WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

A Component Unit of the State of West Virginia

Audited Financial Statements with Supplementary & Other Financial Information

Year Ended June 30, 2011

Audited Financial Statements
With Other Financial Information

West Virginia Board of Treasury Investments

Year Ended June 30, 2011

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West Virginia Board of Treasury Investments

Financial Statements with Other Financial Information
For the Year Ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the West Virginia Board
of Treasury Investments
Charleston, West Virginia

We have audited the accompanying financial statements of the proprietary and fiduciary funds of the West Virginia Board of Treasury Investments (the BTI), a component unit of the State of West Virginia, which collectively comprise the BTI's basic financial statements, the combining and individual fund financial statements, and the schedule of investments in securities as listed in the table of contents as of and for the year ended June 30, 2011. These financial statements are the responsibility of the BTI's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the proprietary and fiduciary funds of the BTI as of June 30, 2011, and the respective results of their operations and changes in their net assets and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements and schedule of investments referred to above present fairly, in all material respects, the financial position of each of the individual funds and schedule of investments as of June 30, 2011, and the changes in net assets of such funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2011, on our consideration of the BTI's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the BTI taken as a whole. The other financial information included on pages 56 to 61 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Gibbons & Kawash, A.C.

August 25, 2011

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2011

As management of the West Virginia Board of Treasury Investments (the "BTI"), we offer readers of the financial statements of the BTI this discussion and analysis of the BTI's financial performance for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in this section in conjunction with the BTI's financial statements, including notes to the financial statements, which follow this section.

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

Financial Highlights

Net Assets of the Consolidated Fund increased $247 million for the year ended June 30, 2011. Although the economy continued to struggle and interest rates were at all-time lows, investments continued to increase. State agencies and local governments continued to exhibit a "flight to quality" behavior as in prior years.

The money market pools held by the BTI hold very short-term investments and their yields mirror short-term interest rates. Shortly after the fiscal year end, the Federal Reserve announced its commitment to maintain short term rates at zero through mid-2013. The interest rate policies from the Federal Reserve play a profound effect in keeping short term rates low for the Consolidated Fund.

Rates for the Consolidated Fund's WV Money Market, WV Government Money Market, and WV Short Term Bond Pools were 0.11%, 0.08%, and 1.96%, respectively, for the year ended June 30, 2011. Short term interest rates remained at historically low levels as the Federal Reserve continued to pursue an ultra-accommodative monetary policy in hopes of spurring job creation. Corporate bonds, asset-backed securities, and government guaranteed mortgage-backed securities had stable performance for most of the period, although these investment vehicles gave up some gains at the end of the year due to investor nervousness over the European debt crisis and the US budget deficit reduction negotiations.

The WV Money Market Pool is structured as a money market fund with the goal of preservation of principal. The benchmark for the WV Money Market Pool is the Merrill Lynch 3-Month T-Bill plus 15 basis points. The portfolio underperformed its investment policy benchmark for the fiscal year. An improvement in money market yields is not on the horizon. The BTI contracts with UBS and JP Morgan to co-manage this pool and those managers have made recommendations to improve the return during these challenging economic times. Investment recommendations included investing in puttable securities and supranationals, all requiring BTI board approval and policy compliance.

The WV Government Money Market Pool's objective is to preserve capital and maintain sufficient liquidity to meet the daily disbursements of participants, while earning a return above inflation. The benchmark for the WV Government Money Market Pool is the Merrill Lynch 3-Month T-Bill. The portfolio outperformed its investment policy benchmark for the fiscal year by 5 basis points.

The WV Short Term Bond Pool is structured as a mutual fund with the objective of asset growth rather than current income. The benchmark for the WV Short Term Bond Pool is the Merrill Lynch U.S. Corporate & Government, 1-3 Years, A Rated and Above Index plus 10 basis points. The portfolio outperformed its investment policy benchmark by 8 basis points for the fiscal year. In November 2010, the portfolio's duration was significantly reduced to protect the portfolio from price losses when the Federal Reserve eventually begins raising interest rates. The portfolio sold primarily low yielding Treasury securities and replaced them with AAA rated floating rate asset-backed and mortgage-backed securities, as well as high quality corporate bonds. The portfolio's duration risk was reduced from 1.8 years to 0.37 years. Normally, taking less interest rate risk means a lower yield for the portfolio, but the portfolio was able to maintain its yield while reducing its interest rate risk since short term Treasury yields are at record low levels.

Overview of the Financial Statements

This report presents the operating results and financial position of the BTI, which is composed of a proprietary fund and fiduciary fund. The proprietary fund is an internal service fund, or operating fund, used to account for activities that provide investment and administrative services on behalf of the State and other participants in the Consolidated Fund. The fiduciary fund is used to account for the activities of the Consolidated Fund, which is made up of ten legally separate investment pools and accounts. There are four external investment pools, three special-purpose internal investment pools, and three individual investment accounts, all of which are included in the fiduciary fund. The BTI is the trustee, or fiduciary, for participants in the Consolidated Fund. Financial statements for the proprietary fund and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities.

The Statement of Net Assets presents information on the proprietary fund's assets and liabilities, with the difference between the two reported as net assets. This statement is categorized into current and non-current assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within 12 months of the statement's date.

The Statement of Revenues, Expenses and Changes in Fund Net Assets reflects the operating and non-operating revenues and expenses of the proprietary fund for the operating year. Operating revenues primarily consist of investment service fees charged to the Consolidated Fund with significant operating expenses composed of salaries and benefits, investment advisor fees, investment management system expenses, professional service fees, and fiduciary bond fees.

The Statement of Cash Flows reflects the proprietary fund's cash flows from operating activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

The Statement of Fiduciary Net Assets presents information on the fiduciary fund's assets and liabilities, with the difference between the two reported as net assets held in trust for investment pool participants and individual investment account holders.

The Statement of Changes in Fiduciary Net Assets reports the additions and deductions to the fiduciary fund for the year. Additions are composed of investment income, such as interest, dividends, securities lending income, and accretion; investment expenses such as investment advisor fees, custodian bank fees, administrative fees; and purchases of pool units, reinvestments of pool distributions, and contributions to individual investment accounts. Deductions represent distributions to pool participants, redemption of units by pool participants, and withdrawals from individual investment accounts.

The State of West Virginia reports the proprietary fund as an internal service fund in its Comprehensive Annual Financial Report ("CAFR"). An internal service fund is used to report any activity that provides goods or services to other funds, departments, or agencies of the State and its component units, or to other governments, on a cost-reimbursement basis. The State reports the portions of the Consolidated Fund pools and accounts held by state agencies and component units as investment holdings of those entities within the appropriate fund reporting categories for those entities. The State reports the portions of the Consolidated Fund held by local governments, municipalities, and other political subdivisions as investment trust funds, a type of fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity, and those resources are not available to support operations of that entity.

Financial Analysis of the Operating Fund

Net assets. The following is the condensed Statement of Net Assets of the proprietary fund, which represents the assets, liabilities, and net assets generated by the operating activities of the BTI, as of June 30, 2011 and 2010 (in thousands).

	2011	2010
Current assets	$ 1,176	$ 1,369
Noncurrent assets	6	1
Total assets	1,182	1,370
Current liabilities	421	442
Total liabilities	421	442
Net assets:		
Invested in capital assets	6	1
Unrestricted	755	927
Total net assets	$ 761	$ 928

Net assets of the Operating Fund decreased $167,000 from the prior year. This decrease was primarily due to a decrease in cash of $173,000, a decrease in accounts receivable of $20,000, an increase in noncurrent assets of $5,000, and a decrease in current liabilities of $21,000.

The majority of the proprietary fund's net assets consist of current assets. Approximately $728,000 of $1,176,000 in current assets consists of cash and cash equivalents that will be used to pay investment advisor, custodian, and administrative costs. The decrease in cash for the current year was due to the decrease in administrative fees charged during fiscal year 2011.

Since its inception, the BTI has expended considerable effort to ensure operations remain within budget. At June 30, 2010, the BTI built up a cash reserve of $901,000. Budget forecasts for fiscal year 2011 predicted a consistent level of expenditures as in prior years. Accordingly, the BTI applied one-half of excess funds remaining at June 30, 2010 to reduce administrative fees for fiscal year 2011. This resulted in a decrease in cash collections for fiscal year 2011.

Approximately $448,000 of current assets consists of accounts receivable at June 30, 2011. The accounts receivable balance represents fees that have not been withdrawn from the investment pools at June 30, 2011 to pay investment advisor, custodian, and administrative costs. In accordance with *WV State Code §12-6C-19*, the Board may charge fees to the pools for reasonable and necessary expenses incurred for rendering services. The fees charged to the pools are categorized into direct expenses (investment advisor and custodian fees) and indirect expenses (administrative costs). As part of the BTI monthly operations, the fees are transferred from the pools to the BTI's operating fund to pay for all necessary and reasonable expenses. These transfers occur one month in arrears, resulting in an accounts receivable balance.

Capital assets increased $5,000 from the prior year. This was due to the purchase of Hewlett Packard Laptops for five members of the BTI staff. The upgrade was needed to handle new software as well as replace outdated computers.

The entire $421,000 of current liabilities represents accounts payable at June 30, 2011. The majority of the accounts payable balance represents services received from the BTI's investment advisors and consultants for the final quarter of fiscal year 2011, custodian fees for the month of June 2011, and maintenance costs due for the investment management system for June 2011. The BTI had no reimbursements due to the West Virginia State Treasurer's Office for goods and services provided to the BTI at fiscal year end.

Net assets of the BTI's proprietary fund are composed of investments in capital assets net of accumulated depreciation and unrestricted net assets. Capital asset expenditures of $1,000 or more are capitalized at cost and reported net of accumulated depreciation. Unrestricted net assets represent net assets not restricted to their use by legal, contractual or enabling legislation constraints.

Changes in fund net assets. The following is a condensed Statement of Revenues, Expenses and Changes in Fund Net Assets of the operating fund for the periods ended June 30, 2011 and 2010 (in thousands).

	2011	2010
Revenues		
Operating revenues:		
Management services	$ 1,052	$ 1,468
Advisor and custodian services	1,533	1,384
Total revenues	2,585	2,852
Expenses		
Operating expenses:		
General and administrative	1,217	1,198
Advisor and custodian fees	1,533	1,384
Depreciation	2	3
Total expenses	2,752	2,585
(Decrease) increase in net assets	(167)	267
Net assets at beginning of year	928	661
Net assets at end of year	$ 761	$ 928

Operating revenues at June 30, 2011 consist of investment advisor, custodian, and management fees billed to the pools by the operating fund to cover the cost of providing investment management services. The fees charged to the pools are categorized into direct or indirect expenses. All direct fees, investment advisor and custodian, are charged directly to the pools as the fee is incurred. All indirect expenses, i.e. insurance, staff costs, and rent, are charged to the pools based upon a fixed basis point against the net asset value of the pool. The fees collected are deposited in a special account in the State Treasurer's Office created and designated the Board of Treasury Investments Fee Fund in accordance with *West Virginia Code §12-6C-19*.

Operating revenues for fiscal year 2011 decreased by approximately $267,000. This decrease in revenue consisted of an increase of $122,000 in advisor fee revenues, a decrease of $416,000 in management (administrative) fees, and an increase of $27,000 in custodian fees charged to the pool.

Advisor fee revenue is computed based upon market values of the pool. Contract fees did not increase for the investment managers. However, total Consolidated Fund net assets increased $247.6 million. Similarly, a portion of custodian fees are based upon market value. As net assets grew, so did the operating revenue attributable to the custodian. The significant decrease in management fee revenue was due to the reduction in administrative fees charged to the pool during fiscal year 2011.

Total operating expenses for the year increased by approximately $167,000. This includes an increase in general and administrative expenses of $19,000, an increase in advisor and custodian fees of $149,000, and a decrease in depreciation of $1,000.

General and administrative expenses represent costs associated with operating the BTI, but not considered directly applicable to investment management. The largest costs classified under general and administrative expenses are salaries expense, professional service fees with NEPC Investment Consulting, and fiduciary bond fees. Staff salaries decreased slightly from the prior year due to one employee going to part time status (24 hours). During fiscal year 2011, BTI was notified that Mercer Investment Consulting would not be renewing their contract due to their policy change mandating the discontinuation of services to public funds. The BTI hired NEPC Consulting on April 1, 2011 as their investment consultant. The first year fee was $140,000, representing a $7,700 increase in annual consulting fees. In addition, the BTI engaged Mercer to perform additional work related to exiting the securities lending program during fiscal year 2011. The fiduciary bond remained unchanged from the prior year at $155,000.

Other general and administrative expenses that experienced increased costs from the prior year include marketing, professional education, and travel. The BTI continued to stay abreast of changes in the marketplace through educational conferences sponsored by entities such as Government Finance Officers Association and the Association of Financial Professionals. In March 2011, the BTI retained Mercer Sentinel to evaluate BTI's operations and controls against soundness, market and best practice standards. Mercer Sentinel conducted a workshop with key BTI staff over two days. The workshop covered organizational structure, compliance and audit, investment processes and controls, and risk management. The training provided valuable insight into improvements and succession planning for the BTI.

A large portion of BTI expenses represent investment advisor fees. The current investment advisors are JP Morgan Asset Management, Federated Investors, and UBS Global Asset Management. All investment decisions and trade executions are performed by the investment advisors. Total investment advisor fees for fiscal year 2011 were $1,399,000, representing a $122,000 increase from the previous year. This increase is due to an overall increase in net asset value of the Consolidated Fund.

Custodian fees increased $27,000 during fiscal year 2011. This was due to the increase in net asset value of the Consolidated Fund as well as the elimination of the custodian fee discount by BNY Mellon during the latter half of fiscal year 2010.

Financial Analysis of the Consolidated Fund

Net assets. The following are combined, condensed Statements of Fiduciary Net Assets of the Consolidated Fund fiduciary funds as of June 30, 2011 and 2010 (in thousands).

	2011	2010
Assets		
Investments	$ 4,168,034	$ 3,979,008
Securities lending collateral	10,692	133,606
Receivables	11,696	4,481
Other assets	-	10
Total assets	4,190,422	4,117,105
Liabilities		
Accrued expenses	448	468
Dividends and purchases payable	7,099	57,825
Securities lending payable	10,692	133,606
Total liabilities	18,239	191,899
Net Assets		
Held in trust for investment pool participants	4,158,934	3,907,990
Held in trust for individual investment account holders	13,249	17,216
Net assets	$ 4,172,183	$ 3,925,206

The Consolidated Fund's total assets as of June 30, 2011 were nearly $4.2 billion and consisted mainly of investments in securities. Total assets increased $73.3 million or 1.8% from the prior year primarily due to an increase in contributions and a decrease in securities lending at June 30, 2011. The BTI has continued to reduce its participation in securities lending. As of June 30, 2011, total securities lending collateral was $10.7 million, a 92% decrease from the prior year. Due to many factors such as risk exposure, future charges imposed by BNY Mellon, and Wachovia/Wells (third party securities lending agent) selling its program to Citigroup, the BTI exited securities lending in July 2011. See Notes 2, 4 and 9 to the audited financial statements for further details.

Total liabilities as of June 30, 2011 were $18.2 million and consisted mainly of dividends/purchases payable and securities lending collateral payable. Total liabilities decreased $173.7 million or 90% from the prior year primarily due to the unwinding of the securities lending program.

Net assets are the excess of total assets over total liabilities. The Consolidated Fund had total net assets of nearly $4.2 billion at the close of fiscal year 2011. The net assets consist of funds held in trust for investment pool participants and individual account holders. Investment pool participants are those participants investing in the WV Money Market, WV Government Money Market, WV Short Term Bond, WV Bank, Reserve, Loan, and Loss Amortization Pools. Net assets for investment pool participants increased approximately 6% from the prior year primarily due to an increase in investments for the WV Money Market and WV Government Money Market Pools. During fiscal year 2011, the WV Government Money Market Pool net assets increased by $41.6 million. Participation increased in the pool due to contributions related to bond issues from various county boards of education. The WV

Government Money Market Pool appeals to these participants as the pool has strict investment guidelines that coincide with their bond covenants.

Net assets held in trust for individual account holders represent individual state agency accounts with specific investment needs. Each agency has 100% ownership of the underlying investments in its pool and is solely responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. Net assets for individual account holders decreased $4.0 million or 23% from the prior year. This decrease represents maturities in the WV Municipal Bond Commission account that were not reinvested back in the pool.

Changes in net assets. The following is a combined, condensed Statement of Changes in Fiduciary Net Assets of the Consolidated Fund fiduciary funds for the years ended June 30, 2011 and 2010 (in thousands).

	Year Ended June 30,	
	2011	2010
Additions		
Net investment income	$ 23,930	$ 25,778
Net realized gain	6,527	1,576
Net decrease in fair value of investments	(11,329)	(770)
Unit purchases and contributions	10,618,371	10,217,163
Total additions	10,637,499	10,243,747
Deductions		
Distributions	22,791	19,565
Unit redemptions and withdrawals	10,367,731	9,962,268
Total deductions	10,390,522	9,981,833
Increase in net assets	246,977	261,914
Net assets at beginning of year	3,925,206	3,663,292
Net assets at end of year	$ 4,172,183	$ 3,925,206

Net investment income for the Consolidated Fund decreased $1.8 million or 7% from the previous year. This decrease was due to the ongoing decline of short-term rates through fiscal year 2011. As for future periods, an improvement in money market rates is not on the horizon. This is due to the Federal Reserve's plan to keep short-term rates low and stricter requirements imposed by the SEC.

The Consolidated Fund realized a gain of $6.5 million during fiscal year 2011. This was primarily due to the sale of securities in the WV Short Term Bond Pool. Significant gains were earned on asset backed securities, FNMAs, and US Treasury Notes.

The fair value of investments decreased by $11.3 million, primarily due to the decline in value of securities in the WV Short Term Bond Pool. The WV Short Term Bond Pool held several Corporate Asset Backed Securities whose ratings fell out of compliance with the Investment Policy and Code during the financial meltdown. BTI management and Federated Investors monitor these securities on an ongoing basis. Federated has maintained the position to "hold" the securities as opposed to a "fire sale."

Unit purchases and contributions to the Consolidated Fund increased nearly $401.8 million from the previous fiscal year, while unit redemptions and withdrawals to participants increased $405.5 million.

Economic Factors

The Consolidated Fund is designed to address the short-term liquidity needs of the participants which focus on safety of principal, maximization of yield, and conformance with state law and other pertinent legal restrictions. The Board recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. However, the Investment Policy of the BTI invests assets in a manner that strives for maximum safety with the primary objectives of safety and liquidity.

The BTI Consolidated Fund continued to experience record low rates with regard to the WV Money Market, WV Government Money Market and WV Short Term Bond Pools. The Federal Reserve's monetary policy remains unchanged, and the federal funds target rate remained in a range of 0% - 0.25%, for more than two years. In addition, the Federal Reserve ended its second round of economic stimulus known as quantitative easing (QE2) at the end of the fiscal year. Together, these factors kept money market yields at near all-time lows.

In regard to the fixed income outlook, the road to increased returns for short term funds appears very long. There are many cautionary flags including the fiscal drag of states and local governments balancing their budgets, the European debt crisis, outcomes from the federal debt ceiling talks, and the arrival of the 2012 election season. On a promising note, West Virginia continues to be one of a few states with a budget surplus for fiscal year 2011. In addition, the BTI has had a budget surplus since its inception in July 2005.

Despite minimal yields, state agency and local governments continue to move funds into the BTI's money market pools as they provide a safe place to invest.

Requests for Information

This financial report is designed to provide a general overview of the BTI's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, West Virginia Board of Treasury Investments, 1900 Kanawha Boulevard East, Charleston WV 25305.

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West Virginia Board of Treasury Investments
Statement of Net Assets
Proprietary Fund

June 30, 2011

(In Thousands)

Assets	
Current assets:	
Cash	$ 728
Receivables	448
Total current assets	1,176
Noncurrent assets:	
Capital assets, net of accumulated depreciation	6
Total assets	1,182
Liabilities	
Current liabilities:	
Accounts payable	421
Total liabilities	421
Net assets	
Invested in capital assets	6
Unrestricted	755
Total net assets	$ 761

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund

For the Year Ended June 30, 2011

(In Thousands)

Operating revenues	
Management services	$ 1,052
Advisor services	1,399
Custodian services	134
Total operating revenues	2,585
Operating expenses	
Advisor fees	1,399
Management fees	623
Professional service fees	222
Fiduciary bond	155
Custodian fees	134
General and administrative	217
Depreciation	2
Total operating expenses	2,752
Operating loss	(167)
Change in net assets	(167)
Net assets at beginning of period	928
Net assets at end of period	$ 761

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Statement of Cash Flows
Proprietary Fund

For the Year Ended June 30, 2011

(In Thousands)

Cash flows from operating activities	
Cash received for services	$ 2,607
Payments to vendors	(2,773)
Net cash used for operating activities	(166)
Cash flows from capital and related financing activities	
Purchase of capital equipment	(7)
Total cash used for capital and related financing activities	(7)
Cash at beginning of period	901
Cash at end of period	$ 728
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	$ (167)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	2
Changes in assets and liabilities:	
Receivables	20
Accounts payable	(21)
Net cash used for operating activities	$ (166)

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Combined Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2011

(In Thousands)

Assets	
Investments:	
At amortized cost	$3,502,367
At fair value	665,667
Total investments	4,168,034
Collateral for securities loaned, at fair value *(See Note 4)*	10,692
Receivables:	
Accrued interest	2,995
Dividends	37
Securities sold	8,664
Total receivables	11,696
Total assets	4,190,422
Liabilities	
Accrued expenses	448
Dividends payable	2,076
Payable for investments purchased	5,023
Payable upon return of securities loaned *(See Note 4)*	10,692
Total liabilities	18,239
Net Assets	
Held in trust for investment pool participants	4,158,934
Held in trust for individual investment account holders	13,249
Total net assets	$4,172,183

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Combined Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Year Ended June 30, 2011

(In Thousands)

Additions	
Investment income:	
Interest	$ 20,410
Dividends	446
Net accretion	6,255
Provision for uncollectible loans	(596)
Total investment income	26,515
Investment expenses:	
Investment advisor fees	1,399
Custodian bank fees	134
Administrative fees	1,052
Total investment expenses	2,585
Net investment income	23,930
Net realized gain from investments	6,527
Net decrease in fair value of investments	(11,329)
Net increase in net assets from operations	19,128
Participant transaction additions:	
Purchase of pool units by participants	10,590,080
Reinvestment of pool distributions	21,531
Contributions to individual investment accounts	6,760
Total participant transaction additions	10,618,371
Total additions	10,637,499
Deductions	
Distributions to pool participants:	
Net investment income	16,264
Net realized gain from investments	6,527
Total distributions to pool participants	22,791
Participant transaction deductions:	
Redemption of pool units by participants	10,356,782
Withdrawals from individual investment accounts	10,949
Total participant transaction deductions	10,367,731
Total deductions	10,390,522
Change in net assets	246,977
Net assets at beginning of period	3,925,206
Net assets at end of period	$ 4,172,183

See accompanying notes to financial statements.

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1. Organization and Operations

The West Virginia Board of Treasury Investments (the "BTI") is charged with managing the individual investment pools and accounts of the Consolidated Fund under authority of West Virginia State Code Chapter 12, Article 6C, West Virginia Treasury Investments Act. The 2005 West Virginia Legislature established the BTI, effective July 8, 2005, as a public corporation of the State of West Virginia, to make short-term operating funds of the state more accessible to state government and to allow the West Virginia Investment Management Board (the "IMB"), which had managed the Consolidated Fund, to focus on the state's long-term trust investments. The BTI operates on a fiscal year that begins July 1 and ends June 30.

The accompanying financial statements include the operations of the BTI as well as investment balances and transactions of the individual investment pools and accounts of the Consolidated Fund under management of the BTI. The BTI provides a business-type activity that charges fees on a cost-reimbursement basis and is shown in the separate proprietary fund financial statements. Investment activities of the Consolidated Fund are shown in the separate fiduciary fund financial statements.

The West Virginia State Treasurer's Office provides direct administrative and management services to the BTI. The BTI does not employ a staff, but reimburses the Treasurer's Office for all personnel expenses of Treasury employees assigned to administer and manage the BTI. The Treasurer's Office also provides various supplementary administrative services. A five-member Board of Directors governs the BTI. The State Governor, State Treasurer, and State Auditor serve as ex officio members of the Board. The Governor appoints the two remaining members subject to the advice and consent of the State Senate. Of the two members appointed by the Governor, one shall be a certified public accountant and one shall be an attorney, and both shall have experience in finance, investing and management. The State Treasurer is Chairman of the Board.

The Consolidated Fund provides for the investment of moneys not currently needed to fund state governmental operations, as well as providing the opportunity for local governments to participate in large investment pools, and for those funds statutorily required to be invested in the Consolidated Fund. The following investment pools and accounts make up the Consolidated Fund:

WV Money Market – This pool consists of the operating funds of the State, funds held by State agencies, and funds from local governments who desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and to supply the daily cash needs of the State. The pool is co-managed by JP Morgan Asset Management and UBS Global Asset Management.

WV Government Money Market – This pool consists of investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, U.S. Government Agency Obligations, or repurchase agreements. The pool is managed by UBS Global Asset Management.

WV Short Term Bond – This pool consists of the operating funds of the State that are not needed immediately to fund the State's liquidity requirements. The pool is managed by Federated Investors.

WV Bank – This pool consists of certificates of deposit purchased by the State through the BidWV auction program. The program purchases CDs from state banks and depositories to make state investment funds available for consumer and business loans within the state.

Loss Amortization – This pool was created to account for those participant claims on the general operating funds of the State that exceeded the underlying assets of the other pools. This excess of participant claims on net assets over underlying assets occurred as a result of the distribution of earnings to participants in various State investment pools, principally the Unrestricted Pool (predecessor to the WV Money Market Pool), in excess of the true investment income experience of the pools, principally in 1987 and 1988. See Note 9 regarding the closing of the pool.

Loans – This pool is composed of loans made by the State. The $1 unit price is used for accounting purposes only. The State is the sole participant in this pool. Within the Loan Pool is a non-recourse loan made by the West Virginia Economic Development Authority (the "WVEDA") to the West Virginia Enterprise Advancement Corporation (the "WVEAC"), which in turn invests the funds in the West Virginia Enterprise Capital Fund, LLC (the "WVECF"), which then invests the money in venture capital funds. The WVEAC is a non-profit corporation that has a common board of directors with the WVEDA. The non-recourse loan program was authorized pursuant to WV Code §12-6-9, which requires the BTI to transfer up to $25,000,000 in State funds to the WVEDA. The funds transferred by the BTI are to be repaid with proceeds received by the WVEDA from the WVEAC, which will make repayment to the WVEDA from the proceeds it receives from the WVECF. The Loan Pool is restricted by statute to receiving 3% earnings on the funds transferred to the WVEDA. Although the non-recourse loan made by the WVEDA may earn an excess of 3%, only 3% will be given to the Loan Pool, and the WVEDA will retain the rest. The BTI is not responsible for exercising any discretion over or making any decisions in regard to the lending, investing and repayment activities of the non-recourse loan program, or for any other loans in the Loan Pool. The WVEDA provides all bookkeeping and accounting records of the non-recourse loan program. The BTI's role is to transfer the funds to the WVEDA when requested and to maintain an accounting for the loans within the Loan Pool based on information provided by the WVEDA.

Reserve – This pool is composed of an interest-bearing depository account with BB&T. The pool was created to provide an added layer of security for the WV Money Market and WV Government Money Market Pools. The objective of this pool is to provide support for the WV Money Market and WV Government Money Market Pools to ensure their unit net asset levels do not fall below $0.9975. The State is the sole participant in this pool. Other funds are transferred to this pool as management deems necessary.

Participant Directed Accounts – The BTI also maintains pools for individual State agencies with specific investment needs. These pools are collectively referred to as Participant Directed Accounts, and include the following: Municipal Bond Commission, School Fund, and Economic Development Authority – American Woodmark ("EDA – AW"). Each agency is the sole owner of the investments in its pool and is responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. The BTI serves as custodian of these pools and has no discretion over investment and financial decisions made for them.

The BTI is authorized by West Virginia Code Chapter 12, Article 6C, Section 9, to invest in United States government and agency obligations, commercial paper, corporate bonds, repurchase agreements, asset-backed securities, and investments in accordance with the Linked Deposit Program, which is a program using financial institutions in the state to reduce loan costs to small businesses by offsetting interest reductions on the loans with certificates of deposit, loans approved by the Legislature, and any other programs authorized by the Legislature. In addition to the restrictions in investment types, at no time shall more than seventy-five percent of the Consolidated Fund be invested in any bond, note, debenture, commercial paper or other evidence of indebtedness of any private corporation or association and at no time shall more than five percent be invested in securities issued by a single private corporation or association. Further, no less than fifteen percent of the Consolidated Fund shall be invested in any direct obligation of or obligation guaranteed by the United States government.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the BTI are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An internal service fund, which is a type of proprietary fund, is used to account for investment management services provided by the BTI on a cost-reimbursement basis. An investment trust fund, which is a type of fiduciary fund, is used to account for each of the investment pools and accounts of the Consolidated Fund. The Consolidated Fund is composed of four external investment pools (WV Money Market, WV Government Money Market, WV Short Term Bond, and WV Bank), three internal investment pools (Loss Amortization, Loans, and Reserve) and three individual investment accounts (Municipal Bond Commission, School Fund, and Economic Development Authority – American Woodmark).

Budgetary Information

The Board's annual operating budget is appropriated by the Legislature from fees collected by the BTI.

Cash Equivalents

Cash equivalents are short-term investments with maturities when acquired of 90 days or less.

Capital Assets

Capital asset expenditures of $1,000 or more with a useful life greater than one year are capitalized at cost and reported net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are three years.

Wages, Compensated Absences, Retirement Plan and Other Postemployment Benefits

The BTI has no employees. The State Treasurer's Office provides administrative and management services to the BTI. As a result, the BTI does not accrue for compensated absences and other postemployment benefits or directly contributes to the state retirement plan. Management services provided are recorded as management fees paid to the State Treasurer's Office.

Income Taxes

The BTI is a public corporation organized under laws of the State of West Virginia and, as such, is exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the BTI is not subject to federal or state income taxes.

Revenues and expenses – Proprietary fund

Operating revenues of the BTI's proprietary fund come from services provided to the investment pools and accounts of the Consolidated Fund. Revenues of the proprietary fund also are derived from vendor fees charged directly to the investment pools and accounts and paid by the proprietary fund, such as investment advisor fees and custodian fees. Operating expenses of the proprietary fund represent payments for services provided under contract, such as investment advisors and consultants, fiduciary bond fees, and custodian fees; general and administrative expenses of the BTI, such as administrative and management services, office equipment, office supplies, and office space; and depreciation of capital assets. Revenues and expenses are recorded when earned and incurred in accordance with the economic resources measurement focus and the accrual basis of accounting.

Net Assets – Proprietary fund

Net assets of the BTI's proprietary fund are composed of investments in capital assets net of depreciation, and unrestricted net assets, which represent net assets not restricted to their use by legal, contractual or enabling legislation constraints.

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Accounting

Investment Valuation The BTI is an investment vehicle of the State and its component units, all of which are government entities. The investments of the WV Money Market, WV Government Money Market, WV Bank, Loan, Reserve, and Municipal Bond Commission pools or accounts are carried at amortized cost, as permissible under Government Accounting Standards Board ("GASB") Statement Number 31, as amended by GASB Statement Number 59. The WV Money Market and WV Government Money Market pools are considered "2a7-like" investment pools and, as such, are reported at amortized cost, which approximates fair value. A 2a7-like pool operates in conformity with the Securities and Exchange Commission (the "SEC") Rule 2a7 of the Investment Company Act of 1940, which allows money market mutual funds to use amortized cost to report net assets. A pool must satisfy all SEC requirements of Rule 2a7 to qualify as a 2a7-like pool. A 2a7-like pool is not necessarily registered with the SEC as an investment company, but it would qualify as a money market fund should it be registered. The specific exceptions to fair value reporting for the other pools as defined in professional standards are as follows:

Pool	Exception
WV Bank	Nonnegotiable certificates of deposit with redemption terms that do not consider market rates
Loan	Loans receivable arising from real estate lending activities
Reserve	Nonparticipating investment contract with redemption terms that do not consider market rates
Municipal Bond Commission	Irrevocable trust meeting the requirements of a legal or in-substance defeasance

The investments of the remaining pools are reported at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The BTI determines fair value at the end of each month. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the BTI are a component of the security price quoted by the seller and are included in the investment cost.

As permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the BTI has elected not to adopt Financial Accounting Standards Board ("FASB") statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts such FASB statements or interpretations.

Repurchase Agreements The BTI uses only tri-party repurchase agreements. Under the terms of a tri-party repurchase agreement, the seller transfers collateral securities to an account of the BTI's manager/agent at the seller's custodian bank. This arrangement perfects the BTI's lien on the collateral and effectively protects the BTI from a default by the seller. The BTI requires sellers in repurchase transactions to pledge collateral of at least 102% of the cash borrowed from the BTI. If the seller defaults and the fair value of the collateral declines, realization of the collateral by the BTI may be delayed or limited.

Securities Lending Collateral for securities loaned are reported as assets in the statement of fiduciary net assets. The costs of securities lending transactions are reported as expenses separately from income received. The BTI Board has authorized the BTI securities lending program. The BTI, through its securities lending agent, Clearlend Securities (a division of Wells Fargo), loans U.S. securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by collateral of at least 102% of the market value of the securities loaned. The BTI will accept only the following as collateral: cash; U.S. Treasury obligations or U.S. Government Agency obligations; and irrevocable letters of credit issued by banks rated A1 or P-1, independent of borrowers. Cash collateral received is invested in a collateral pool. Neither the BTI nor Clearlend matches maturities of investments made with cash collateral to maturities of securities loaned. Non-cash collateral cannot be pledged or sold unless the borrower defaults. The BTI receives a portion of the income from the investment of the collateral. The BTI also continues to receive interest or dividends on the securities loaned. Gains and losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the various investment pools. Clearlend indemnifies the BTI against loss from borrower failure, which means that the BTI will receive contractual settlement regardless of whether the borrower returns securities loaned. Clearlend also indemnifies the BTI against operational errors. The BTI is exposed to cash reinvestment risk, which is the risk that the cash reinvestment assets would not be sufficient to cover the liabilities due the borrowing brokers.

During fiscal year 2011, the BTI continued to wind down its securities lending program. The unwinding represents a controlled withdrawal from the securities lending program to reduce risk and minimize losses. This strategy allows the BTI to incorporate a more conservative collateral reinvestment policy, cap the program at a more manageable level, and raise cash for liquidity. The BTI does not believe the increased risk of a securities lending program justifies its continuing participation in the program. The program was closed in July 2011. See Notes 4 and 9 for further details.

Asset-Backed Securities Certain pools invest in various asset-backed securities and structured corporate debt. The securities are reported at fair value. The pools invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

Investment Transactions Investment transactions are accounted for on a trade date basis.

Investment Gains and Losses Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Interest Income Interest income is recognized as earned on the accrual method with one exception. The cash received method of income recognition is used for the interest on the WVEDA Non-Recourse Loan held by the Loan Pool. Under this method, income is recognized when received.

Dividend Income Dividend income is recognized on the ex-dividend date.

Amortization Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reported in the Combined Statement of Changes in Fiduciary Net Assets in the year of the change.

Allowance for Loan Losses The allowance for loan losses is available to absorb future loan losses. The allowance is increased by provisions charged against operations and reduced by charge-offs (losses), net of recoveries. The provision is based on several factors including: analytical reviews of loan loss experience in relationship to outstanding loans; a continuing review of problem loans and overall portfolio quality, including analysis of the quality of the underlying collateral; and management's judgment on the impact of current and expected economic conditions on the portfolio. At June 30, 2011, the Loan Pool had an allowance for uncollectible loans of $17,671,000.

Distributions to Participants The net income of the WV Money Market and WV Government Money Market Pools are declared as dividends and distributed daily to the participants based upon their pro rata participation in the pools. The distributions of net investment income are credited to the participants' accounts in the form of dividend reinvestments in the pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Assets.

The monthly net income of the WV Short Term Bond Pool is declared as a dividend on the last day of the month and distributed to the participants in the pool on the first day of the following month. Distributions are paid in the form of reinvestments in the pools and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Assets.

The net income of the WV Bank Pool is determined monthly and reinvested in the pool. The earnings are transferred periodically to the State Participation Account which represents invested cash of the state not specifically allocated to individual agencies.

The net income of the Loan Pool is determined monthly and distributed to the participant on the last day of the month. Distributions are paid in the form of reinvestments in the pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Assets.

The monthly net income of the Loss Amortization Pool is used to reduce the undistributed net losses recorded in the portfolio.

The net income of the Reserve Pool is declared as a dividend and distributed on the last day of the month. If the pool incurs a loss resulting in negative income, the loss will be distributed on the last day of the month.

Expenses Each pool is charged for its direct investment-related cost and for its allocated share of other expenses. The other expenses are allocated to the pools based on asset size. Certain pools cannot be charged expenses or must be charged a reduced expense. The BTI proprietary fund pays all expenses on behalf of the pools and is subsequently reimbursed by the pools.

3. Cash and Cash Equivalents

The internal service fund's cash on deposit with the State Treasurer's Office was approximately $728,000 at June 30, 2011. The cash is pooled with other deposits from the State's agencies, departments, boards and commissions and is subject to coverage by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by securities held by the State or its agents in the State's name. Cash equivalents are short-term, highly liquid investments having original maturities of 90 days or less. The internal service fund did not hold any cash equivalents at June 30, 2011.

Custodial credit risk of cash deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The BTI does not have a deposit policy for custodial credit risk. BTI management does not believe any of its operating fund's deposits are exposed to custodial credit risk.

4. Investments and deposits

The BTI has adopted an investment policy in accordance with the "Uniform Prudent Investor Act." The "prudent investor rule" guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The BTI's investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of the Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the Consolidated Fund.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Two of the BTI's pools, the WV Money Market and WV Government Money Market Pools, have been rated AAAm by Standard & Poor's. A fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's. Neither the BTI itself nor any of the other Consolidated Fund pools or accounts has been rated for credit risk by any organization. Of the Consolidated Fund pools and accounts, five are subject to credit risk: WV Money Market Pool, WV Government Money Market Pool, WV Short Term Bond Pool, Loan Pool, and School Fund Account.

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all corporate bonds to be rated AA- by Standard & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standard & Poor's and P-1 by Moody's. The pool must have at least 15% of its assets in U.S. Treasury issues. The following table provides information on the credit ratings of the WV Money Market Pool's investments (in thousands):

Security Type	Credit Rating Moody's	Credit Rating S&P	Carrying Value	Percent of Pool Assets
Commercial paper	P-1	A-1	$ 1,069,576	35.43%
Corporate bonds and notes	Aa1	AA	10,000	0.33
	Aa2	AA	33,000	1.09
	Aa3	AA	31,000	1.03
	Aa3	A	53,000	1.76
Total corporate bonds and notes			127,000	4.21
U.S. agency bonds	Aaa	AAA	170,788	5.66
U.S. Treasury notes *	Aaa	AAA	298,345	9.88
U.S. Treasury bills *	Aaa	AAA	231,051	7.65
Negotiable certificates of deposit	P-1	A-1	140,000	4.64
U.S. agency discount notes	P-1	A-1	697,164	23.10
Money market funds	Aaa	AAAm	200,279	6.64
Repurchase agreements (underlying securities):				
U.S. Treasury notes *	Aaa	AAA	69,557	2.30
U.S. agency notes	Aaa	AAA	14,800	0.49
Total repurchase agreements			84,357	2.79
			$ 3,018,560	100.00%

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues. The following table provides information on the credit ratings of the WV Government Money Market Pool's investments (in thousands):

	Credit Rating			
Security Type	Moody's	S&P	Carrying Value	Percent of Pool Assets
U.S. agency bonds	Aaa	AAA	$ 57,498	21.89%
U.S. Treasury notes *	Aaa	AAA	45,811	17.44
U.S. agency discount notes	P-1	A-1	60,852	23.16
Money market funds	Aaa	AAAm	131	0.05
Repurchase agreements (underlying securities):				
U.S. agency notes	Aaa	AAA	98,400	37.46
			$ 262,692	100.00%

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all corporate bonds to be rated A by Standard & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standard & Poor's and P-1 by Moody's. The following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

		Credit Rating			
Security Type		Moody's	S&P	Carrying Value	Percent of Pool Assets
Corporate asset backed securities		Aaa	AAA	$ 87,197	18.40
		Aaa	NR*	19,891	4.20
	**	Aa3	AA+	454	0.10
	**	B1	CCC	885	0.19
	**	B3	B	366	0.08
	**	B3	BBB	631	0.13
	**	Ca	CCC	664	0.14
	**	Caa2	CCC	473	0.10
	**	Caa3	CCC	393	0.08
	**	Caa3	D	27	0.01
		NR	NR	4,000	0.84
Total corporate asset backed securities				114,981	24.27
Corporate bonds and notes		Aaa	AA	2,043	0.43
		Aa1	A	4,143	0.87
		Aa2	AA	11,866	2.50
		Aa3	AA	7,064	1.49
		Aa3	A	13,040	2.75
		A1	AA	8,107	1.71
		A1	A	22,731	4.80
		A2	AA	2,555	0.54
		A2	A	23,976	5.06
		A3	A	8,770	1.85
Total corporate bonds and notes				104,295	22.00
Commercial paper		P-1	A-1	15,995	3.38
U.S. agency bonds		Aaa	AAA	20,017	4.22
U.S. Treasury notes ***		Aaa	AAA	25,034	5.28
U.S. agency mortgage backed securities ****		Aaa	AAA	97,296	20.53
Money market funds		Aaa	AAAm	96,287	20.32
				$ 473,905	100.00%

* NR = Not Rated

** These securities were not in compliance with BTI Investment Policy at June 30, 2011. The securities were in compliance when originally acquired, but were subsequently downgraded. BTI management and its investment advisors have determined that it is in the best interests of the participants to hold the securities for optimal outcome.

*** U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

**** U.S. agency mortgage backed securities are explicitly guaranteed by the United States government and are not subject to credit risk.

The Loan Pool is composed of loans made by the State. The pool holds intergovernmental loans and an investment in a money market mutual fund of approximately $151,000. The mutual fund is rated AAAm by Standard & Poor's and Aaa by Moody's. The loans are not rated; however, because there is the potential for defaults on the loans, the pool is subject to credit risk related to the loans. The BTI addresses this credit risk by establishing and regularly evaluating a reserve for uncollectible loans.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately $1,385,000. The mutual fund is rated AAAm by Standard & Poor's and Aaa by Moody's. The BTI does not have a policy specifically addressing credit risk in the School Fund Account.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 731 days. The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

Security Type	Carrying Value (In Thousands)	WAM (Days)
Repurchase agreements	$ 84,357	1
U.S. Treasury notes	298,345	137
U.S. Treasury bills	231,051	34
Commercial paper	1,069,576	35
Certificates of deposit	140,000	58
U.S. agency discount notes	697,164	45
Corporate bonds and notes	127,000	20
U.S. agency bonds and notes	170,788	66
Money market funds	200,279	1
	$ 3,018,560	46

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government flating rate notes, which can be up to 731 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

Security Type	Carrying Value (In Thousands)	WAM (Days)
Repurchase agreements	$ 98,400	1
U.S. Treasury notes	45,811	131
U.S. agency discount notes	60,852	74
U.S. agency bonds and notes	57,498	22
Money market funds	131	1
	$ 262,692	45

The overall effective duration of the investments of the WV Short Term Bond Pool cannot exceed 731 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase. The following table provides information on the effective duration for the various asset types in the WV Short Term Bond Pool:

Security Type	Carrying Value (In Thousands)	Effective Duration (Days)
U.S. Treasury bonds and notes	$ 25,034	227
Commercial paper	15,995	55
Corporate notes	104,295	234
Corporate asset backed securities	114,981	268
U.S. agency bonds and notes	20,017	85
U.S. agency mortgage backed securities	97,296	18
Money market funds	96,287	1
	$ 473,905	138

The West Virginia Bank Pool holds nonnegotiable certificates of deposit totaling $60,000,000 with maturity dates ranging from July 2011 to October 2011. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

The Loss Amortization Pool holds a U.S. Treasury strip valued at approximately $188,544,000 that matures on August 15, 2011. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates. However, it is the intent of the BTI to hold this security to maturity.

The Loan Pool holds an interest in a money market mutual fund in the amount of approximately $151,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

The Reserve Pool maintains funds totaling approximately $19,173,000 in a bank depository account. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in the Municipal Bond Commission Account arising from increasing interest rates. The following table provides information on the weighted average maturities for the various asset types in the Municipal Bond Commission Account:

Security Type	Carrying Value (In Thousands)	WAM (Days)
U.S. Treasury strips	$ 3,815	874
U.S. Treasury bonds and notes	4,831	2,163
State and local government securities	1,312	660
	$ 9,958	1,471

The School Fund Account holds only an interest in a money market mutual fund valued at approximately $1,385,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

The EDA-AW Account holds only a U.S. Treasury bond valued at approximately $1,833,000 that matures August 15, 2023. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

Other Risks of Investing

Other risks of investing can include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

Concentration of credit risk is the risk of loss attributed to the magnitude of a Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. Securities lending collateral that is reported on the Statement of Fiduciary Net Assets is invested in a pool managed by the securities lending agent. In all transactions, the BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Securities Lending

At June 30, 2011, the fair value of securities on loan and the collateral held by the pools of the BTI are as follows. Of the collateral held, $10,692,488 was received as cash. The collateral received as cash is invested in a collateral pool. For securities loaned at June 30, 2011, the BTI has no credit risk exposure to borrowers because the amount the BTI owes the borrowers exceeds the amounts the borrowers owe the BTI. There were no losses during the year resulting from borrower default, and there were no significant violations of legal or contractual provisions. The BTI is exposed to cash reinvestment risk, which is the risk that the cash reinvestment assets would not be sufficient to cover the liabilities due the borrowing brokers.

Maturities of investments made with cash collateral are not matched to maturities of securities loaned.

	Fair Value of Securities on Loan	Collateral Held
WV Money Market Pool	$ 10,479,134	$ 10,692,488

The collateral pool is established as a segregated account and managed by Clearlend. The Pool is managed in a fashion to reduce loan exposures over time and to allow the BTI to unwind its securities lending program. The Pool is also managed to:

- Reduce the loan exposure in line with collateral liquidity to prevent unnecessary realized losses;
- Use revenue or collateral gains to offset realized losses to limit cash injections required; and
- Continue to meet Standard & Poor's (S&P) ratings and broader regulatory and statutory guidelines throughout the unwind process.

As discussed in Note 2, the BTI wound down its securities lending program to avoid the increased risks associated with securities lending activities. The BTI exited the securities lending program in July 2011. See Note 9 for further details.

Deposits

Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. The WV Bank Pool contains nonnegotiable certificates of deposit valued at $60,000,000. The Reserve Pool contains funds totaling approximately $19,173,000 in a bank depository account. The BTI does not have a deposit policy for custodial credit risk.

5. Capital Assets

Capital asset activity in the proprietary fund was as follows (in thousands):

	June 30, 2010	Increases	Decreases	June 30, 2011
Equipment, at cost	$ 31	$ 7	$ -	$ 38
Accumulated depreciation	(30)	(2)	-	(32)
Equipment, net of accumulated depreciation	$ 1	$ 5	$ -	$ 6

6. Related Party Transactions

Intergovernmental Investments

The BTI is required by law to enter into certain investment transactions with other state entities. At June 30, 2011, the BTI's intergovernmental investments, which are assets of the Loan Pool, included the following:

a. The "WVEDA Revolving Loan" is an obligation of the West Virginia Economic Development Authority (WVEDA). The terms of the loan program require the BTI to make available on a revolving basis up to $175,000,000 for the WVEDA to use to fund economic development initiatives. The interest rate is reset on July 1 of each year and is based on the twelve month return of the WV Money Market Pool. The rate for the year ending June 30, 2011, was 2.17%. The rate has a 1% annual adjustment cap. The WVEDA makes monthly principal and interest payments calculated on a 120-month amortization of the outstanding balance. At June 30, 2011, the outstanding balance was $124,574,952.

b. The "WVEDA Non-recourse Loan" represents an obligation of the WVEDA. The BTI assumed the loan as of July 8, 2005. The loan was originally entered into with the West Virginia Investment Management Board on April 9, 2002. The terms of the loan allow for the WVEDA to borrow through June 29, 2012, up to $25,000,000 from the BTI. The funds borrowed by the WVEDA are to be loaned, without recourse, to the West Virginia Enterprise Advancement Corporation (WVEAC), for investment in the West Virginia Enterprise Capital Fund, to fund certain venture capital initiatives. The loan earns interest at 3%, which is fixed for the term of the loan. The WVEDA is required to make annual principal payments of $10,000 plus accrued interest for the first ten years. However, in the event the WVEDA has not received any returns from the investment with the WVEAC, these payments may be deferred through June 30, 2012. Beginning June 30, 2013, the WVEDA is expected to make principal and interest payments sufficient to repay all outstanding principal and accrued interest in full by June 30, 2022. At June 30, 2011, $24,910,000 of principal was outstanding.

   Because of the uncertain collectibility of this loan, the BTI has elected to recognize income when the cash is received. Additionally, a valuation reserve of $17,671,000 has been accrued at June 30, 2011.

   The following table details the amount of interest that has not been recognized as income and the expected receipt of which has been deferred in accordance with the provisions of the loan.

Fiscal Year 2007 interest deferred	$ 256,951
Fiscal Year 2008 interest deferred	593,158
Fiscal Year 2009 interest deferred	657,953
Fiscal Year 2010 interest deferred	702,859
Fiscal Year 2011 interest deferred	747,600
Total interest deferred	$ 2,958,521

Interpool Investments

Reserve Pool assets totaling $11,240,000 have been redeemed from the Reserve Pool and invested in the WV Short Term Bond Pool. These assets and the Reserve Pool assets of $19,179,000 provide $30,419,000 to support unit net asset values in the WV Money Market Pool and the WV Government Money Market Pool.

Transactions with State Treasurer's Office

The State Treasurer's Office provides various services to the BTI, some of which are reimbursed by the BTI, and others of which the Treasurer provides at no cost to the BTI. During the year ended June 30, 2011, the BTI reimbursed the Treasurer's Office $816,000 for services, which includes $623,000 for management services provided by Treasurer's Office employees. Also during the year, the Treasurer's Office provided services valued at approximately $19,000 at no cost to the BTI.

7. Risk Management

The BTI is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters.

Board members are covered by a $5 million blanket bond and general liability and property coverage of $1 million per occurrence through the West Virginia State Board of Risk and Insurance Management ("BRIM"). The BTI has obtained additional coverage of $45 million faithful performance bond through an outside underwriter. There have been no claims since the inception of the BTI.

8. Effect of New Accounting Pronouncements

The GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' ("AICPA") Committee on Accounting Procedure issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

This Statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Since BTI management has elected not to apply post-November 30, 1989 FASB Statements and Interpretations, the implementation of this Statement will not have any impact on its financial statements.

The GASB has issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions -- an amendment of GASB Statement No. 53* which provides guidance to governments that have entered into interest rate swap agreements and commodity swap agreements in which a swap counterparty, or the swap counterparty's credit support provider, commits or experiences either an act of default or a termination event as both are described in the swap agreement. When these swap agreements have been reported as hedging instruments, questions have arisen regarding the application of the termination of hedge accounting provisions in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011. Since the BTI is not currently engaged in such derivative transactions, the implementation of this Statement will not have any impact on the BTI's financial statements.

9. Subsequent Events

The BTI exited its securities lending program in July 2011. The BTI directed Clearlend to liquidate the collateral reinvestment pool and recall all loans with the securities lending program. The BTI was required to fund the difference between the sale proceeds and the amount of cash collateral received from the borrowers. The realized loss on the transaction was $215,000 for the year ended June 30, 2012. In planning for the exit from securities lending activities, the BTI had approximately $1.7 million of reserves set aside to cover potential losses from the securities lending program.

On August 15, 2011, the US Treasury Principal Strip held in the Loss Amortization Pool matured. The Loss Amortization Pool was created in the late 1980s to account for participant claims against the general operating funds of the State which resulted when participant deposits exceeded the underlying assets of certain funds in the former West Virginia Board of Investments (the "BOI"). At maturity, the proceeds from the investment, approximately $188,557,000, were transferred to the State Participation Account in the WV Money Market Pool in satisfaction of the amounts provided from general operating funds of the State.

On August 5, 2011, Standard and Poor's ("S&P") downgraded the rating on the United States of America Long-Term debt from AAA to AA+. At the same time, S&P downgraded the rating on U.S. government agencies debt to AA+. Various investment pools managed by the BTI include obligations of the United States and US government agencies, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. Investment pools of the BTI which include these obligations are the WV Money Market, WV Government Money Market, WV Short Term Bond, and Loss Amortization Pools, and the Municipal Bond Commission and EDA-AW Accounts.

The BTI holds short-term securities and long-term securities with short duration and maintains two funds with a principal stability fund rating (AAAm) by S&P. On August 8, 2011, S&P issued a press release stating that the funds to which it has assigned principal stability fund ratings are unaffected by the lowering of the long-term rating on the United States of America. The lowering of the long-term debt rating also does not directly affect the rating of short-term securities. The impact of the downgrade, if any, to the accompanying financial statements has not been determined by management.

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West Virginia Board of Treasury Investments
Combining Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2011

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loss Amortization Pool
Assets					
Investments:					
At amortized cost	$ 3,018,560	$ 262,692	$ -	$ 60,019	$ -
At fair value	-	-	473,905	-	188,544
Collateral for securities loaned, at fair value (Note 4)	10,692	-	-	-	-
Receivables:					
Accrued interest	1,588	236	830	49	-
Dividends	24	-	7	-	-
Securities sold	-	-	8,664	-	-
Total receivables	1,612	236	9,501	49	-
Total assets	3,030,864	262,928	483,406	60,068	188,544
Liabilities					
Accrued expenses	294	30	120	1	-
Dividends payable	-	-	2,076	-	-
Payable for investments purchased	-	-	5,023	-	-
Payable upon return of securities loaned (Note 4)	10,692	-	-	-	-
Total liabilities	10,986	30	7,219	1	-
Net Assets					
Held in trust for investment pool participants	3,019,878	262,898	476,187	60,067	188,544
Held in trust for individual investment account holders	-	-	-	-	-
Total net assets	$ 3,019,878	$ 262,898	$ 476,187	$ 60,067	$ 188,544

See accompanying notes to financial statements.

Loan Pool	Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
$ 131,965	$ 19,173	$ 9,958	$ -	$ -	$3,502,367
-	-	-	1,385	1,833	665,667
-	-	-	-	-	10,692
219	-	39	-	34	2,995
-	6	-	-	-	37
-	-	-	-	-	8,664
219	6	39	-	34	11,696
132,184	19,179	9,997	1,385	1,867	4,190,422
3	-	-	-	-	448
-	-	-	-	-	2,076
-	-	-	-	-	5,023
-	-	-	-	-	10,692
3	-	-	-	-	18,239
132,181	19,179	-	-	-	4,158,934
-	-	9,997	1,385	1,867	13,249
$ 132,181	$ 19,179	$ 9,997	$ 1,385	$ 1,867	$4,172,183

West Virginia Board of Treasury Investments
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Year Ended June 30, 2011

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loss Amortization Pool
Additions					
Investment income:					
Interest	$ 5,464	$ 890	$ 9,906	$ 278	$ -
Dividends	298	-	54	-	-
Net accretion (amortization)	1,480	(320)	(2,178)	-	7,432
Provision for uncollectible loans	-	-	-	-	-
Total investment income	7,242	570	7,782	278	7,432
Investment expenses:					
Investment advisor fees	885	89	425	-	-
Custodian bank fees	98	16	20	-	-
Administrative fees	806	70	118	19	-
Total investment expenses	1,789	175	563	19	-
Net investment income	5,453	395	7,219	259	7,432
Net realized gain from investments	-	4	6,523	-	-
Net increase (decrease) in fair value of investments	-	-	(4,685)	-	(6,614)
Net increase in net assets from operations	5,453	399	9,057	259	818
Participant transaction additions:					
Purchase of pool units by participants	9,847,608	720,306	14,282	-	-
Reinvestment of pool distributions	5,454	399	12,499	259	-
Contibutions to individual investment accounts	-	-	-	-	-
Total participant transaction additions	9,853,062	720,705	26,781	259	-
Total additions	9,858,515	721,104	35,838	518	818
Deductions					
Distributions to pool participants:					
Net investment income	5,467	395	7,223	259	-
Net realized gain from investments	-	4	6,523	-	-
Total distributions to pool participants	5,467	399	13,746	259	-
Participant transaction deductions:					
Redemption of pool units by participants	9,653,599	679,072	1,602	-	-
Withdrawals from individual investment accounts	-	-	-	-	-
Total participant transaction deductions	9,653,599	679,072	1,602	-	-
Total deductions	9,659,066	679,471	15,348	259	-
Net increase (decrease) in net assets from operations	199,449	41,633	20,490	259	818
Inter-pool transfers in	79,280	-	-	79,006	-
Inter-pool transfers out	(79,006)	-	-	(79,280)	-
Net inter-pool transfers in (out)	274	-	-	(274)	-
Change in net assets	199,723	41,633	20,490	(15)	818
Net assets at beginning of period	2,820,155	221,265	455,697	60,082	187,726
Net assets at end of period	$ 3,019,878	$ 262,898	$ 476,187	$ 60,067	$ 188,544

See accompanying notes to financial statements.

Loan Pool	Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
$ 3,456	$ -	$ 326	$ -	$ 90	$ 20,410
-	94	-	-	-	446
-	-	(149)	-	(10)	6,255
(596)	-	-	-	-	(596)
2,860	94	177	-	80	26,515
-	-	-	-	-	1,399
-	-	-	-	-	134
34	-	4	-	1	1,052
34	-	4	-	1	2,585
2,826	94	173	-	79	23,930
-	-	-	-	-	6,527
-	-	-	-	(30)	(11,329)
2,826	94	173	-	49	19,128
7,800	84	-	-	-	10,590,080
2,826	94	-	-	-	21,531
-	-	6,367	393	-	6,760
10,626	178	6,367	393	-	10,618,371
13,452	272	6,540	393	49	10,637,499
2,826	94	-	-	-	16,264
-	-	-	-	-	6,527
2,826	94	-	-	-	22,791
11,363	11,146	-	-	-	10,356,782
-	-	10,459	401	89	10,949
11,363	11,146	10,459	401	89	10,367,731
14,189	11,240	10,459	401	89	10,390,522
(737)	(10,968)	(3,919)	(8)	(40)	246,977
-	-	-	-	-	158,286
-	-	-	-	-	(158,286)
-	-	-	-	-	-
(737)	(10,968)	(3,919)	(8)	(40)	246,977
132,918	30,147	13,916	1,393	1,907	3,925,206
$ 132,181	$ 19,179	$ 9,997	$ 1,385	$ 1,867	$ 4,172,183

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2011
(Dollars in thousands, except for Share Data)

WEST VIRGINIA MONEY MARKET POOL

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues								
United States Treasury Note		4.875 %		0.140 %	07/31/2011	35,000	$ 35,137	$ 35,139
United States Treasury Note		1.000		0.299	08/31/2011	25,000	25,029	25,039
United States Treasury Note		1.000		0.147	09/30/2011	72,000	72,153	72,168
United States Treasury Note		1.000		0.152	10/31/2011	50,000	50,140	50,153
United States Treasury Note		1.750		0.103	11/15/2011	15,000	15,092	15,092
United States Treasury Note		0.750		0.076	11/30/2011	25,000	25,070	25,067
United States Treasury Note		1.000		0.236	12/31/2011	15,000	15,057	15,065
United States Treasury Note		0.875		0.362	02/29/2012	20,000	20,068	20,097
United States Treasury Note		4.500		0.325	03/31/2012	15,000	15,468	15,484
United States Treasury Note		1.000		0.370	04/30/2012	25,000	25,131	25,166
Total U. S. Treasury Issues	9.9%						298,345	298,470
U. S. Government Agency Bonds								
Federal Farm Credit Bank		0.070 %	F	0.070 %	08/26/2011	10,000	10,000	10,000
Federal Farm Credit Bank		0.270	F	0.270	09/15/2011	15,000	15,000	15,000
Federal Home Loan Mort Corp		0.156	F	0.206	09/26/2011	10,000	9,999	10,002
Federal Home Loan Bank		0.280	F	0.280	09/29/2011	15,000	15,000	15,000
Federal Farm Credit Bank		0.270	F	0.280	10/12/2011	10,000	10,000	9,999
Federal Home Loan Bank		0.260		0.294	11/18/2011	6,300	6,299	6,298
Federal Home Loan Bank		0.260		0.294	11/23/2011	15,000	14,998	14,995
Federal Home Loan Bank		0.320		0.365	12/09/2011	10,000	9,998	9,996
Federal Home Loan Bank		0.130		0.152	12/22/2011	5,000	4,999	4,999
Federal Home Loan Bank		0.280	F	0.280	01/12/2012	15,000	15,000	15,000
Federal Home Loan Bank		0.140		0.158	01/17/2012	10,000	9,999	9,999
Federal Home Loan Bank		0.150		0.168	01/17/2012	14,000	13,999	13,999
Federal Home Loan Bank		0.123	F	0.149	01/30/2012	6,500	6,499	6,499
Federal Home Loan Bank		0.280	F	0.280	02/07/2012	15,000	15,000	15,000
Federal Farm Credit Bank		0.220	F	0.200	07/23/2012	4,000	4,001	4,002
Federal Home Loan Bank		0.136	F	0.156	10/26/2012	10,000	9,997	9,997
Total U. S. Government Agency Bonds	5.7%						170,788	170,785
Corporate Bonds								
Abbey National Treasury		0.626 %	F	0.625 %	10/17/2011	15,000	15,000	15,000
Natixis		0.320	F	0.320	10/17/2011	15,000	15,000	15,000
Lloyds TSB Bank PLC		0.475	F	0.475	10/19/2011	15,000	15,000	15,000
Westpac Banking Corp NY		0.260	F	0.260	11/10/2011	10,000	10,000	10,000
Royal Bank of Canada		0.265	F	0.265	04/05/2012	10,000	10,000	10,000
Natixis		0.403	F	0.403	04/13/2012	15,000	15,000	15,000
Abbey National Treasury		0.381	F	0.502	04/16/2012	8,000	8,000	8,000
National Australia Bank		0.301	F	0.301	04/16/2012	10,000	10,000	10,000
Westpac Securities NZ LTD		0.360	F	0.360	05/04/2012	8,000	8,000	7,957
Svenska Handelsbanken AB		0.292	F	0.292	06/29/2012	13,000	13,000	12,995
JP Morgan Chase Bank		0.275	F	0.276	07/09/2012	8,000	8,000	7,998
Total Corporate Bonds	4.2%						127,000	126,950

(Continued on Next Page)

F – Floating rate note security.
** The fair value is not determined for loans. The fair value reported equals amortized cost.*
*** Rate represents last business day of the month.*

See accompanying notes to financial statements.

(Dollars in thousands, except for Share Data)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Merrill Lynch Repurchase Agreement		0.010 %	0.010 %	07/01/2011	69,557	69,557	69,557
Deutsche Bank Repurchase Agreement		0.010	0.010	07/01/2011	14,800	14,800	14,800
Natixis Banque Populaires US		0.000	0.365	07/01/2011	10,000	10,000	10,000
Federal Home Loan Bank		0.000	0.208	07/06/2011	9,000	9,000	9,000
Amsterdam Funding Corp		0.000	0.142	07/07/2011	10,900	10,900	10,900
Bank of Nova Scotia		0.000	0.193	07/07/2011	21,000	20,999	20,999
United States Treasury Bill		0.000	0.008	07/07/2011	35,000	35,000	35,000
Atlantis One Funding		0.000	0.162	07/08/2011	40,000	39,999	39,999
Chariot Funding LLC		0.000	0.162	07/08/2011	20,000	19,999	19,999
Credit Industriel		0.290	0.285	07/08/2011	20,000	20,000	20,000
Federal Home Loan Bank		0.000	0.020	07/08/2011	15,000	15,000	15,000
Societe Generale NA		0.000	0.193	07/08/2011	35,000	34,999	34,999
Sumitomo Mitsui Banking Corp		0.000	0.183	07/08/2011	15,000	14,999	14,999
Atlantic Asset Securities Corp		0.000	0.142	07/11/2011	20,000	19,999	19,999
Bryant Park Funding LLC		0.000	0.132	07/11/2011	20,000	19,999	19,999
CAFCO LLC		0.000	0.122	07/11/2011	28,000	27,999	27,999
Federal National Mortgage Assn		0.000	0.427	07/11/2011	6,500	6,499	6,499
JP Morgan Chase & Co		0.000	0.244	07/11/2011	20,000	19,999	19,999
LMA Americas LLC		0.000	0.172	07/11/2011	25,000	24,999	24,999
Alpine Securitization		0.000	0.132	07/12/2011	29,000	28,999	28,999
Chariot Funding LLC		0.000	0.132	07/12/2011	15,000	14,999	14,999
Federal Home Loan Bank		0.000	0.183	07/12/2011	10,000	9,999	9,999
Federal Home Loan Mort Corp		0.000	0.203	07/12/2011	15,000	14,999	14,999
Federal National Mortgage Assn		0.000	0.041	07/12/2011	38,000	38,000	38,000
Jupiter Securities Co LLC		0.000	0.132	07/12/2011	15,000	14,999	14,999
Federal Home Loan Bank		0.000	0.051	07/13/2011	45,000	44,999	44,999
Federal National Mortgage Assn		0.000	0.037	07/13/2011	15,000	15,000	15,000
Credit Suisse First Boston NY		0.000	0.203	07/14/2011	15,000	14,999	14,999
Natixis Banque Populaires US		0.000	0.142	07/14/2011	35,000	34,998	34,998
United States Treasury Bill		0.000	0.018	07/14/2011	36,000	36,000	36,000
Federal Home Loan Bank		0.000	0.081	07/15/2011	30,000	29,999	29,999
ING Funding LLC		0.000	0.132	07/15/2011	28,000	27,999	27,999
Salisbury Receivables Co LLC		0.000	0.142	07/15/2011	14,800	14,799	14,799
Regency Markets No 1		0.000	0.172	07/18/2011	10,000	9,999	9,999
Windmill Funding Corporation		0.000	0.152	07/18/2011	10,600	10,599	10,599
Danske Corp		0.000	0.172	07/19/2011	20,000	19,998	19,998
Gotham Funding Corp		0.000	0.172	07/19/2011	25,000	24,998	24,998
Massachusetts Mutual LIfe Ins		0.000	0.142	07/19/2011	20,000	19,999	19,999
Nordea NA Inc		0.000	0.152	07/19/2011	15,000	14,999	14,999
Abbott Laboratories		0.000	0.081	07/21/2011	22,000	21,999	21,999
Fairway Finance Corp		0.000	0.132	07/21/2011	31,000	30,998	30,998
United States Treasury Bill		0.000	0.037	07/21/2011	55,000	54,999	54,999
Federal Home Loan Bank		0.000	0.030	07/22/2011	26,000	26,000	26,000
Federal Home Loan Mort Corp		0.000	0.089	07/25/2011	38,600	38,598	38,598
Federal National Mortgage Assn		0.000	0.051	07/25/2011	30,000	29,999	29,999

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Windmill Funding Corporation		0.000		0.142	07/26/2011	15,000	14,999	14,999
Federal Home Loan Bank		0.000		0.054	07/27/2011	30,000	29,999	29,999
United States Treasury Bill		0.000		0.005	07/28/2011	65,058	65,058	65,058
Federal National Mortgage Assn		0.000		0.101	08/02/2011	5,000	5,000	5,000
Atlantic Asset Securities Corp		0.000		0.213	08/03/2011	20,000	19,996	19,996
BNP Paribas Finance Inc		0.000		0.243	08/03/2011	20,000	19,996	19,996
Bank of Nova Scotia		0.180	F	0.180	08/03/2011	10,000	10,000	10,000
Bank of Nova Scotia		0.190		0.190	08/03/2011	10,000	10,000	10,000
Federal National Mortgage Assn		0.000		0.114	08/03/2011	28,000	27,997	27,997
Rabobank Nederland NV YKCD		0.370		0.370	08/03/2011	15,000	15,000	15,000
ING Funding LLC		0.000		0.243	08/05/2011	15,000	14,996	14,996
Liberty Street Funding LLC		0.000		0.162	08/05/2011	15,000	14,998	14,998
Federal Home Loan Mort Corp		0.000		0.061	08/09/2011	25,000	24,998	24,998
Federal Home Loan Bank		0.000		0.071	08/10/2011	28,000	27,998	27,998
UBS Finance LLC		0.000		0.096	08/10/2011	35,000	34,996	34,996
Market Street Funding LLC		0.000		0.183	08/11/2011	15,000	14,997	14,997
Banque Et Caisse Epargne		0.000		0.376	08/12/2011	15,000	14,994	14,994
Old Line Funding Corp		0.000		0.183	08/15/2011	20,000	19,995	19,995
Met Life Short Term Funding		0.000		0.203	08/16/2011	15,000	14,996	14,996
Barclays US Funding Corp		0.000		0.213	08/17/2011	20,000	19,995	19,995
Credit Suisse First Boston NY		0.000		0.193	08/17/2011	15,000	14,996	14,996
Federal Home Loan Bank		0.000		0.052	08/19/2011	58,000	57,996	57,996
Federal Home Loan Mort Corp		0.000		0.081	08/22/2011	29,000	28,997	28,997
Sheffield Receivables		0.000		0.183	08/22/2011	15,000	14,996	14,996
Thunder Bay Funding Inc		0.000		0.183	08/22/2011	15,000	14,996	14,996
Federal Home Loan Bank		0.000		0.086	08/24/2011	29,000	28,996	28,996
Charta, LLC		0.000		0.183	08/25/2011	15,000	14,996	14,996
Argento Variable FDG		0.000		0.223	09/01/2011	15,000	14,994	14,994
General Electric Capital Corp		0.000		0.254	09/01/2011	15,000	14,994	14,994
Westpac Trust Securities NZ		0.284	F	0.284	09/01/2011	10,000	10,000	10,000
Deutsche Bank Finl LLC		0.000		0.345	09/02/2011	14,000	13,992	13,992
Nordea NA Inc		0.000		0.315	09/06/2011	30,000	29,983	29,983
Svenska Handelsbanken NY		0.185		0.175	09/06/2011	15,000	15,000	15,000
Federal Home Loan Bank		0.000		0.091	09/07/2011	35,000	34,994	34,999
Federal Home Loan Mort Corp		0.000		0.213	09/07/2011	10,000	9,996	9,999
Societe Generale NA		0.000		0.233	09/09/2011	10,000	9,996	9,996
Thunder Bay Funding Inc		0.000		0.172	09/12/2011	15,000	14,995	14,995
Federal National Mortgage Assn		0.000		0.091	09/13/2011	28,000	27,995	27,997
Federal Home Loan Bank		0.000		0.169	09/14/2011	16,144	16,138	16,142
Commonwealth Bank of Australia		0.000		0.172	09/15/2011	15,000	14,995	14,995
Federal National Mortgage Assn		0.000		0.041	09/15/2011	29,000	28,997	28,997
Federal Home Loan Mort Corp		0.000		0.051	09/22/2011	12,000	11,998	11,999
Market Street Funding LLC		0.000		0.172	09/22/2011	16,227	16,221	16,221
Toronto-Dominion Holdings USA		0.000		0.152	09/22/2011	26,750	26,741	26,741
Federal Home Loan Mort Corp		0.000		0.046	09/26/2011	13,000	12,998	12,999
United States Treasury Bill		0.000		0.030	09/29/2011	35,000	34,997	34,999
Deutsche Bank Finl LLC		0.000		0.203	10/03/2011	10,000	9,995	9,995
ING Funding LLC		0.000		0.223	10/05/2011	20,000	19,988	19,988

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(Dollars in thousands, except for Share Data)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Commonwealth Bank of Australia		0.270	F	0.280	10/06/2011	10,000	10,000	10,000
Societe Generale NA		0.000		0.457	10/07/2011	17,500	17,479	17,479
Federal Home Loan Mort Corp		0.000		0.139	10/11/2011	14,000	13,994	13,996
Federal Home Loan Bank		0.000		0.142	10/14/2011	15,000	14,994	14,999
BNP Paribas Chicago		0.428	F	0.428	10/17/2011	10,000	10,000	10,000
Rabobank Nederland NV YKCD		0.266	F	0.266	10/18/2011	15,000	15,000	15,000
National Australia Bank		0.295	F	0.315	10/19/2011	5,000	5,000	5,000
Royal Bank of Scotland CT		0.474	F	0.440	10/25/2011	15,000	15,000	15,000
Royal Bank of Canada		0.250	F	0.250	11/10/2011	10,000	10,000	10,000
Nordea NA Inc		0.000		0.233	12/07/2011	10,000	9,990	9,990
United States Treasury Bill		0.000		0.105	12/15/2011	5,000	4,997	4,998
Federal National Mortgage Assn		0.000		0.152	01/17/2012	15,000	14,987	14,991
Nordea Bank Finland		0.400		0.400	06/12/2012	10,000	10,000	10,000
Nordea Bank Finland		0.400		0.400	06/12/2012	5,000	5,000	5,000
UBS Select		0.140 **				200,000	200,000	200,000
Dreyfus Cash Management		0.080 **				280	279	279
Total Short Term Issues	80.2%						2,422,427	2,422,457
Total Money Market Pool	100.0%						$ 3,018,560	$ 3,018,662

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Schedule of Investments in Securities (Continued)
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WEST VIRGINIA GOVERNMENT MONEY MARKET POOL

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues								
United States Treasury Note		1.000 %		0.153 %	07/31/2011	5,000	$ 5,004	$ 5,004
United States Treasury Note		1.000		0.299	08/31/2011	5,000	5,006	5,008
United States Treasury Note		1.000		0.162	09/30/2011	8,000	8,017	8,019
United States Treasury Note		1.000		0.173	10/31/2011	10,000	10,027	10,031
United States Treasury Note		1.750		0.103	11/15/2011	5,000	5,031	5,031
United States Treasury Note		1.000		0.236	12/31/2011	2,500	2,509	2,511
United States Treasury Note		4.750		0.274	01/31/2012	5,000	5,130	5,135
United States Treasury Note		0.875		0.360	02/29/2012	2,500	2,509	2,512
United States Treasury Note		4.500		0.325	03/31/2012	2,500	2,578	2,581
Total U. S. Treasury Issues	17.4%						45,811	45,832
U. S. Government Agency Bonds								
Federal Home Loan Bank		0.180 %	*F*	0.180 %	07/25/2011	5,000	5,000	5,000
Federal Farm Credit Bank		0.270	*F*	0.270	08/23/2011	5,000	5,000	5,000
Federal Farm Credit Bank		0.270	*F*	0.270	09/15/2011	5,000	5,000	5,000
Federal Home Loan Mort Corp		0.156	*F*	0.206	09/26/2011	5,000	4,999	5,001
Federal Home Loan Bank		0.280	*F*	0.280	09/29/2011	5,000	5,000	5,000
Federal Farm Credit Bank		0.270	*F*	0.280	10/12/2011	5,000	5,000	5,000
Federal Home Loan Bank		0.300		0.305	11/08/2011	2,500	2,500	2,500
Federal Home Loan Bank		0.260		0.294	11/23/2011	5,000	4,999	4,998
Federal Farm Credit Bank		0.125	*F*	0.115	12/07/2011	5,000	5,000	5,001
Federal Home Loan Bank		0.280	*F*	0.280	01/12/2012	5,000	5,000	5,000
Federal Home Loan Bank		0.280	*F*	0.280	02/07/2012	5,000	5,000	5,000
Federal Home Loan Bank		0.135	*F*	0.135	03/02/2012	5,000	5,000	5,000
Total U. S. Government Agency Bonds	21.9%						57,498	57,500
Short Term Issues								
Deutsche Bank Repurchase Agreement		0.010 %		0.010 %	07/01/2011	48,400	48,400	48,400
Goldman Sachs Repurchase Agreement		0.020		0.020	07/01/2011	50,000	50,000	50,000
Federal Home Loan Bank		0.000		0.051	07/06/2011	7,500	7,500	7,500
Federal Home Loan Mort Corp		0.000		0.167	07/25/2011	5,000	4,999	4,999
Federal National Mortgage Assn		0.000		0.071	08/01/2011	3,124	3,124	3,124
Federal National Mortgage Assn		0.000		0.081	08/03/2011	2,550	2,550	2,550
Federal National Mortgage Assn		0.000		0.086	08/31/2011	5,000	4,999	4,999
Federal Home Loan Bank		0.000		0.091	09/02/2011	5,000	4,999	4,999
Federal Home Loan Mort Corp		0.000		0.091	09/06/2011	5,000	4,999	4,999
Federal Home Loan Mort Corp		0.000		0.091	09/22/2011	5,000	4,999	4,999
Federal National Mortgage Assn		0.000		0.101	10/04/2011	4,700	4,699	4,699
Federal Farm Credit Bank		0.000		0.254	10/05/2011	5,000	4,997	4,999
Federal Home Loan Mort Corp		0.000		0.101	10/18/2011	3,000	2,999	2,999
Federal Farm Credit Bank		0.000		0.274	10/21/2011	5,000	4,996	4,999
Federal Farm Credit Bank		0.000		0.325	01/06/2012	5,000	4,992	4,997
Dreyfus Cash Management		0.010 **				131	131	131
Total Short Term Issues	60.7%						159,383	159,393
Total Government Money Market Pool	100.0%						$ 262,692	$ 262,725

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WEST VIRGINIA SHORT TERM BOND POOL

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues								
United States Treasury Inflation Index Note		2.000 %		0.400 %	04/15/2012	24,500	$ 24,948	$ 25,034
Total U. S. Treasury Issues	5.3%						24,948	25,034
U. S. Government Agency Bonds								
Federal Farm Credit Bank		0.210 %	F	0.210 %	09/07/2012	10,000	10,000	10,006
Federal National Mortgage Assn		0.270	F	0.300	12/03/2012	10,000	9,996	10,011
Total U. S. Government Agency Bonds	4.2%						19,996	20,017
U. S. Agency Issues								
Federal Home Loan Mort Corp		0.437 %	F	0.530 %	03/15/2021	857	853	856
Federal Home Loan Mort Corp		0.437	F	0.528	06/15/2021	1,507	1,501	1,505
Federal Home Loan Mortgage Gro		0.487	F	0.821	06/15/2023	2,718	2,705	2,716
Federal National Mortgage Assn		1.069	F	0.861	01/25/2024	2,723	2,759	2,752
Federal Home Loan Mort Corp		0.687	F	0.684	04/15/2027	707	707	707
Federal Home Loan Mort Corp		0.687	F	0.684	04/15/2028	746	746	748
Federal Home Loan Mortgage Gro		0.387	F	0.453	10/15/2028	1,113	1,108	1,106
Federal Home Loan Mortgage Gro		0.537	F	0.579	04/15/2029	1,129	1,125	1,129
Federal Home Loan Mortgage Gro		0.387	F	0.439	05/15/2030	2,238	2,227	2,229
Federal Home Loan Mortgage Gro		0.787	F	0.775	08/15/2030	314	315	314
Federal Home Loan Mort Corp		0.437	F	0.492	09/15/2030	812	808	810
Federal Home Loan Mortgage Gro		0.687	F	0.736	09/15/2030	183	182	183
Federal Home Loan Mortgage Gro		0.537	F	0.597	09/15/2030	6,764	6,727	6,764
Federal Home Loan Mortgage Gro		0.487	F	0.538	04/15/2031	1,114	1,109	1,110
Federal Home Loan Mort Corp		0.587	F	0.585	06/15/2031	437	438	438
Federal Home Loan Mortgage Gro		0.587	F	0.588	07/15/2031	225	225	225
Federal Home Loan Mort Corp		0.587	F	0.585	09/15/2031	1,805	1,806	1,809
Federal National Mortgage Asso		0.486	F	0.495	09/25/2031	1,263	1,261	1,262
Federal National Mortgage Assn		0.586	F	0.582	09/25/2031	2,943	2,944	2,946
Federal Home Loan Mort Corp		0.487	F	0.524	11/15/2031	2,916	2,905	2,915
Federal Home Loan Mort Corp		0.637	F	0.635	11/15/2031	1,452	1,452	1,453
Federal Home Loan Mort Corp		0.637	F	0.635	12/15/2031	639	639	640
Federal Home Loan Mort Corp		0.637	F	0.635	12/15/2031	489	489	490
Federal Home Loan Mort Corp		0.737	F	0.735	02/15/2032	732	732	734
Federal Home Loan Mort Corp		0.635	F	0.633	02/17/2032	1,083	1,083	1,086
Federal National Mortgage Asso		0.536	F	0.540	02/25/2032	2,206	2,206	2,208
Federal Home Loan Mort Corp		0.637	F	0.635	03/15/2032	524	524	524
Federal Home Loan Mort Corp		0.687	F	0.685	03/15/2032	550	550	551
Federal Home Loan Mort Corp		0.687	F	0.685	03/15/2032	1,575	1,575	1,580
Federal Home Loan Mort Corp		0.687	F	0.685	04/15/2032	721	722	723
Federal Home Loan Mort Corp		0.687	F	0.685	07/15/2032	1,140	1,140	1,140
Federal National Mortgage Asso		0.536	F	0.539	08/17/2032	1,562	1,561	1,563
Federal Home Loan Mort Corp		0.587	F	0.585	10/15/2032	999	999	1,000
Federal National Mortgage Asso		0.536	F	0.539	10/18/2032	991	991	992

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WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Federal Home Loan Mort Corp		0.637	F	0.635	11/15/2032	613	613	613
Federal Home Loan Mort Corp		0.587	F	0.585	01/15/2033	1,077	1,077	1,079
Federal Home Loan Mort Corp		0.587	F	0.585	01/15/2033	2,761	2,762	2,763
Federal Home Loan Mort Corp		0.587	F	0.585	02/15/2033	1,839	1,840	1,839
Federal Home Loan Mort Corp		0.487	F	0.528	02/15/2033	7,624	7,591	7,634
Federal National Mortgage Assn		0.586	F	0.581	03/25/2033	1,478	1,479	1,480
Federal Home Loan Mortgage Cor		0.497	F	0.550	04/15/2033	2,071	2,061	2,071
Federal National Mortgage Assn		0.586	F	0.581	07/25/2033	3,756	3,758	3,762
Federal National Mortgage Asso		0.586	F	0.598	02/25/2034	5,942	5,937	5,946
Federal Home Loan Mort Corp		0.637	F	0.646	06/15/2034	893	892	894
Federal Home Loan Mortgage Gro		0.587	F	0.832	10/15/2034	2,030	2,020	2,031
Federal Home Loan Mortgage Gro		0.487	F	0.559	09/15/2035	3,743	3,722	3,741
Federal National Mortgage Asso		0.436	F	0.758	03/25/2036	4,023	4,008	4,023
Government National Mort Assn		0.610	F	0.654	12/20/2060	5,073	5,022	5,042
Government National Mort Assn		0.710	F	0.715	03/20/2061	7,177	7,170	7,170
Total U.S. Agency Issues	20.5%						97,066	97,296
Corporate Issues								
Corporate Bonds								
Disney Walt Company		5.700		3.958	07/15/2011	1,400	1,401	1,402
Westpac Banking Corp		0.574	F	0.471	10/21/2011	1,105	1,105	1,106
AT&T Corp		7.300		2.046	11/15/2011	2,750	2,803	2,817
Morgan Stanley Dean Witter		5.625		1.957	01/09/2012	2,000	2,038	2,049
Lilly Eli and Company		3.550		1.249	03/06/2012	2,500	2,539	2,555
MBNA Corp		7.500		5.720	03/15/2012	750	759	785
Pfizer Inc		4.450		1.663	03/15/2012	2,000	2,039	2,057
American Honda Finance		5.100		1.839	03/27/2012	1,850	1,894	1,906
ANZ National (Int'l) Ltd		3.250		1.419	04/02/2012	2,000	2,027	2,043
Sysco International Co.		6.100		1.500	06/01/2012	2,000	2,084	2,100
Bear Stearns Co Inc		2.017	F	0.742	08/10/2012	1,000	1,014	1,018
Hewlett-Packard Company		2.950		1.349	08/15/2012	3,000	3,053	3,074
Deutsche Bank London		5.375		2.441	10/12/2012	3,000	3,110	3,165
duPont EI de Nemours Co		5.000		2.482	01/15/2013	334	347	355
Barclays Bank PLC		2.500		2.446	01/23/2013	3,000	3,002	3,055
Morgan Stanley		1.253	F	1.253	04/29/2013	2,000	2,000	1,996
International Business Machs		2.100		1.900	05/06/2013	2,000	2,007	2,051
Credit Suisse		5.000		1.939	05/15/2013	2,000	2,112	2,135
Texas Instruments Inc		0.439	F	0.441	05/15/2013	2,500	2,500	2,507
BlackRock Inc		0.558	F	0.495	05/24/2013	4,250	4,250	4,252
HSBC Bank		0.914	F	0.812	08/12/2013	1,100	1,102	1,102
Caterpillar Financial Services		6.200		1.367	09/30/2013	2,656	2,939	2,956
American Honda Finance		6.700		1.666	10/01/2013	2,000	2,222	2,228
MassMutual Global Funding		0.412	F	0.651	12/06/2013	3,000	2,982	2,990
Credit Suisse NY		1.241	F	1.241	01/14/2014	2,000	2,000	2,008
HSBC Bank		1.076	F	1.076	01/17/2014	3,700	3,700	3,720
PNC Funding Corp		0.473	F	0.980	01/31/2014	4,000	3,948	3,975

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WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Citigroup Inc		0.377	F	1.750	03/07/2014	4,000	3,854	3,853
Cisco Systems Inc		0.499	F	0.499	03/14/2014	3,700	3,700	3,710
BHP Billiton Finance USA		5.500		2.784	04/01/2014	2,000	2,143	2,226
Caterpillar Financial Services		0.595	F	0.595	04/01/2014	1,000	1,000	1,004
Metlife Institutional Fund		1.201	F	1.203	04/04/2014	4,000	4,000	4,009
Northern Trust Corp		4.625		2.475	05/01/2014	2,000	2,117	2,184
Schwab Charles Corp		4.950		3.197	06/01/2014	3,000	3,145	3,289
General Electric Capital Corp		0.507	F	1.334	09/15/2014	3,000	2,921	2,949
US Bank NA		0.561	F	0.928	10/14/2014	3,000	2,964	2,977
Goldman Sachs Group Inc		0.785	F	1.482	01/12/2015	3,000	2,927	2,893
Merrill Lynch & Company Inc		0.738	F	2.228	01/15/2015	3,000	2,846	2,868
Wells Fargo & Company		0.473	F	1.230	10/28/2015	4,000	3,871	3,866
Bank of America		0.527	F	2.156	06/15/2016	1,000	923	908
Morgan Stanley Dean Witter		0.726	F	1.898	10/18/2016	1,500	1,410	1,381
Bear Stearns Co Inc		0.649	F	1.617	11/21/2016	4,000	3,798	3,829
National City Bank		0.597	F	1.954	12/15/2016	1,000	929	942
Total U. S. Corporate Bonds	22.0%						103,525	104,295
Corporate Asset Backed Issues								
BMW Vehicle Lease Trust		2.910		2.929	03/15/2012	350	350	351
Navistar Financial Corp		1.080		1.091	03/18/2014	1,750	1,750	1,751
Smart Trust		0.948	F	0.940	04/14/2013	3,000	3,000	3,000
GE Equipment Small Ticket LLC		0.880		0.888	08/21/2013	2,000	2,000	2,003
Harley-Davidson Motorcycle		3.190		3.212	11/15/2013	487	487	491
PFS Financing Corp		1.587	F	1.592	02/15/2014	3,000	3,000	3,008
Harley-Davidson Motorcycle		2.620		2.637	03/15/2014	1,805	1,805	1,818
BMW Floorplan Master Owner Tr		1.337	F	0.703	09/15/2014	10,000	10,105	10,094
Chase Issuance Trust		0.257	F	0.387	12/15/2014	7,254	7,237	7,251
Ford Credit Floorplan Master		1.837	F	0.976	12/15/2014	10,000	10,147	10,184
Ally Master Owner Trust		1.937	F	1.945	01/15/2015	5,000	5,000	5,090
Nissan Master Owner Trust Rec		1.337	F	0.700	01/15/2015	10,000	10,116	10,108
Discover Card Master Trust		1.487	F	0.743	02/17/2015	5,000	5,071	5,063
Bank of America Credit Card Tr		0.487	F	0.460	09/15/2015	4,000	4,002	4,010
Capital One Multi Asset Trust		0.267	F	0.456	09/15/2015	5,000	4,980	4,995
MBNA Credit Card Master Note		0.247	F	0.483	10/15/2015	5,000	4,974	4,992
American Express Credit Acct		0.437	F	0.418	11/16/2015	5,425	5,427	5,439
Ally Master Owner Trust		1.057	F	1.059	01/15/2016	4,100	4,100	4,118
Citibank Omni Master Trust		2.287	F	1.764	05/16/2016	5,000	5,065	5,060
Discover Card Master Trust		0.537	F	0.538	08/15/2016	3,000	3,000	3,010
Americredit Auto Rec Trust		1.460		1.464	11/06/2013	453	453	454
SLM Student Loan Trust		1.187	F	1.190	10/15/2024	2,845	2,845	2,861
Equity One ABS Inc		4.145		4.253	04/25/2034	396	393	382
Opteum Mortgage Acceptance Co		5.640		5.805	12/25/2035	512	506	504
Citigroup Mortgage Loan Trust		5.852		5.886	05/25/2036	375	375	237
Banc of America Com Mortgage		3.878		4.115	09/11/2036	185	181	186
Bank of America Alternative Ln		5.707		5.740	10/25/2036	547	547	473
Banc of America Funding Corp		5.791		5.818	10/25/2036	43	43	28
Morgan Stanley Mort Loan Trust		5.798		5.833	10/25/2036	1,187	1,186	596

(Continued on Next Page)

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See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
CSAB Mortgage Backed Trust		6.000		6.005	11/25/2036	120	120	68
Renaissance Home Equity Loan		5.580		5.655	11/25/2036	532	530	366
Credit-Based Asset Servicing		5.891	*F*	5.953	02/25/2037	130	130	127
Credit Suisse Mort Capital		5.942		5.959	02/25/2037	271	272	156
Countrywide Certificates		5.530		5.561	03/25/2037	1,000	1,000	885
CSFB Mortgage Securities		5.230		5.262	12/15/2040	722	723	753
JP Morgan Chase Comm. Mort		3.853		3.505	06/15/2043	4,895	5,129	5,064
Wells Fargo RBS		1.140	*F*	1.140	03/15/2044	4,000	4,000	4,000
Holmes Master Issuer PLC		1.628	*F*	1.631	10/01/2054	3,000	3,000	3,000
Holmes Master Issuer PLC		1.678	F	1.526	10/15/2054	3,000	3,006	3,005
Total Corporate Asset Backed Issues	24.3%						116,055	114,981
Total Corporate Issues	46.3%						219,580	219,276
Short Term Issues								
California State		0.000		0.900	07/01/2011	4,000	4,000	4,000
BNP Paribas Finance Inc		0.000		0.233	09/01/2011	4,000	3,998	3,998
Credit Agricole North America		0.000		0.243	09/01/2011	4,000	3,998	3,998
Societe Generale NA		0.000		0.223	09/01/2011	4,000	3,999	3,999
Dreyfus Cash Management Institutional Fund		0.080	**			96,287	96,287	96,287
Total Short Term Issues	23.7%						112,282	112,282
Total Short Term Bond Pool	100.00%						$ 473,872	$ 473,905

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

WEST VIRGINIA BANK POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
BB&T - Charleston		0.210 %	0.210 %	07/14/2011	2,000	$ 2,000	$ 2,000
BB&T - Charleston		0.220	0.220	07/14/2011	3,000	3,000	3,000
Harrison County Bk - Lost Crk		0.250	0.250	07/14/2011	2,000	2,000	2,000
Jefferson Security Bank		0.250	0.250	07/14/2011	5,000	5,000	5,000
Main Street Bank - Wheeling		0.220	0.220	07/14/2011	5,000	5,000	5,000
WesBanco Bank - Wheeling		0.220	0.220	07/14/2011	2,000	2,000	2,000
WesBanco Bank - Wheeling		0.200	0.200	07/14/2011	1,000	1,000	1,000
BB&T - Charleston		0.300	0.300	09/15/2011	2,000	2,000	2,000
Harrison County Bk - Lost Crk		0.260	0.260	09/15/2011	5,000	5,000	5,000
Jefferson Security Bank		0.250	0.250	09/15/2011	3,000	3,000	3,000
Main Street Bank - Wheeling		0.270	0.270	09/15/2011	5,000	5,000	5,000
WesBanco Bank - Wheeling		0.260	0.260	09/15/2011	5,000	5,000	5,000
Freedom Bank Inc - Belington		0.280	0.280	10/13/2011	4,000	4,000	4,000
Harrison County Bk - Lost Crk		0.270	0.270	10/13/2011	4,000	4,000	4,000
Jefferson Security Bank		0.275	0.275	10/13/2011	5,000	5,000	5,000
Main Street Bank - Wheeling		0.270	0.270	10/13/2011	3,000	3,000	3,000
WesBanco Bank - Wheeling		0.265	0.265	10/13/2011	4,000	4,000	4,000
Dreyfus Cash Management		0.010 **			19	19	19
Total Short Term Issues	100.0%					60,019	60,019
Total West Virginia Bank Pool	100.0%					$ 60,019	$ 60,019

LOSS AMORTIZATION

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues							
United States Treasury Strip - Principal		0.000 %	4.087 %	08/15/2011	188,557	$ 187,620	$ 188,544
Total U. S. Treasury Issues	100.0%					187,620	188,544
Total Loss Amortization Pool	100.0%					$ 187,620	$ 188,544

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

STATE LOAN POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Loans and Mortgages							
Intergovernmental Loans							
WVEDA Revolving Loan		2.170 %		12/31/2013	124,575	$ 124,575	$ 124,575
WVEDA Non-Recourse Loan		3.000		06/30/2022	24,910	24,910	24,910
Total Intergovernmental Loans						149,485	149,485
Reserve for uncollectable loans						17,671	17,671
Loans and Mortgages, net of reserve for uncollectable loans	99.9%					131,814	131,814
Short Term Issues							
Dreyfus Cash Management Treasury Institutional Fund		0.010 **			151	151	151
Total Short Term Issues	0.1%					151	151
Total State Loan Pool	100.0%					$ 131,965	$ 131,965

RESERVE POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Reserve Pool Depository Account		0.400 %	0.400 %		19,173	$ 19,173	$ 19,173
Total Short Term Issues	100.0%					19,173	19,173
Total Reserve Pool	100.0%					$ 19,173	$ 19,173

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

MUNICIPAL BOND COMMISSION

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues							
State & Local Government		2.370 %	2.370 %	10/01/2011	40	$ 40	$ 40
United States Treasury Note		0.750	0.000	11/30/2011	56	56	56
State & Local Government		4.360	4.360	12/01/2011	4	4	4
United States Treasury Strip - Interest		0.000	0.000	05/15/2012	938	938	936
State & Local Government		4.370	4.370	06/01/2012	49	49	49
State & Local Government		2.690	2.690	10/01/2012	40	40	40
State & Local Government		4.370	4.370	12/01/2012	4	4	4
United States Treasury Strip - Interest		0.000	0.000	05/15/2013	941	941	935
State & Local Government		4.380	4.380	06/01/2013	1,175	1,175	1,175
United States Treasury Strip - Interest		0.000	0.000	05/15/2014	963	963	941
United States Treasury Strip - Interest		0.000	0.000	05/15/2015	973	973	923
United States Treasury Bond		7.250	0.001	05/15/2016	980	1,326	1,237
United States Treasury Bond		8.750	0.001	05/15/2017	1,055	1,597	1,448
United States Treasury Bond		9.125	0.001	05/15/2018	1,138	1,852	1,633
Total U. S. Treasury Issues	100.0%					9,958	9,421
Total Municipal Bond Commission Pool	100.0%					$ 9,958	$ 9,421

SCHOOL FUND

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Dreyfus Cash Management Treasury Institutional Fund		0.010 **			1,385	$ 1,385	$ 1,385
Total Short Term Issues	100.0%					1,385	1,385
Total School Fund	100.0%					$ 1,385	$ 1,385

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2011
(Dollars in thousands, except for Share Data)

EDA - AW

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues							
United States Treasury Bond		6.250 %	4.929 %	08/15/2023	1,445	$ 1,618	$ 1,833
Total U. S. Treasury Issues	100.0%					1,618	1,833
Total EDA-AW	100.0%					$ 1,618	$ 1,833

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See accompanying notes to financial statements.

Other Financial Information

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

SCHEDULE OF NET ASSETS (UNAUDITED)

JUNE 30, 2011

(IN THOUSANDS EXCEPT FOR INVESTMENT UNIT DATA)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loss Amortization Pool	Loan Pool	Reserve Pool
Paid-in capital	$ 3,019,878	$ 262,898	$ 482,784	$ 60,067	$ 183,415	$ 132,181	$ 19,179
Accumulated undistributed net investment income (loss)	-	-	-	-	-	-	-
Accumulated undistributed net realized gain (loss)	-	-	(6,622)	-	4,205	-	-
Unrealized net appreciation (depreciation) of investments	-	-	25	-	924	-	-
Accumulated undistributed	-	-	-	-	-	-	-
securities lending income	-	-	-	-	-	-	-
Net assets at value	$ 3,019,878	$ 262,898	$ 476,187	$ 60,067	$ 188,544	$ 132,181	$ 19,179
Investment unit data:							
Units outstanding	3,019,877,948	262,898,051	4,745,770	60,066,883	183,415,000	132,181,087	19,178,746
Net asset value, unit price	$ 1.00	$ 1.00	$ 100.34	$ 1.00	$ 1.03	$ 1.00	$ 1.00

West Virginia Board of Treasury Investments

Portfolio Statistics (Unaudited)

June 30, 2011

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool
Weighted Average Days to Maturity	46	45	N/A
Maximum Weighted Average Investment Maturity Term Per Board Guidelines	60 days	60 days	N/A
Effective Duration	N/A	N/A	138 days
Maximum Effective Duration Per Board Guidelines	N/A	N/A	731 days
Money Market Yield - Monthly	0.11%	0.08%	N/A

The money market yield represents the rate of income, net of expenses, earned over the past month and is not intended to indicate future performance. The return is annualized over a 365-day year, assuming no reinvestment of earnings.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PARTICIPANT NET ASSET VALUES (UNAUDITED)

JUNE 30, 2011

(IN THOUSANDS)

WV Money Market Pool

State Agencies:	
WV State Treasurer's Office:	
State Participation	$ 946,545
Banking Services	371,356
WV Municipal Pension Oversight Board	31,676
Savekeeping	15,637
Deferred Compensation Matching	1,588
Veterans Lottery	1,562
Safe Road Bonds	10
Total WV State Treasurer's Office	1,368,374
Higher Education Policy Commission	295,307
Department of Environmental Protection	239,773
WV Lottery Commission	218,508
Department of Health and Human Resources	188,089
Public Employees Insurance Agency	116,900
Department of Transportation	106,919
Department of Revenue	100,160
West Virginia University	87,184
Regional Jail Authority	36,946
Division of Natural Resources	27,353
Board of Risk and Insurance Management	25,374
Department of Administration	22,524
WV Economic Development Authority	20,728
Water Development Authority	18,819
Insurance Commission	14,522
Criminal Justice	13,550
West Virginia State Police	7,782
WV Secretary of State's Office	6,317
WV State Auditor's Office	5,318
Performance and wage bond accounts	17,108
WV Lottery Bid Bonds	1,965
Other	16,852
Total State Agencies	2,956,372
Local Governments:	
Boone County Commission	13,673
Fayette County Board of Education	9,782
Mercer County Board of Education	5,598
Marshall County Board of Education	3,881
Fayette County Commission	3,563
Putnam Public Service District	2,041
Kanawha County Emergency Ambulance Authority	1,973
Roane County Board of Education	1,874
Hampshire County Board of Education	1,481
Lewis County Board of Education	1,459
Greenbrier County Board of Education	1,425
Barbour County Board of Education	1,410
Lincoln County Commission	1,177
Braxton County Board of Education	1,141
Wyoming County Board of Education	1,025
Other	12,003
Total Local Governments	63,506
Total net assets	$ 3,019,878

WV Government Money Market Pool

State Agencies:	
Municipal Bond Commission	$ 154,321
WV Housing Development Fund	12,723
WV Economic Development Authority	9,241
Department of Environmental Protection	5,300
Other	2,888
Total State Agencies	184,473
Local Governments:	
Preston County Board of Education	41,154
Marion County Board of Education	15,773
Kanawha County Sheriff	10,691
Jefferson County Board of Education	5,043
Braxton County Board of Education	3,481
Hancock County Commission	1,096
Other	1,187
Total Local Governments	78,425
Total net assets	$ 262,898

WV Short Term Bond Pool

State Agencies:	
WV State Treasurer's Office:	
State Participation	251,426
Banking Services	108,296
Prepaid Tuition Escrow	13,985
Total WV State Treasurer's Office	373,707
Department of Transportation	27,514
WV Board of Treasury Investments	17,538
WV Economic Development Authority	16,327
West Virginia University	13,354
Department of Administration	9,285
WV Court of Claims	5,486
Higher Education Policy Commission	5,420
WV Parkways Authority	3,056
Division of Culture and History	2,061
Other	763
Total State Agencies	474,511
Local Governments:	
City of Charleston	1,015
Other	661
Total Local Governments	1,676
Total net assets	$ 476,187

Glossary of Financial and Investment Terms

Agency Securities – Securities issued by U.S. Government agencies, such as the Federal Home Loan Bank. These securities have high credit ratings but are not backed by the full faith and credit of the U.S. Government.

Asset-Backed Notes – Financial instruments collateralized by one or more types of assets including real property, mortgages, and receivables.

Banker's Acceptance – A high quality, short-term negotiable discount note drawn on and accepted by banks that are obligated to pay the face amount at maturity.

Basis Point – The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield. One hundred basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% increased by 75 basis points.

Benchmark – A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

Capital Gain (Loss) – Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.

Certificates of Deposit (CDs) – A debt instrument issued by banks, usually paying interest, with maturities ranging from seven days to several years.

Commercial Paper – Short-term obligations with maturities ranging from one to 270 days. They are issued by banks, corporations, and other borrowers to investors with temporarily idle cash.

Compounded Annual Total Return – Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return smoothes fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Consumer Price Index (CPI) – A measure of change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CI include housing costs, food, transportation, electricity, etc.

Cumulative Rate of Return – A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a $100 investment grew to $120 in a two-year period, the cumulative rate of return would be 20%.

Derivative – Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

Discount Rate – The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

Expense Ratio – The amount, expressed as a percentage of total investment, that shareholders pay for mutual fund operating expenses and management fees.

Federal Funds Rate – The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The federal funds rate is one of the most sensitive indicators of the direction of interest rates because it is set daily by the market.

Federal Reserve Board – The governing body of the Federal Reserve System (twelve regional Federal banks monitoring the commercial and savings banks in their regions). The board establishes FRS policies on such key matters as reserve requirements and other regulations, sets the discount rate, and tightens or loosens the availability of credit in the economy.

Gross Domestic Product (GDP) – Total final value of goods and services produced in the United States over a particular period or time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

Index – A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. An index implicitly assumes cost-free transactions; some assume reinvestment of income. Examples: S&P Index, Lehman Brothers Aggregate Index, Russell 2000 Index.

Inflation – A measure of the rise in price of goods and services, as happens when spending increases relative to the supply of goods on the market, i.e. too much money chasing too few goods.

Investment Income – The equity dividends, bond interest, and/or cash interest paid on an investment.

Market Value – Also known as fair value. The price at which buyers and sellers trade similar items in an open marketplace. Stocks and bonds are valued at a market price. Real estate is valued on an appraised basis.

Maturity Date – The date on which the principal amount of a bond or other debt instrument becomes payable or due.

Money Market Fund – An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant $1 per share – only the interest rate goes up or down.

Net Asset Value (NAV) – The total assets minus total liabilities, including any valuation gains or losses on investments or currencies, and any accrued income or expense.

Par Value – The stated or face value of a stock or bond. It has little significance for common stocks; however, for bonds it specifies the payment amount at maturity.

Principal – Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.

Realized Gain (Loss) – A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.

Repurchase Agreements (Repos) – An agreement to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. Repos are widely used as a money market instrument.

Reverse Repurchase Agreements (Reverse Repos) – An agreement to sell securities to an entity for a specified amount of cash and to repurchase the securities from the entity at an agreed upon price and time.

Treasury Bill (T-Bill) – Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

Treasury Bond or Note – Debt obligations of the Federal government that make semi-annual coupon payments and are sold at or near par value in denominations of $1,000 or more.

Turnover – The minimum of security purchases or sales divided by the fiscal year's beginning and ending market value for a given portfolio.

Unrealized Gain (Loss) – A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

Variable Rate Note – Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.

Volatility – A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

Yield – The return on an investor's capital investment.

Gibbons & Kawash
Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the West Virginia Board
of Treasury Investments
Charleston, West Virginia

We have audited the basic financial statements of the West Virginia Board of Treasury Investments (the BTI) as of and for the year ended June 30, 2011, and have issued our report thereon dated August 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the BTI's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BTI's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the BTI's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BTI's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The

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results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the State of West Virginia, the Audit Committee, Board, management and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Gibbons & Kawash, A.C.

August 25, 2011

WEST VIRGINIA

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INVESTMENTS