include claims and judgments, accrued compensated absences, pension costs or other post-employment benefit costs or other liabilities of the State.

WEST VIRGINIA NET TAX SUPPORTED DEBT

Type of debt	Principal outstanding June 30, 2009	Percentage of gross tax supported debt outstanding
General Obligation Bonds		
State Road Bonds	\$ 481,105,000	43.3%
Infrastructure Bonds	274,284,606	
Revenue Bonds		
School Building Authority Capital Improvement	214,125,000	35.8%
Economic Development Authority Lottery	206,480,000	
School Building Authority Lottery	187,795,000	
State Building Commission Lottery	16,805,000	
Lease Obligations		
All Agencies	364,657,415	20.9%
Gross Tax Supported Debt	1,745,252,021	100.0%
Deductions for Escrow Accounts		
GO Safe Road Bonds	110,000,000	
GO Infrastructure Bonds	41,945,000	
Deductions for Debt Service Reserve Funds		
School Building Authority Capital Improvement	23,770,263	
Economic Development Authority Lottery	18,990,000	
School Building Authority Lottery	14,180,000	
State Building Commission Lottery	2,400,000	
Net Tax Supported Debt	\$ 1,533,966,758	

College Savings Programs

The West Virginia College Prepaid Tuition and Savings Program includes several alternatives for individuals wishing to save for the cost of higher education. The Savings Plan Trust Fund, through investment options offered in the SMART529 Program, provides several different savings alternatives for financing a variety of higher education related expenses. The Prepaid Tuition Trust, though closed to new enrollments in 2003, continues to enable existing customers to prepay the costs of future higher education tuition at universities and colleges both in West Virginia and other states.

TAZUER SMITH



Deputy Treasurer of
Financial Education and
College Savings Programs

SAVINGS PLAN PROGRESSES

- The Savings Plan ended the fiscal year with 100,240 participant accounts valued at more than \$978.9 million.
- The Savings Plan Trust Fund added 12,436 new accounts during the year.
- Participants contributed \$267.6 million during the year and withdrew \$159.5 million.

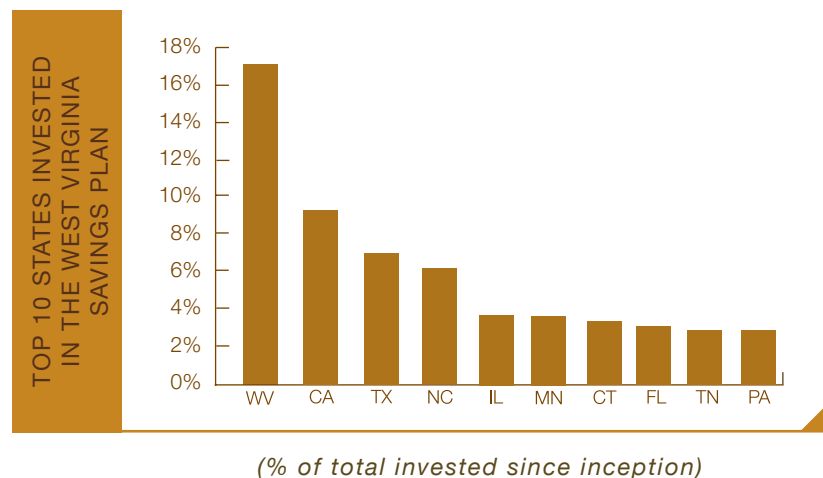
PREPAID TUITION PLAN CONTINUES

- The Prepaid Tuition Plan ended the fiscal year with 6,963 active accounts and assets valued at \$75.1 million.
- During the fiscal year, there were 305 prepaid tuition plan benefit distributions used to pay college expenses totaling more than \$8.2 million.
- An escrow account, established to hold funds transferred from the Treasurer's Unclaimed Property Division to support the Prepaid Tuition Plan in the event it falls short of funds, ended the year with \$3.4 million in funds. The 2009 Legislature approved a special, one-time transfer of \$8 million into the escrow account for July 2009.

MAJOR ACCOMPLISHMENTS

- The second annual SMART529 "When I Grow Up" essay contest was held. Participation nearly doubled with the grand prize winner receiving a \$5,000 college savings account.
- More than 120 preschools and 2,400 five-year olds participated in the College Day at Preschool program. It is designed to show parents whose children attend public kindergarten how to save a portion of their childcare expenses for a future college education.
- The first annual "Grandparents are Great Teachers" photo contest was held. The grand prize was a \$5,000 college savings account for the grandchild.

- The Newborn Program distributed 1,050 SMART529 pamphlets in baby bottle coin banks to participating birth centers across the state, totaling 3,900 banks distributed since program inception.
- The SMART529 Information Outlet Program recruited 478 information outlets (including libraries, senior centers, chambers of commerce, YMCAs, and physician's offices) to distribute 22,000 pamphlets to the general public and their employees.
- Other promotions included sponsorships and exhibits at a variety of events that attracted parents of young children. Sponsorships included the Mountain State Coal Classic Basketball Tournament and the Regional Charleston Newspapers Spelling Bee. SMART529 exhibits were also staffed at about 40 children or parent oriented events throughout the state.



“ Education is a social process.
Education is growth. Education is,
not a preparation for life;
education is life itself.

- John Dewey

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Financial Education

Treasurer Perdue has long considered financial education one of his greatest priorities. The NetWorth program, developed cooperatively with the West Virginia Department of Education to incorporate financial education in grades K through 12, garnered significant attention for its ambitious agenda. The successful Money Conference series also attracted hundreds of participants throughout the state, while the Treasurer's office continued to provide financial literacy resources to teachers, youth and consumers through numerous other projects and outreach ventures.

THE NETWORTH PROGRAM: GUARANTEEING FINANCIAL LITERACY FOR WEST VIRGINIA'S NEXT GENERATION

Recognizing only a comprehensive solution can truly ensure financial literacy for the state, Treasurer Perdue joined with the West Virginia State Superintendent of Schools in 2008 to develop a program designed to seamlessly integrate financial education into the public school curriculum. The NetWorth program was launched through the development of financial education curriculum materials consistent with the West Virginia Department of Education's 21st Century Learning Standards and Objectives. Beginning in kindergarten, NetWorth will incorporate personal finance lessons in core subject areas such as math, language arts, and social studies. General concepts such as saving and budgeting will be introduced in the lower grades, with lessons progressing to more complex issues such as financial planning and investing as students matriculate.

NetWorth's ultimate goal is to create a permanent, long-term sustainable curriculum, in conjunction with teacher training and research, to ensure that West Virginia students graduate from high school equipped with the knowledge and skills required to make wise financial decisions for their future. Through its partnership with the Department of Education, Treasurer Perdue hopes to see the NetWorth program implemented statewide during the 2011 school year.

MAJOR ACCOMPLISHMENTS

- The development of 30 peer-reviewed personal finance instructional guides, subsequently evaluated by the West Virginia Department of Education.
- The creation of approximately 50 personal finance development guidance lessons for use by counselors and educators during parental involvement activities.
- The recruitment and training of approximately 80 teachers to pilot the NetWorth program in 35 counties.
- The pre-testing of nearly 3,000 West Virginia students during the roll-out of the program in pilot classrooms.

ADULT EDUCATION

The Treasurer's Money Conference series is designed to educate and motivate West Virginians to improve their lives through sound personal finance decisions. During the 2009 fiscal year, Money Conferences were held in Huntington, Parkersburg, and Shepherdstown. Since the series' inception seven years ago, 23 Money Conferences have been attended by nearly 8,000 West Virginia citizens.

The conferences featured nationally recognized financial author and speaker Dee Lee. The West Virginia State Bar, the West Virginia Social Workers Board, and the West Virginia Board of Accountancy offered continuing education credits for attending the Treasurer's Money Conferences.

“ Our office, along with the First Lady of the State of West Virginia, the Legislature and the Office of the State Auditor, recognized a strong opportunity to give our children the advantage of a strong financial education background.

Our children are the future leaders of this state and our nation and we need to give them every chance to succeed.

- JOHN D. PERDUE,
West Virginia State Treasurer



Unclaimed Property

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

DWIGHT SMITH

Deputy Treasurer of
Unclaimed Property

DOLLAR ACTIVITY

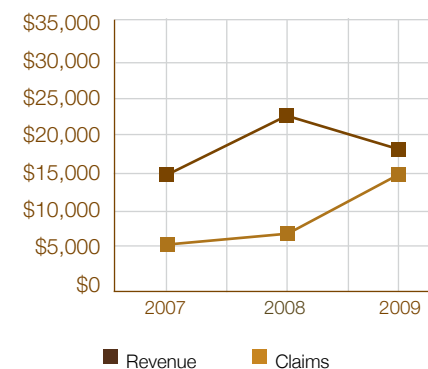
- The West Virginia Unclaimed Property Division currently holds approximately 690,000 accounts worth approximately \$146 million.
- Since 1997, the Division has returned approximately \$75 million to rightful owners and collected in excess of \$140 million from holders of Unclaimed Properties.

GROWTH & DEVELOPMENT

- In conjunction with the Information Technology Department, unveiled an electronic claims processing website (E-claims) for West Virginia residents.
- Returned more than \$14.9 million to rightful owners of unclaimed property, constituting 82% of the value of all unclaimed property reported for the period.
- The largest claim paid for fiscal year 2009 was in excess of \$950,000, to a West Virginia business.
- Processed claims for Bureau of Child Support Enforcement in excess of \$200,000 for the benefit of West Virginia children.
- Obtained legislation to simplify the payment of estate claims.
- Participated in a national webinar designed to educate businesses on Unclaimed Property reporting requirements.
- Conducted two regional in-depth multi-track holder workshops in central locations in the state.
- Provided staff training in excess of 580 hours, in topics including Microsoft Office products, professional development and on-site training for the Division's Unclaimed Property system.
- Developed reports producing internal monthly financial statements that reconcile the Unclaimed Property system to the state financial accounting system.
- Liquidated more than \$3.7 million in stock and mutual funds.

The West Virginia State Treasurer's office conducts an owner outreach program to locate owners of unclaimed properties in all West Virginia counties, through:

- The State Fair and community events
- Postcards and other mailings
- Individual property searches
- Website property searches
- Newspaper publications

RECEIPTS & CLAIM ACTIVITY
(in thousands)

UNCLAIMED PROPERTY DIVISION

Revenue	2009
Holder Cash Remittance	\$ 11,101,870
Citigroup Security Liquidation	2,603,915
Citigroup Interest	28,105
Security Dividends	79,017
Security Liquidation	1,102,179
Redeposit Claim Checks	9,268
Stale-Dated Checks (includes Workers' Compensation)	3,691,272
Total Gross Receipts	18,615,626
Revenue Transfers Out - Other Agencies	462,407
Receipts - Per WVFIMS	18,153,219
Claims Paid	14,965,561
Net Receipts FY09	3,187,658
Other Revenue Transfers	
Transfer to Prepaid Tuition Trust per actuary (WV Code 18-30-6 (1)(2)(B))	1,000,000
Transfer to Unclaimed Property Trust Fund (WV Code 36-8-13 (c))	18,000,000
Total Revenue Transfers	19,000,000
Operating Expenses	4,125,476
Net Change in Assets	(\$19,937,818)



West Virginia Retirement Plus

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

JOHN FISHER



Deputy Treasurer of
West Virginia Retirement Plus

PARTNERSHIP

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

CONTRIBUTION MATCHING PROGRAMS

This marked the second year of our contribution matching program for eligible plan participants. More than 7,000 participants met the criterion for the matching program with more than \$500,000 in matching funds due to those participants.

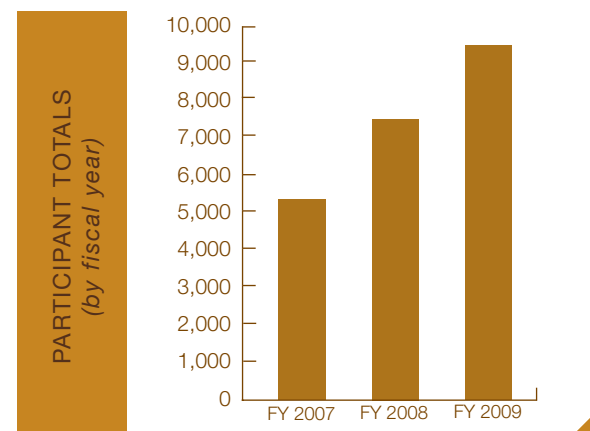
INVESTMENTS

In May 2009, following a detailed analysis by our investment consultant, the Plan's investment menu was revamped to provide better options to our participants. The new options improved Morningstar ratings, lowered fees and resulted in superior return history.

OUTREACH

In order to improve outreach effectiveness, staff time was dedicated to analyzing public employee data and establishing outreach targets. Outreach strategies were then developed and implemented to reach and educate all Plan stakeholders. The following are some key accomplishments in this area:

- Conducted two retirement seminars for public employees educating more than 200 participants.
- Increased political subdivision membership to more than 70 entities.
- Conducted more than 200 enrollment meetings, presentations and booths at key public employee venues.
- Completed a detailed marketing plan resulting in more than 1,800 new enrollees.
- Increased participant base to more than 9,200 members.



Administration Division

The Administration Division provides centralized office functions. The division is composed of six main areas: Payroll/Personnel, Procurement, Accounts Payable, Budgeting, Fixed Assets and Safekeeping/Deposits. The division is also responsible for the distribution of fees to state agencies, volunteer fire departments and counties and municipalities.

BLAIR TAYLOR



*Deputy Treasurer of
Administration Division*



REVENUE DISTRIBUTION

Policemen and Firemen Pension Disbursements	\$ 17,071,939
Volunteer Fire Departments	\$ 17,415,822
Volunteer Fire Department Audit Account	\$ 362,631
Teachers' Retirement System	\$ 2,585,310
Coal Severance Tax	\$ 35,615,344
Oil and Gas Severance Tax	\$ 8,363,382
Wine, Liquor, Private Club Tax	\$ 7,444,258
Waste Coal Taxes	\$ 325,782
Regional Jail Operations Reimbursement	\$ 3,977,289

Audit Division

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

MALISSA HOHMANN



Director of Audit Division

AUDIT DIVISION

The Audit Division's duties and responsibilities include:

- Reviewing and testing the effectiveness and efficiency of internal control structures in accordance with rules, regulations and internal office procedures.
- Reporting the results and recommendations to the Audit Committee, researching and reporting on compliance, internal control or other issues as required.
- Assisting the Unclaimed Property Division in the enforcement and administration of the Uniform Unclaimed Property Act by providing audit services and oversight of six contract audit vendors.



MAJOR ACCOMPLISHMENTS

- Audited the fiscal year 2008 Cash Management Improvement Act (CMIA) Annual Report. Reviewed revised policies and procedures related to the gathering of information for the preparation of the CMIA Annual Report.
- Audited the 2010 Treasury State Agreement in preparation of the 2009 CMIA Annual Report.
- Audited the fiscal year 2009 ACH activity.
- Conducted a first-time risk assessment audit of all Cash Management Divisions and the West Virginia Retirement Plus program.
- Audited the period October 2007 thru May 2009 Unclaimed Property Division. This audit period was selected to include the recent conversion to the UPS2000 Unclaimed Property database system.
- Provided uniform Unclaimed Property Act holder education to membership associations, holder workshops, state agencies and a CPA firm.
- Provided 32 hours of Unclaimed Property Auditor Training and free CPE credits to a contract audit vendor as well as Unclaimed Property staff.
- Provided presentations to a national association conference.
- Supervised contract audit vendors in performance of Unclaimed Property compliance audits. Audits have resulted in the identification of approximately \$1.5 million in unreported unclaimed property.

Financial Highlights

Assets Under Management (Year Ended June 30, 2009)

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	2,033,642,000
State funds and accounts under purview of State Treasurer's Office	1,854,926,000
Local governments	118,016,000
Treasurer's Safekeeping Fund	18,668,000

Total Board of Treasury Investments	\$
4,025,252,000	
West Virginia College Prepaid Tuition and Savings Program	1,058,953,000
Unclaimed Property	146,000,000
Securities held in Safekeeping	97,810,000
West Virginia Retirement Plus	74,336,000
	\$ 5,402,351,000

Fund Revenues & Inflows (Year Ended June 30, 2009)

Board of Treasury Investments:

Net investment increase from operations*	\$ 55,293,000
Participant purchases, contributions & reinvestments	10,372,383,000
Operating Fund revenues & gains	2,453,000

Total Board of Treasury Investments 10,430,129,000

West Virginia College Prepaid Tuition and Savings Program:

Prepaid Tuition Trust Fund net revenues & (losses)	(12,675,000)
College Prepaid Tuition and Savings Program Administrative Account	776,000

Savings Plan Trust Fund:

Net investment loss	(239,120,000)
Contributions	267,701,000

Total West Virginia College Prepaid Tuition and Savings Program 16,682,000

West Virginia Retirement Plus:

Contributions	11,877,000
Net investment loss	(13,114,000)

Total West Virginia Retirement Plus (1,237,000)

Unclaimed Property Holder Remittances 18,616,000

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

Collections	190,860,000
Transfers	106,501,000
Appropriations	4,592,000
Statutory transfers	22,456,000
Revenues	332,000

Total Other Funds and Accounts 324,741,000

\$ 10,788,931,000

* The Board of Treasury Investments amount includes \$26,231,000 earned in State funds and accounts directly under the purview of the State Treasurer's Office.

Financial Highlights

Fund Expenses & Outflows (Year Ended June 30, 2009)

Board of Treasury Investments:	
Participant distributions, redemptions & withdrawals	\$ 10,128,918,000
Operating fund expenses	2,552,000
Total Board of Treasury Investments	10,131,470,000
West Virginia College Prepaid Tuition and Savings Program:	
Prepaid Tuition Trust Fund expenses	(3,940,000)
College Prepaid Tuition and Savings Program	
Administrative Account expenses	895,000
Savings Plan Trust Fund:	
Participant redemptions	159,503,000
Administrative expense	2,467,000
Total West Virginia College Prepaid Tuition and Savings Program	158,925,000
Unclaimed Property:	
Claims paid	14,966,000
Statutory transfers	19,000,000
Agency transfers	462,000
Administrative expense	4,125,000
Total Unclaimed Property	38,553,000
West Virginia Retirement Plus Distributions & Withdrawals	6,549,000
All other funds and accounts overseen by the State Treasurer's Office:	
Transfers	124,771,000
Distributions	103,073,000
Disbursements	64,676,000
Total Other Funds and Accounts	292,520,000
	\$ 10,628,017,000

Transaction Processing Activity (Year Ended June 30, 2009)

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

Inflows	
Incoming wires	\$ 11,419,262,000
ACH receipts	5,100,000,000
Checks	1,698,223,000
ACH debits*	12,047,572,000
e-Government collections*	97,756,000
	\$ 30,362,813,000
Outflows	
Electronic funds transfer (EFT) disbursements	\$ 8,800,000,000
Outgoing wires	7,045,859,000
Checks	3,102,944,000
	\$ 18,948,803,000

* ACH debits include \$88,000,000 in e-Government credit card collections. E-Government collections including ACH debits totaled \$185,756,000.

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.



ADMINISTRATION

West Virginia State Treasurer's Office | Administration Division
1900 Kanawha Boulevard | Capitol Complex Building #1 | Room E-145
Charleston, WV 25305
(304) 558-5000 | Toll Free: (800) 422-7498

BOARD OF TREASURY INVESTMENTS

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

CASH MANAGEMENT

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

COLLEGE SAVINGS PROGRAMS

WV Prepaid Tuition Plan Service Center
P.O. Box 44070 | Jacksonville, FL 32231-4070
Toll Free: (866) 574-3542

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

DEBT MANAGEMENT

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

e-GOVERNMENT

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

FINANCIAL EDUCATION

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

INTERNAL AUDIT

West Virginia State Treasurer's Office | Internal Audit Division
1900 Kanawha Boulevard | Capitol Complex Building #1 | Room E-145
Charleston, WV 25305
(304) 340-5031

UNCLAIMED PROPERTY

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

WEST VIRGINIA RETIREMENT PLUS

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