

WEST VIRGINIA STATE BOARD OF INVESTMENTS

FOR THE PERIOD

JANUARY 1, 1984 - DECEMBER 31, 1984

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

To the Legislature of West Virginia

In compliance with the West Virginia Code, Chapter 12, Article 6, Section 15, one thousand nine hundred thirty-one, as amended, transmitted herewith is a postaudit of the investment balances of the West Virginia State Board of Investments. This report covers the calendar year 1984.

Very truly yours,

Encil Bailey

Encil Bailey

WEST VIRGINIA STATE BOARD OF INVESTMENTS

TABLE OF CONTENTS

Acknowledgment	1
Exit Conference	2
Board Members	3
General Remarks	4
Auditors' Opinion	11
Schedule of Consolidated Pension Fund Investment Balances by Retirement System	12
Schedule of Consolidated Fund Investment Balances by Pool.	14
Note	16
Supplemental Information	17
Certificate of Legislative Auditor	87

WEST VIRGINIA STATE BOARD OF INVESTMENTS

ACKNOWLEDGMENT

We extend our thanks and appreciation to the State Treasurer and his staff for their cooperation in supplying the information necessary to prepare this report.

WEST VIRGINIA STATE BOARD OF INVESTMENTS

EXIT CONFERENCE

We held an exit conference with the State Auditor and his Chief Clerk February 5, 1985 and our report was discussed and reviewed with the above officials. We held the conference with the State Auditor because he is the only remaining member of the State Board of Investments covered by our report.

WEST VIRGINIA STATE BOARD OF INVESTMENTS

BOARD MEMBERS

Governor John D. Rockefeller IV Chairman
State Treasurer Larrie Bailey Executive Secretary
State Auditor Glen B. Gainer, Jr. Member

WEST VIRGINIA STATE BOARD OF INVESTMENTS

GENERAL REMARKS

INTRODUCTION

An examination of the investment balances of the West Virginia State Board of Investments as of December 31, 1984 has been completed.

GENERAL INFORMATION

Permissible Investments

Notwithstanding the restrictions which may otherwise be provided by law as to the investment of funds, the board may invest funds made available to it in any of the following:

- (a) Any direct obligation of, or obligation guaranteed as to the payment of both principal and interest by, the United States of America;
- (b) Any evidence of indebtedness issued by any of the following agencies: Government National Mortgage Association, federal land banks, federal home loan banks, federal intermediate credit banks, banks for cooperatives, Tennessee valley authority, United States postal service, farmers home administration, export-import bank, federal financing bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association and Federal Farm Credit Banks;
- (c) Any evidence of indebtedness issued by the Federal National Mortgage Association to the extent such indebtedness is guaranteed by the Government National Mortgage Association;
- (d) Any evidence of indebtedness that is secured by a first lien deed of trust or mortgage upon real property situate within this State, if the payment thereof is substantially insured or guaranteed by the United States of America or any agency thereof;
- (e) Direct and general obligations of this State;

(f) Any undivided interest in a trust, the corpus of which is restricted to mortgages on real property and, unless all of such property is situate within the State and insured, such trust at the time of the acquisition of such undivided interest, is rated in one of the three highest rating grades by an agency which is nationally known in the field of rating pooled mortgage trusts;

(g) Any bond, note, debenture, commercial paper or other evidence of indebtedness of any private corporation or association organized and operating in the United States: Provided, that any such security is, at the time of its acquisition, rated in one of the three highest rating grades by an agency which is nationally known in the field of rating corporate securities: Provided, however, that if any commercial paper and/or any such security will mature within one year from the date of its issuance, it shall, at the time of its acquisition, be rated in one of the two highest rating grades by such an agency: Provided further, that any such security not rated in one of the two highest rating grades by any such agency and commercial paper or other evidence of indebtedness of any private corporation or association shall be purchased only upon the written recommendation from an investment adviser that has over three hundred million dollars in other funds under its management;

(h) Negotiable certificates of deposit issued by any bank, trust company, national banking association or savings institution organized and operating in the United States, which mature in less than one year and are fully collateralized; and

(i) Interest earning deposits including certificates of deposit, with any duly designated state depository, which deposits are fully secured by a collaterally secured bond as provided in section four (§ 12-1-4), article one of this chapter.

Restrictions on Investments

Moneys on deposit in the consolidated fund and the consolidated pension fund shall be invested as permitted by section nine (§ 12-6-9) of this article subject to the restrictions and conditions contained in this section:

(1) At no time shall more than seventy-five percent of the portfolio of either fund be invested in securities described in subdivision (g) of said section nine;

(2) At no time shall more than twenty percent of the portfolio of either fund be invested in securities described in said subdivision (g) which mature within one year from the date of issuance thereof;

(3) At no time shall more than three percent of the portfolio of either fund be invested in securities issued by a single private corporation or association.

For the purpose of making the computations required by this section, securities shall be valued in accordance with generally accepted accounting principles.

Pursuant to authorization given by House Bill 1321, effective July 1, 1978, Administrative Rules and Regulations filed with the Secretary of State on October 13, 1978, and portfolio policy guidelines adopted by the Board of Investments, the State Treasurer's Office completed the conversion of state agency short term investments to the Consolidated Fund (Short-Term Pools) on October 15, 1978 and all state retirement system funds to the Consolidated Pension Fund (Long-Term Pool) on March 17, 1979.

The Consolidated Fund is composed of sixteen "pools" which are identified in our workpapers. Pool 0100 contains investments from agencies which are unrestricted by type, i.e., not restricted by instrument. Pool 0140 contains investments from agencies which may only be government instruments. The

remaining thirteen pools contain specific investments for individual agencies due to constitutional or bonding restrictions prohibiting commingling with Pools 0100 or 0140.

The Consolidated Pension Fund is composed of the following retirement systems:

- Judges' Retirement
- Department of Public Safety
- Workers' Compensation
- Pneumoconiosis Fund
- Public Employees' Retirement System
- Teachers' Retirement System

INVESTMENT ACTIVITIES

During the calendar year ended December 31, 1984, the State Board of Investments sold investments in the Consolidation Pension Fund with years to maturity ranging from 10.19 to 23.32 years. We calculated the gross gains and losses based on generally accepted accounting principles, which takes into consideration the amortization of any premium or discount paid or received to arrive at the book value of the investments. The results of our calculations follow:

<u>Retirement System</u>	<u>Loss or (Gain) on the Sale of Investments</u>
Judges' (7615):	
Loss	\$ 317,714.32
Gain	(36,429.69)
Net Loss	<u>281,284.63</u>
Public Safety (7620):	
Loss	1,908,064.09
Gain	(178,721.03)
Net Loss	<u>1,729,343.06</u>

<u>Retirement System - Continued</u>	<u>Loss or (Gain) on the Sale of Investments</u>
Workers' Compensation (7625):	
Loss	\$ 8,484,093.39
Gain	<u>(1,338,562.17)</u>
Net Loss	7,145,531.22
Workers' Compensation (7630):	
Loss	2,046,928.18
Gain	<u>(1,388,461.18)</u>
Net Loss	658,467.00
Public Employees' (7635):	
Loss	17,958,488.19
Gain	<u>(1,341,414.51)</u>
Net Loss	16,617,073.68
Teachers' (7640):	
Loss	25,913,313.98
Gain	<u>(3,158,776.30)</u>
Net Loss	<u>22,754,537.68</u>
Total Net Loss	<u><u>\$49,186,237.27</u></u>

From the proceeds of sale of investments, the State Board of Investments invested some of the proceeds into repurchase agreements with yields ranging from 7.375% to 12.5% per year and maturing in 1 to 21 days. The remaining proceeds were generally invested in United States Government securities: an analysis of United States Government securities purchased and the investments sold follow:

<u>Retirement System</u>	<u>Approximate Average Yield</u>		<u>Average Years to Maturity</u>	
	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>
Judges' (7615)	12.70%	11.50%	17.24	6.31
Public Safety (7620)	11.30%	11.30%	18.88	8.00
Workers' Compensation (7625)	11.30%	12.86%	21.46	12.36
Workers' Compensation (7630)	14.41%	16.10%	10.19	8.13
Public Employees' (7635)	11.40%	13.10%	23.32	7.89
Teachers' (7640)	11.27%	13.10%	20.48	7.63

Based on the above analysis there has been a general improvement in the yields and years to maturity.

ZERO INTEREST RATE INVESTMENTS

As of December 31, 1984, the State Board of Investments had the following zero interest rate investments recorded on its books:

	<u>Consolidated</u>	<u>Funds</u> <u>Consolidated</u> <u>Pension</u>
Physicals	\$109,509,504.90	\$ 456,938.75
U.S. Treasury Receipts	<u>242,108,555.64</u>	<u>52,829,168.84</u>
	<u>\$351,618,060.54</u>	<u>\$ 53,286,107.59</u>

Physicals are zeros created by stripping bearer U.S. Treasury bonds. Each interest coupon and the final maturity payment are detached and sold to investors. The investor owes the actual coupon or final maturity payment.

U.S. Treasury Receipts entitle the investor to an interest payment (coupon) or to the final maturity payment (corpus) on the Treasury bonds which are purchased by a dealer and placed in trust. The investor only receives a certificate which describes the specific payment he is entitled to receive from the trustee. He does not own the actual coupon or corpus itself as is the case with Physicals.

The Board has been classifying the above as U.S. Government securities. This appears to be proper for the Physicals because the Board owns the actual coupon or final maturity payment. We are not sure if the U.S. Treasury Receipts should be classified as U.S. Government securities because the Board only owns a certificate purchased from the firm creating the trust. The certificate is collateralized by U.S. Government securities.

If the U.S. Treasury Receipts are not U.S. Government securities, the Receipts would be subject to the provisions of Chapter 12, Article 6, Section 10 Restrictions on investments of the West Virginia Code, as

amended. The aforementioned Section states in part, "Moneys on deposit in the consolidated fund and the consolidated pension fund shall be invested as permitted by section nine of this article subject to the restrictions and conditions contained in this section:

(1) At no time shall more than seventy-five percent of the portfolio of either fund be invested in securities described in said subdivision (g) of said section nine;

(2) At no time shall more than twenty percent of the portfolio of either fund be invested in securities described in said subdivision (g) which mature within one year from the date of issuance thereof;

(3) At no time shall more than three percent of the portfolio of either fund be invested in securities issued by a single private corporation or association...."

We included the U.S. Treasury Receipts with the investments purchased under 12-6-9 (g) of the Code to determine if the Board would be in compliance with the aforementioned provisions of the Code as of December 31, 1984. We noted the first two provisions were in compliance but the Consolidated Fund was not in compliance with the last provision.

Since we are not experts at interpreting the West Virginia Code, we are unable to determine how the U.S. Treasury Receipts should be classified. We believe an Attorney General's opinion should be requested to resolve this matter.

AUDITORS' OPINION

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

We have examined the schedules of investment balances of the West Virginia State Board of Investments for the year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the schedules referred to above present fairly the investment balances of the West Virginia State Board of Investments at December 31, 1984 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the schedules of investment balances taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic schedules of investment balances. Such information has been subjected to the auditing procedures applied in the examination of the basic schedules of investment balances and, in our opinion, is fairly stated in all material respects in relation to the basic schedules of investment balances taken as a whole.

Respectfully submitted,



Theodora L. Shanklin, CPA, Director
Legislative Postaudit Division

January 31, 1985

Auditors: David M. Lonchar, Auditor-in-Charge
Randal L. Thomas
Carolyn J. Epling

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF CONSOLIDATED PENSION FUND INVESTMENT
 BALANCES BY RETIREMENT SYSTEM

<u>Agency No.</u>	<u>Name of Agency</u>	<u>As of December 31, 1984</u>	
		<u>Par Value</u>	<u>Current Book Value</u>
7615	Judges' Retirement	\$ 7,525,000.00	\$ 7,506,712.29
7620	Department of Public Safety	19,949,143.59	19,830,084.66
7625	Workers' Compensation	521,243,155.44	504,527,548.23
7630	Workers' Compensation	31,767,500.00	15,860,230.04
7635	Public Employees' Retirement System	600,610,823.36	570,726,629.26
7640	Teachers' Retirement System	230,994,592.37	227,738,807.56
	Total Investment Balances	<u>\$1,412,090,214.76</u>	<u>\$1,346,190,012.04</u>

See Accompanying Note

As of December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 6,453,000.00	\$ 6,267,697.72
20,991,279.34	20,163,527.77
532,194,512.24	506,166,850.67
9,430,000.00	8,792,611.72
556,420,995.30	523,859,967.19
<u>225,282,075.44</u>	<u>213,514,779.69</u>
<u>\$1,350,771,862.32</u>	<u>\$1,278,765,434.76</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF CONSOLIDATED FUND INVESTMENT
 BALANCES BY POOL

<u>Description</u>	Pool (Fund) Number	Account Number	<u>As of December 31, 1984</u>	
			<u>Par Value</u>	<u>Current Book Value</u>
Consolidated Pool Unrestricted	100	7600-05	\$1,487,681,202.80	\$ 767,707,714.63
Consolidated Pension Pool	110	7645-12	497,590,045.83	386,289,029.43
Local Government Pension	115	7605-13	36,902,540.65	23,504,231.66
Highway Construction and Huntington Toll Bridge	120	6940-05	7,850,000.00	7,732,928.13
The School Fund	130	7440-05	798,000.00	803,438.44
Undistributed Restricted Pool	140	7610-05	382,278,825.00	258,377,361.56
Municipal Bond Commission (Huntington Toll Bridge)	150	7320-10A	1,005,000.00	993,221.88
Municipal Bond Commission (WVU Project II Escrow)	160	7320-10B	3,605,000.00	3,339,859.00
Municipal Bond Commission County Schools	162	7320-10E	1,357,200.00	1,357,200.00
Municipal Bond Commission (New Martinsville Toll Bridge)	164	7320-10F	300,000.00	56,655.00
Municipal Bond Commission	166	7320-10G	543,000.00	459,915.15
Municipal Bond Commission	170	7320-10C	13,895,000.00	12,860,432.12
Retirement System Operating Account	3300	7649-13	228,216,456.48	139,865,802.45
WCF-HDF Loan Fund	4900	7645-34	54,506,240.14	54,506,240.14
WCF-OECD Loan Fund	5100	7645-23	2,631,258.27	2,631,258.27
Revenue Sharing	9700	9700-05	7,842,700.00	7,842,450.00
Total Investment Balances			<u>\$2,727,002,469.17</u>	<u>\$1,668,327,737.86</u>

See Accompanying Note

As of December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 615,448,987.96	\$ 601,040,989.19
301,546,000.00	290,265,374.46
14,880,000.00	14,856,910.45
7,850,000.00	7,732,928.13
1,003,000.00	1,004,592.82
232,356,030.00	225,842,667.08
1,005,000.00	993,221.88
4,950,000.00	4,686,824.00
1,357,200.00	1,357,200.00
258,000.00	242,358.75
40,000.00	37,086.41
13,895,000.00	12,954,891.55
110,860,000.00	111,556,434.84
-0-	-0-
2,678,217.10	2,678,217.10
9,790,000.00	9,990,542.52
<u>\$1,317,917,435.06</u>	<u>\$1,285,240,239.18</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

NOTE

Investments - Short-term investments are stated at cost. Long-term investments are stated at cost, less amortization of premiums plus accretions of discounts. Market value of the investments as of December 31, 1984 approximated as follows:

Consolidated Pension Fund	<u>\$1,299,487,000.00</u>
Consolidated Fund	<u>\$ 603,526,000.00</u>

SUPPLEMENTAL INFORMATION

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 JUDGES' RETIREMENT - 7615

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 6,453,000.00	\$ 6,267,697.72
Add: Purchases	211,315,000.00	211,279,013.06
Less: Maturities	210,243,000.00	210,069,061.54
Add: Accretions - Gains	-0-	33,456.61
Less: Amortizations - Losses	-0-	4,393.56
Ending Investment Balance	<u>\$ 7,525,000.00</u>	<u>\$ 7,506,712.29</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 5,675,000.00	\$ 5,448,335.19
10,061,000.00	9,938,099.97
9,283,000.00	8,991,904.98
-0-	65,547.17
-0-	192,379.63
<u>\$ 6,453,000.00</u>	<u>\$ 6,267,697.72</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

JUDGES' RETIREMENT - 7615I

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$127,961.67	\$ -0-
Accrued Interest	<u>534,641.21</u>	<u>479,523.08</u>
	662,602.88	479,523.08
Less: Service Fees	4,009.80	3,369.66
Less: Withdrawals	-0-	-0-
Less: Interest Reinvested	<u>665,725.23</u>	<u>348,191.75</u>
Ending Interest Balance	<u>(\$ 7,132.15)</u>	<u>\$127,961.67</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 DEPARTMENT OF PUBLIC SAFETY - 7620

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 20,991,279.34	\$ 20,163,527.77
Add: Purchases	576,152,000.00	576,072,529.36
Less: Maturities	577,194,135.75	576,416,369.52
Add: Accretions - Gains	-0-	41,866.58
Less: Amortizations - Losses	-0-	31,469.53
Unidentified Difference	-0-	-0-
Ending Investment Balance	<u>\$ 19,949,143.59</u>	<u>\$ 19,830,084.66</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 21,235,089.95	\$ 20,109,890.82
20,412,000.00	20,202,256.54
20,655,810.52	19,710,165.27
-0-	125,058.32
-0-	563,535.34
-0-	22.70
<u>\$ 20,991,279.34</u>	<u>\$ 20,163,527.77</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

DEPARTMENT OF PUBLIC SAFETY - 76201

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 532,986.24	\$ -0-
Accrued Interest	<u>399,520.06</u>	<u>1,683,722.72</u>
	932,506.30	1,683,722.72
Less: Service Fees	2,996.40	11,863.01
Less: Withdrawals	1,132,208.51	1,138,873.47
Less: Interest Reinvested	<u>-0-</u>	<u>-0-</u>
Ending Interest Balance	<u>(\$ 202,698.61)</u>	<u>\$ 532,986.24</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

WORKMEN'S COMPENSATION - 7625

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 532,194,512.24	\$ 506,166,850.67
Add: Purchases	2,434,732,370.82	2,436,365,824.88
Less: Maturities	2,445,683,727.62	2,438,936,427.33
Add: Accretions - Gains	-0-	1,031,215.50
Less: Amortizations - Losses	-0-	99,915.49
Unidentified Difference	-0-	-0-
Ending Investment Balance	<u>\$ 521,243,155.44</u>	<u>\$ 504,527,548.23</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 533,158,164.10	\$ 501,507,863.68
575,880,372.96	565,221,865.79
576,844,024.82	556,404,308.00
-0-	6,092,206.84
-0-	10,250,777.64
-0-	-0-
<u>\$ 532,194,512.24</u>	<u>\$ 506,166,850.67</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

WORKMEN'S COMPENSATION - 7625I

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$10,536,994.33	\$ -0-
Accrued Interest	<u>47,055,613.13</u>	<u>46,281,872.46</u>
	57,592,607.46	46,281,872.46
Less: Service Fees	352,917.10	310,089.20
Less: Withdrawals	27,710,892.66	8,906,437.26
Less: Interest Reinvested	<u>18,538,058.17</u>	<u>26,528,351.67</u>
Ending Interest Balance	<u><u>\$10,990,739.53</u></u>	<u><u>\$10,536,994.33</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

WORKERS' COMPENSATION - 7630

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 9,430,000.00	\$ 8,792,611.72
Add: Purchases	403,260,685.44	291,136,795.91
Less: Maturities	380,923,185.44	284,081,296.91
Add: Accretions - Gains	-0-	16,613.22
Less: Amortizations - Losses	-0-	4,493.90
Ending Investment Balance	<u>\$ 31,767,500.00</u>	<u>\$ 15,860,230.04</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 8,789,000.00	\$ 8,131,379.10
19,114,000.00	18,717,442.90
18,473,000.00	17,910,188.11
-0-	19,623.80
-0-	165,645.97
<u>\$ 9,430,000.00</u>	<u>\$ 8,792,611.72</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

WORKERS' COMPENSATION - 76301

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 72,901.69	\$ -0-
Accrued Interest	<u>2,148,272.53</u>	<u>560,632.67</u>
	2,221,174.22	560,632.67
Less: Service Fees	16,112.04	3,739.99
Less: Withdrawals	-0-	-0-
Less: Interest Reinvested	<u>599,067.03</u>	<u>483,990.99</u>
Ending Interest Balance	<u><u>\$1,605,995.15</u></u>	<u><u>\$ 72,901.69</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM - 7635

Year Ended December 31, 1984

Par Value Current Book Value

Beginning Investment Balance	\$ 556,420,995.30	\$ 523,859,967.19
Add: Purchases	5,141,168,317.48	5,138,985,155.62
Less: Maturities	5,096,978,489.42	5,092,775,997.65
Add: Accretions - Gains	-0-	876,946.25
Less: Amortizations - Losses	-0-	219,442.15
Unidentified Difference	-0-	-0-
Ending Investment Balance	<u>\$ 600,610,823.36</u>	<u>\$ 570,726,629.26</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 501,239,543.94	\$ 460,179,666.60
574,666,498.54	570,377,971.27
519,485,047.18	501,916,638.43
-0-	4,716,619.58
-0-	9,497,492.46
-0-	(159.37)
<u>\$ 556,420,995.30</u>	<u>\$ 523,859,967.19</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INTEREST EARNINGS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM - 7635 I

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$12,349,111.14	\$ -0-
Accrued Interest	<u>46,780,387.66</u>	<u>51,603,281.13</u>
	59,129,498.80	51,603,281.13
Less: Service Fees	350,852.91	353,782.32
Less: Withdrawals	-0-	-0-
Less: Interest Reinvested	<u>41,905,249.32</u>	<u>38,900,387.67</u>
Ending Interest Balance	<u><u>\$16,873,396.57</u></u>	<u><u>\$12,349,111.14</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 TEACHERS' RETIREMENT SYSTEM - 7640

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 225,282,075.44	\$ 213,514,779.69
Add: Purchases	7,700,816,085.15	7,698,493,047.67
Less: Maturities	7,695,103,568.22	7,684,891,890.55
Add: Accretions - Gains	-0-	653,578.94
Less: Amortizations - Losses	-0-	30,708.19
Unidentified Difference	-0-	-0-
Ending Investment Balance	<u>\$ 230,994,592.37</u>	<u>\$ 227,738,807.56</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 213,296,431.65	\$ 196,335,326.77
245,336,892.71	242,712,495.34
233,351,248.92	222,920,006.25
-0-	2,038,732.01
-0-	4,651,960.66
-0-	192.48
<u>\$ 225,282,075.44</u>	<u>\$ 213,514,779.69</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

TEACHERS' RETIREMENT SYSTEM - 7640I

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 4,001,331.81	\$ -0-
Accrued Interest	<u>1,967,732.29</u>	<u>19,079,622.55</u>
	5,969,064.10	19,079,622.55
Less: Service Fees	14,758.00	130,717.13
Less: Withdrawals	4,001,331.81	4,927,252.10
Less: Interest Reinvested	<u>3,876,622.20</u>	<u>10,020,321.51</u>
Ending Interest Balance	<u>(\$ 1,923,647.91)</u>	<u>\$ 4,001,331.81</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 100 - CONSOLIDATED POOL UNRESTRICTED - 7600-05

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 615,448,987.96	\$ 601,040,989.19
Add: Purchases	11,416,690,145.83	10,462,352,578.11
Less: Maturities	<u>10,544,457,930.99</u>	<u>10,295,685,852.67</u>
Ending Investment Balance	<u>\$ 1,487,681,202.80</u>	<u>\$ 767,707,714.63</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 456,194,764.57	\$ 442,980,954.93
8,254,182,468.43	8,234,719,962.85
<u>8,094,928,245.04</u>	<u>8,076,659,928.59</u>
<u>\$ 615,448,987.96</u>	<u>\$ 601,040,989.19</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 100 - CONSOLIDATED POOL UNRESTRICTED - 7600-05I

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$11,886,270.47	\$ 5,074,907.59
Interest Earned	<u>81,218,794.68</u>	<u>52,982,095.34</u>
	93,105,065.15	58,057,002.93
Less: Service Fees	583,460.89	377,995.55
Less: Withdrawals	<u>80,360,603.96</u>	<u>45,792,736.91</u>
Ending Interest Balance	<u>\$12,161,000.30</u>	<u>\$11,886,270.47</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 110 - CONSOLIDATED PENSION POOL - 7645-12

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 301,546,000.00	\$ 290,265,374.46
Add: Purchases	6,150,370,886.47	5,795,318,288.27
Less: Maturities	<u>5,954,326,840.64</u>	<u>5,699,294,633.30</u>
Ending Investment Balance	<u>\$ 497,590,045.83</u>	<u>\$ 386,289,029.43</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 216,600,000.00	\$ 211,375,715.57
1,960,177,315.24	1,946,315,694.69
<u>1,875,231,315.24</u>	<u>1,867,426,035.80</u>
<u>\$ 301,546,000.00</u>	<u>\$ 290,265,374.46</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 110 - CONSOLIDATED PENSION POOL - 7645-12I

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$12,685,341.91	\$ -0-
Interest Earned	<u>41,522,168.42</u>	<u>29,893,325.46</u>
	54,207,510.33	29,893,325.46
Less: Service Fees	305,674.62	213,615.98
Less: Withdrawals	<u>16,916,041.82</u>	<u>16,994,367.57</u>
Ending Interest Balance	<u>\$36,985,793.89</u>	<u>\$12,685,341.91</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 115 - LOCAL GOVERNMENT PENSION - 7605-13

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 14,880,000.00	\$ 14,856,910.45
Add: Purchases	473,604,411.81	441,800,415.85
Less: Maturities	<u>451,581,871.16</u>	<u>433,153,094.64</u>
Ending Investment Balance	<u>\$ 36,902,540.65</u>	<u>\$ 23,504,231.66</u>

Year Ended December 31, 1984

<u>Par Value</u>	<u>Current Book Value</u>
\$ 11,360,000.00	\$ 11,169,961.53
92,411,406.87	92,451,273.04
<u>88,891,406.87</u>	<u>88,764,324.12</u>
<u>\$ 14,880,000.00</u>	<u>\$ 14,856,910.45</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 115 - LOCAL GOVERNMENT PENSION - 7605-13I

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 282,259.04	\$ -0-
Interest Earned	<u>2,942,104.42</u>	<u>1,933,544.45</u>
	<u>3,224,363.46</u>	<u>1,933,544.45</u>
Less: Service Fees	20,932.01	13,855.98
Less: Withdrawals	<u>2,830,104.64</u>	<u>1,637,429.43</u>
Ending Interest Balance	<u>\$ 373,326.81</u>	<u>\$ 282,259.04</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 120 - HIGHWAY CONSTRUCTION AND
 HUNTINGTON TOLL BRIDGE - 6940-05

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$7,850,000.00	\$7,732,928.13
Add: Purchases	-0-	-0-
Less: Maturities	-0-	-0-
Ending Investment Balance	<u>\$7,850,000.00</u>	<u>\$7,732,928.13</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$8,160,000.00	\$8,030,915.63
-0-	-0-
<u>310,000.00</u>	<u>297,987.50</u>
<u>\$7,850,000.00</u>	<u>\$7,732,928.13</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 120 - HIGHWAY CONSTRUCTION AND

HUNTINGTON TOLL BRIDGE - 6940-05

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>628,150.00</u>	<u>661,862.50</u>
	628,150.00	661,862.50
Less: Service Fees	4,711.13	3,318.28
Less: Withdrawals	<u>623,438.87</u>	<u>658,544.22</u>
Ending Interest Balance	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 124 - DEPARTMENT OF HIGHWAYS (NEW
 MARTINSVILLE TOLL BRIDGE) - 6930-06

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ -0-	\$ -0-
Add: Purchases	-0-	-0-
Less: Maturities	-0-	-0-
Ending Investment Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$253,000.00	\$237,424.68
-0-	-0-
<u>253,000.00</u>	<u>237,424.68</u>
<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INTEREST EARNINGS
 FUND 124 - DEPARTMENT OF HIGHWAYS
 (NEW MARTINSVILLE TOLL BRIDGE) - 6930-06

	Year Ended December 31,	
	1984	1983
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	-0-	33,285.32
	-0-	33,285.32
Less: Service Fees	-0-	249.44
Less: Withdrawals	-0-	33,035.88
Ending Interest Balance	\$ -0-	\$ -0-

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

FUND 130 - THE SCHOOL FUND - 7440-05

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$1,003,000.00	\$1,004,592.82
Add: Purchases	-0-	-0-
Less: Maturities	<u>205,000.00</u>	<u>201,154.38</u>
Ending Investment Balance	<u>\$ 798,000.00</u>	<u>\$ 803,438.44</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$1,006,000.00	\$ 996,526.83
150,000.00	150,119.39
<u>153,000.00</u>	<u>142,053.40</u>
<u>\$1,003,000.00</u>	<u>\$1,004,592.82</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 130 - THE SCHOOL FUND - 7440-05

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>86,008.14</u>	<u>88,046.70</u>
	86,008.14	88,046.70
Less: Service Fees	645.07	593.52
Less: Withdrawals	<u>85,363.07</u>	<u>87,453.18</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

FUND 140 - UNDISTRIBUTED RESTRICTED POOL - 7610-05

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 232,356,030.00	\$ 225,842,667.08
Add: Purchases	4,796,356,388.41	4,611,208,590.67
Less: Maturities	<u>4,646,433,593.41</u>	<u>4,578,673,896.19</u>
Ending Investment Balance	<u>\$ 382,278,825.00</u>	<u>\$ 258,377,361.56</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 162,330,000.00	\$ 154,807,025.84
2,017,040,607.47	2,007,349,254.35
<u>1,947,014,577.47</u>	<u>1,936,313,613.11</u>
<u>\$ 232,356,030.00</u>	<u>\$ 225,842,667.08</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 140 - UNDISTRIBUTED RESTRICTED POOL - 7610-05I

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 8,250,527.73	\$ 4,985,476.01
Interest Earned	<u>26,830,989.61</u>	<u>22,074,160.80</u>
	35,081,517.34	27,059,636.81
Less: Service Fees	197,924.78	142,865.91
Less: Withdrawals	<u>16,336,237.77</u>	<u>18,666,243.17</u>
Ending Interest Balance	<u>\$18,547,354.79</u>	<u>\$ 8,250,527.73</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 150 - MUNICIPAL BOND COMMISSION
 (HUNTINGTON TOLL BRIDGE) - 7320-10A

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$1,005,000.00	\$ 993,221.88
Add: Purchases	-0-	-0-
Less: Maturities	-0-	-0-
Ending Investment Balance	<u>\$1,005,000.00</u>	<u>\$ 993,221.88</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$1,005,000.00	\$ 993,221.88
-0-	-0-
-0-	-0-
<u>\$1,005,000.00</u>	<u>\$ 993,221.88</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 150 - MUNICIPAL BOND COMMISSION

(HUNTINGTON TOLL BRIDGE) - 7320-10A

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>82,512.50</u>	<u>82,514.35</u>
	82,512.50	82,514.35
Less: Service Fees	618.85	526.34
Less: Withdrawals	<u>81,893.65</u>	<u>81,988.01</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 160 - MUNICIPAL BOND COMMISSION
 (WVU PROJECT II ESCROW) - 7320-10B

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$4,950,000.00	\$4,686,824.00
Add: Purchases	-0-	-0-
Less: Maturities	<u>1,345,000.00</u>	<u>1,346,965.00</u>
Ending Investment Balance	<u>\$3,605,000.00</u>	<u>\$3,339,859.00</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$5,420,000.00	\$5,180,324.00
-0-	-0-
<u>470,000.00</u>	<u>493,500.00</u>
<u><u>\$4,950,000.00</u></u>	<u><u>\$4,686,824.00</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 160 - MUNICIPAL BOND COMMISSION

(WVU PROJECT II ESCROW) - 7320-10B

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>271,266.26</u>	<u>302,606.26</u>
	271,266.26	302,606.26
Less: Service Fees	2,034.50	2,156.90
Less: Withdrawals	<u>269,231.76</u>	<u>300,449.36</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 162 - MUNICIPAL BOND COMMISSION COUNTY
 SCHOOLS - 7320-10E

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$1,357,200.00	\$1,357,200.00
Add: Purchases	-0-	-0-
Less: Maturities	-0-	-0-
Ending Investment Balance	<u>\$1,357,200.00</u>	<u>\$1,357,200.00</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ -0-	\$ -0-
1,357,200.00	1,357,200.00
<u>-0-</u>	<u>-0-</u>
<u>\$1,357,200.00</u>	<u>\$1,357,200.00</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 162 - MUNICIPAL BOND COMMISSION COUNTY SCHOOLS - 7320-10E

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	105,294.86	-0-
	<u>105,294.86</u>	<u>-0-</u>
Less: Service Fees	789.72	-0-
Less: Withdrawals	104,505.14	-0-
	<u>104,505.14</u>	<u>-0-</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 164 MUNICIPAL BOND COMMISSION
 (NEW MARTINSVILLE TOLL BRIDGE) - 7320-10F

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$258,000.00	\$242,358.75
Add: Purchases	300,000.00	56,655.00
Less: Maturities	<u>258,000.00</u>	<u>242,358.75</u>
Ending Investment Balance	<u>\$300,000.00</u>	<u>\$ 56,655.00</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$258,000.00	\$242,358.75
-0-	-0-
<u>-0-</u>	<u>-0-</u>
<u>\$258,000.00</u>	<u>\$242,358.75</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INTEREST EARNINGS
 FUND 164 - MUNICIPAL BOND COMMISSION
 (NEW MARTINSVILLE TOLL BRIDGE) - 7320-10F

	Year Ended December 31,	
	1984	1983
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	34,346.25	18,705.00
	34,346.25	18,705.00
Less: Service Fees	257.60	93.52
Less: Withdrawals	34,088.65	18,611.48
Ending Interest Balance	\$ -0-	\$ -0-

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 166 - MUNICIPAL BOND COMMISSION
 (ESCROW ACCOUNT) - 7320-10G

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 40,000.00	\$ 37,086.44
Add: Purchases	725,000.00	600,894.95
Less: Maturities	<u>222,000.00</u>	<u>178,066.24</u>
Ending Investment Balance	<u>\$ 543,000.00</u>	<u>\$ 459,915.15</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$15,809,300.00	\$14,990,267.20
40,000.00	37,086.41
<u>15,809,300.00</u>	<u>14,990,267.20</u>
<u>\$ 40,000.00</u>	<u>\$ 37,086.41</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 166 - MUNICIPAL BOND COMMISSION

(ESCROW ACCOUNT) - 7320-10G

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balances	\$ -0-	\$ -0-
Interest Earned	<u>13,497.85</u>	<u>1,670,639.25</u>
	13,497.85	1,670,639.25
Less: Service Fees	101.24	10,889.35
Less: Withdrawals	<u>13,396.61</u>	<u>1,659,749.90</u>
Ending Interest Balance	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 170 - MUNICIPAL BOND COMMISSION - 7320-10C

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$13,895,000.00	\$12,954,891.55
Add: Purchases	-0-	-0-
Less: Maturities	-0-	<u>94,459.43</u>
Ending Investment Balance	<u>\$13,895,000.00</u>	<u>\$12,860,432.12</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ -0-	\$ -0-
13,895,000.00	13,088,050.01
<u>-0-</u>	<u>133,158.46</u>
<u>\$13,895,000.00</u>	<u>\$12,954,891.55</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 170 - MUNICIPAL BOND COMMISSION - 7320-10C

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>1,640,828.07</u>	<u>91,622.79</u>
	1,640,828.07	91,622.79
Less: Service Fees	12,306.22	68.72
Less: Withdrawals	<u>1,628,521.85</u>	<u>91,554.07</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 3300 - RETIREMENT SYSTEM OPERATING
 ACCOUNT - 7649-13

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 110,860,000.00	\$ 111,556,434.84
Add: Purchases	2,611,037,630.42	2,509,117,268.10
Less: Maturities	<u>2,493,681,173.94</u>	<u>2,480,807,900.49</u>
Ending Investment Balance	<u>\$ 228,216,456.48</u>	<u>\$ 139,865,802.45</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 84,200,000.00	\$ 81,341,550.83
1,409,534,990.41	1,405,573,920.80
<u>1,382,874,990.41</u>	<u>1,375,359,036.79</u>
<u>\$ 110,860,000.00</u>	<u>\$ 111,556,434.84</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 3300 - RETIREMENT SYSTEM OPERATING ACCOUNT - 7649-13I

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ 5,651,556.17	\$ 4,043,855.29
Interest Earned	<u>17,530,797.80</u>	<u>11,474,654.59</u>
	23,182,353.97	15,518,509.88
Less: Service Fees	125,004.94	81,692.54
Less: Withdrawals	<u>18,426,963.30</u>	<u>9,785,261.17</u>
Ending Interest Balance	<u><u>\$ 4,630,385.73</u></u>	<u><u>\$ 5,651,556.17</u></u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

FUND 4900 - WCF-HDF LOAN FUND - 7645-34

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ -0-	\$ -0-
Add: Purchases	76,361,627.08	76,361,627.08
Less: Maturities	<u>21,855,386.94</u>	<u>21,855,386.94</u>
Ending Investment Balance	<u>\$ 54,506,240.14</u>	<u>\$ 54,506,240.14</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 28,900,000.00	\$ 28,038,496.42
271,946,000.00	271,135,615.04
<u>300,846,000.00</u>	<u>299,174,111.46</u>
<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 4900 - WCF-HDF LOAN FUND - 7645-34

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>2,249,520.19</u>	<u>2,066,227.50</u>
	2,249,520.19	2,066,227.50
Less: Service Fees	16,871.41	15,082.32
Less: Withdrawals	<u>2,232,648.78</u>	<u>2,051,145.18</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS
 SCHEDULE OF INVESTMENT TRANSACTIONS
 FUND 5100 - WCF-OECD LOAN FUND - 7645-23

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 2,678,217.10	\$ 2,678,217.10
Add: Purchases	-0-	-0-
Less: Maturities	<u>46,958.83</u>	<u>46,958.83</u>
Ending Investment Balance	<u>\$ 2,631,258.27</u>	<u>\$ 2,631,258.27</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$10,400,000.00	\$ 9,942,995.11
18,000,000.00	17,708,267.25
<u>25,721,782.90</u>	<u>24,973,045.26</u>
<u>\$ 2,678,217.10</u>	<u>\$ 2,678,217.10</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 5100 - WCF-OECD LOAN FUND - 7645-23

	Year Ended December 31,	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	265,708.13	883,513.22
	<u>265,708.13</u>	<u>883,513.22</u>
Less: Service Fees	1,992.82	6,626.35
Less: Withdrawals	263,715.31	876,886.87
	<u>263,715.31</u>	<u>876,886.87</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INVESTMENT TRANSACTIONS

FUND 9700 - REVENUE SHARING - 9700-05

	<u>Year Ended December 31, 1984</u>	
	<u>Par Value</u>	<u>Current Book Value</u>
Beginning Investment Balance	\$ 9,790,000.00	\$ 9,990,542.52
Add: Purchases	308,151,442.30	308,449,981.04
Less: Maturities	<u>310,098,742.30</u>	<u>310,598,073.56</u>
Ending Investment Balance	<u>\$ 7,842,700.00</u>	<u>\$ 7,842,450.00</u>

Year Ended December 31, 1983

<u>Par Value</u>	<u>Current Book Value</u>
\$ 10,400,000.00	\$ 9,994,352.34
107,090,000.00	106,461,418.79
<u>107,700,000.00</u>	<u>106,465,228.61</u>
<u>\$ 9,790,000.00</u>	<u>\$ 9,990,542.52</u>

WEST VIRGINIA STATE BOARD OF INVESTMENTS

SCHEDULE OF INTEREST EARNINGS

FUND 9700 - REVENUE SHARING - 9700-05

	<u>Year Ended December 31,</u>	
	<u>1984</u>	<u>1983</u>
Beginning Interest Balance	\$ -0-	\$ -0-
Interest Earned	<u>1,169,713.44</u>	<u>1,343,897.61</u>
	1,169,713.44	1,343,897.61
Less: Service Fees	8,772.86	9,901.79
Less: Withdrawals	<u>1,160,940.58</u>	<u>1,333,995.82</u>
Ending Interest Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Encil Bailey, Legislative Auditor, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 12, Article 6, Section 15, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 31st day of January, 1985.



Encil Bailey, Legislative Auditor

Copies forwarded to each member of the Legislature,
each member of the Board and the Attorney General.