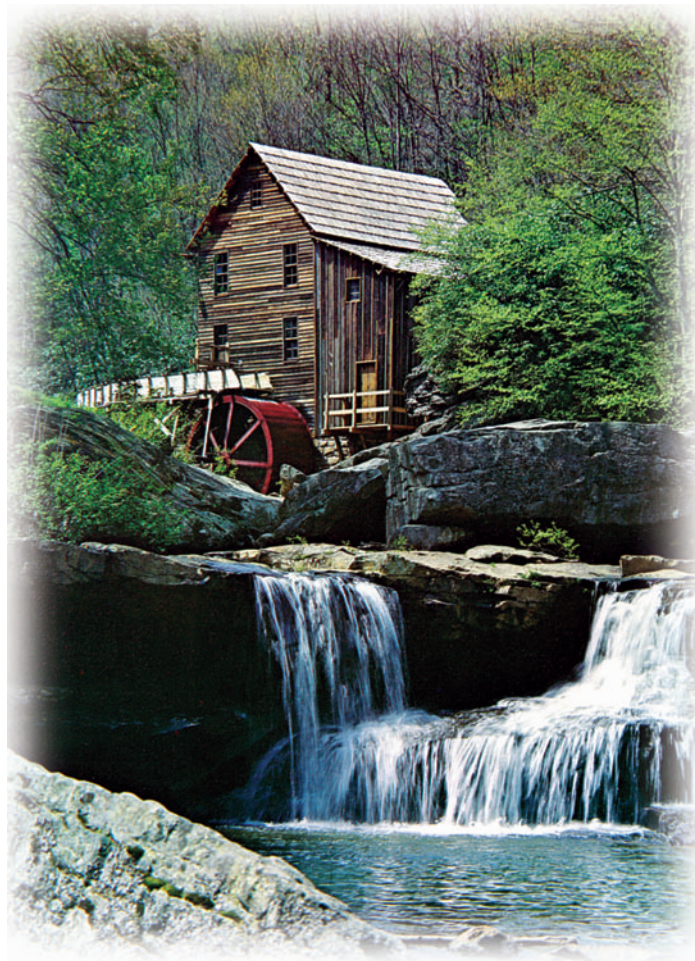

***WEST VIRGINIA STATE TREASURER'S
FISCAL YEAR 2007***

ANNUAL REPORT

John D. Perdue, Treasurer



Old Mill at Babcock State Park, Clifftop, West Virginia

**WEST VIRGINIA
STATE TREASURER
and
SENIOR STAFF**



John D. Perdue, West Virginia State Treasurer

STATE TREASURER

State Treasurer John D. Perdue, first took the oath of office in January of 1997, but is in his 35th year of public service to the State of West Virginia.

John's public career began in 1973 when he joined the staff of the West Virginia Department of Agriculture, where he was promoted in 1984 to assistant director of the Rural Resources Division. There he set in motion a plan that greatly expanded the state's Farmers' Markets. In 1987, John became assistant agriculture commissioner and the department's liaison with the state Legislature.

Former Governor Gaston Caperton recognized John's ability to work effectively with the Legislature and recruited him in 1989 to work on the governor's staff, where he was senior executive assistant for eight years.

His duties included being the governor's disaster relief specialist, sewer and water project funding coordinator, manager of the financial operations of the governor's office, and the governor's legislative liaison. He is most proud of his work on education reform and economic development for the governor.

While John gained a reputation for his no nonsense, professional approach to government operation, he also earned a reputation for problem solving and responsiveness. He played a key role in pushing through programs that restored financial credibility to state government.

Known as an accessible public servant, John used his experience and reputation to forge a victory in his first bid for statewide office in 1996, when he was overwhelmingly elected the state treasurer.

Since taking office, John has restored confidence in the Treasurer's office and reorganized the staff to handle the additional duties that the Legislature returned to the agency.

He was able to convince the Legislature in 1997, in its first session after he was elected Treasurer, to return the cash management responsibilities to the office, to pass bills that allow credit card purchases by the state and to save millions of dollars by greatly reducing the number of checks written in lieu of electronic transfers.

Also, he conceived and fought for passage of the West Virginia Prepaid Tuition College Trust Fund Act to help parents and grandparents save for their children's or grandchildren's college tuition.

In addition to these other accomplishments, the Treasurer has regained the control of the Board of Treasury Investments (BTI). The BTI invests the operational funds of the state of West Virginia. They also conduct a certificate of deposit auction for state banks to invest in local economies.

John has also strengthened his commitment to financial education. He started the Bank at

School program to teach elementary-age students about money management and banking. On the high school level students are enjoying classes offered by the Treasurer's Office in partnership with the National Endowment for Financial Education and West Virginia University Extension Service. Adult financial education classes include investments, credit card debt and financing a home. The adult series has also included Women and Money conferences which annually draw women from across the state to learn about their financial futures.

One of the services most recently transferred to the Treasurer's office is the 457 Deferred compensation plan for public employees.

The Treasurer is a native of Manila, Boone County, and the son of Mary and the late Glen Perdue. As a youngster, John helped his father grow produce and excelled in the 4-H Club and Future Farmers of America, which awarded him the title of State Farmer in 1967. This began his lifelong love of farming and his deep respect for the land.

After graduating from Scott High School, Madison, John attended West Virginia University and earned a B. S. degree in agriculture in 1972. He was a member of the agriculture honorary Alpha Tau Alpha and Alpha Gamma Rho. In addition to his appointment by the governor to the West Virginia Housing Development Fund, he was named a State Friend of Extension Service, is a member of the College of Agriculture and Forestry Visiting Committee, a member of the board of the leukemia society of West Virginia, and received the Annual Service Award from the West Virginia Forestry Association.

John and his family are residents of Kanawha County.

SENIOR STAFF

John D. Perdue
State Treasurer

Paul Hill
Assistant State Treasurer

Becky McClure, *Senior Executive Assistant*

Malissa Hohmann, *Internal Auditor*

Richard Fisher, *Investigator*

Diana Stout, *General Counsel*

Shirley Hooker, *Executive Secretary*

Carol Crites, *Receptionist*

Blair Taylor
Deputy Treasurer of Administration

Matt Ellison
Deputy Treasurer of Information Technology

Sarah Long
Deputy Treasurer of Cash Management and Unclaimed Property

Carolyn Atkinson, *Assistant General Counsel*

Jennifer Taylor, *Assistant General Counsel*

Nelson Sorah
Deputy Treasurer of Communications

Jack Roop
Deputy Treasurer of Local Government Specialists

Charles Bockway
Deputy Treasurer of College Savings Plans & Financial Education

John Fisher
Deputy Treasurer of WV Retirement Plus



State Capitol Building - Charleston, West Virginia

WEST VIRGINIA STATE TREASURER'S OFFICE OVERVIEW

A HISTORY OF THE TREASURER'S OFFICE

The Office of 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 First Constitution of West Virginia, Article V, Section 7, Executive Department, stated: "A Secretary of the State, a Treasurer, and an Auditor shall be elected at the same time, and for the same term, as the Governor. Their duties shall be prescribed by law. The Secretary of the State shall receive thirteen hundred, the Treasurer fourteen hundred, and the Auditor fifteen hundred dollars, per annum.

Campbell Tarr of Brooke County was appointed and elected the first treasurer in 1863 and 1864, respectively, with no opposition.

The office of Treasurer has changed over the ensuing years because of additional demands of state law, but the section of the State Constitution that authorizes the Office of Treasurer has been amended only a couple of times.

WEST VIRGINIA STATE TREASURERS

Campbell Tar (R-Brooke) 1863-1866	E. Leslie Long (R-McDowell) 1908-1916
Jacob H. Brister (R-Taylor) 1866-1868	W. S. Johnson (R-Fayette) 1916-1932
James A. Macauley (R-Ohio) 1868-1870	Richard E. Talbott (D-Barbour) 1932-1950
John S. Burdette (D-Taylor) 1870-1876	William H. Ansel Jr. (D-Hampshire) 1950-1956
Sobieski Brady (D-Ohio) 1876	Orel J. Skeen (D-Jackson) 1956-1960
Thomas J. West (D-Harrison) 1876-1880	John D. Kelly (D-Kanawha) 1960-1975
Thomas O'Brien (Ohio) 1880-1884	Ronald G. Pearson (R-Marion) 1975-1976
William T. Thompson (D-Cabell) 1884-1892	Larrie Bailey (D-Marion) 1976-1984
John M. Rowan (D-Monroe) 1892-1896	A. James Manchin (D-Marion) 1984-1989
M. A. Kendall (R-Wood) 1896-1900	Thomas E. Loehr (D-Wetzel) 1989-1990
Peter Silman (R-Kanawha) 1900-1904	Larrie Bailey (D-Marion) 1990-1996
Newton Ogden (R-Pleasants) 1904-1908	John D. Perdue (D-Kanawha) 1996

CONSTITUTIONAL OFFICE

The importance of the State Treasurer's Office was easily recognized by the framers of the state Constitution when the Mountain State was established during the Civil War. The office is one of six constitutionally mandated.

Article VII, Section 1 of the West Virginia Constitution states: "The executive department shall consist of a governor, secretary of state, auditor, treasurer, commissioner of agriculture and attorney general, who shall be ex officio reporter of the court of appeals. Their terms of office shall be four years, and shall commence on the first Monday after the second Wednesday of January next after their election. They shall reside at the seat of government during their terms of office, keep there the public records, books and papers pertaining to their respective offices, and shall perform such duties as may be prescribed by law."

WEST VIRGINIA CODE

While the Constitution establishes the State Treasurer's Office, it is the West Virginia Code that is the blueprint by which the office operates.

Various sections of the state code are devoted to the many divisions in the office. The laws more clearly define what the Treasurer's Office must do. Some of the divisions and the code sections governing them are: Unclaimed Property, §36-8-1; Public Money and Securities, §12-1-1; Payment and Deposit of Taxes and Other Securities, §12-2-1; Prepaid College Plan, §18-30-1; Debt Management Act, §12-6A-1; Debt Capacity Advisory Division, §12-6B-1.

CASH MANAGEMENT and ADMINISTRATION

The State Treasurer oversees the cash management of West Virginia government. These duties include receiving and disbursing the state budget, processing approximately 3.4 million checks per year and electronic transfers of money; filing and retaining all paid checks and various bonds issued by the state; the responsibility for collecting the crime victim's compensation, law-enforcement training, regional jail authority and litter control fund fees; disbursing coal, oil and gas severance taxes, liquor tax, wine tax and the fire and casualty insurance premium tax to local government subdivisions; issuing quarterly and annual Debt Management Reports and issuing the annual Debt Capacity Report; and handling various other banking and accounting functions that deal with state finances.

FINANCIAL BOARDS

The State Treasurer is a member of the major financial decision-making boards throughout the state. These boards make decisions that affect all aspects of West Virginia's fiscal policies. The State Treasurer is a member of the West Virginia Investment Management Board; treasurer of the Municipal Bond Commission; treasurer of the West Virginia Housing Development Fund; member of

the Board of Public Works, the West Virginia Lending and Credit Rate Board, the Hospital Finance Authority, the Board of the School Fund, the Council of Information Services and Communications Division, and the State Building Commission.

COLLEGE PREPAID TUITION AND SAVINGS PLAN

The State Treasurer administers the West Virginia Prepaid College Plan. Under this program, individuals or companies can purchase prepaid tuition contracts for a child to attend college. With these contracts, premiums are paid into a state managed trust and invested. During the years prior to the child's entrance into college, these investments will keep pace with the rate of inflation and the cost of college tuition. When the child is ready to enter college, his or her college tuition will be paid at an accredited state college or university, but the benefit can be used at accredited public and private institutions throughout the country. By investing in our children's future through the Prepaid College Plan, we are investing in the future of our state.

FINANCIAL EDUCATION

The State Treasurer conceived, designed and started financial education initiatives that will encompass all age groups in the state. Bank at School teaches elementary school students about money management and banking. The program partners elementary students with the Treasurer's Office and local financial institutions. High school students are in a program that is a cooperative effort between the National Endowment for Financial Education, the Treasurer's Office and West Virginia University Extension Service. Students throughout the state learn about saving money, banking, and credit responsibility. Adult financial education is the latest component in the financial education series, and includes Women and Money Conferences and seminars across the state.

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 stocks, bonds, safety deposit boxes, weapons, vehicles and a wide variety of other items. Unclaimed property is collected, processed, and kept or auctioned under the Treasurer's authority. Money from this program is held indefinitely until a beneficiary for the funds can be found. Recent legislation allows state municipalities to receive some equipment and supplies from their own processing of unclaimed property. The state holds approximately \$96.8 million for owners.

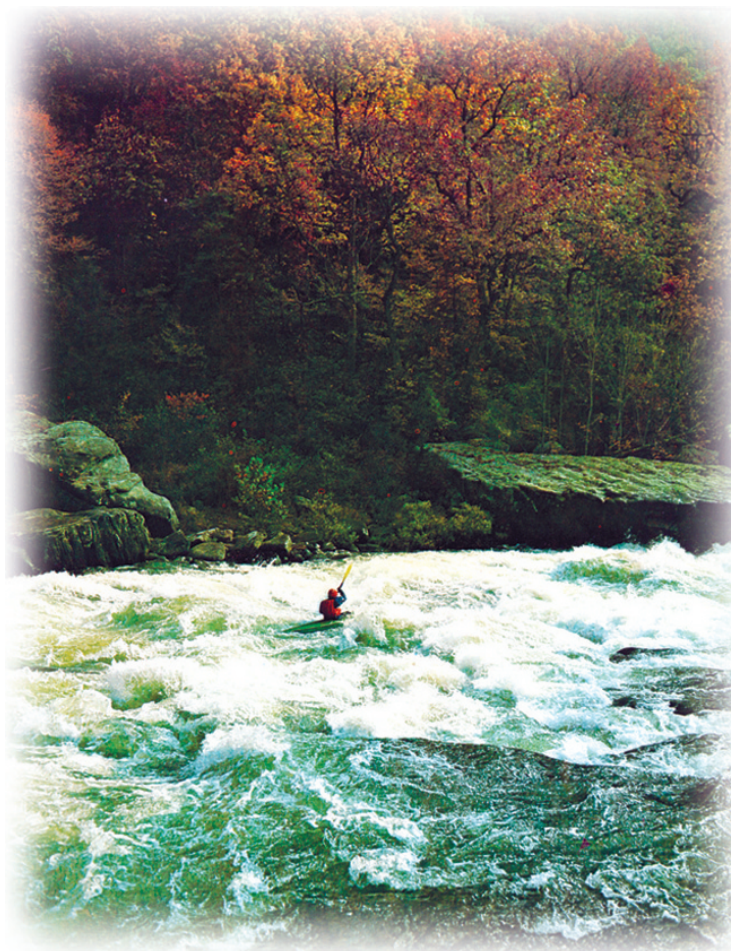
E-GOVERNMENT

The State Treasurer has been at the forefront in implementing e-government, as the financial world has turned to the internet as an indispensable tool to transact business. The Treasurer's Office has taken the lead in providing improved service to state citizens by accepting payments for state agencies by electronic transactions over the internet. This service includes the ability to process payments and collections for products and services.

WEST VIRGINIA STATE TREASURER'S OFFICE

MISSION STATEMENT

“We, the employees of the West Virginia State Treasurer’s Office, are a team of business professionals dedicated to serving the people of West Virginia. As a contributing part of state government, we give our special talents to provide cash management services, monitor the States’ debt, strive to return unclaimed property to its rightful owner, and assist parents and grandparents of the children of our state in paying for their education. We shall continually strive to provide a work environment conducive to increased productivity and effectiveness.”



Rafting on the Gauley River

INTERNAL AUDIT DIVISION

INTERNAL AUDIT DIVISION

To assist the Treasurer in achieving honest, efficient management and full accountability throughout the Office of the State Treasurer, Treasurer John Perdue created the position of Internal Auditor in July 1997. In May 1999, the Internal Audit Division was created with the hiring of one full-time and one part-time staff auditor. In fiscal year 2002, the role of the Internal Audit Division was expanded to include oversight of Unclaimed Property compliance audits and information security for the Office. With the increase in responsibilities, the division was renamed to the Audit Division to better reflect its role.

The Audit Division has the following duties and responsibilities:

1. To review and test the effectiveness and efficiency of internal control structures.
2. To review compliance with rules, regulations and internal office procedures.
3. To report the results of such reviews, with related recommendations, to the Treasurer.
4. To research and report on various compliance, internal control or other issues as requested.
5. To assist the Unclaimed Property Division in the enforcement and administration of the Uniform Unclaimed Property Act by providing audit services and oversight of contract field audit vendors.

For the fiscal year ended June 30, 2007, the Internal Audit Division has audited various aspects of the operations of the Treasurer's Office. The major projects worked on during the year were:

1. Audited the fiscal year 2006 Cash Management Improvement Act (CMIA) Annual Report.
2. Reviewed the policies and procedures related to the gathering of information for the preparation of the CMIA Annual Report.
3. Reviewed payments made to national unclaimed property contract audit vendors.
4. Assisted external auditors with performance of agreed upon procedures covering the processing of Consolidated Fund participant account transactions.
5. Assisted in identification and return federal funds from federally funded stale-dated State checks.
6. Performed regular audits of Board of Treasury Investments activities.
7. Conducted examinations of holders under the Unclaimed Property Division's compliance audit program.
8. Participated in unclaimed property holder workshops throughout the state.
9. Reviewed unclaimed property claim files for compliance with internal procedures and applicable provisions of the WV Code.

INTERNAL AUDIT DIVISION - MAJOR ACCOMPLISHMENTS

" Audited the fiscal year 2006 CMIA Annual Report and the related procedures for gathering information for the preparation of the annual report. This information is used by the State's auditors and assists aides in controlling the overall statewide Single Audit costs.

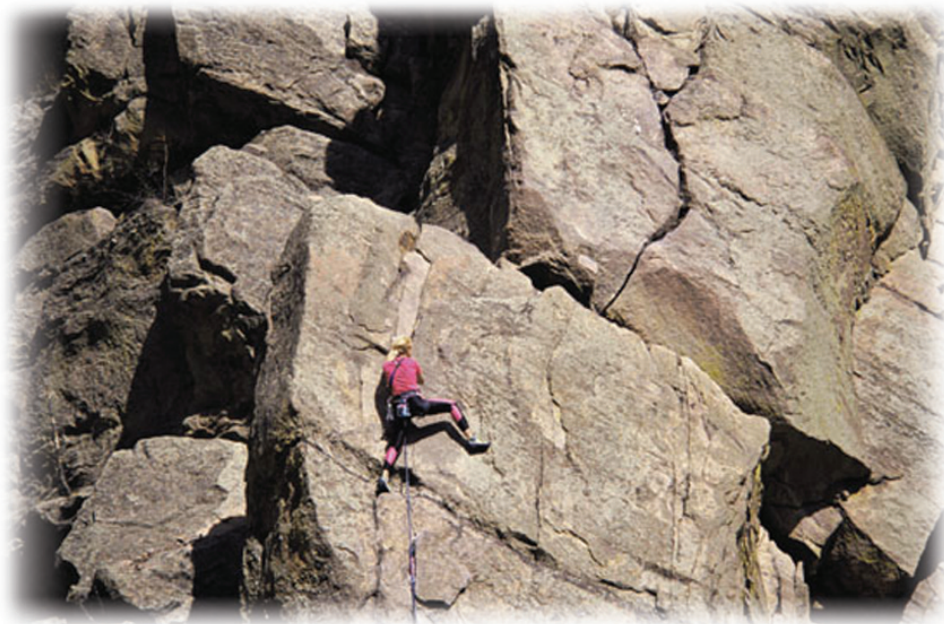
" Supervised contract audit vendors in performance of Unclaimed Property compliance audits. Audits have resulted in the identification of \$164,063 in unreported unclaimed property, \$811,846 in unclaimed property that will become reportable in 2007 and the return of \$43,555 in unclaimed property to the rightful owners through due diligence work by holders under audit.

" Participated in unclaimed property holder seminars held across the state in order to increase awareness of, and compliance with, the Uniform Unclaimed Property Act.

" Assisted the Cash Management Division in the identification and return of federal funds from stale-dated state checks for fiscal year 2007.

" Performed regular audits of investment activities of the Board of Treasury Investments.

" Provided the Treasurer's Office staff with advice in the development and improvement of policies and procedures in other areas of the office.



Rock Climbing in the State of West Virginia

ADMINISTRATION DIVISION

ADMINISTRATION DIVISION

The Administration Division provides centralized office function for the State Treasurer's Office. The division is composed of four main areas: Payroll/Personnel, Procurement, Accounts Payable, and Safekeeping/Deposits. The division is responsible for the day-to-day operations of the office.

Accomplishments

- " 100% of the State Treasurer's Office employees participate in direct deposit of payroll and travel.
 - " Distributed \$16.30 million to Policemen's and Firemen's Municipal Pension and Protection Relief funds during FY2007.
 - " Distributed \$20.75 million to volunteer fire departments during FY2007.
 - " Distributed \$2.58 million to the Teacher's Retirement System during FY2007.
-

SAFEKEEPING SECTION

The Safekeeping Section of the State Treasurer's Office is charged by the West Virginia Code to safekeep securities placed with this office. WV Code §12-5-2(a) states in part:

"The treasurer of this state, unless otherwise expressly provided by law, shall be the custodian of all securities required by law to be deposited with the state or held in legal custody by the state, and all departments of this state, commissioners or agents of the state, who hold any such securities, shall transfer and deliver the same to the state treasurer to be kept and held by him as legal custodian thereof until released in the manner provided by law."

The following page contains a summary of the securities that were held in Safekeeping as of June 30, 2007.

West Virginia State Treasurer's Fiscal Year 2007 Annual Report

Securities Held in Safekeeping

As of June 30, 2007

Agency	Items in Safekeeping	Dollar Value of Items
WV Division of Labor	1,277	\$18,242,593
WV DEP-Mining & Reclamation	275	\$18,113,408
WV DEP-Oil & Gas	293	\$5,375,897
WV Higher Education Comm.	113	\$38,737
Solid Waste Management Board	75	\$7,930,956
WV Insurance Commission	32	\$13,958,245
WV Insurance Commission - Self Insurance	5	\$4,137,554
WV State Treasurer's Off./Debt Mgmt.	1	\$24,000,000
WV State Treasurer's Off./Cash Mgmt.	5	\$147,696
WV Division of Highways	4	\$180,010
WV Dept of Admin./Purchasing Div.	8	\$792,099
WV Division of Forestry	1	\$36,659
WV Department of Revenue	3	\$1
Total	2,092	\$92,953,855

POLICEMEN'S AND FIREMEN'S PENSION AND PROTECTION RELIEF FUNDS

West Virginia code section 33-3-14d requires that an additional premium tax of 1% 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.

On September 1, 2007 \$16,956,071 (or 65% of the funds collected) were allocated to Policemen's and Firemen's Pension and Protection Relief Funds. The funds allocated to the pension funds represent an increase of \$140,791 over September 1, 2006.

We allocated \$8,709,686 to all active employees. This year's allocation was to 1,763 employees. This amounted to \$4,941 per employee. We allocated \$8,246,385 to all retirees. This year's allocation was to 1,974 retirees. This amounted to \$4,177 per retiree.

The following pages contain the allocation of the Municipal Pension and Protection and Relief Fund on September 1, 2007.

West Virginia State Treasurer's Fiscal Year 2007 Annual Report

State Treasurer's Office Allocation of Municipal Pension and Protection Fund Pursuant to West Virginia Code 33-3-14d Sep-07

Department	Eligible Members	Share	Subtotal	2004 Re-allocation	Eligible Retirees	Share	Grand Subtotal	Total
Full-Time Police Departments								
Beckley	44.92	\$4,941.33	\$221,964.54	\$3,245.47	40.50	\$4,176.97	\$169,167.29	\$394,377.30
Belle	3.92	\$4,941.33	\$19,370.01	\$283.22	3.25	\$4,176.97	\$13,577.15	\$33,228.38
Bluefield	21.67	\$4,941.33	\$107,078.62	\$1,565.66	21.50	\$4,176.97	\$89,804.86	\$198,449.14
Charleston	200.33	\$4,941.33	\$989,896.64	\$14,473.84	202.33	\$4,176.97	\$845,126.34	\$1,849,496.82
Charles Town	0.00	\$4,941.33	\$0.00	\$0.00	8.00	\$4,176.97	\$33,415.76	\$33,415.76
Chester	5.00	\$4,941.33	\$24,706.65	\$361.25	2.00	\$4,176.97	\$8,353.94	\$33,421.84
Clarksburg	36.83	\$4,941.33	\$181,989.18	\$2,660.97	40.00	\$4,176.97	\$167,078.80	\$351,728.95
Dunbar	13.42	\$4,941.33	\$66,311.38	\$975.32	8.00	\$4,176.97	\$33,418.18	\$100,704.88
Elkins	9.58	\$4,941.33	\$47,337.94	\$692.16	9.00	\$4,176.97	\$37,592.73	\$85,622.83
Fairmont	34.21	\$4,941.33	\$169,042.90	\$2,471.67	45.67	\$4,176.97	\$190,762.22	\$362,276.79
Grafton	6.92	\$4,941.33	\$34,194.00	\$499.97	6.00	\$4,176.97	\$25,061.82	\$59,755.79
Huntington	85.40	\$4,941.33	\$421,989.58	\$6,170.15	132.58	\$4,176.97	\$553,782.68	\$981,942.41
Logan	9.58	\$4,941.33	\$47,337.94	\$0.00	2.00	\$4,176.97	\$8,353.94	\$55,691.88
Martinsburg	41.83	\$4,941.33	\$206,695.83	\$3,022.22	24.00	\$4,176.97	\$100,247.28	\$309,965.33
Morgantown	56.25	\$4,941.33	\$277,949.81	\$4,064.06	48.00	\$4,176.97	\$200,494.56	\$482,508.43
Moundsville	17.00	\$4,941.33	\$84,002.61	\$1,228.25	15.33	\$4,176.97	\$64,032.95	\$149,263.81
Nitro	18.08	\$4,941.33	\$89,339.25	\$1,306.28	9.00	\$4,176.97	\$37,592.73	\$128,238.26
Oak Hill	11.75	\$4,941.33	\$58,060.63	\$848.94	4.00	\$4,176.97	\$16,707.88	\$75,617.45
Parkersburg	61.92	\$4,941.33	\$305,967.15	\$4,473.72	63.42	\$4,176.97	\$264,903.44	\$575,344.31
Princeton	16.25	\$4,941.33	\$80,296.61	\$1,174.06	18.00	\$4,176.97	\$75,185.46	\$156,656.13
Point Pleasant	8.75	\$4,941.33	\$43,236.64	\$0.00	4.75	\$4,176.97	\$19,840.61	463,077.25
Saint Albans	20.08	\$4,941.33	\$99,221.91	\$1,450.78	10.00	\$4,176.97	\$41,769.70	\$142,442.39
South Charleston	28.75	\$4,941.33	\$142,063.24	\$2,077.19	32.58	\$4,176.97	\$136,085.68	\$280,226.11
Star City	4.00	\$4,941.33	\$19,765.32	\$289.00	4.00	\$4,176.97	\$16,707.88	\$36,762.20
Vienna	17.00	\$4,941.33	\$84,002.61	\$1,228.25	10.00	\$4,176.97	\$41,769.70	\$127,000.56
Weirton	36.67	\$4,941.33	\$181,198.57	\$2,649.41	41.75	\$4,176.97	\$174,388.59	\$358,236.48
Welch	6.50	\$4,941.33	\$32,118.65	\$469.63	0.42	\$4,176.97	\$1,754.33	\$34,342.61
Weston	6.00	\$4,941.33	\$29,647.98	\$433.50	4.00	\$4,176.97	\$16,707.88	\$46,789.36
Westover	8.71	\$4,941.33	\$43,038.98	\$0.00	1.00	\$4,176.97	\$4,176.97	\$47,215.95
Wheeling	78.67	\$4,941.33	\$388,734.43	\$5,683.91	99.96	\$4,176.97	\$417,529.92	\$811,948.26
Williamson	5.92	\$4,941.33	\$29,252.67	\$427.72	6.50	\$4,176.97	\$27,150.31	\$56,830.70
Full-Time Fire Departments								
Beckley	40.84	\$4,941.33	\$201,803.92	\$2,950.69	47.08	\$4,176.97	\$196,651.75	\$401,406.36
Bluefield	19.08	\$4,941.33	\$94,280.58	\$1,378.53	37.67	\$4,176.97	\$157,346.46	\$253,005.57
Charleston	220.75	\$4,941.33	\$1,090,798.60	\$15,949.19	222.67	\$4,176.97	\$930,085.91	\$2,036,833.70
Clarksburg	41.58	\$4,941.33	\$205,460.50	\$3,004.16	57.92	\$4,176.97	\$241,930.10	\$450,394.76
Fairmont	39.18	\$4,941.33	\$193,601.31	\$2,830.76	61.75	\$4,176.97	\$257,927.90	\$454,359.97
Huntington	104.57	\$4,941.33	\$516,714.88	\$7,555.18	187.75	\$4,176.97	\$784,226.12	\$1,308,496.18
Martinsburg	29.50	\$4,941.33	\$145,769.24	\$2,131.38	18.00	\$4,176.97	\$75,185.46	\$223,086.08
Morgantown	46.33	\$4,941.33	\$228,931.82	\$3,347.34	53.58	\$4,176.97	\$223,802.05	\$456,081.21
Moundsville	5.00	\$4,941.33	\$24,706.65	\$361.25	17.00	\$4,176.97	\$71,008.49	\$96,076.39
Parkersburg	62.17	\$4,941.33	\$307,202.49	\$4,491.78	91.50	\$4,176.97	\$382,192.76	\$693,887.03
Weirton	21.75	\$4,941.33	\$107,473.93	\$1,571.44	14.08	\$4,176.97	\$58,811.74	\$167,857.11
Wheeling	93.96	\$4,941.33	\$464,287.37	\$6,788.61	124.04	\$4,176.97	\$518,111.36	\$989,187.34

continued

West Virginia State Treasurer's Fiscal Year 2007 Annual Report

Full-Time/Part-Time Fire Departments

Dunbar	13.92	\$4,941.33	\$68,783.31	\$1,005.72	16.25	\$4,176.97	\$67,875.76	\$137,664.79
Elkins	3.00	\$4,941.33	\$14,823.99	\$216.75	6.00	\$4,176.97	\$25,061.82	\$40,102.56
Grafton	6.08	\$4,941.33	\$30,043.29	\$439.28	3.00	\$4,176.97	\$12,530.91	\$43,013.48
Logan	6.67	\$4,941.33	\$32,958.67	\$481.91	3.00	\$4,176.97	\$12,530.91	\$45,971.49
Nitro	9.50	\$4,941.33	\$46,942.64	\$686.38	11.00	\$4,176.97	\$45,946.67	\$93,575.69
Princeton	12.83	\$4,941.33	\$63,397.26	\$926.97	13.00	\$4,176.97	\$54,300.61	\$118,624.84
Saint Albans	19.00	\$4,941.33	\$93,885.27	\$1,372.75	19.92	\$4,176.97	\$83,205.24	\$178,463.26
South Charleston	40.00	\$4,941.33	\$197,653.20	\$2,890.00	40.50	\$4,176.97	\$169,167.29	\$369,710.4
Weston	4.00	\$4,941.33	\$19,765.32	\$289.00	1.00	\$4,176.97	\$4,176.97	\$24,231.29
Williamson	7.00	\$4,941.33	\$34,589.31	\$505.75	10.00	\$4,176.97	\$41,769.70	\$76,864.76
Totals	1,762.62		\$8,709,685.82	\$125,401.42	1,974.2		\$8,246,385.47	\$17,081,472.71

Total Allocation	\$26,486,359.67
10 % Allocation to Teachers Retirement Fund	\$2,648,635.97
25% Allocation to Volunteer Fire Departments	\$6,621,589.92
65% Allocation to Municipal Police and Fire Pensions	\$16,956,071.29 *

Allocation	Re-allocation From 2004	Total Allocation
\$16,956,071.29	\$125,401.42	\$17,081,472.71

<i>FY2008 Allocation</i>	\$8,709,685.82
<i>FY2008 Base Share</i>	\$4,941.33
<i>FY2008 Retiree Allocation</i>	\$8,246,385.47
<i>FY2008 Retiree Base Share</i>	\$4,176.97

* This years allocation was decreased from 17,216,133.79, to 16,956,071.29. This decrease is for the work performed by the Gabriel, Roder Smith and Company in the amount of \$260,062.50

VOLUNTEER FIRE DEPARTMENTS

West Virginia code section 33-3-33 requires that policyholders of any fire and casualty insurance policy pay a surcharge of .55% on their insurance premiums. The surcharge collected from policy holders is distributed to Volunteer Fire Departments that receive certification from the State Fire Marshal each quarter.

West Virginia code section 33-3-14d requires that an additional tax of 1% 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 (25%) of the 1% goes to the Volunteer Fire Departments.

**DISTRIBUTION OF FUNDS TO VOLUNTEER FIRE DEPARTMENTS
FISCAL YEAR 2007**

	Sept 2006	Dec 2006	Mar 2007	Jun 2007	Total
Total Funds Distributed to Eligible Volunteer Fire Departments (VFD) and Part-Paid/Part Volunteer Fire Departments	4,183,394	4,985,716	6,854,454	4,729,594	20,753,158
Average Amount per VFD	9,822	11,651	15,907	11,290	48,670

TAX COLLECTIONS TO POLITICAL SUBDIVISIONS

COAL SEVERANCE TAX DISTRIBUTION

West Virginia Code §11-13A-6 provides for the collection and distribution of an additional coal severance tax. Seventy-five percent (75%) of the net proceeds of this additional tax on coal is distribution by the State Treasurer to coal producing counties. The remaining 25% of the net proceeds is distributed to all counties and municipalities of the state, without regard to coal having been produced therein. All Coal Severance Taxes distributed to counties and municipalities are sent via Direct Deposit, saving the state money as bank costs are reduced.

**Coal Severance Tax Distribution
Fiscal Year 2006**

25% Portion to Municipalities	\$2,315,202
25% Portion to Counties	\$4,189,594
75% Portion to Coal Producing Counties	\$19,514,388
Total	\$26,019,184

OIL AND GAS SEVERANCE TAX DISTRIBUTION

West Virginia Code §11-13A-5a provides for the collection and distribution of a severance tax on oil and gas production. Seventy-five percent (75%) of the net proceeds of this tax on oil and gas production is distribution by the State Treasurer to oil and gas producing counties. The remaining 25% of the net proceeds is distributed to all counties and municipalities of the state, without regard to coal having been produced therein. All Oil and Gas Severance Taxes distributed to counties and municipalities are sent via Direct Deposit, saving the state money as bank costs are reduced.

Annual Distribution of Oil and Gas Severance Taxes

25% Portion to Municipalities	\$596,398
25% Portion to Counties	\$1,079,242
75% Portion to Coal Producing Counties	\$5,025,334
Total	\$6,700,974

WINE, LIQUOR, AND PRIVATE CLUB TAX DISTRIBUTION

West Virginia Code sections §8-13-7, §60-3-9d, §60-3A-21, and §60-7-11 require the Tax Commissioner to collect various taxes on the sale of intoxicating liquors. After collection, the Tax Commissioner transfers these taxes to the State Treasurer for distribution to counties and municipalities. All Wine, Liquor, and Private Club Taxes distributed to counties and municipalities are sent via Direct Deposit, saving the state money as bank costs are reduced.

***Distribution of Wine, Liquor and Private Club Taxes
Fiscal Year 2007***

	Wine	Liquor	Private Clubs	Total
Municipalities/ Counties	\$2,061,159.69	\$3,423,556.43	\$970,691.79	\$6,455,407.91

WASTE COAL TAX DISTRIBUTIONS

West Virginia Code sections §11-13A-3e provides for the collection and distribution of a waste coal tax to waste coal-producing counties for use in economic development and infrastructure improvements. The section provides for distribution of the net tax collected to waste coal-producing counties by the State Treasurer based on production tonnage in the county for the preceding year.

***Annual Distribution of Waste Coal Taxes
Fiscal Year Ended June 30, 2007***

County	Amount
Boone	\$41,798
McDowell	\$67,734
Mercer	\$29,364
Mingo	\$32,204
Raleigh	\$42,537
Total	\$222,028

REGIONAL JAIL OPERATIONS PARTIAL REIMBURSEMENT FUND

West Virginia Code sections §31-20-10b provides for the collection and distribution of fees collected by magistrate courts in West Virginia. Revenues deposited into this fund shall be used to reimburse those counties and municipalities participating in the regional jail system for the cost of incarceration. The fund is administered by the State Treasurer's Office in cooperation with the Regional Jail and Correctional Facility Authority. All Regional Jail Fees distributed to counties and municipalities are sent via Direct Deposit, saving the state money as bank costs are reduced.

**Regional Jail Operations Partial Reimbursement Distribution
Fiscal Year 2007**

	Inmate Days	% of Total Days	Total
Municipalities/ Counties	881,813	1.00000	\$4,135,675.60



A scene from downtown Charleston, West Virginia

INFORMATION & TECHNICAL SERVICES DIVISION

INFORMATION & TECHNICAL SERVICES DIVISION

The Information and Technical Services Division (ITS) of the State Treasurer's Office is responsible for keeping the divisions of the office up to date with the latest technology, maintain the technology installed in the office, and to apprise the State Treasurer of the latest technology available. This division operates basically two sections Networking and Programming.

In the year 2007 the ITS division has accomplished many tasks set forth by both its own department and STO needs and the desires of the State Treasurer. Listed below are those accomplishments.

ITS Hardware:

The WVSTO ITS staff upgraded security applications and hardware. This includes the implementation of the new CISCO ASA firewall technology and Network Access security. We have also implemented new and comprehensive logging systems for all servers and switches.

Upgrading to the new Office 2007 and working with our training department we were able to properly prepare all of the WVSTO staff. The new Office 2007 will now allow the ITS department to deploy a wide array of new technology around calibration for 2008.

In an effort to better serve the staff of the WVSTO the ITS department deployed a new and enhanced helpdesk system. This system now alerts not only the ITS department but the individual requesting the service of any and all changes of status to the request. This enhancement in communication has decreased the call volumes to the help desk for updated ticket statuses. The system also allows the WVSTO staff to request help or service without calling the helpdesk.

In the effort to have the best security solution the WVSTO took the bold step of issuing laptops to all WVSTO staff. With this step the WVSTO staff has also installed and operated two sets of security enhancements. The first is a full disk encryption of every laptop. This will ensure that in the event of theft of the laptop the data is secure and cannot be accessed. The second system in place on all laptops is a new "Call Home" feature which allows the WVSTO staff to track the location of laptops. This system will also in the event of a theft of the laptop allow IT staff to remotely delete all the data on the system.

ITS Software:

The top accomplishments for ITS Software group for the year 2007 are as follows: Leave System, New L-Government portal, E-Pay system and Board of Bonds. A summary of these four projects follow.

The WVSTO has had the paperless leave system for over four years. This year the IT department decided along with the support of the Treasurer to allow other agencies to use the leave system. Currently the WVSTO is working with PEIA and the Department of Agriculture. The new leave system tracks and monitors all WVSTO staff employees with relation to leave of any type. This system has also eliminated the need for any paper documents to be transferred between employees for the approval of leave. The system also provides a wide array of reports for both the supervisors and the employees.

With the passage of legislation in 2006 the WVSTO was allowed to offer the great E-Government services to the local counties and municipalities. During this process the IT department was required to create a new application and new set of rules for processing local government transactions. The IT department not only developed these technologies but also now has multiple local governments on the system and is currently processing transactions for them.

The E-Pay system which allows state agencies to quickly begin processing transactions online has seen many new enhancements this year. The first and largest is the E-Pay system has been extended to local governments. The WVSTO can now allow local governments all the conveniences that each of the state agencies now experience. The E-Pay system also allows agencies to collect data through forms on the internet. The system now sends confirmation and thank you e-mails to each person who uses the system. This year the E-Pay system processed over two million dollars of the 92.5 million dollars.

In an effort to help state agencies the IT department has developed a complete back office system for the Board of Bonds to not only process E-Government transactions but to also track all bonding information for their office. This effort has also greatly decreased the WVSTO efforts in collecting and distributing monies.



Snow Scene on Kanawha Falls

CASH MANAGEMENT DIVISION

CASH MANAGEMENT

The State Treasurer oversees the cash management of West Virginia government. Among these duties are receiving and disbursing the state budget which includes writing approximately 3.4 million checks per year and electronic transfers of money; filing and retaining all paid checks and various bonds issued by the state; collecting the crime victim's compensation, law enforcement training, regional jail authority and litter control fund fees; and handling various other banking and accounting functions that deal with state finances.

- Legislature returned cash management to Treasurer Perdue's custody shortly after he took office. In fiscal 2007, office processed more than \$7.3 billion in disbursements by electronic funds transfer.
- When Treasurer Perdue took office, state was writing 4.5 million checks. Now number is down to 1.9 million.
- ACH disbursements are also roughly 2.2 million. ACH means automated clearing house, or automatic, electronic drafts into and out of state coffers.
- Equality of checks and ACH numbers is a milestone for the office. In the future, the state will be doing more electronic business as opposed to dealing with paper checks.
- Office continues its "lock box" operation, accepting deposits on behalf of various state agencies. This amounts to keeping post office boxes open on behalf of state entities and depositing the contents daily, by plane flight, with the Federal Reserve in Cincinnati. Such quick turnaround earns the state valuable overnight interest.
- Cash management division collected \$21.5 million in fiscal 2007, which amounts to a portion of fines collected by magistrate, circuit and municipal courts. Leading the way were three different funds collected on behalf of the Regional Jail Authority, totaling \$12.9 million.



The Black Bear - West Virginia's State Animal

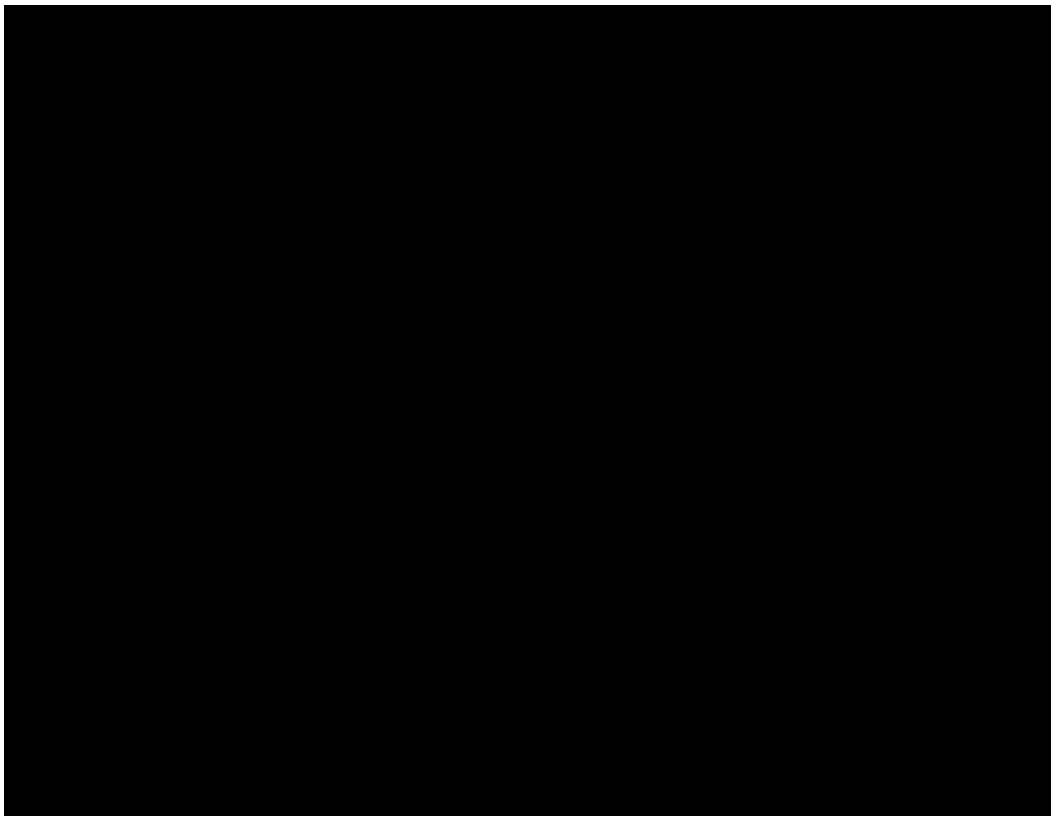
DEBT MANAGEMENT

WEST VIRGINIA NET TAX SUPPORTED DEBT

The calculation of net tax supported debt is a common measurement used by most states to determine their level of indebtedness. The West Virginia State Treasurer's Office includes General Obligation Bonds, certain Revenue Bonds and Lease Obligations in the calculation of tax supported debt. There are various deductions taken from this calculation which include self-supporting revenue bond issues and various debt service reserve funds when determining the amount of net tax supported debt outstanding. The calculation does not include claims and judgments, accrued compensated absences, pension costs, other post-employment benefit costs, or other liabilities of the state. Also, please note that these figures are unaudited.

The State of West Virginia ended the 2007 fiscal year with a net tax supported debt of \$1.6 billion. The following chart outlines the net tax supported debt as of June 30, 2007.

West Virginia Net Tax Supported Debt June 30, 2007 (in thousands)



General Obligation Bonds

Approximately \$684 million (net of escrowed bonds) of West Virginia's \$1.6 billion in outstanding tax supported debt as of June 30, 2007 consisted of General Obligation (GO) Bonds. This is a \$29 million reduction of GO debt since June 30, 2006. The main reason for this reduction is that West Virginia has issued no "new money" GO debt since July 2001. As stated in the definitions, the issuance of GO debt requires an amendment to the West Virginia Constitution which must be approved by a 2/3rds vote of both houses of the West Virginia Legislature and a majority of the voters. 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.

Road Bonds

The Safe Roads Amendment of 1996 had \$430 million outstanding (net of escrowed bonds) as of June 30, 2007. All GO Road Bonds that were authorized by the Safe Roads Amendment have been issued. There are currently no remaining authorizations for the issuance of GO road bonds.

The combined debt service on all Safe Road Bonds will peak at approximately \$50 million dollars in fiscal year 2008, and then drop to approximately \$37 million for fiscal years 2013 through 2016, and level out at \$23.5 million for fiscal year 2017 through the final maturity in 2025.

Infrastructure Improvement Bonds

The principal outstanding at June 30, 2007, for the Infrastructure Improvement Amendment Bonds was \$254 million (net of escrowed bonds). These bonds are repaid from a dedication of the first \$24 million dollars of coal severance taxes and the taxing pledge of the state to meet any deficiencies.

Revenue Bonds

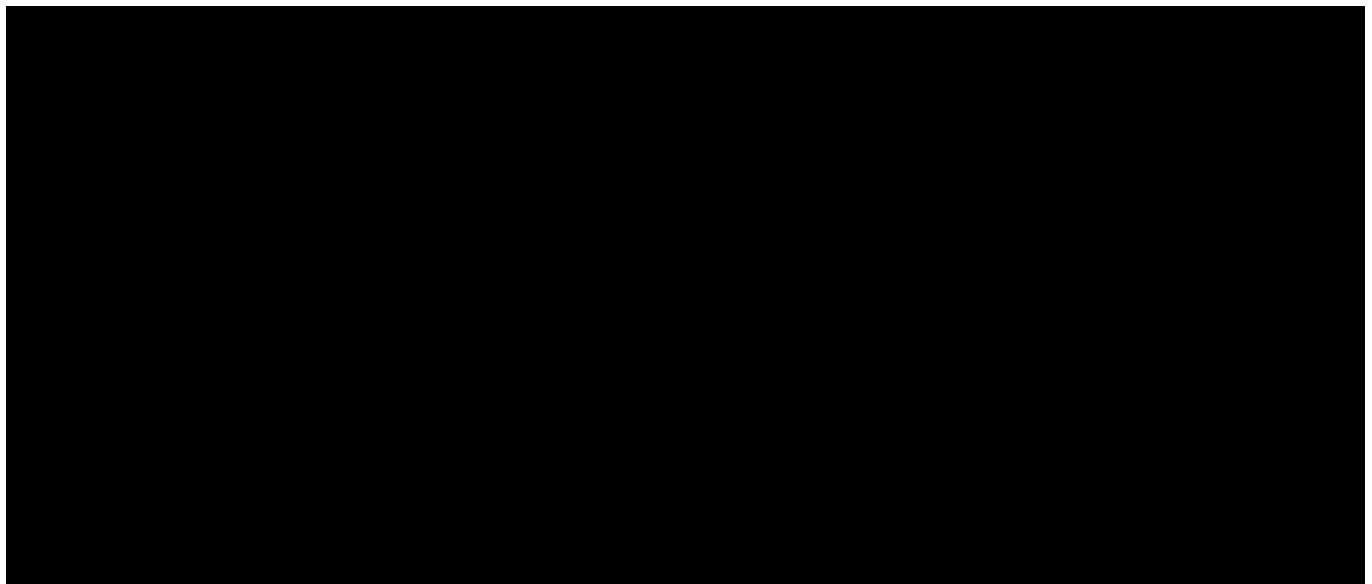
Approximately \$535 million (net of debt service reserve funds and escrowed bonds) of West Virginia's \$1.6 billion in outstanding tax supported debt as of June 30, 2007 consisted of revenue bonds. Various state authorities have issued revenue bonds; however, there are only certain ones that are calculated as part of the state's net tax supported debt. They are included because of their public use vs. the revenue and repayment structure.

Lease Obligations

The State of West Virginia depends on lease obligations to finance many projects relating to capital improvements. This is evidenced through traditional lease purchases and the issuance of Lease Revenue Bonds. Most of the Lease Revenue Bonds have been issued by the West Virginia Economic Development Authority. The bonds are then secured by a lease agreement, typically with the Secretary of Administration. There was approximately \$383 million in lease obligations outstanding as of June 30, 2007.

The following chart shows the current and projected net tax supported debt outstanding "mix" as of June 30, 2007.

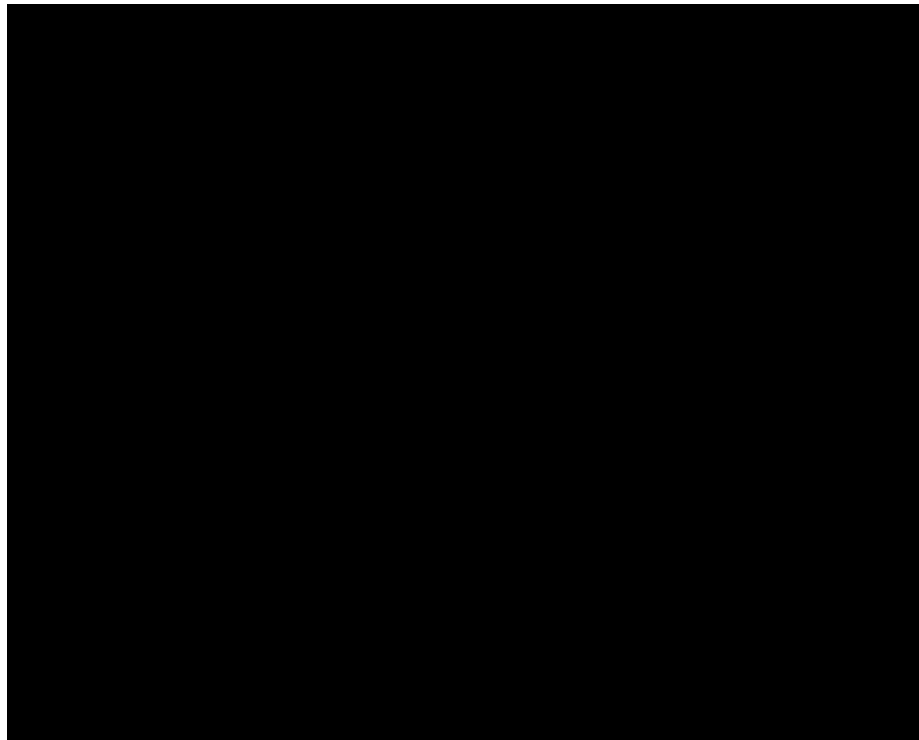
**West Virginia Tax Supported Debt
Fiscal Years 2007 - 2013 (projected)
As of June 30, 2007**



West Virginia Non Tax Supported Debt

The calculation of non-tax supported debt includes the debt obligations of eight authorities or boards that have legislative authorization to issue bonds which are not counted as part of the state's direct debt burden. West Virginia had a non-tax supported debt of approximately \$4.3 billion as of June 30, 2007.

**West Virginia Non-Tax Supported Debt
June 30, 2007 (in thousands)**





The Cardinal - West Virginia's State Bird

COLLEGE PREPAID TUITION and SAVINGS PROGRAM

College Prepaid Tuition and Savings Program

As authorized in §18-30 of the West Virginia Code, the State Treasurer administers all the programs of the nine-member Board of Trustees of the West Virginia College Prepaid Tuition and Savings Program and serves as board chairman. The Board conducts its business at quarterly meetings and its records are maintained at the State Treasurer's Office in Charleston.

The Board of Trustees has contracted the Hartford Life Insurance Company to provide program management services for both its Prepaid Tuition Plan and College Savings Plan. The Program uses the SMART529 brand name for all the various college savings products it offers.

SMART529 Savings Plan Progresses

The SMART529 college savings plan made gains in the marketplace during the 2007 fiscal year. The Savings Plan Trust ended the year with 86,224 participant accounts valued at \$1,065,617,216. This compares to 2006, which ended with 72,602 accounts at a total market value of \$764.2 million.

Participants made \$202.1 million in contributions during the year, and \$39.3 million was withdrawn by participants for college expenses, rollovers and refunds.

Prepaid Tuition Plan Continues

The Prepaid Tuition Plan ended FY 2007 with 7,755 active accounts and assets valued at \$107.4 million on June 30, 2007. During the fiscal year, participants on monthly payment plans continued their contributions to the plan. During the fiscal year, over 2,500 prepaid tuition benefit distributions used to pay college expenses were processed totaling more than \$5.5 million. This was up from the \$4.3 million in tuition benefit distributed during the previous fiscal year.

Escrow Account

In March 2003, the State Legislature created the Prepaid Tuition Trust Escrow Account to guarantee payment of Prepaid Tuition Plan contracts. The Escrow Account will receive transfers of up to \$1,000,000 from the State Unclaimed Property Trust Fund each year there is an actuarially determined unfunded liability of the Prepaid Tuition Plan. All earnings on the transferred funds will remain in the Escrow Account. In the event the Prepaid Tuition Plan is unable to cover the amount of money needed to meet its current obligations, funds may be withdrawn from the Escrow Account to meet those obligations. As of June 30, 2007, \$2,206,449 has been transferred to the Escrow Account. The funds were invested and have had a net investment gain of \$186,236, leaving the account with a balance of \$2,392,685 at June 30, 2007.

Outreach Efforts

A wide variety of advertising and grass roots promotional efforts were completed during the fiscal year. The plan website (SMART529.com) was redesigned and now includes a community focus section where account owners will provide feedback and personal stories. Outreach activities conducted included field staff visiting West Virginia elementary schools to make a SMART529 announcement at their PTA/PTO meetings.

An advertising campaign, themed around the idea that a college education is essential, dubbed "The Essentials", was run in magazines, newspapers and on television during the fall enrollment campaign.

SMART529 pamphlets and literature holders were distributed to various large employers and organizations throughout the state. A SMART529 newsletter geared toward parents of graduating preschoolers was distributed by 184 participating preschools. SMART529 sponsorships were run with WVU and Marshall University that included advertising on websites. Web banner ads also ran on Charleston Newspapers, The State Journal, Metro News and WOWK Channel 13 web sites. Ads ran in several local and regional WV magazines. Sponsorships continued with the SMART529 Fun Zone at the Appalachian Power Park in Charleston, and the Avampato Discovery Museum holiday exhibit.

Other promotions included sponsorships and exhibits at a variety of events and activities that attracted parents with young children. There were two Smart Family Expos, which featured a variety of health & wellness information, held in Charleston and Huntington. Hopefully, a major sponsor will take over these events and continue next year. SMART529 literature was distributed during children-oriented events in shopping malls, the annual circus Elephant Bath, Baby & Me day, Princess Parties, boy's fishing tournament, WV Power baseball games and at exhibits at local fairs and festivals.

Financial Summary

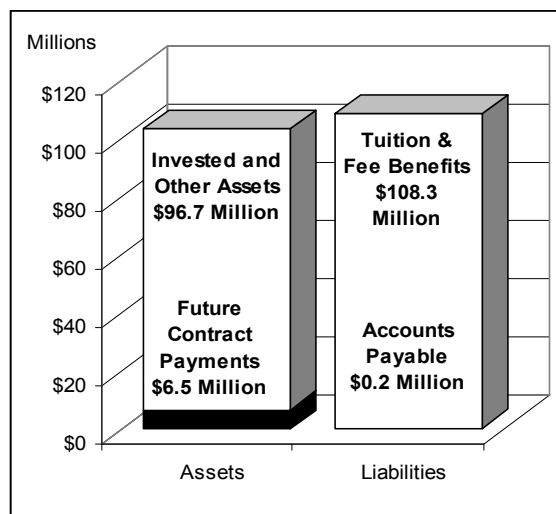
Annual Actuarial Valuation of Prepaid Trust

On November 30, 2006, the Board of Trustees received the Program's actuarial valuation of the Fund as of June 30, 2006. It was determined that the Prepaid Tuition Trust Fund had a funded ratio of 95%. The Fund had total assets of nearly \$103.2 million and total liabilities of \$108.5 million. The actuarial deficit was \$5.3 million, as compared to \$6.6 million the previous year. The fund finished the fiscal year with a net gain of \$1.4 million primarily attributed to higher than expected investment returns.

Annual Audit

On November 30, 2006, the Board of Trustees received the Program's annual financial statements for the year ended June 30, 2006. As in past years, the Program received an unqualified opinion that the statements present fairly, in all material respects, the financial position of the Program and the results of its operations and its cash flows for the year, in conformity with accounting principles generally accepted in the United States.

The Program's Comprehensive Annual Financial Report was submitted to the Government Financial Officers Association for review and was again this year awarded a Certificate of Achievement for Excellence in Financial Reporting





Rhododendron - West Virginia State Flower

FINANCIAL EDUCATION PROGRAMS

FINANCIAL EDUCATION PROGRAMS

Adult Programs

The Treasurer's Money Conferences are designed to educate and motivate West Virginians to improve their lives through good money management skills. Over the last six years, 17 Money Conferences have been offered reaching over 6,900 citizens. During the 2007 fiscal year, Money Conferences were held in Bridgeport, Shepherdstown, Beckley, and Elkins.

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.

Through the West Virginia Financial Education Foundation, sponsors have continued their support throughout the years which has allowed the program to be provided free of charge to citizens. Additionally, financial services firms and agencies are encouraged to become exhibitors at the conferences. Some of this year's sponsors and exhibitors were: BB&T; CHASE; United Bank; WV Parks & Recreation; Consumer Credit Counseling; WV Women's Commission; WV Lottery Commission, WV Social Security Administration; Jacobs & Co.; Merrill Lynch; Mountaineer Race Track & Gaming Resort; and, The Hartford and SMART529 West Virginia's College Savings Solution.

Through a continuing partnership with the WV Library Commission, three 30-minute video presentations are made available through state libraries and can also be viewed on the State Treasurer's website. These include What is Credit -- a presentation on the in's and out's of using credit; Retirement Issues for State Employees - a presentation by the Social Security Administration and the Consolidated Public Retirement Board; and, Decisions for a Secure Retirement -- a presentation on investing for your retirement. Also added during the year was a new, specialized personal financial information section of the State Treasurer's web site.

Teacher and Youth Programs

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

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

" Our surveys have identified 138 schools reporting that they conduct banking/savings activities at school. Field surveys identified 109 bank branches that were conducting Bank-At-School type activities in schools, and 38 of these were personally visited this year.

" High school students received a total of 12,494 ABCs of Credit lesson booklets provided by the Center for Student Credit Card Education.

" Middle school students received 10,524 copies of The Budget Game. The Budget Game demonstrates how to make decisions on family budgeting, estimate monthly expenses, differentiate between wants and needs, and understand the need for planning for emergencies

" A total of 297 elementary school visits were completed and Dragons Decide lesson books provided by the West Virginia Housing Development Fund were distributed.

2. **Free Resource Identification** - 231 resources were located, assessed and promoted as some of the best free educational resources available to use with youth and in the classroom. Samples of many of the resources are kept at the State Treasurer's warehouse and they are used in trainings.

3. **Teacher Training** - includes a variety of activities to train classroom teachers and other business and community youth workers how to teach financial education and how to use the exciting free resources that are available. During FY 2007 a total of eight Teacher Training classes were held in the following counties: Harrison, Raleigh, Ohio, Mercer, Hardy, and Doddridge where 85 teachers attended and 58 registered for graduate credit.

The Office also applied for and received a grant from CitiGroup Foundation to underwrite a day-long teacher training conference aimed at West Virginia Civics teachers. Conducted in March, the financial education training prepares Civics teachers for the implementation of the statewide personal finance standards that would go into effect in the fall of 2008. Dr. Celia Hayhoe, a professor at Virginia Tech who specializes in family financial planning, was the featured presenter.

Customized teacher training classes were conducted at the request of Kanawha County Schools, Berkeley County (Hedgesville) and the Anthony Correctional Center (Greenbrier County) where 47 teachers attended with 12 receiving graduate credit.

A WVSTO employee served on the national revision committee of the popular High School Financial Planning Program of the National Endowment for Financial Education (NEFE). Growing from this involvement, a rollout of the new materials was held at Hurricane High School in April to introduce the revised NEFE High School Financial Planning Program to West Virginia. Mr. John Parfrey, NEFE HSFPP Director from Colorado, was in attendance.

The Teacher and Youth Resources section of the Treasurer's web site was completely re-vamped and improved during the year. Now teachers may find up to date listing of training events, classes and free educational resources appropriate for use in the classroom.

The office also initiated development of a training program for employees of financial institutions on how to present personal finance lessons in schools. A flyer offering training for staff at banks, credit unions, insurance and credit counseling on ways to present financial literacy in the schools was printed and distributed.

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

- " West Virginia Housing Development Fund
- " National Endowment for Financial Education (NEFE), High School Program Revision Committee
- " WVU Extension Service
- " State Farm Insurance
- " WV Department of Education -Social Studies Instructional Guide Committee
- " Consumer Credit Counseling Services
- " VISA USA-National Advisory Council
- " WV Jump\$tart Coalition
- " WV Credit Union League
- " WV Bankers Association
- " WV Community Bankers Association
- " Virginia Tech
- " University of Rhode Island
- " Ohio Valley Saves and Federal Reserve of Cleveland
- " WV Library Commission
- " WV Bankruptcy Court
- " Massachusetts Financial Literacy Initiative
- " Workforce WV
- " FDIC
- " WV Adult Education Association
- " GEAR-UP
- " WV Council of Teachers of Math
- " Federal Reserves of Richmond
- " Ohio, Massachusetts, Michigan, and Vermont Treasurer's Offices
- " Family & Consumer Science Teachers Association
- " Higher Ed: WVU, Marshall, Concord, WV State and University of Charleston
- " WV Society of Certified Public Accountants

Outside presentations and meetings

One of our goals for FY 2007 was to achieve a higher profile for our program. We were invited as presenters at 15 local, state and national events.

Publications

We continue to publish THE STATEMENT, a periodic financial education newsletter for teachers, specialized lesson plans for elementary and secondary schools that are correlated with WV Content Standards Objectives (CSOs), The Budget Game, and web listing of high-quality, free financial education teaching materials.

New Programs Offered

On December 19, 2006 Treasurer Perdue joined former Marshall University football standout and current New England Patriots All-Pro Wide Receiver, Troy Brown, school officials and Visa USA at Capital High School to introduce Financial Football Training Camp to a group of students from two state high schools. Financial Football Training Camp is a high-school level educational game that provides a great way for students to test their knowledge of personal finance in a simulated football game environment.

The game, produced by Visa USA and jointly promoted by the NFL and NFL players, combines the structure and rules of the NFL with financial education questions of varying difficulty. To score points, a player needs to answer money-related questions correctly. WVSTO provided copies of the game to all West Virginia high schools.

The Kanawha County Board of Education partnered with the WVSTO to conduct a two day workshop that trained 40 county teachers on how to teach personal finance. The training curriculum was organized and conducted by the WVSTO's School Financial Education Director. The teachers received stipends, lunch and 3 hours staff development graduate credit. The course included a visit by WVSTO staff and an observation by Kanawha County Board of Education.



A scene from downtown Charleston, West Virginia

West Virginia Retirement Plus

WEST VIRGINIA RETIREMENT PLUS

Deferred Compensation Plan Summary

The West Virginia Retirement Plus Plan (“Plan”) is a supplemental retirement program for public employees. The Plan is a deferred compensation plan established by Section 457 of IRS code. Similar to a 401(k) plan in structure, participants can choose from a variety of investment options. Employees from state agencies, counties, municipalities and other political subdivisions are eligible to participate in the Plan. Employee contributions are limited to IRS contribution maximums for each calendar year. ING Financial Advisers serves as the Plan’s third party administrator (“TPA”) managing investments, recordkeeping and other participant services.

Mission Statement

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

Vision

The West Virginia Retirement Plus Vision is to be a model organization dedicated to providing value driven investment options that consistently outperform benchmarks, the most comprehensive financial education program in the nation, “World Class” customer service that meets or exceeds participants expectations and an effective outreach that informs every eligible participant of Program benefits.

Fiscal Year Accomplishments by Category:

Plan Operations

The first six months of Fiscal Year 2007 were spent focusing on exploring ways to improve overall Plan operations. The process began by researching the national deferred compensation environment to understand the “status quo” and determine acceptable benchmarks in order to measure operational effectiveness. Staff time was also dedicated to evaluating the TPA’s services to ensure an optimal product offering. The following were some key accomplishments in this area:

- Hired national consulting firm, Segal Advisers, to conduct a detailed Plan analysis and provide recommendations for improvement
- Drafted and implemented a Fiduciary Policy outlining administrative responsibilities
- Completed and implemented a Strategic Business Plan to guide fiscal year operations
- Moved toward a more efficient service platform to enhance overall operations

Investments

Another important goal was to revamp the Plan investment menu by providing quality options to our participants with improved returns and reduced fees. Accordingly, the Plan’s mutual funds were analyzed to ensure appropriate asset allocation, diversification, benchmarking, ratings and fee structure. The following were some key accomplishments in this area:

- Developed an Investment Policy outlining and establishing standards and benchmarks
- Developed an investment option implementation strategy to make necessary changes to the
- Negotiated with TPA to lower participant investment fees in excess of 30%
- Finalized new investment menu by selecting quality mutual fund lineup with improved Morningstar ratings and superior return history

Outreach

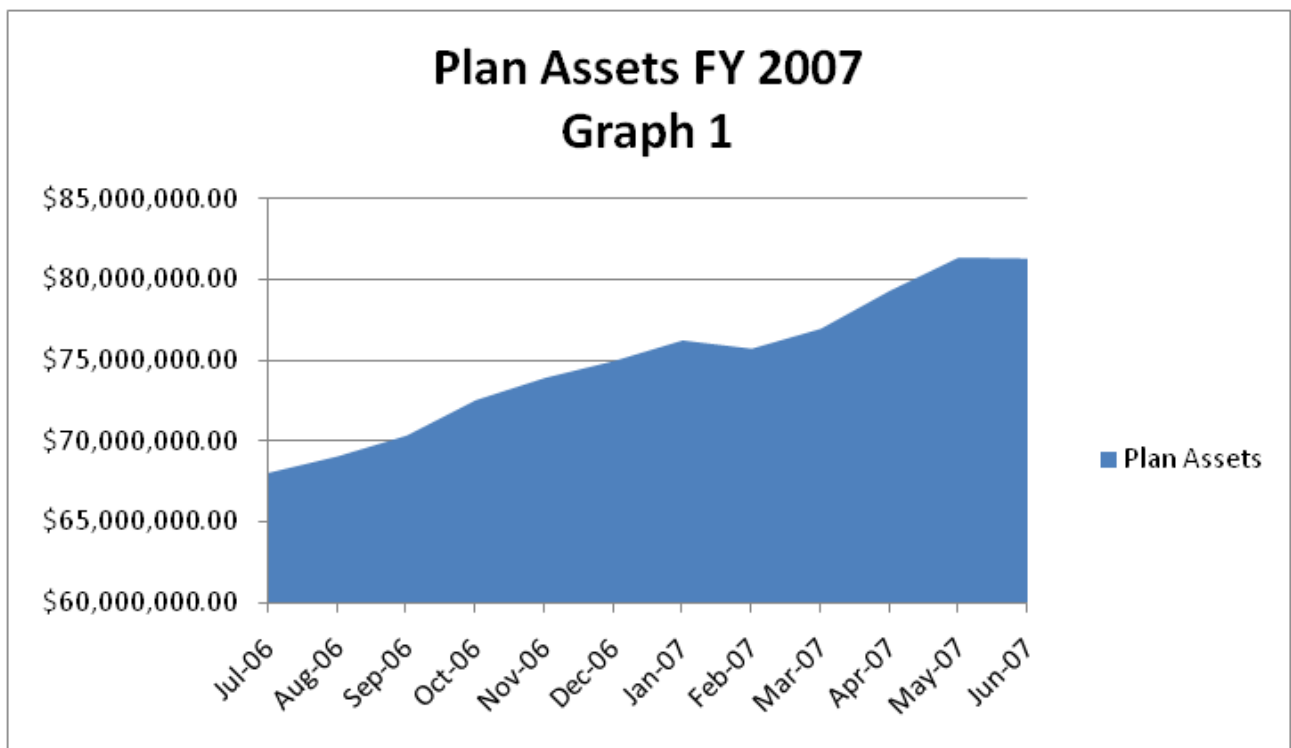
An effective outreach strategy is imperative to adding new participants and increasing total Plan assets. Initially, staff time was dedicated to analyzing public employee data and establishing outreach targets. Finally, outreach strategies were developed and implemented to reach and educate all Plan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

- Met with key public officials and department managers to educate them on the benefits of the Plan and facilitate employee enrollment meetings at their office locations
- Conducted state benefit coordinator training seminar educating 100 participants
- Developed and implemented comprehensive marketing/branding campaign
- Implemented a detailed local government market entry plan
- Conducted enrollment meetings, presentations and booths at key public employee venues
- Developed quarterly Plan reports to show the performance of the 457 Plan

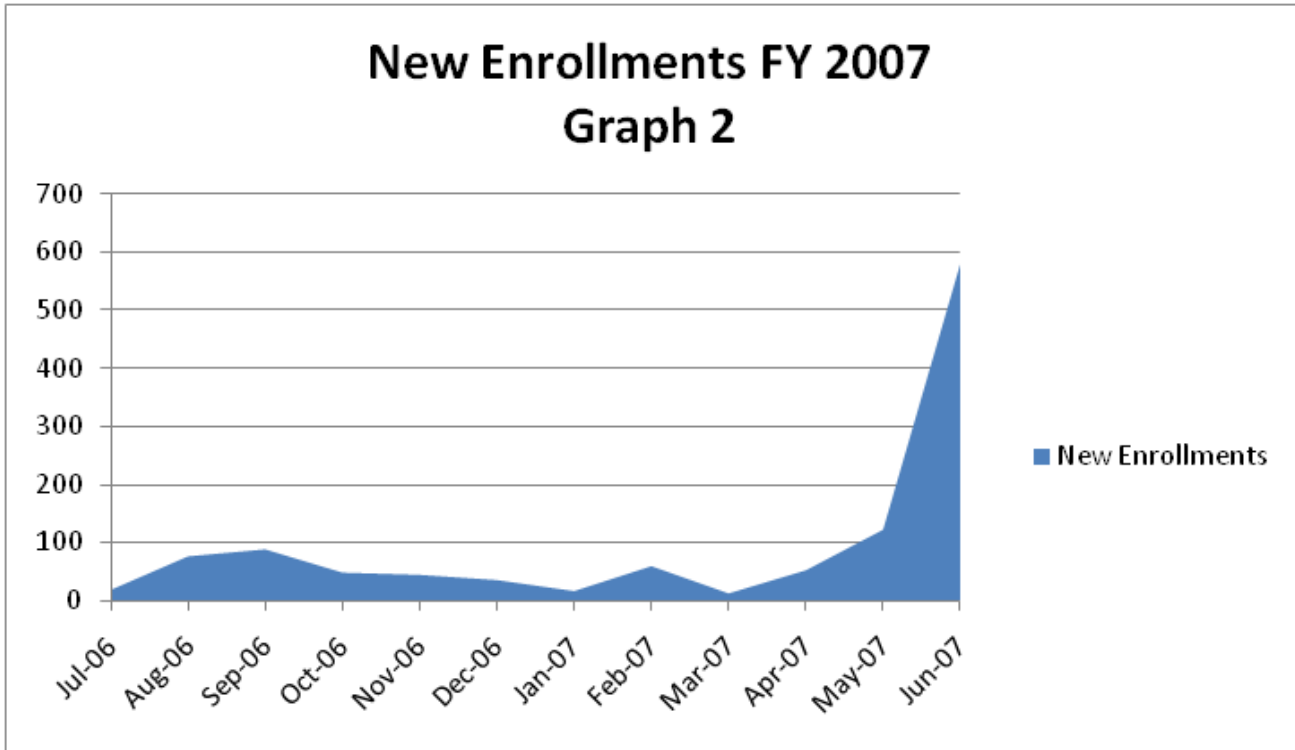
Participation

Encouraging and expanding participation in the Plan was the most important Plan goal for Fiscal Year 2007. Accordingly, staff time was spent on developing program options and features that encouraged and facilitated participation while addressing customer needs and desires. The following are some key accomplishments in this area:

- Completed survey of participants to elicit their feedback regarding the 457 Plan
- Determined the appropriate number of local vendor representatives to satisfy the needs of current and future participants
- Created website providing an informative, educational, and “user friendly” interface
- Established customer service standards and a process for monitoring adherence to those standards
- Passed legislation to increase participation among state employees by implementing automatic enrollment for new hires and the creation of a contribution matching program
- Increased assets by \$13 million as total Plan grew to \$81 Million (Graph 1)
- Added 1,151 new enrollments during fiscal year 2007 (Graph 2)



New Enrollments FY 2007
Graph 2





Cass Scenic Railroad State Park

UNCLAIMED PROPERTY DIVISION

UNCLAIMED PROPERTY DIVISION

Mission Statement

WV State Treasurer's Office Unclaimed Property Division mission is to effectively and efficiently comply with the Uniform Unclaimed Property Act provisions, in order to protect the rightful owner's property and relieve the holders of their unclaimed property liability.

Vision

The WV State Treasurer's Office Unclaimed Property Division will be a model state unclaimed property organization. The Division will provide services to unclaimed property holders through comprehensive holder education opportunities including outreach. The Division will maximize efficiency through the use of technology.

Accomplishments

- " Conducted five regional holder education seminars in fiscal year 2007
- " Collected more than \$118.39 million gross revenue in fiscal years 2002-2007
- " Returned more than \$48.54 million to rightful owners of unclaimed property in fiscal years 2002-2007
- " Returned 56% of unclaimed property reported to rightful owners in fiscal year 2007
- " E-Holder website program was improved which allows businesses to report property and remit funds online
- " Transferred \$19.46 million into the General Revenue Fund, Prepaid College Tuition Trust Fund, HB-4672, HB-103 and Deferred Compensation Matching from fiscal years 2002-2007
- " Serve as custodian for 563,187 unclaimed property accounts that total more than 110 million in unclaimed funds

Legal

The Unclaimed Property Division has an Assistant General Counsel assigned to the Division and to the Cash Management Division, to assist in resolving Unclaimed Property reporting, claims, auditing, education, contract and compliance issues, and to act on issues involving the Division of Cash Management. In addition, Counsel served on the Special Reclamation Fund Advisory Council on behalf of the Treasurer. This year, a new part-time Assistant General Counsel was also appointed to assist with Cash Management issues.

Reporting issues: Counsel provided research and opinions on the following issues, and where necessary recommended and drafted internal guidelines addressing the following issues:

- " Unclaimed Property reporting requirement for utilities
- " Stock sale issues
- " Surplus property/Unclaimed stolen property sale overlap
- " Various unclaimed property procedures
- " Reciprocal exchange of shares with other states
- " Issuing 1099s for liquidated stock

Claims issues: Counsel analyzed various unclaimed property inquiries involving complex legal and factual issues, including obtaining additional documents from outside sources when necessary, that allowed further processing of claims.

Unclaimed Property auditing: Counsel represented the Division and the State Treasurer's Office in various unclaimed property audits to resolve issues where holders disputed the findings of unclaimed property auditors.

Education: Counsel developed and presented training materials for businesses at five regional holder seminars throughout the state. Counsel obtained West Virginia State Bar and Certified Public Accountants accreditation and for the seminars, so that attorneys and accountants attending the seminars could obtain continuing legal and continuing professional education. Counsel also developed and presented training at the National Association of Treasurers Management Conference, and training for Government Finance Officers Association. In addition, Counsel spoke regarding unclaimed property for an in-house television program, and for "The Law Works," a PBS television series.

Contracts issues: Both Counsels assisted in procurement for Unclaimed Property and Cash Management, through drafting and negotiation of contracts, and through resolution of various legal issues regarding those contracts.

Receipts: The Receipts Department processes holder reports and verifies the information reported on the property and apparent owners are submitted according to the Unclaimed Property Act and Regulations. Accomplishments noted this year include:

- " Savings of Streamlining Paper - produced efficiencies through reduction of paper copies and saved time and money on information provided to the Auditor's Office. This is an annual savings of \$25,000
- " CARS reports instead of printing multiple pages printed only one for each holder that was applicable. Also, eliminated check remittance system copies as well. This is an annual savings of \$23,000
- " Eliminated copy and work on maintaining 2 binders on Bearer Bonds, Custody Transfers, Mutual Funds, Travelers Cheques and Change Requests. This is an annual savings of \$2,500 in staff work and supplies
- " Scanning checks and using CDs in Receipts Processing
- " Eliminated mail logs of checks received. This is an annual savings of \$5,000
- " Strengthened internal controls processing receipts including processing checks sooner and implementing segregation of duties with Receipts staff as well as providing efficiencies with work load
- " New Policies and Procedures -Security and Mutual Fund processing including worthless securities; Change Request Database and form; and Bankruptcy Claim Determination procedures
- " Revised Policies and Procedures - Receipts checklist and Processing Holder Reports
- " Law Enforcement booklet including forms and instructions was revised. All letters that the UPS2000 Wagers' system will generate have been revised for current processes implemented. A Preabandoned property letter and memos were implemented.

Claims: The Claims Department provides processes claim forms submitted to verify the funds are returned to the rightful owner according to the Unclaimed Property Act and Regulations. Other accomplishments included:

- " New Policies and Procedures-Claims Sampling; 1099 processing and annual IRS reporting procedures; Unclaimed Property Vault Procedures and logs; Stale-Date Charge-back; Request for Agency Reimbursement; Advertising guidelines; Federal Fund Returns and Bankruptcy Claim Determination procedures. Records Retention and Disposal Schedule revised to agree with new and revised procedures.
- " Revised Policies and Procedures-Claim Guidelines; Processing Inquiries procedures including the inquiry form with instructions and an interactive version on the Internet.
- " Claims worked with Compliance and ITS to initiate a E-Claims process to accept claims on line
- " Call center and a call center manual implemented for the first time. This was a recommendation noted by our Treasurer that developed into an effective tool in reducing claim staff work loads by allowing continued processing of inquiries. This was a team oriented effort with UP Director, Managers and all Unclaimed Property staff.
- " Implementation of a claim manual; Peer reviewers and manager level reviews; revised check lists in place for each type of claim; and on going training with the staff during staff meetings to address issues that arise in the area.
- " Director of Unclaimed Property provided two sessions of hands-on training classes with staff including a LGS condensed checklist to assist with their client calls.
- " Provided monthly financial numbers to the Unclaimed Property Director
- " Eliminated large 8 ½ X 11 window envelopes to decrease mailing and supplies cost on all inquiry forms, second request and approved claims. This is a cost savings of 20 cents for each item mailed.

Compliance: The Compliance Department provides a monitoring program to ensure accountability within Unclaimed Property Division according to Uniform Unclaimed Property Act, Regulations and internal division procedures. Compliance also assists in ensuring that outside entities are in compliance with Unclaimed Property Act and Regulations. Ongoing compliance tasks include:

- " Implemented and revised Unclaimed Property Division procedures and guidelines
- " Citigroup custodian bank conversion for securities and mutual funds
- " Reviewed the UPS2000 Wager's contract and worked with the conversion team
- " Reviewed holder reports to determine whether they are completed correctly. Contacted holders as needed to obtain revisions or additional information
- " Approved change requests to the Unclaimed Property database, as submitted by claims or receipts personnel from unclaimed property. This provides a segregation of duties so that the same individuals are not recommending changes and also approving those changes
- " Compliance worked with ITS staff in enhancements to the on-line automated "Change Request" database
- " On a monthly basis, claim sampling was performed to determine whether they are properly approved and paid in accordance with the claims guidelines. Training was provided as required
- " Crystal Reports training was provided to the Division
- " Recommended and tested enhancements to the Eholder reporting on the WVSTO website
- " Unclaimed Property and Cash Management website maintenance and revisions
- " Security and Mutual Fund reconciliation and liquidation procedures in order to provide segregation of duties
- " New Management Team development including enhancements to the division
- " Implemented Crystal Report form and request procedures in order to meet ongoing request for Management oversight of their assigned areas
- " Provided financial numbers on monthly basis to the Director
- " Support and guidance provided to the Receipts and Claims Managers
- " Assisted in setup of Call Center and documenting the training manual for the advertisement
- " Assisted in revisions to the Law Enforcement booklet and forms
- " A locked security bin has been located on the first floor of Unclaimed Property office. Training on confidentiality of documents has been provided. Also, locked cabinets have been provided to all staff.
- " Implemented 1099-B annual filing procedures

West Virginia State Treasurer's Fiscal Year 2007 Annual Report

Receipts

The table below shows the total receipts of the Unclaimed Property Division by each fiscal year. Receipts peak during our annual September, November and May reporting periods. Due to the average dormancy period of five years, the numbers will fluctuate accordingly i.e. 2002 and 2007 are comparable totals.

Receipts	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
July	1,313,260	461,813	320,050	2,043,889	492,191	456,046
August	345,967	1,076,355	1,280,329	782,263	746,255	536,898
September	696,856	776,663	1,063,165	1,156,681	589,330	2,275,331
October	1,539,331	1,883,632	4,607,071	2,225,784	2,011,647	3,007,772
November	4,107,529	3,371,444	7,694,772	5,292,112	5,217,739	3,618,446
December	970,160	1,379,842	866,856	516,243	8,667,348	401,004
January	1,113,184	524,843	679,188	1,185,205	6,394,058	700,626
February	720,935	1,348,828	372,471	435,605	385,318	440,030
March	870,766	591,688	533,316	304,248	2,341,552	923,500
April	778,540	731,354	1,023,150	866,808	565,942	1,112,914
May	1,292,627	851,616	1,514,128	1,767,544	1,289,902	1,827,187
June	1,117,255	1,718,925	3,277,664	3,467,817	1,131,936	314,568
Total	\$14,866,410	\$14,717,003	\$23,232,160	\$20,044,199	\$29,833,218	\$15,614,322

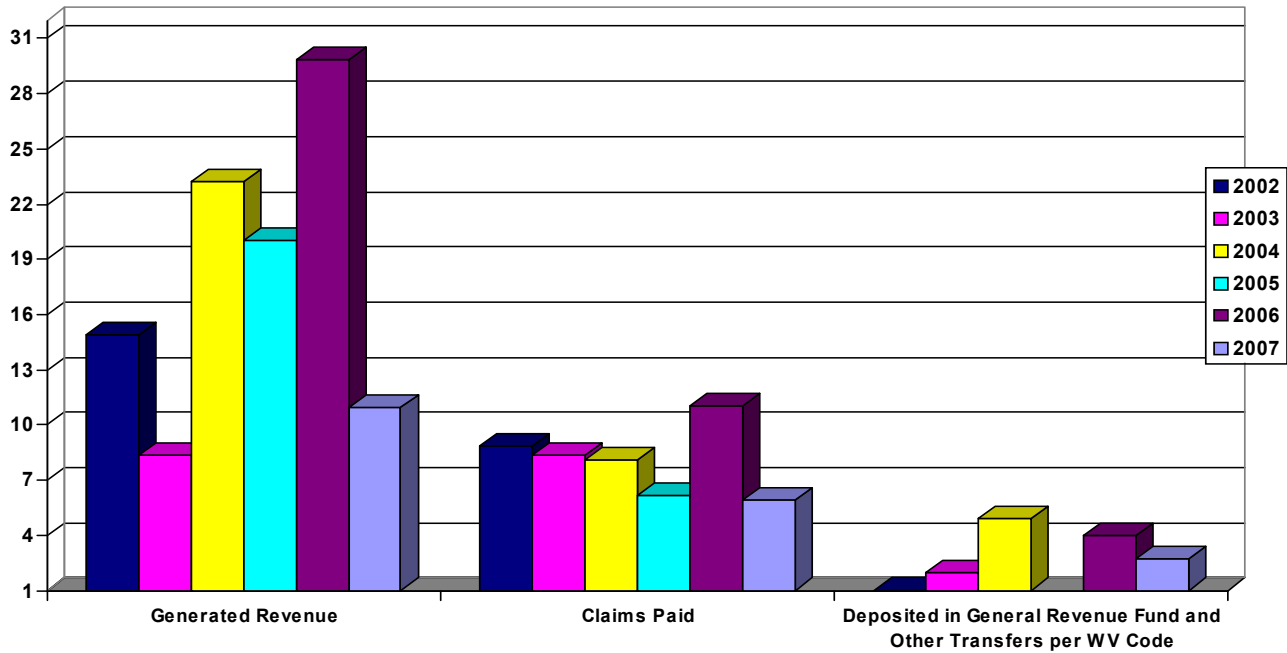
West Virginia State Treasurer's Fiscal Year 2007 Annual Report

Claims

WV State Treasurer's Office Unclaimed Property Division claim area is responsible for returning property to its rightful owners. Throughout the year, the Division receives correspondence, forms and supporting evidence from potential claimants. Correspondence volume increases during the Division's "peak" advertisement period that occurs. In Fiscal Year 2007, the division paid more than \$5.89 million in claims resulting in a 56% rate of return to owners of unclaimed property.

Claims Processed	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
July	893,918	235,617	1,113,668	887,653	277,717	716,148
August	594,191	314,644	1,411,053	294,434	757,481	827,224
September	522,543	761,672	409,257	969,155	655,889	647,959
October	1,730,604	380,198	1,073,358	536,756	2,001,099	885,033
November	192,793	619,519	205,026	510,843	655,580	410,746
December	1,030,207	650,461	364,355	367,682	929,920	377,850
January	681,417	824,705	726,131	468,910	1,570,902	140,536
February	445,950	1,523,829	651,446	304,648	655,568	230,638
March	472,013	1,089,876	800,032	505,635	1,097,092	253,810
April	682,130	565,246	389,718	277,800	793,349	480,108
May	1,302,205	488,868	413,166	385,394	1,288,266	439,629

West Virginia State Treasurer's Office
 Unclaimed Property Division
 Fiscal Year Data 2002 thru 2007
 (In millions)



West Virginia State Treasurer's Fiscal Year 2007 Annual Report

West Virginia State Treasurer's Office Unclaimed Property Division Annual Report Fiscal Year 2007

	Revenue	
Holder Cash Remittance		\$10,956,077
Citigroup Security Liquidation		372,354
Security Dividends		8,215
Redeposit Claim Checks		4,706
Stale Dated Checks (Includes Workers' Compensation)		2,797,759
Huntington National Bank Principal/Interest		<u>1,444,244</u>
Total Gross Receipts		\$15,583,355
	Revenue Transfers	
Prepaid College Tuition Fund (WV Code 18-30-6 (I) 3)		706,449
Deferred Compensation Matching ((WV Code 5-10B-10A (G))		<u>2,000,000</u>
Total Revenue Transfers		\$2,706,449
	Claims Paid	
Claims Paid		<u>5,885,336</u>
Total Claims Paid		\$5,885,336
Net Receipts		<u>\$6,991,570</u>

Law Enforcement

Total Reports Received: 139

Total Weapons Reported for Escheatment to the State Treasurer's Office: 553

Total Weapons reported for Law Enforcement Agency Appropriation: 17

Total Weapons reported for Law Enforcement Agency Trade-ins: 227

Total Weapons Destroyed: 0

Total US Money Reported for Escheatment: \$18,181.31

Total Other Property Reported for Escheatment: 93

Total Property Reported for Law Enforcement Agency Public Sale: 198

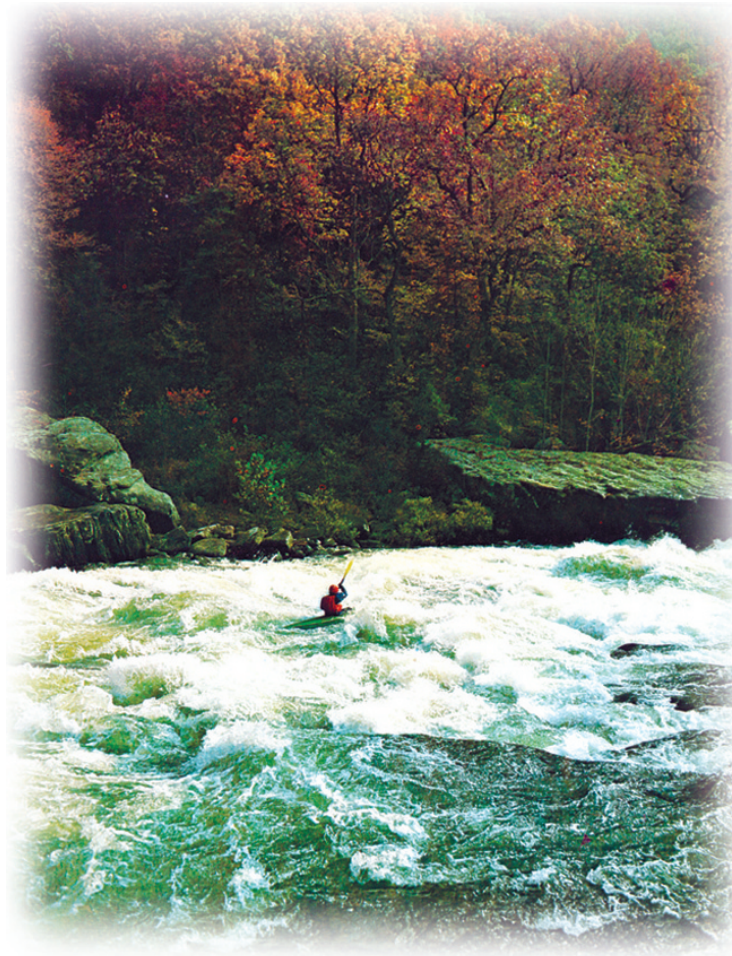
Total Other Property Reported for Law Enforcement Agency Appropriation: 74

Total Other Property Reported for Law Enforcement Agency Donation to a Non-Profit Organization:
278

Safe Deposit Boxes

Total Holder Reports Received: 27

Total Individual Safe Deposit Boxes Reported: 197



Rafting on the Gauley River

E-GOVERNMENT

E-GOVERNMENT

The West Virginia e-Government Services Program is an initiative of the State Treasurer's office to provide an electronic payment system for goods and services offered by state agencies, colleges, universities, and boards & commissions. In Fiscal Year 2007, this office laid the groundwork to allow these services to be made available to the local governments, a program we now call L-GOVERNMENT. West Virginia Counties, Cities, School Boards and Public Service Districts can now use the State Treasurer's payment system.

Public demand for government services via the Internet is increasing dramatically. Customer service is the key to e-Government and many of our state agencies and local government entities need assistance in the development and implementation. The concept of cooperation and visionary leadership will help us to provide better, more effective service to our citizens...our customers.

In 1999, with the passage of "Financial Electronic Commerce" legislation (Code Section §12-3A) in the legislative session, the State Treasurer's Office began to implement its provisions. The three pilot programs for accepting payments over the Internet were the State Treasurer Office's Pre-paid College Program; subscriptions to the Division of Natural Resources "Wonderful West Virginia" magazine; and Marshall University tuition and fees payments. This has expanded until currently; there are forty three state agencies using over one hundred active connections that are accepting payments through the Treasurers' Office system.

E-Government and L-Government services offer all of us the opportunity to reduce costs while providing better service to our customers, the citizens of West Virginia. To meet the challenges (problems), state and local governments must focus on these basics:

- * Think customer service first – for citizens, businesses, vendors, and other governments.
- * Provide all state agencies and local governments with available technology expertise and tools.
- * Use technology to cut costs and increase savings.
- * Operate as a "single enterprise" not several independent services.

Program Benefits

- * Improved Cash Management - reduced collection risks and delays associated with other payment types such as personal checks.
- * Lower processing costs and enhanced efficiencies over the long term.
- * Enhanced operational efficiencies - less paper processing and saves time.
- * Better customer/citizen service - convenience, easy to use and 24/7 access.
- * Positive public image
- * Faster investment and quicker interest earnings.
- * Credit cards – VISA, MasterCard, Discover, and American Express
- * Internet and traditional point of sale (POS)
- * Electronic check – electronic fund transfers (ACH debits & credits)
- * Lock Box – paper and credit card

How are payments over the Internet occurring?

Most state agencies accepting payments over the Internet only accept credit cards. In doing so, the Treasurer's Office prepays the interchange fee which varies by card type, and the agency must reimburse the Treasurer's Office at a rate of 2.25% of the total sale. Some agencies pass this charge on to the users in the form of a convenience fee for using the website. If the agency chooses to charge a convenience fee, the charge must be the same amount regardless of the total of the sale. If payment is processed by an electronic check (ACH), the agency must pay the Treasurer's Office a service fee of five cents per transaction.

Local governments have the fees deducted from the amount of their deposit. Their deposit can be made directly into their investment account with the Board of Treasury Investments. These funds earn interest from the day they are received, and the local government can withdrawal the funds as they desire.

Fiscal Year 2007

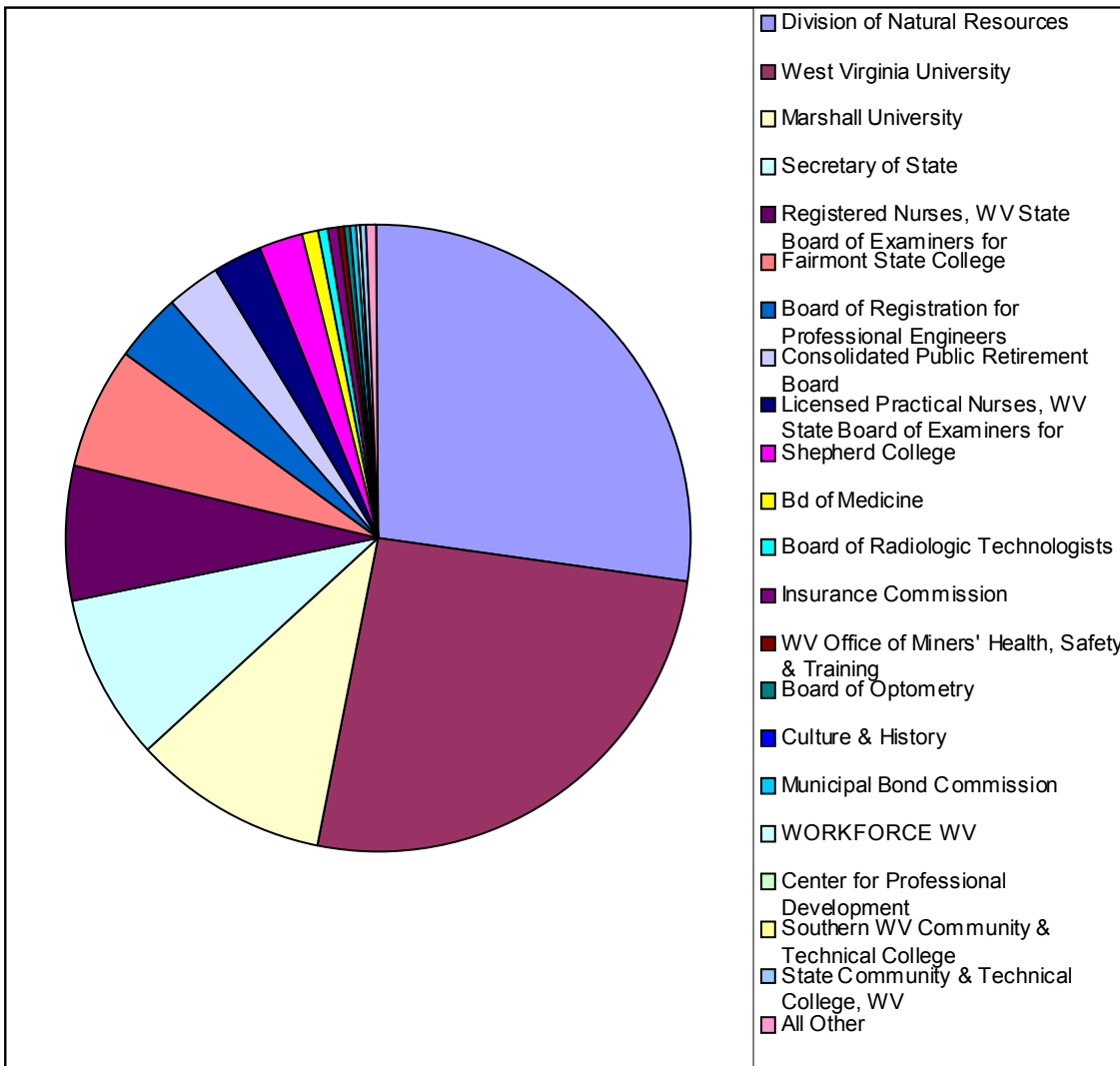
E-government has seen growth and new developments in the 2007 fiscal year. Our programmers wrote new software called ePay that allows new activity to be added faster than ever before. State Agencies and local governments can now have a great deal of control over their web pages. We continue to work toward better, more efficient, and user friendly software that can be provided to government web users to set up and maintain their own web activity.

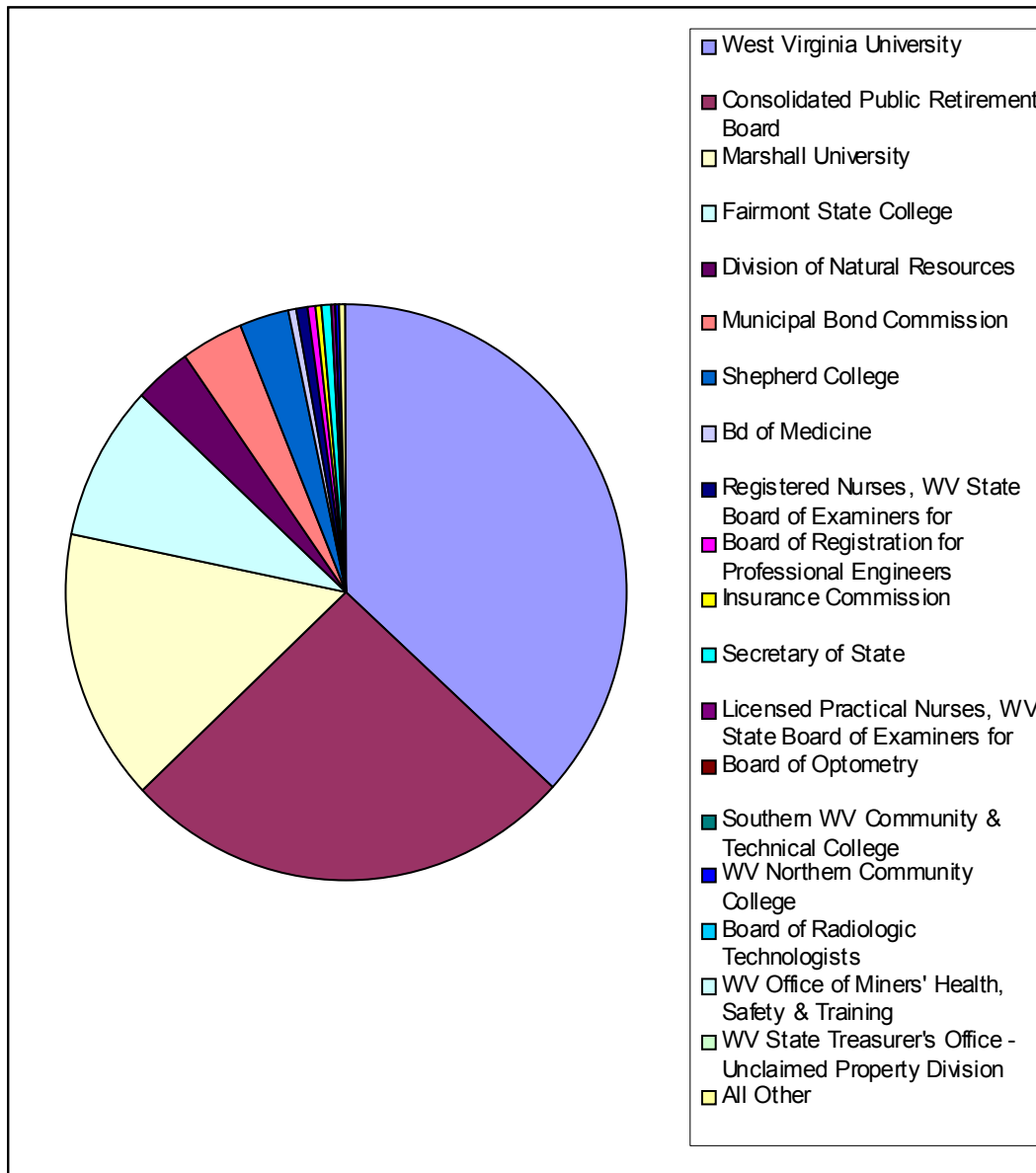
The total dollar activity for the 2007 fiscal year was over \$92 million dollars. Once again, the volume increased by more than 30% in one year. The Municipal Bond Commission added online activity and over 3 million dollars were collected over the internet rather than by mail. The Consolidated Public Retirement Board's activity generated around 23 million dollars with their website allowing for the collection and reporting of the state and non-state employee and employer contributions. Marshall, WVU, Shepherd and Fairmont Universities all showed increases in the amount of funds collected. DNR's Hunting and Fishing Licenses still had the highest volume at slightly over 52 thousand items. We added several more conference and class registrations, licensing board renewals including the Podiatrists' renewals, Board of Osteopathy, Board of Speech Pathology and Audiology, Board of Architects, and the Board of Landscape Architects, Community Colleges, West Liberty State College, and the Insurance Commission Quarterly Tax Collection to our online activity.

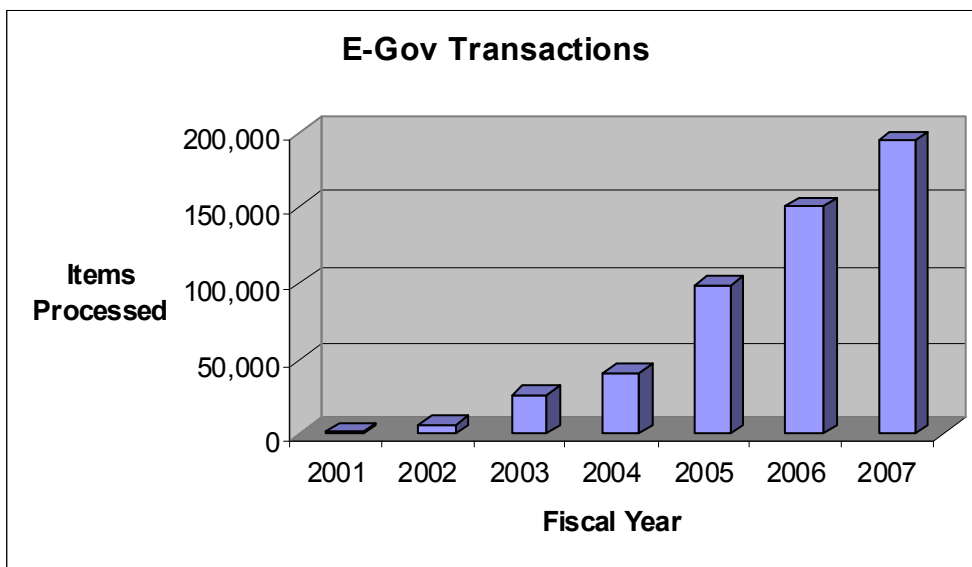
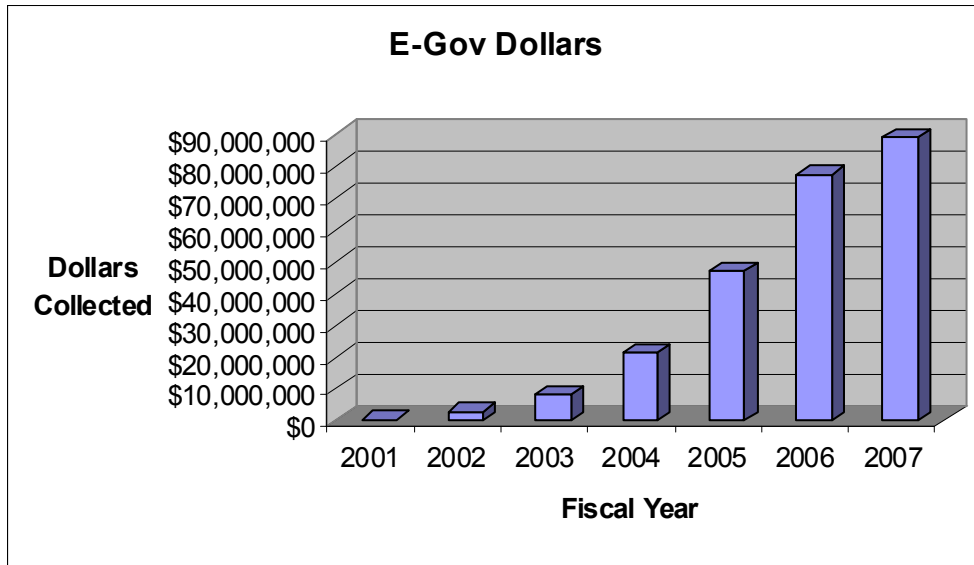
Public demand for government services via the Internet requires a major effort by the state to fulfill this demand. Customer service is the key to e-Government and many of our government agencies will need assistance in the development, implementation and improvement in Web sites. There is no "cookie-cutter" solution that will fit all the agency's needs. Each case must be evaluated and studied, and improvements must be planned and programmed. Funding for these improvements will be an important factor. The success of our efforts will require additional investment in acquiring the proper infrastructure, tools and trained personnel.

The Treasurer's Office desires to expand its services by continuing to work with state agencies and local governments. We will continue to provide the service and security that the agencies and citizens have come to rely upon. Our goal and focus is to provide the best, most secure, most efficient, and least costly cash management services to all the governments and citizens of West Virginia.

E-Government Activity by Volume
July, 2006 to June, 2007







Note: TOTAL E-GOVERNMENT ACTIVITY to date is over \$ 250,000,000.



Rhododendron - West Virginia State Flower

Employee Development

EMPLOYEE DEVELOPMENT DIVISION

Providing employees the opportunity to increase knowledge in a way that would accommodate their diverse schedules, meant bringing the training function in-house. The Treasurer moves nearly 30 employees out of the east wing basement of the capitol building and approved plans for a state of the art training facility, an adjoining conference room and a new information technology programming office. To oversee the implementation of the project the Treasurer created the Employee Development Division.

Since the training facility's completion in 2001, the Employee Development Division has developed more than 80 classes, provided training for more than 1300 participants and saved approximately \$360,000 in training tuition/registration fees alone, paying for itself within the first year of operation. Each month the training center offers a variety of computer and leadership classes for Treasury and state agencies employees.

Duties and Responsibilities

The Employee Development Office is responsible for:

- *Coordinating all training for the State Treasurer's Office
- *Designing and facilitating end user training for all standard office applications
- *Maintaining records of all training participants and evaluations of instructors
- *Provide computer application assistance

Accomplishments

In today's business world, technology advances at an astounding rate. As technology changes, the tools of our offices change. The Employee Development Division ensures that the Treasurer's office staff not only stays aware of the latest business tools but also has every opportunity to learn how to use the tools he provides. We also reach out to state agencies to provide training free of charge.

Following through on the Treasurer's commitment to education, we offer the following classes each and every quarter:

- Microsoft Excel (beginning, intermediate, advanced and expert topics)
- Microsoft Word (beginning, intermediate, advanced and expert topics)
- Microsoft PowerPoint (beginning, intermediate, advanced and expert topics)
- Microsoft Access (beginning, intermediate advanced and expert topics)
- Microsoft Outlook (beginning, intermediate, advanced and expert topics)

Offering these classes translates into more efficient workers and government savings in travel and training.

FY 2007 Accomplishments:

- Over 94 classes facilitated at a savings of over \$73,000
- Facilitated over 2900 hours of training

Overall Accomplishments:

- Delivered 14,478 hours of training to state employees equal to \$366,810 in estimated government savings
- Delivered over 3478 hours of training to STO employees equal to \$88,430 in estimated STO Savings. In addition, the Employee Development Division works with the Information Technologies staff to develop training for any new hardware or software that's implemented in the office. I also serve as technical support for most of the office's applications and their users.

This work includes:

Specialized Courses:

- Fax server training
- Blackberry Training
- Content Management Web Site Training

Information Media:

- E-gov DVD "Introduction to E-government"
- E-gov DVD "E-government Services"
- E-gov DVD "E-pay System Training Guide"
- State Fair Kiosk
- Office Overview/Field Presentation

Board of Treasury Investments

Board of Treasury Investments

Administrative Expense

- n Under budget
 - .. \$329,000 FY 2006
 - .. \$238,000 FY 2007
 - .. \$567,000 Total

- n \$35,000 savings from renegotiated Investment Consultant Contract

- n ½ of savings passed on to Shareholders

Negotiations

- n \$ 66,000 Cash Liquidity Manager
- n \$ 60,000 Enhanced Yield Manager
- \$126,000 Total

Total Passed on to Shareholders

Accomplishments

Growth of Fund

- n \$2.243 B July 2005
- n \$2.924 B July 2007
- n Increase of \$16 M in Local Government accounts

Majoir Achievements

- n Strategic Plan
- n Unqualified Audit Opinion
- n GFOA Certificate of Achievement
- n AAA m Rating

CD Auction Program

- n \$154 M placed with WV banks
- n \$4.1 M interest earnings
- n .14% weighted average spread over benchmark

Improvements in Operations

- n Improved Reporting
- n Due Diligence Process
- n Educational Program
- n Professional Staff

Marketing

- n New brochures
- n Web page improvements
- n Expanding Operating Report distribution list
- n Promote AAAM rating
- n Partner with managers