

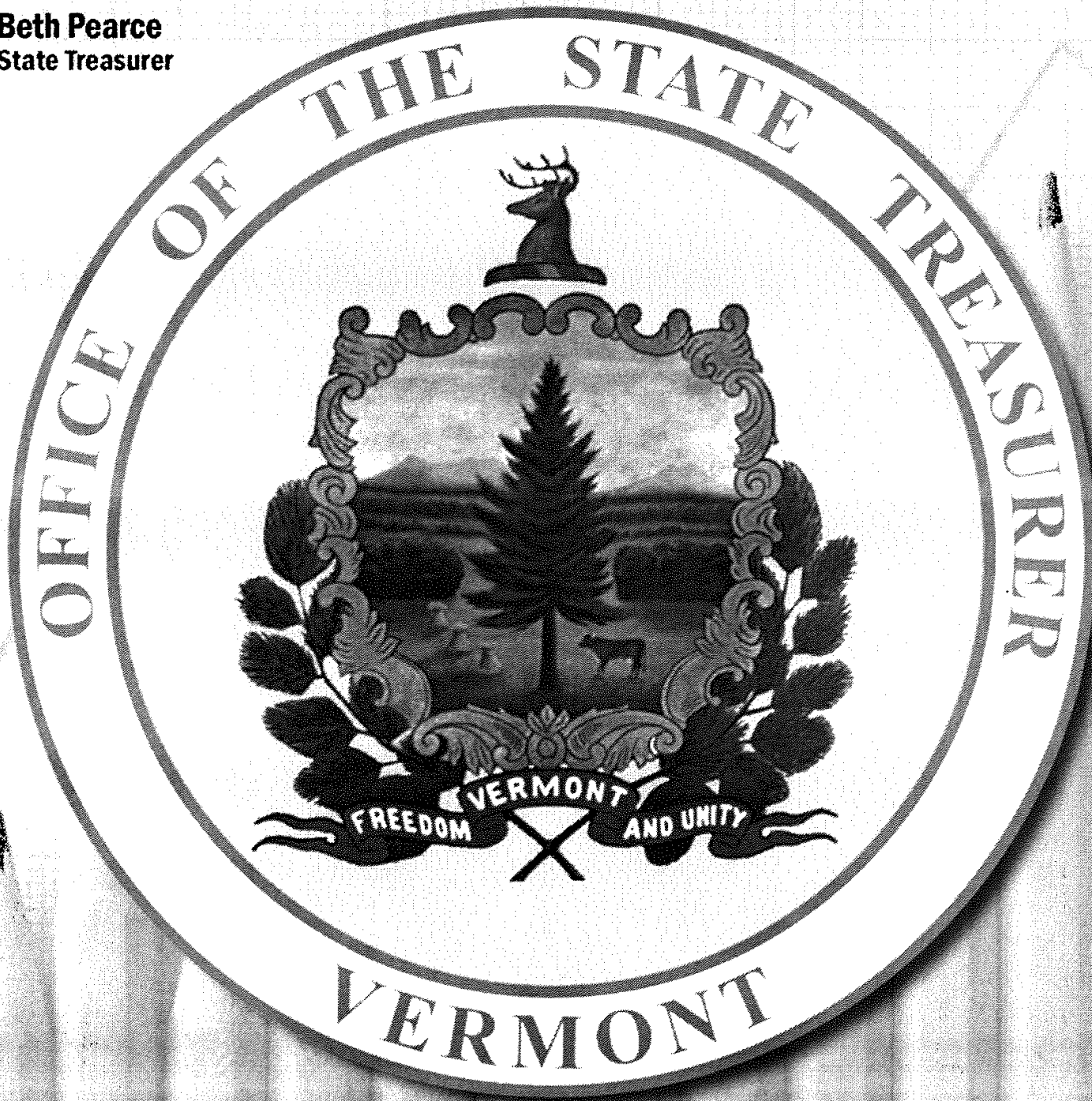
2011 Annual Report

Office of the State Treasurer

State of Vermont

Issued January 2012

Beth Pearce
State Treasurer

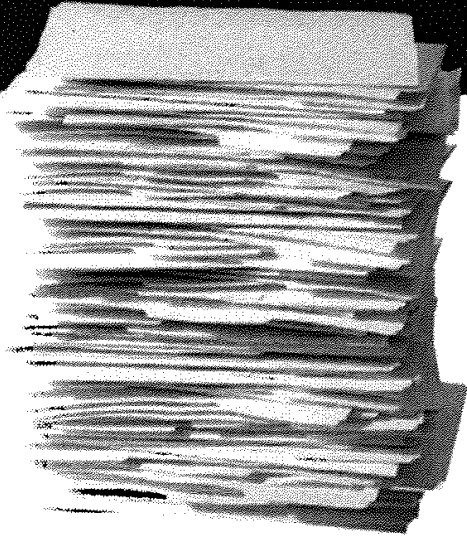


The Vermont State Treasurer's Office Strives to:

- Give Vermont taxpayers an excellent value.
- Offer the best customer service possible.
- Deliver the highest quality operational services.
- Create a productive employee work environment.

Office of the State Treasurer
109 State Street
Montpelier, Vermont 05609
www.VermontTreasurer.gov

Legislative Reporting Requirements



Brandon Training School/Vermont Veterans' Home

Section 23 of Act 62 of the Public Acts of 1995 specifies that the State Treasurer shall notify the chairs of the Senate and House Institutions committees upon receipt of monies from the sale of the Brandon Training School property, as well as certain federal receipts associated with the Vermont Veterans' Home. For fiscal year ending June 30, 2011, the State has timely received amounts due from the federal government associated with the Vermont Veterans' Home. The last three buildings belonging to the Brandon Training School were sold on February 9, 2010, and the final receipt for this sale was received in fiscal year 2011.

Financial Literacy Trust Fund

The legislature authorized the establishment of a trust fund in 2008 to finance financial literacy in Vermont. According to the legislation, "the purpose of the fund is to promote the adoption of fiscally sound money management practices by Vermonters through education and outreach efforts that raise awareness of the need for and benefits of practicing such skills; and to create opportunities to build and encourage the development of new financial literacy activities and educational products for Vermont citizens." The Treasurer is authorized to collect money from a variety of sources to fund these activities. For fiscal year 2011, the fund received deposits of \$500. The fund earned \$35.50 in interest. There was \$11,014.01 expended from the trust fund during fiscal year 2011. Of that amount, approximately \$9,675 was expended in support of the first year of the Reading is an Investment program, \$1,080 was expended for the state tournament of the Reserve Cup Challenge, and the remainder expended for the annual financial literacy poster competition.

Survivors of Emergency Personnel

Originally established by the legislature in 2002 as the Firefighters' Survivors Benefit Fund, this fund was expanded during the 2005 legislative session to include not only firefighters, but ambulance service, emergency medical, first responder service and volunteer personnel. A review board administers the grant of a one-time monetary benefit to the survivor or survivors of emergency personnel employed by or who volunteer for the State of Vermont, a county or municipality of the state, or a nonprofit entity which provides services in the state, who die in the line of duty or of an occupational-related illness. From July 1, 2010 through

November 30, 2011, two payments have been made related to the deaths of emergency personnel in the line-of-duty. As of November 30, 2011, this fund has assets of \$6,808.29. In addition, the Treasurer's Office has requested that the Commissioner of Finance add a \$100,000 appropriation to this fund to the fiscal year 2012 budget adjustment act, to be funded by a reversion from the Treasurer's Office budget.



MacBride Principles

Act 50 of the Public Acts of 1989 specifies that the State Treasurer and the Retirement Boards compile a list of corporations that conduct business in Northern Ireland in which the State Treasurer and Retirement Boards have invested funds. Notifications from external investment managers listing such businesses are due in the Treasurer's Office on January 1 of each year, and these notifications are kept on file in the Treasurer's Office. The Act further requires that the Treasurer and the boards of the trustees of the Vermont State Employees' Retirement System and the Vermont State Teachers' Retirement System shall support the MacBride Principles addressing worker equality and security issues through support of shareholder issues. The Treasurer's Office and the trustees comply with Act 50 by mandating MacBride Principles compliance through Vermont Pension Investment Committee (VPIC) investment guidelines to be observed by investment managers and by the proxy firm engaged by VPIC to vote its proxies. Proxy voting guidelines approved by the three Vermont Retirement Systems and the Treasurer's Office for U.S. domestic equity managers also specify manager voting compliance with MacBride principles.

Credit Card Payments

The Treasurer's Office contracts with TD Bank Merchant Services Group, a division of TD Bank, N.A., to provide credit and bank card services. Acceptance of credit and debit card payments is broadly practiced in many agencies and departments as a method of payment of registration fees, licenses, penalties, fines, durable goods, park reservations, interest, and payment of taxes. Credit and debit card acceptance provides our customers, the citizens of Vermont, with a more convenient method of payment. In addition to public convenience, electronic processing of consumer and business purchases improves governmental cash flows, offers greater financial security, and reduces the overhead costs associated with the handling of currency. In addition, the State has a contract with the Vermont Information Consortium (VIC) to provide internet-based credit and debit card acceptance services to Vermont agencies and departments.

Credit and debit card acceptance provides our customers, the citizens of Vermont, with a more convenient method of payment.

The Court Administrator has worked with VIC since February, 2007, to allow for the payment of fines and fees via the internet and by credit card. In the fiscal year ending June 30, 2011, approximately 37,065 such transactions were processed, with 31,153 conducted by users over the internet, and the remaining 5,912 transactions processed either in person, at a district court, or over the phone. A convenience fee of \$3.75 is currently charged to users of the service each time a person pays Judicial Bureau judgments with a credit or debit card. In order to market the on-line credit card payment option for Judicial Bureau judgments, the Judiciary has added the web site address for the service to payment envelopes, the judgment form, and the collection notice. The judgment form and the collection notice also include a tear-off credit card payment stub that can be mailed.

Burma (Myanmar)

Act 13 of the Public Acts of 1999 specifies that the Treasurer shall implement the purposes of the Act by voting in favor of shareholder resolutions concerning individual companies doing business with the government of Burma. In addition, the Treasurer shall separately notify the company that Vermont wishes to convey its grave concerns regarding the company's economic ties to the government of Burma. The Treasurer complies with this Act through measures including mandating compliance through VPIC investment guidelines that must be observed by investment managers and by the proxy voting firm engaged by VPIC to vote its proxies. Proxy voting guidelines adopted by the three Vermont Retirement Systems and the Treasurer's Office for U.S. domestic equity managers also specify manager voting compliance including support of labor standards in connection with a company's involvement in Burma, and reporting on Burmese operations and activities.

Credit Card Accounts Summary

DEPARTMENT	TOTAL SALES	TOTAL FEES
VT Department of Liquor Control	\$23,567,402.26	496,068.91
VT Department of Motor Vehicles	\$18,509,088.61	318,439.69
VT Judiciary/Courts *	\$6,284,141.13	-
VT Department of Taxes	\$4,786,311.81	168,390.87
VT Secretary of State	\$4,494,197.69	101,656.37
VT Department of Forest, Parks & Recreation	\$2,539,746.15	61,722.34
VT Department of Fish and Wildlife	\$1,469,281.44	29,132.01
VT Department for Children & Family Services	\$1,080,673.51	24,966.98
VT Department of Public Safety *	\$609,696.50	-
VT Restitution Unit	\$239,497.43	4,660.81
VT Health Department	\$181,899.00	4,257.31
VT Department of Historic Preservation/Historic Sites	\$103,919.36	3,563.75
Vermont Life Magazine	\$44,150.36	1,132.56
Vermont Department of Labor *	\$22,337.50	-
VT Department of Environmental Conservation	\$11,808.25	382.15
VT Agency of Transportation	\$1,628.00	104.68
Total	63,945,779.00	1,214,478.43

* Cardholders using this service pay a convenience fee, which offsets all of the card processing fees for this service for this reporting period.