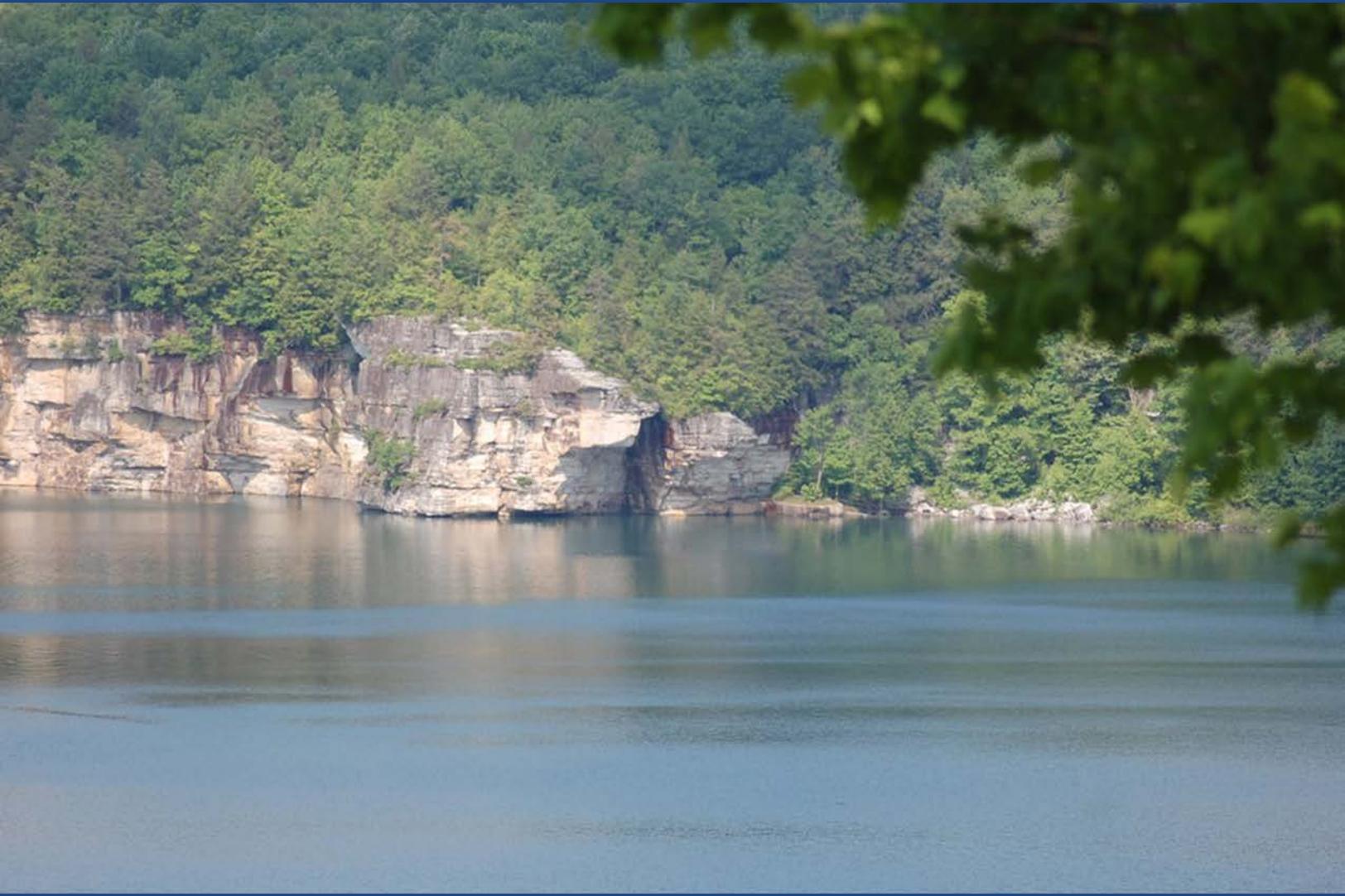


**Audited Financial Statements
with Other Financial Information**

Year Ended June 30, 2015



| WEST VIRGINIA |

**BOARD OF TREASURY
INVESTMENTS**

**Audited Financial Statements
With Other Financial Information**

**West Virginia Board of Treasury Investments
Year Ended June 30, 2015**

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West Virginia Board of Treasury Investments
 Financial Statements with Other Financial Information
 For the Year Ended June 30, 2015

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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, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the BTI's basic financial statements as listed in the table of contents. We also have audited the combining and individual fiduciary 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, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then



ended, in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the combining and individual fiduciary fund financial statements and schedule of investments referred to above present fairly, in all material respects, the financial position of each of the individual fiduciary funds and schedule of investments as of June 30, 2015, and the changes in financial position of each of the individual fiduciary funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, that collectively comprise the BTI's basic financial statements. The other financial information included on pages 63 to 68 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015, on our consideration of the BTI's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BTI's internal control over financial reporting and compliance.

Charleston, West Virginia
August 31, 2015

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2015

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, 2015. 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

Fiscal year 2015 continued the trend of a declining net position in the Consolidated Fund. For fiscal year 2015 the drop was not as severe as fiscal year 2014, with net position recording a decline of approximately \$54.1 million. General revenue collections again fell short of estimates, requiring the state to adopt mid-year budget cuts. Collections falling below estimates, coupled with unappropriated balances and reserves being tapped to meet the shortfalls, results in a drawdown of cash reserves invested in the Consolidated Fund. The rate of transfer of funds out of the WV Money Market Pool slowed during fiscal year 2015. The Pool fell by \$69.2 million, with approximately \$43.0 million of the decrease resulting from net transfers to the WV Bank Pool to meet the increased demand for BidWV CD's. Changes in individual agency account balances were mixed, with some increasing substantially and others falling substantially as agencies drew against reserves or simply transferred funds into higher yielding investment opportunities consistent with the purpose of the funds. Interest rates in the very short end of the Treasury curve (under six months) were lower overall for the fiscal year, with the 90 day T-bill averaging 2.3 basis points for 2015 versus 4.3 basis points for 2014. Rates on this end of the curve continued to benefit from ample liquidity in the financial system along with strong demand for short-term, high quality instruments resulting from banking regulations that took effect during last fiscal year. Moving a little further out the curve, in the six to twelve month part of the curve, rates began to tick upward as the market began to price in the probability of a rate hike by the Federal Reserve towards the latter half of calendar year 2015. The spread in this part of the curve rose from 3 basis points as of the end of fiscal year 2014 to 15 basis points as of the end of fiscal year 2015. Rates in the two to five year range continued their rise from the last fiscal year, with the 3-year Treasury averaging 97 basis points for fiscal year 2015 versus an average of 74 basis points over fiscal year 2014. The five year Treasury was relatively flat compared to fiscal year 2014, ending fiscal year 2015 up only 1 basis point, while the average over the year was only 2 basis points higher at 1.57%. Beyond the five year Treasury, the yield curve flattened somewhat with the 10 year Treasury falling 18 basis points to 2.35%

Rates of return for the Consolidated Fund's WV Money Market, WV Government Money Market, and WV Short Term Bond Pools were 0.12%, 0.04%, and 0.67%, respectively, for the year ended June 30, 2015. High demand and a relatively flat supply of Treasury bills continued to keep yields depressed in the short end of the curve. Treasury bills, as a percentage of total outstanding Treasury debt, had fallen to 11% by the end of the fiscal year as the Treasury continued to take advantage of longer term borrowing rates by issuing debt further out the curve. In the middle part of the curve, rates were mixed, maturities in the one

to three year range trending upward while yields on Treasuries with maturities greater than three years were flat to lower. In the last fiscal year, credit spread products, such as corporate debt and asset-backed securities, had provided significant benefits as investment grade credit spreads tightened over fiscal year 2014. That benefit reversed during fiscal year 2015 as credit spreads widened in the latter half of the fiscal year.

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 was the BofA Merrill Lynch 3-Month T-Bill plus a variable hurdle rate of 10% of the previous quarter's BofA Merrill Lynch 3-Month T-Bill rate, subject to a floor of 1 basis point and a cap of 15 basis points. The theme (again) for fiscal year 2015 was ample liquidity and a short supply of Treasury bills keeping rates on the front half of the Treasury Bill curve depressed. There was some better news in the back half of the Bill curve as the probability of a 2015 rate hike began to be priced into the curve. Over the course of the fiscal year, the Federal Reserve has steadily moved forward towards a normalization of monetary policy, indicating that should data continue coming in that is consistent with their assessments of the current state and future path of the economy, they will hike their target rate for the first time in over eight years. Overnight repo rates were well supported over the course of the year by the presence of the Fed's Reverse Repo program (RRP). The Fed added new counterparties to the RRP, expanding the list from primary dealers to include additional banks, government sponsored enterprises and money market funds. The Fed also set a cap of \$300 billion per day in the overnight repo program and also added term operations during quarter-end periods. During the year, agency discount note issuance fell for the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) as they continued to wind down their balance sheets in accordance with previously announced plans. Federal Home Loan Bank (FHLB) discount issuance, however, increased due to an increase in demand by banks for FHLB advances given their favorable regulatory treatment. This increased issuance led to FHLB discount notes trading at attractive levels relative to FNMA and FHLMC as well as US Treasuries. The WV Money Market Pool was managed with a weighted average maturity profile in the low 50 day range over the course of the fiscal year. This represented an increase from the mid to high 40 day range last fiscal year. The longer weighted average maturity was maintained to pick up yield further out the curve given the expectations that the Fed would not raise rates over the course of the fiscal year. U.S. Treasury exposure was maintained near the minimum required level of 15% given the low absolute level of Treasury yields relative to other permissible investment types. Credit exposure was concentrated in the three month and under maturity range, with some selective credit added at longer maturities to pick up yield where prudent. During the year, at least one repurchase agreement counterparty announced that it would no longer be offering repos at month end as it cleaned up its balance sheet for month end reporting. Repo supply at quarter ends across nearly all counterparties was also constrained, leading to the use of manager money market funds to fill the need for overnight investments at quarter end. In the near term, the portfolio will be maintained at the current weighted average maturity profile, with a keen eye kept on the Fed's communications regarding its anticipated first rate hike since 2008.

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 BofA Merrill Lynch 3-Month T-Bill. The portfolio doubled its benchmark for the year, adding 2 basis points over the benchmark return of 2 basis points. This fiscal year still represented a challenging year for a short-term Treasury investment strategy, but much less so than in fiscal year 2014. The strategy for fiscal year 2015 was much the same, maintaining a high allocation to overnight repos and adding agency discount notes at points along the yield curve where there was a pick-up in the spread versus Treasuries. The weighted average maturity profile was similar over the year to that of the WV Money Market Pool. Looking forward, the pool will be managed in the near term with the same weighted average maturity profile.

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 BofA Merrill Lynch U.S.

Corporate & Government, 1-3 Years, A Rated and Above Index plus 10 basis points. The portfolio fell below its investment policy benchmark by 34 basis points for the fiscal year. The pool return for the year was 0.67% versus the benchmark return of 1.01%. For 2015, the pool was again managed with a much shorter duration than that of the benchmark and with an overweight to credit spread products. The BofA Merrill Lynch benchmark maintained an effective duration of 1.85 years, where the portfolio's duration was just over one year. Credit spread products, notably investment grade corporate debt and asset-backed securities, made up approximately 83% of the portfolio's holdings. The benchmark for the pool was completely opposite in that 83% of its constituents were governmental and quasi-governmental securities. The lower duration of the pool helped lessen the effects of the moderate rise in intermediate term yields over the year while the allocation to credit added approximately 20 basis points of extra return versus the benchmark. However, in the final days of the fiscal year risk-off became the dominant theme as concerns about Greece's future in the Euro came to the forefront. Treasuries, which had been in decline due to growing expectations of a Fed liftoff, rallied to reverse those declines while risk assets (corporate debt and ABS) experienced spread widening. The combination of the rally in Treasuries and spread widening helped to push pool returns further below the benchmark. With a high likelihood of the Fed raising rates within the next 12 months, the pool's investment manager continues to maintain a short duration versus the benchmark to defend against price declines that will result from a rise in rates. While the pool is not performing well against its benchmark, it is worth noting that it is achieving its stated objectives of earning an incremental return over the WV Money Market Pool while maintaining safety of principal.

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 nine legally separate investment pools and accounts. There are three 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 Position presents information on the proprietary fund's assets and liabilities, with the difference between the two reported as net position. 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 Position 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 Position presents information on the fiduciary fund's assets and liabilities, with the difference between the two reported as net position held in trust for investment pool participants and individual investment account holders.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the fiduciary fund for the year. Additions are composed of investment income, such as interest, dividends, 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 position. The following is the condensed Statement of Net Position of the proprietary fund, which represents the assets, liabilities, and net position generated by the operating activities of the BTI, as of June 30, 2015 and 2014 (in thousands).

	<u>2015</u>	<u>2014</u>
Current assets	\$ 1,520	\$ 1,007
Noncurrent assets	<u>1</u>	<u>3</u>
Total assets	1,521	1,010
Current liabilities	<u>838</u>	<u>504</u>
Total liabilities	<u>838</u>	<u>504</u>
Net position:		
Investment in capital assets	1	3
Unrestricted	<u>682</u>	<u>503</u>
Total net position	<u>\$ 683</u>	<u>\$ 506</u>

Over the course of fiscal year 2015, the net position of the Operating Fund increased \$177,000 over the prior fiscal year. The primary source of the increase was an increase of \$668,000 in cash. This increase in net position was offset by a \$155,000 decrease in accounts receivable, a \$2,000 decrease in capital assets and an increase of \$334,000 in current liabilities.

The majority of the proprietary fund's net position consists of current assets. Current assets are composed of cash and accounts receivable that will be used to pay investment advisor, custodian, and administrative costs. The current asset balance of \$1,520,000 comprises \$1,003,000 in cash and \$517,000 in accounts

receivable. The cash balance increased by \$668,000 over 2014, while the accounts receivable balance decreased by \$155,000.

The increase in the cash balance was a result of an increase in unpaid invoices as of June 30, 2015. Two vendors had not fulfilled their registration requirements to do business with the state, and as a result, payment of invoices was withheld pending completion of such registration requirements. The invoices for these two vendors totaled \$342,000. Contributing to the increase in cash was a drop in accounts receivable of \$155,000 and an increase in net operating income of \$177,000.

The accounts receivable balance of \$517,000 represents fees that have been accrued but not withdrawn from the investment pools at June 30, 2015 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, administrative and custodial fees accrued in the prior month are transferred from the pools to the BTI's operating fund in the following month to pay for all necessary and reasonable expenses. Investment advisor fees are accrued daily or monthly and transferred to the Operating Fund quarterly to coincide with the receipt of advisor invoices. The periodic nature of these transfers results in the accounts receivable balance. At the end of fiscal year 2014, there were two month's worth of administrative and custodian fees receivable. However, at the end of fiscal year 2015, the receivables balance encompassed only one month's worth of administrative and custodian fees. The extra month's receivable at the end of fiscal year 2014 accounted for \$88,000 of the decrease in receivables. The remaining \$67,000 decrease was composed of a \$90,000 decrease in securities lending reserves receivable and a \$23,000 increase in administrative fees receivable for June 2015. Advisor fees for the quarter ending June 30, 2015, and custodial fees for June 2015 were comparable to the accruals for June 2014.

Capital assets, net of accumulated depreciation, decreased by \$2,000. The decrease resulted entirely from annual depreciation expense of approximately \$2,000. There were no acquisitions or disposals of capital assets during fiscal year 2015.

The balance of \$838,000 in current liabilities represents \$784,000 in accounts payable and \$54,000 reimbursements due the West Virginia State Treasurer's Office (the "STO") at June 30, 2015. The majority of the accounts payable balance represents services received from the BTI's investment advisors for the quarter ending June 30, 2015, custodian fees for June 2015, investment consultant fees for the quarter ending June 2015, and maintenance costs due for the investment management system for December 2014 through June 2015. There were also invoices from one investment manager for the quarters ending December 31, 2014 and March 31, 2015 included in the accounts payable balance. The \$54,000 in reimbursements due to the STO was for staffing services provided to the BTI, server software maintenance fees and licensing and support fees for desktop operating systems and productivity software. The net increase in current liabilities from June 30, 2014 is primarily composed of invoices held for the one investment manager and for the investment management system maintenance costs. Absent these invoices, accounts payable were comparable to the prior fiscal year end.

Net position of the BTI's proprietary fund is composed of investment in capital assets and unrestricted net position. Capital asset expenditures of \$1,000 or more (\$500 or more for certain computer equipment) are capitalized at cost and reported net of accumulated depreciation. Unrestricted net position represents net position not restricted for use by legal, contractual or enabling legislation constraints.

Changes in fund net position. The following is a condensed Statement of Revenues, Expenses and Changes in Fund Net Position of the operating fund for the periods ended June 30, 2015 and 2014 (in thousands).

	2015	2014
Revenues		
Operating revenues:		
Management services	\$ 1,297	\$ 1,353
Advisor and custodian services	1,685	1,615
Total revenues	2,982	2,968
Expenses		
Operating expenses:		
General and administrative	1,118	1,105
Advisor and custodian fees	1,685	1,615
Depreciation	2	3
Total expenses	2,805	2,723
Increase (decrease) in net position	177	245
Net position at beginning of year	506	261
Net position at end of year	\$ 683	\$ 506

Operating revenues at June 30, 2015 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 expenses, investment advisor and custodian fees are charged directly to the pools as they are incurred. All indirect expenses, i.e. insurance, staff costs, and rent, are charged to the pools based upon a fixed basis point fee against the net position 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 2015 increased by \$14,000. This increase in revenue consisted of an increase of \$67,000 in advisor fee revenues, an increase of \$3,000 in custodial fees, and a decrease of \$56,000 in management (administrative) fees charged to the pools.

Advisor fees are computed based upon market values of the pools. The average market value of assets under management fell again during fiscal year 2015. However, the portion of assets invested in the WV Short Term Bond Pool throughout the year again experienced an increase over the fiscal year. Advisor fees charged to the WV Short Term Bond Pool are higher than those charged to other pools, resulting in a net increase in advisor fees for the year. Custodial fees increased from the prior year even though assets under management decreased. The increase in overall custodial fees charged resulted from increases to line item charges in the custodial fee schedules. Administrative fees fell from fiscal year 2014 as the average net assets subject to administrative fees fell over the year.

Total operating expenses for the year increased by \$82,000. This includes an increase of \$13,000 in general and administrative expense and an increase in advisor and custodian fees of \$70,000.

General and administrative expenses represent costs associated with operating the BTI that are not considered directly applicable to investment management. Salary reimbursements, investment consulting fees charged by NEPC Investment Consulting and fiduciary bond expenses make up the majority of this

expense line item. Salary reimbursements and related expenses increased by \$23,000 from the prior year. Expenses related to the fiduciary bond also decreased as legislation passed during the 2013 legislative session decreased the required fiduciary bond amount from \$50 million to \$10 million. Although this legislation passed during the 2013 session, the change did not go into effect until August 2013. This resulted in a fiduciary bond in the amount of \$50 million for the first two months of fiscal year 2014 and \$10 million for the final ten months of fiscal year 2014. For fiscal year 2015, the fiduciary bond was \$10 million for the entire year. This resulted in a decrease of \$25,000 in fiduciary bond expense as compared to fiscal year 2014. Other general and administrative expenses increased by a net of \$ 15,000.

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. The balance of custodian and advisor fees is composed of investment advisor fees of \$1,553,000 and custodian fees of \$132,000. Investment advisor fees increased by \$67,000 and custodian fees increased by \$3,000 over fiscal year 2014. The net increase in investment advisor fees was driven by two factors: increasing investments in the WV Short Term Bond Pool and a change in investment allocations by one manager of the WV Money Market Pool. The investment advisor for the WV Short Term Bond Pool charges a flat management fee of 9 basis points on the market value of investments under management. This is significantly higher than the average 3.5 basis point management fee charged on the WV Money Market Pool. Although the increase in investments in the WV Short Term Bond Pool was more modest than the increase experienced over fiscal year 2014, it still resulted in an increase of investment management fees of \$28,000. Although the assets of the WV Money Market Pool decreased during the fiscal year, investment management fees charged to the pool increased by a net of \$43,000. In the WV Money Market Pool, UBS utilized one of its own money market funds as a liquidity vehicle in place of repo and other very short maturity assets. When UBS utilizes its own fund, it rebates the difference between the investment management fees charged on its fund and the investment management fee charged for the WV Money Market Pool. The rebate takes the form of a credit against fees charged on WV Money Market Pool investments, which results in lowering the fee charged to the pool. Over the fiscal year, UBS decreased investment in their fund resulting in their fees charged to the pool increasing by \$78,000. This was offset by a decrease of \$35,000 in investment management fees charged by JP Morgan. The decrease resulted from a decrease in assets under management. Investment management fees charged to the WV Government Money Market Pool also fell over the fiscal year, dropping by \$4,000 from fiscal year 2014, as a result of an overall lower average balance during fiscal year 2015. The increase in custodian fees resulted from an increase in fees charged by the BTI's custodian.

Financial Analysis of the Consolidated Fund

Net position. The following are combined, condensed Statements of Fiduciary Net Position of the Consolidated Fund fiduciary funds as of June 30, 2015 and 2014 (in thousands).

	<u>2015</u>	<u>2014</u>
Assets		
Investments	\$ 3,169,024	\$ 3,221,288
Receivables	2,669	8,471
Total assets	<u>3,171,693</u>	<u>3,229,759</u>
Liabilities		
Accrued expenses	518	580
Dividends and purchases payable	1,654	5,565
Total liabilities	<u>2,172</u>	<u>6,145</u>
Net Position		
Held in trust for investment pool participants	3,160,862	3,195,780
Held in trust for individual investment account holders	8,659	27,834
Net position	<u>\$ 3,169,521</u>	<u>\$ 3,223,614</u>

As of June 30, 2015, the Consolidated Fund's assets totaled approximately \$3.2 billion and was composed almost entirely of investments in securities. Continuing the trend of the previous two fiscal years, participants, state agencies in particular, drew against their invested balances. The decline in assets during 2015 was not as severe as fiscal year 2014, with the Consolidated Fund assets declining by only 1.68% versus a decline of 15.9% in fiscal year 2014.

As more fully discussed below, the BTI experienced a net reduction in invested funds over the course of the fiscal year. Participant contributions in 2015 were up compared to fiscal year 2014, increasing by \$102.3 million. Participant withdrawals also fell during fiscal year 2015, dropping by \$455.1 million versus fiscal year 2014. However, participant withdrawals were still greater than participant contributions during fiscal year 2015, resulting in a decrease in net position of \$53.2 million. The WV Money Market and WV Short Term Bond Pools both experienced declines during the year, with the WV Money Market Pool falling by \$69.2 million and the WV Short Term Bond Pool falling by \$12.1 million. The average balance of the WV Short Term Bond Pool was higher during fiscal year 2015 as certain agencies increased their investments in the pool during the first half of the fiscal year. However, withdrawals in the last half of the fiscal year led to a fiscal year-end balance that was lower than the fiscal year 2014 ending balance. The net position of the WV Government Money Market and WV Bank Pools both rose over the fiscal year, with the WV Government Money Market Pool rising by \$9.5 million and the WV Bank Pool by \$43.1 million. The net positions of the Loan Pool, Reserve Pool and Municipal Bond Commission Account fell a combined \$26.1 million, with the largest decrease in the Municipal Bond Commission Account. The School Fund was up \$0.8 million over fiscal year 2014, with West Virginia Economic Development Authority Account little changed from the prior fiscal year.

Receivables balances as of the end of fiscal year 2015 were approximately \$5.8 million lower than the fiscal year 2014 year end balances. Almost all of the decrease was related to an open receivable for a security sold of \$5.3 million in the WV Short Term Bond Pool at the end of fiscal year 2014. There was no such

receivable at the end of fiscal year 2015. Interest receivable on investments was comparable to the prior year even though investment balances fell. Although interest rates in the one month and three month end of the curve fell from 2014, rates in the six month to five year portion of the curve rose over the fiscal year. This helped to offset the effects of the decline in assets under management on interest receivable as well as interest income. Rounding out the fluctuations was a decrease in receivables of \$0.5 million in the WV Money Market, WV Government Money Market and WV Short Term Bond pools (the commingled pools) for distributions of proceeds from the securities lending class action lawsuit settlement. The last of the distributions was in June 2014, with the actual cash for the distribution being transferred after the end of fiscal year 2014.

Total liabilities decreased by approximately \$4.0 million since June 30, 2014. Total liabilities consist of accrued expenses, representing accrued manager fees, custodian bank fees and administrative fees, and dividends and purchases payable, representing dividends payable to participants in the WV Short Term Bond Pool and amounts payable for securities purchases settling in the following accounting period. The largest component of the decrease was a \$4.0 million decrease in a payable for securities purchased by the WV Short Term Bond Pool. Other accrued expenses and dividends payable were comparable to the end of fiscal year 2014.

Net position is the excess of total assets over total liabilities. The Consolidated Fund had total net position of approximately \$3.2 billion at the close of fiscal year 2015. The net position consists 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, and Loan Pools. Net position for investment pool participants decreased approximately 1.7% from the prior year due to decreases in investments in the WV Money Market, WV Short Term Bond, Loan and Reserve Pools and the Municipal Bond Commission Account. Offsetting these decreases were increases in the WV Government Money Market and WV Bank Pools.

The WV Money Market Pool was down by approximately \$69.2 million from the prior year. The balance of general state agency investments in the pool declined over the course of the fiscal year as agencies drew against their invested funds or transferred funds to higher yielding investments. A net of approximately \$43.0 million was transferred from the WV Money Market Pool to the WV Bank Pool. The BidWV CD auction is funded with general cash of the state. Increases in investment balances in the WV Bank Pool generally result in decreases in the state's investment balances in the WV Money Market Pool. Another \$31.0 million was moved from the WV Money Market Pool to the WV Short Term Bond Pool as certain state agencies sought to increase their rate of return on invested funds.

Participant investments in the WV Government Money Market Pool rose by \$9.5 million from 2014. State agency investments, most particularly those of the Municipal Bond Commission, increased approximately \$4.0 million over the fiscal year. Local governments, primarily county governments and county boards of education, increased their deposits over the fiscal year by approximately \$5.5 million.

The WV Short Term Bond Pool experienced a decrease in its net position of \$12.1 million during fiscal year 2015. While funds were transferred from the WV Money Market Pool to the WV Short Term Bond Pool by certain state agencies during the year, there was a net outflow as some state agencies withdrew portions of their investments to meet obligations or to invest them with the West Virginia Investment Management Board (the "IMB"). The IMB invests in longer term fixed income and equity securities and is open to state agencies that have statutory authority to invest with the IMB. The net decrease in state agency investments was lessened by a net increase in local government investments in the Pool.

The net position of the WV Bank Pool increased by \$43.1 million during fiscal year 2015 as participation in BidWV CD auctions increased during the fiscal year. During fiscal year 2015, seven of the twelve CD

auctions held placed all funds offered. In fiscal year 2014, none of the auctions were able to place the maximum amount offered. The Reserve Pool net position declined \$2.0 million as excess securities lending reserves and securities lending settlement funds were withdrawn and distributed to the commingled pools.

The Loan Pool investment balance decreased by \$4.1 million as the West Virginia Economic Development Authority paid down balances borrowed under the Revolving Loan program. The net decrease in the Revolving Loan program was approximately \$3.2 million. Further contributing to the decline were increases in the loan loss reserve for the Non-Recourse Loan totaling approximately \$0.8 million during fiscal year 2014. The balance of the Reserve Pool decreased by approximately \$2.0 million during the fiscal year as proceeds from the securities lending class action lawsuit settlement and excess securities lending reserves were distributed and transferred to the WV Money Market, WV Government Money Market and WV Short Term Bond Pools.

Net position 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 position for individual account holders decreased by \$19.2 million or 69% from the prior year. Nearly the entire decrease was again attributable to maturities of investments and withdrawals of those proceeds made by the Municipal Bond Commission. With the tight supply of eligible securities, the Municipal Bond Commission began increasing placement of funds in the WV Money Market and WV Government Money Market Pools. The net position of the School Fund increased by \$0.8 million while the West Virginia Economic Development Authority account decreased during the year by a minimal amount.

Changes in net position. The following is a combined, condensed Statement of Changes in Fiduciary Net Position of the Consolidated Fund fiduciary funds for the years ended June 30, 2015 and 2014 (in thousands).

	Year Ended June 30,	
	2015	2014
Additions		
Net investment income	\$ 8,827	\$ 8,244
Net realized gain (loss)	(442)	44
Net increase (decrease) in fair value of investments	(986)	2,401
Unit purchases and contributions	10,943,939	10,841,620
Total additions	10,951,338	10,852,309
Deductions		
Distributions	8,272	8,131
Unit redemptions and withdrawals	10,997,159	11,452,280
Total deductions	11,005,431	11,460,411
Change in net position	(54,093)	(608,102)
Net position at beginning of year	3,223,614	3,831,716
Net position at end of year	\$ 3,169,521	\$ 3,223,614

Net investment income for the Consolidated Fund increased by 7.1% from the prior fiscal year. Net investment income rose in all pools except for the WV Money Market Pool and Municipal Bond Commission Account. Net investment income in the WV Money Market Pool fell by \$0.3 million under

the last fiscal year. Municipal Bond Commission Account net investment income fell by \$0.4 million as the net position of the account decreased over the fiscal year. Offsetting these decreases were increases of \$0.8 million and \$0.3 million in WV Short Term Bond and State Loan Pool net investment income, respectively. The remaining pools had net investment income that was comparable to the prior fiscal year.

If there was a theme during fiscal year 2015, it was same as last year's, but with just a little more variety. Global financial markets continued to benefit from extraordinary accommodation from global central banks. Several prominent central banks, such as the European Central Bank (ECB) and Swiss National Bank (SNB), now have their primary target rate at negative levels. In an effort to keep too-low inflation from derailing the euro zone's weak economy, the ECB surprised the markets in September 2014 by announcing cuts in interest rates and new stimulus plans. The ECB further expanded its efforts by engaging in a quantitative easing program in early 2015 whereby it would purchase more than 1 trillion euros of euro zone sovereign debt between March 2015 and September 2016. The SNB instituted a charge of 25 basis points on sight deposits (cash-like holdings of commercial banks at the central bank) in anticipation of the quantitative easing program being implemented by the ECB and investment pressures that resulted after Russia's surprise interest-rate increase in December 2014. In the United States, the Federal Reserve formally ended its asset purchase program in October 2014. Under the program, the Fed purchased Treasury and Agency mortgage-backed securities over several years, increasing its balance sheet by over \$3.5 trillion. Although the asset purchase program formally ended in October 2014, that does not mean the Fed completely ended quantitative easing. The Fed has committed to maintain accommodative financial conditions through its large balance sheet, reinvesting principal payments from agency debt and mortgage-backed securities and rolling over maturing Treasury securities at auction.

Subsequent to the end of the asset purchase program, the Fed continued its progress towards normalizing its interest rate policy. In the meetings for its December 2014 meeting, the FOMC changed the language regarding its stance on interest rates, stating that the FOMC can be patient in beginning to normalize the stance of monetary policy. This represented a change from previous wording in which the Fed committed to maintaining low rates for a considerable time. "Considerable time" did not completely exit the statement, but its emphasis was changed to indicate that "considerable time" was in the past. In March of 2015, "patient" exited the statement and the committee indicated that the timing of the rate hike was now data dependent. By June of 2015 it was apparent that the earliest likely rate hike would be September of 2015. In contrast to the tone set by the FOMC, the market appeared to discount any rate hike in 2015 as evidenced by the December 2015 Fed funds futures implied rate, which indicated almost no likelihood of a rate hike by December.

The US economy continued its trend of slow, but steady growth over the fiscal year. The first quarter of 2015 was again plagued by adverse events, as adverse weather and a West Coast port shutdown stifled economic growth. Economic output, as measured by gross domestic product (GDP), declined at an annual rate of 0.7%. Exports fell more than first thought while imports rose higher, which helped to shave almost 1.9 percentage points off overall growth, the largest quarterly drag from net exports in three decades. Subsequent revisions, showed that growth did not shrink, but still came in at an anemic +0.6%. Second quarter 2015 GDP estimates had the economy bouncing back with an increase of 2.3%. The second quarter uptick reflected higher rates of personal consumption expenditure (PCE – primary measure of consumer spending on goods and services), state and local government spending and more exports. The jobs picture continued to show progress, with the headline unemployment rate falling from 6.1% at the beginning of the fiscal year to 5.3% by fiscal year end. The jobless rate finally reached the 5.2% to 5.5% range that the Fed believes reflects a sustainable level over the long run. Wage growth, one of the last pieces of the economic puzzle that the Fed is still looking for in deciding to raise rates, faltered at the end of the fiscal year, falling to 2.0% year-over-year after recording an increase of 2.3% year-over-year in May 2015.

Looking at the longer end of the Treasury yield curve, the yield on the 10 year Treasury Note fell during the fiscal year. After rising modestly during the first quarter of the fiscal year, the yield on the 10 year

Treasury Note slid even as the Fed ended its asset purchase program. Strong demand from global central banks and liability driven investors easily replaced government purchases of bonds and helped push yields on the benchmark note lower through the first half of the fiscal year. Calendar year 2015 began with bang, with yields falling even further on weaker than expected GDP numbers and declining yields on European sovereign debt (due to the ECB's quantitative easing program). The 10 year Treasury Note reached its low point of the fiscal year in January 2015, dropping nearly 85 basis points from the beginning of the fiscal year. By the end of the fiscal year, signs of stronger domestic economic data, consistent with an acceleration in job growth, helped to push the yield up. This increase in yield was tempered in the latter of half of June 2015 by the uncertainty about Greece's future in Euro. The 10 year Treasury Note closed the fiscal year at 2.35%, 18 basis points lower than where it began the fiscal year.

The BTI's two principal stability pools posted better results over those of 2014. Performance in the WV Money Market Pool ticked up 1 basis point to 0.4% as the pool was managed with a higher weighted average maturity over fiscal year 2015. Sub-six month Treasury rates were lower over the fiscal year, with improvements mostly coming in the sixth month to one year maturity range. Some of this increase in the back end of the Treasury Bill curve was captured with the managers adding securities with longer maturities to the portfolio. The slight increase in return helped to mute the effects of the fall in net position on net investment income as net investment income only fell by \$0.3 million from 2014.

The WV Government Money Market Pool on the other hand, had similar performance to 2014, with the return flat at 4 basis points in 2015. The pool was managed with a similar weighted average maturity profile as the WV Money Market Pool over the year. The investment strategy was similar to the strategy employed in 2014, with agency discount notes added along the yield curve at times where there was a pick-up in spread to Treasuries. The allocation to repos varied a little more widely over year, staying in the 20% to 40% range. Average assets under management were lower over the fiscal year, but the pool ended the year up \$9.5 million. Net investment income was relatively unchanged from 2014.

The WV Short Term Bond Pool net investment income rose more modestly in fiscal year 2015. Net investment income was up \$0.8 million over 2014, aided by the higher average net investment balance over 2015. Rising yields in the 2 to 5 year portion of the curve helped to boost net investment income over the year as well.

The Loan Pool experienced an "increase" of \$0.4 million in net investment income during the fiscal year. As with fiscal year 2014, the "increase" in net investment income year-over-year primarily resulted from a decrease in the amount reserved for potential loan losses in the Non-Recourse Loan program. The interest rate on the WV Revolving Loan program was flat, staying at 18 basis points for fiscal year 2015. The unchanged rate, along with a modest decrease in loan balances resulted in interest income on loans decreasing by a minimal amount. See Note 6 to the audited financial statements for more information on the loan programs of the Loan Pool.

Net investment income for the Municipal Bond Commission Account fell substantially from fiscal year 2014, declining by \$0.3 million from fiscal year 2014. With a tight supply of eligible securities, new investments were directed to the WV Money Market and WV Government Money Market Pools where possible. The decrease in investment balances led directly to the drop in net investment income. Net investment income for the remaining pools was comparable to the prior fiscal year.

Realized gains and losses in the Consolidated Fund fell by \$0.5 million from the level seen in fiscal year 2014. While realized gains in fiscal year 2014 were minimal, in fiscal year 2015 the WV Short Term Bond Pool experienced a realized loss with the sale of sub-investment grade asset-backed securities. These securities had been purchased in 2007 and 2008 by the investment manager that managed the Pool prior to Federated Investors assuming the mandate in late 2008. During fiscal year 2015, Federated Investors received bids on the securities that approximated their estimate of fair value and sold the securities.

The change in fair value of investments fell by \$3.4 million as compared to fiscal year 2014. Nearly the entire change in this balance was attributable to falling values in the WV Short Term Bond Pool. The rising yields that benefitted net investment income as maturities and interest receipts were reinvested in higher yielding investments, were detrimental to the value of securities that had been previously purchased at lower yields. While spread widening in credit products over the fiscal year helped push down security values, almost half of the decline in value occurred in June 2015 as investors shunned credit products in a flight to quality over global economic concerns. The change in fair value in the Economic Development Authority Account was negligible during fiscal year 2015.

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 minimize risks with the primary objectives of safety and liquidity.

Interest rates, as measured by the Treasury yield curve, were a mixed bag over the fiscal year. In the very short end of the curve (1 month and 3 month maturities), rates ended the year almost where they began. Yields in the 6 month to 1 year tenor moved higher, reflecting expectations of the Fed raising their target rate range higher within the next six to nine months. Supply of Treasury bills was marginally higher throughout the year, but still remained at low levels. Exacerbating the supply issues was continued strong demand for high quality liquid collateral resulting from regulatory reform enacted over fiscal years 2014 and 2015. Subsequent to the end of its asset purchasing program in October 2014, the Fed began changing the wording of their post-meeting press releases to indicate they are ready to begin process of policy normalization. Strong data for the second of half of calendar year 2014 appeared to set the stage for a rate hike in early to mid-2015, provided economic data continued to come in confirming the Fed's economic expectations.

However, fluctuations in GDP growth in the first quarter of calendar year 2015 and some softness in employment numbers pushed the likely date for an increase into the second half of the year. By the end of fiscal year 2015, economic data seemed to confirm the Fed's view that first quarter data largely represented transient noise in an otherwise slow but steady improvement in the U.S. economy. With economic growth and employment soft, but sufficient in the Fed's view to warrant increasing rates in 2015, inflation remained the final piece of the puzzle. Inflation has lagged Fed projections and is still below their long-term target of 2% which has seemed to give the Fed pause in their desire to raise rates. Further clouding the picture for a 2015 rate hike is an apparent slowdown in China's economy and the continuing economic saga in Greece. Additionally, both the World Bank and International Monetary Fund called on the Fed to delay a rate increase until 2016, citing concerns over the potential that the rate hike poses considerable risk to global markets and U.S. economic growth.

One year has now passed since the U.S. Securities and Exchange Commission (SEC) voted to approve major changes to the rules governing U.S. money market funds. While the floating NAV requirement for prime institutional money market funds doesn't come into effect until October 2016, the effects of the reforms will likely be felt over the coming months. Current expectations are for some outflows from prime money market funds to government money market funds, which could pressure yields on Treasuries and Agencies lower and could even keep a lid on those rates when the Fed begins to hike the fed funds rate. This could potentially further contribute to an ongoing demand/supply imbalance of high-quality investments in the front-end.

In 2015, West Virginia balanced its budget with the aid of mid-year budget spending authority reductions, which were partially accomplished through a general hiring freeze. In addition to the mid-year cuts, the use of unappropriated balances, a supplemental revenue reserve appropriation by the Legislature and the use of funds from the Income Tax Reserve Account were necessary to balance expenditures with final revenue collections. General revenue collections were \$60.6 million below estimate, but with the measures undertaken to balance the budget, the state ended up with a year-end surplus of more than \$1.3 million. After decreasing for two consecutive years, general revenues grew by an adjusted 3.6 percent in fiscal year 2015, a level just slightly below the long-term average annual growth rate of roughly 4.0 percent. Revenue growth is expected to soften significantly in fiscal year 2016 as a result of significantly lower energy prices for coal, natural gas and oil.

Future budget years are likely to prove challenging with an increasingly volatile energy sector and slower long-term growth elsewhere. The major keys to both West Virginia economic growth and fiscal health in recent years were a strong energy sector with higher coal prices and higher natural gas production and growing foreign exports of both manufactured goods and steam and metallurgical coal. However, the gradual implementation of various environmental standards for the electric power generation industry resulted in the planned closing of a number of regional coal-fired power generation plants, the loss of certain regional energy intensive manufacturing sector activities and in the substitution of competitively priced natural gas fired power generation. In addition, cheaper high-sulfur coal from Midwestern states and Northern Appalachia is gradually displacing lower-sulfur southern West Virginia coal in a number of power plants with recently installed flue-gas de-sulfurization equipment. A very slow-growing national economy, in combination with slower worldwide economic growth, also poses significant challenges for both coal markets and export markets.

A recent 30 percent or greater decline in natural gas prices will greatly hinder revenue growth in the upcoming fiscal year. However, planned natural gas pipeline infrastructure improvements and future growth in liquefied natural gas exports should result in firmer energy prices over time and improved tax revenue growth in future years. An abundant supply of competitively-priced natural gas products should also stimulate additional regional manufacturing activity over time. Overall growth rates for personal income and gross state product are anticipated to be very sluggish in the near term. State revenue growth is anticipated to be minimal in this environment. Flat or declining state revenues could result in decreases in assets under management as the State draws against invested funds to meet cash needs.

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.

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

June 30, 2015

(In Thousands)

Assets	
Current assets:	
Cash	\$ 1,003
Receivables	<u>517</u>
Total current assets	1,520
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>1</u>
Total assets	1,521
 Liabilities	
Current liabilities:	
Accounts payable	<u>838</u>
Total liabilities	<u>838</u>
 Net position	
Investment in capital assets	1
Unrestricted	<u>682</u>
Total net position	<u><u>\$ 683</u></u>

See accompanying notes to financial statements

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

For the Year Ended June 30, 2015

(In Thousands)

Operating revenues	
Management services	\$ 1,297
Advisor services	1,553
Custodian services	<u>132</u>
Total operating revenues	2,982
 Operating expenses	
Advisor fees	1,553
Management fees	613
Professional service fees	229
Fiduciary bond	18
Custodian fees	132
General and administrative	258
Depreciation	<u>2</u>
Total operating expenses	<u>2,805</u>
 Operating income	 <u>177</u>
 Change in net position	 177
Net position at beginning of period	<u>506</u>
Net position at end of period	<u>\$ 683</u>

See accompanying notes to financial statements

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

For the Year Ended June 30, 2015

(In Thousands)

Cash flows from operating activities	
Cash received for services	\$ 3,138
Payments to vendors	<u>(2,470)</u>
Net cash provided by operating activities	668
Cash at beginning of period	<u>335</u>
Cash at end of period	<u>\$ 1,003</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 177
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation	2
Changes in assets and liabilities:	
Receivables	155
Accounts payable	<u>334</u>
Net cash provided by operating activities	<u>\$ 668</u>

See accompanying notes to financial statements

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

June 30, 2015

(In Thousands)

Assets

Investments:

At amortized cost	\$2,403,438
At fair value	<u>765,586</u>
Total investments	3,169,024
Receivables:	
Accrued interest	2,663
Dividends	<u>6</u>
Total receivables	<u>2,669</u>
Total assets	3,171,693

Liabilities

Accrued expenses	518
Dividends payable	656
Investments purchased	<u>998</u>
Total liabilities	<u>2,172</u>

Net Position

Held in trust for investment pool participants	3,160,862
Held in trust for individual investment account holders	<u>8,659</u>
Total net position	<u><u>\$3,169,521</u></u>

See accompanying notes to financial statements

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

For the Year Ended June 30, 2015

(In Thousands)

Additions	
Investment income:	
Interest	\$ 14,942
Dividends	1,575
Net amortization	(3,885)
Provision for uncollectible loans	<u>(822)</u>
Total investment income	11,810
Investment expenses:	
Investment advisor fees	1,552
Custodian bank fees	133
Administrative fees	<u>1,298</u>
Total investment expenses	<u>2,983</u>
Net investment income	8,827
Net realized loss from investments	(442)
Net decrease in fair value of investments	<u>(986)</u>
Net increase in net position from operations	7,399
Participant transaction additions:	
Purchase of pool units by participants	10,934,435
Reinvestment of pool distributions	8,679
Contributions to individual investment accounts	<u>825</u>
Total participant transaction additions	<u>10,943,939</u>
Total additions	10,951,338
Deductions	
Distributions to pool participants:	
Net investment income	8,714
Net realized loss from investments	<u>(442)</u>
Total distributions to pool participants	8,272
Participant transaction deductions:	
Redemption of pool units by participants	10,977,054
Withdrawals from individual investment accounts	<u>20,105</u>
Total participant transaction deductions	<u>10,997,159</u>
Total deductions	<u>11,005,431</u>
Change in net position	(54,093)
Net position at beginning of period	<u>3,223,614</u>
Net position at end of period	<u><u>\$ 3,169,521</u></u>

See accompanying notes to financial statements

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West Virginia Board of Treasury Investments

Notes to Financial Statements

June 30, 2015

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 West Virginia Legislature established the BTI 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.

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 position does 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 three external investment pools (WV Money Market, WV Government Money Market, and WV Short Term Bond), three internal investment pools (WV Bank, 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 (\$500 in the case of certain computer equipment) 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 contribute 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 Position – Proprietary fund

The net position of the BTI's proprietary fund is composed of investment in capital assets and unrestricted net position, which represent net position not restricted to 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, its component units, and local governments, 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 Governmental 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 (position). 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.

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.

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 cost recovery method of income recognition is used for the interest on the WVEDA Non-Recourse Loan held by the Loan Pool. Under this method, interest income will only be recognized once the principal balance of the loan has been recovered.

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. The effect of changing prepayment assumptions is reported in the Combined Statement of Changes in Fiduciary Net Position 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, 2015, the Loan Pool had an allowance for uncollectible loans of \$22,317,247.

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 Position.

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 Position.

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 Position.

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 \$1,003,000 at June 30, 2015. 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, 2015.

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, six are subject to credit risk: WV Money Market Pool, WV Government Money Market Pool, WV Short Term Bond Pool, WV Bank 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):

West Virginia Board of Treasury Investments
Notes to Financial Statements (Continued)

Security Type	Credit Rating		Carrying Value	Percent of Pool Assets
	Moody's	S&P		
Commercial paper	P-1	A-1+	\$ 186,737	9.88%
	P-1	A-1	660,027	34.91
Corporate bonds and notes	Aa3	A+	10,005	0.53
	Aa3	AA-	10,000	0.53
	Aa3	NR	10,000	0.53
U.S. agency bonds	Aaa	AA+	81,994	4.34
U.S. Treasury notes *	Aaa	AA+	229,760	12.15
U.S. Treasury bills *	P-1	A-1+	92,059	4.87
Negotiable certificates of deposit	Aa2	AA-	10,000	0.53
	P-1	A-1+	51,000	2.70
	P-1	A-1	142,000	7.51
U.S. agency discount notes	P-1	A-1+	304,342	16.10
Money market funds	Aaa	AAAm	90,017	4.76
Repurchase agreements (underlying securities):				
U.S. Treasury notes *	Aaa	AA+	1,323	0.07
U.S. agency notes	Aaa	AA+	11,200	0.59
			<u>\$ 1,890,464</u>	<u>100.00%</u>

NR = Not Rated

* 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):

Security Type	Credit Rating		Carrying Value	Percent of Pool Assets
	Moody's	S&P		
U.S. agency bonds	Aaa	AA+	\$ 6,000	2.41%
U.S. Treasury notes *	Aaa	AA+	34,019	13.69
U.S. Treasury bills *	P-1	A-1+	11,991	4.83
U.S. agency discount notes	P-1	A-1+	152,299	61.30
Money market funds	Aaa	AAAm	59	0.02
Repurchase agreements (underlying securities):				
U.S. agency notes	Aaa	AA+	44,100	17.75
			<u>\$ 248,468</u>	<u>100.00%</u>

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

West Virginia Board of Treasury Investments
Notes to Financial Statements (Continued)

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

Security Type	Credit Rating		Carrying Value	Percent of Pool Assets
	Moody's	S&P		
Corporate asset backed securities	Aaa	AAA	\$ 106,301	13.96%
	Aaa	AA+	3,822	0.50
	Aaa	NR	105,366	13.84
	NR	AAA	80,008	10.51
Corporate bonds and notes	Aaa	AA+	7,689	1.01
	Aa1	AA+	5,013	0.66
	Aa1	AA	4,039	0.53
	Aa2	AA+	4,041	0.53
	Aa2	AA	6,987	0.92
	Aa2	AA-	15,025	1.97
	Aa2	A	1,496	0.20
	Aa2	A-	1,001	0.13
	Aa3	AA-	16,380	2.15
	Aa3	A+	15,787	2.07
	A1	AA+	7,097	0.93
	A1	AA-	21,552	2.83
	A1	A+	24,116	3.17
	A1	A	8,078	1.06
	A2	A+	4,617	0.61
	A2	A	45,485	5.97
	A2	A-	9,485	1.25
	A3	A-	43,564	5.72
	A3	A	20,699	2.72
	A3	BBB+	9,745	1.28
	Baa1	A	2,001	0.26
	Baa1	A-	27,754	3.64
	Baa1	BBB+	33,751	4.43
	Baa1	BBB	12,788	1.68
	Baa1	BBB-	500	0.07
	Baa2	BBB+	3,205	0.42
	Baa2	BBB	19,066	2.50
Baa2	BBB-	3,008	0.40	
Baa3	BBB+	2,125	0.28	
Baa3	BBB	6,265	0.82	
Baa3	BBB-	17,460	2.29	
U.S. agency mortgage backed securities *	Aaa	AA+	32,198	4.23
Money market funds	Aaa	AAAm	34,012	4.46
			<u>\$ 761,526</u>	<u>100.00%</u>

NR = Not Rated

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

The WV Bank Pool holds an interest in a money market mutual fund valued at approximately \$66,000. 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 WV Bank Pool.

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 \$48,000. 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 \$2,174,000. 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 762 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	\$ 12,523	1
U.S. Treasury notes	229,760	75
U.S. Treasury bills	92,059	123
Commercial paper	846,764	30
Certificates of deposit	203,005	51
U.S. agency discount notes	304,342	60
Corporate bonds and notes	30,000	75
U.S. agency bonds	81,994	58
Money market funds	90,017	1
	\$ 1,890,464	47

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 floating rate notes, which can be up to 762 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	\$ 44,100	1
U.S. Treasury notes	34,019	80
U.S. Treasury bills	11,991	160
U.S. agency discount notes	152,299	51
U.S. agency bonds	6,000	30
Money market funds	59	1
	<u>\$ 248,468</u>	51

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)
Corporate bonds and notes	399,822	495
Corporate asset backed securities	295,494	357
U.S. agency mortgage backed securities	32,198	267
Money market funds	34,012	1
	<u>\$ 761,526</u>	410

The West Virginia Bank Pool holds nonnegotiable certificates of deposit totaling \$116,000,000 with maturity dates ranging from July 2015 through December 2015, and an interest in a money market mutual fund valued at approximately \$66,000. 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 Loan Pool holds an interest in a money market mutual fund in the amount of approximately \$48,000 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 \$18,712,000 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 bonds and notes	3,706	724
State and local government securities	825	334
	\$ 4,531	653

The School Fund Account holds only an interest in a money market mutual fund valued at approximately \$2,174,000 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 \$1,886,000 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. 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.

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 \$116,000,000. The Reserve Pool contains funds totaling approximately \$18,712,000 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, 2014	Increases	Decreases	June 30, 2015
Equipment, at cost	\$ 17	\$ -	\$ -	\$ 17
Accumulated depreciation	(14)	(2)	-	(16)
Equipment, net of accumulated depreciation	\$ 3	\$ (2)	\$ -	\$ 1

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, 2015, 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, 2015, was 0.18%. 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, 2015, the outstanding balance was \$122,966,532.
- 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 up to \$25,000,000 from the BTI through June 29, 2012. As of March 2010, the WVEDA had borrowed the maximum amount. 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 was expected to make principal and interest payments sufficient to repay all outstanding principal and accrued interest in full by June 30, 2022. On June 24, 2013, the BTI was notified by the WVEDA that the WVEDA had not received monetary returns from its venture capital investments and therefore would be unable to make the scheduled payment on June 30, 2013. At June 30, 2015, \$24,499,784 of principal was outstanding.

Because of the uncertain collectability of this loan, the BTI has elected to recognize income on a cost recovery basis. Any payments received will be applied to reduce the outstanding principal balances until that balance is fully recovered. Any amounts received after recovery of the principal balance will be recognized as interest income when received. Additionally, a valuation reserve of \$22,317,247 has been accrued at June 30, 2015.

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, 2015, the BTI reimbursed the Treasurer's Office \$655,000 for services, which includes \$614,000 for management services provided by Treasurer's Office employees. As of June 30, 2015, the BTI had an amount payable to the Treasurer's Office totaling \$54,000, of which \$49,000 was for management services provided by Treasurer's Office employees. Also during the year, the Treasurer's Office provided services valued at approximately \$16,000 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; 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 \$5 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. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. BTI management has not determined the effect, if any, this statement will have on its financial statements.

The GASB has issued three statements relating to accounting and financial reporting for pension and postemployment benefit plans: Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of Statements No. 73 and 74 are effective for financial statements for periods beginning after June 15, 2016, and the provisions of Statement No. 75 are effective for periods beginning after June 15, 2017. Because the BTI has no employees, it does not participate in a pension plan or a postemployment benefit plan and will not be affected by these statements.

The GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which identifies the hierarchy of generally accepted accounting principles used to prepare financial statements of state and local governments. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. BTI management has not determined the effect, if any, this statement will have on its financial statements.

On June 22, 2015, the GASB issued *Exposure Draft—Accounting and Financial Reporting for Certain External Investment Pools*, which proposes revised accounting and financial reporting guidance related to external investment pools and participants in those pools regarding the existing election of reporting investments at amortized cost. These provisions would replace the concept of a "2a7-like" pool. The

exposure draft comment period is available through August 31, 2015, with the current expected date of implementation being applied to reporting periods beginning after June 15, 2015, except for certain portfolio quality provisions and the provisions related to shadow price calculations which would be effective for reporting periods beginning after December 15, 2015. These proposed changes have been considered by management of the BTI and will impact certain policies, practices and disclosures in the BTI's financial statements.

This exposure draft continues to permit qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. It establishes specific criteria for those pools and its participants regarding how the external investment pool transacts with participants; the requirements for portfolio maturity, quality, diversification, and liquidity; and the calculation of a shadow price. Reporting under the amortized cost basis reflects investment cost and adjustments made for premiums or discounts associated with the purchase price of the underlying investments in the pool. It establishes additional note disclosure requirements for external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. These disclosures would include information about limitations or restrictions on participant withdrawals.

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

June 30, 2015

(In Thousands)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Loan Pool</u>
Assets					
Investments:					
At amortized cost	\$ 1,890,464	\$ 248,468	\$ -	\$116,066	\$ 125,197
At fair value	-	-	761,526	-	-
Receivables:					
Accrued interest	677	71	1,780	49	18
Dividends	1	-	1	-	-
Total receivables	<u>678</u>	<u>71</u>	<u>1,781</u>	<u>49</u>	<u>18</u>
Total assets	1,891,142	248,539	763,307	116,115	125,215
Liabilities					
Accrued expenses	270	36	203	4	5
Dividends payable	-	-	656	-	-
Investments purchased	-	-	998	-	-
Total liabilities	<u>270</u>	<u>36</u>	<u>1,857</u>	<u>4</u>	<u>5</u>
Net Position					
Held in trust for investment pool participants	1,890,872	248,503	761,450	116,111	125,210
Held in trust for individual investment account holders	-	-	-	-	-
Total net position	<u>\$ 1,890,872</u>	<u>\$ 248,503</u>	<u>\$ 761,450</u>	<u>\$116,111</u>	<u>\$ 125,210</u>

(Continued)

<u>Reserve Pool</u>	<u>Municipal Bond Commission Account</u>	<u>School Fund Account</u>	<u>Economic Development Authority - American Woodmark Account</u>	<u>Total</u>
\$ 18,712	\$ 4,531	\$ -	\$ -	\$ 2,403,438
-	-	2,174	1,886	765,586
-	34	-	34	2,663
4	-	-	-	6
<u>4</u>	<u>34</u>	<u>-</u>	<u>34</u>	<u>2,669</u>
18,716	4,565	2,174	1,920	3,171,693
-	-	-	-	518
-	-	-	-	656
-	-	-	-	998
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,172</u>
18,716	-	-	-	3,160,862
-	4,565	2,174	1,920	8,659
<u>\$ 18,716</u>	<u>\$ 4,565</u>	<u>\$ 2,174</u>	<u>\$ 1,920</u>	<u>\$3,169,521</u>

See accompanying notes to financial statements.

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

For the Year Ended June 30, 2015

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loan Pool
Additions					
Investment income:					
Interest	\$ 3,681	\$ 492	\$ 9,986	\$ 164	\$ 225
Dividends	1,098	76	351	-	-
Net (amortization) accretion	(457)	(263)	(2,886)	-	-
Provision for uncollectible loans	-	-	-	-	(822)
Total investment income	<u>4,322</u>	<u>305</u>	<u>7,451</u>	<u>164</u>	<u>(597)</u>
Investment expenses:					
Investment advisor fees	758	97	697	-	-
Custodian bank fees	86	18	29	-	-
Administrative fees	823	106	283	36	48
Total investment expenses	<u>1,667</u>	<u>221</u>	<u>1,009</u>	<u>36</u>	<u>48</u>
Net investment income	2,655	84	6,442	128	(645)
Net realized gain (loss) from investments	10	1	(453)	-	-
Net decrease in fair value of investments	-	-	(978)	-	-
Net increase (decrease) in net position from operations	2,665	85	5,011	128	(645)
Participant transaction additions:					
Purchase of pool units by participants	10,313,977	585,221	24,558	122	10,507
Reinvestment of pool distributions	2,665	85	6,396	128	(645)
Contributions to individual investment accounts	-	-	-	-	-
Total participant transaction additions	<u>10,316,642</u>	<u>585,306</u>	<u>30,954</u>	<u>250</u>	<u>9,862</u>
Total additions	10,319,307	585,391	35,965	378	9,217
Deductions					
Distributions to pool participants:					
Net investment income	2,655	84	6,442	128	(645)
Net realized gain (loss) from investments	10	1	(453)	-	-
Total distributions to pool participants	<u>2,665</u>	<u>85</u>	<u>5,989</u>	<u>128</u>	<u>(645)</u>
Participant transaction deductions:					
Redemption of pool units by participants	10,342,965	575,784	42,126	122	13,916
Withdrawals from individual investment accounts	-	-	-	-	-
Total participant transaction deductions	<u>10,342,965</u>	<u>575,784</u>	<u>42,126</u>	<u>122</u>	<u>13,916</u>
Total deductions	<u>10,345,630</u>	<u>575,869</u>	<u>48,115</u>	<u>250</u>	<u>13,271</u>
Net (decrease) increase in net position from operations	(26,323)	9,522	(12,150)	128	(4,054)
Inter-pool transfers in	6,012	-	-	48,935	-
Inter-pool transfers out	(48,935)	-	-	(6,012)	-
Net inter-pool transfers in (out)	<u>(42,923)</u>	<u>-</u>	<u>-</u>	<u>42,923</u>	<u>-</u>
Change in net position	(69,246)	9,522	(12,150)	43,051	(4,054)
Net position at beginning of period	1,960,118	238,981	773,600	73,060	129,264
Net position at end of period	<u>\$ 1,890,872</u>	<u>\$ 248,503</u>	<u>\$ 761,450</u>	<u>\$ 116,111</u>	<u>\$ 125,210</u>

(Continued)

<u>Reserve Pool</u>	<u>Municipal Bond Commission Account</u>	<u>School Fund Account</u>	<u>Economic Development Authority - American Woodmark Account</u>	<u>Total</u>
\$ -	\$ 304	\$ -	\$ 90	\$ 14,942
50	-	-	-	1,575
-	(267)	-	(12)	(3,885)
-	-	-	-	(822)
<u>50</u>	<u>37</u>	<u>-</u>	<u>78</u>	<u>11,810</u>
-	-	-	-	1,552
-	-	-	-	133
-	1	-	1	1,298
<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>2,983</u>
50	36	-	77	8,827
-	-	-	-	(442)
-	-	-	(8)	(986)
<u>50</u>	<u>36</u>	<u>-</u>	<u>69</u>	<u>7,399</u>
50	-	-	-	10,934,435
50	-	-	-	8,679
-	1	824	-	825
<u>100</u>	<u>1</u>	<u>824</u>	<u>-</u>	<u>10,943,939</u>
150	37	824	69	10,951,338
50	-	-	-	8,714
-	-	-	-	(442)
<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,272</u>
2,141	-	-	-	10,977,054
-	20,010	6	89	20,105
<u>2,141</u>	<u>20,010</u>	<u>6</u>	<u>89</u>	<u>10,997,159</u>
<u>2,191</u>	<u>20,010</u>	<u>6</u>	<u>89</u>	<u>11,005,431</u>
(2,041)	(19,973)	818	(20)	(54,093)
-	-	-	-	54,947
-	-	-	-	(54,947)
-	-	-	-	-
(2,041)	(19,973)	818	(20)	(54,093)
<u>20,757</u>	<u>24,538</u>	<u>1,356</u>	<u>1,940</u>	<u>3,223,614</u>
<u>\$ 18,716</u>	<u>\$ 4,565</u>	<u>\$ 2,174</u>	<u>\$ 1,920</u>	<u>\$ 3,169,521</u>

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2015
(In thousands)

WEST VIRGINIA MONEY MARKET POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Treasury Issues</i>							
United States Treasury		0.250 %	0.049 %	07/15/2015	13,000	\$ 13,001	\$ 13,001
United States Treasury		0.250	0.036	07/31/2015	45,000	45,008	45,004
United States Treasury		1.750	0.093	07/31/2015	35,000	35,048	35,049
United States Treasury		0.250	0.092	08/15/2015	27,500	27,505	27,502
United States Treasury		1.250	0.112	08/31/2015	15,000	15,028	15,029
United States Treasury		0.250	0.039	09/15/2015	25,000	25,011	25,008
United States Treasury		0.250	0.176	12/15/2015	10,000	10,004	10,006
United States Treasury		0.380	0.154	01/15/2016	20,000	20,024	20,028
United States Treasury		0.380	0.179	01/31/2016	15,000	15,017	15,020
United States Treasury		3.250	0.355	06/30/2016	4,000	4,115	4,115
United States Treasury		0.068	F 0.073	10/31/2016	20,000	19,999	20,000
Total U. S. Treasury Issues	12.2%					229,760	229,762
<i>U. S. Government Agency Bonds</i>							
Federal National Mortgage Assn		0.500	0.154	07/02/2015	8,000	8,000	8,000
Federal Home Loan Mort Corp		0.300	0.154	07/08/2015	5,500	5,500	5,500
Federal Home Loan Bank		0.190	0.203	09/01/2015	15,000	15,000	15,001
Federal Farm Credit Bank		0.167	F 0.167	09/24/2015	10,000	10,000	10,001
Federal Home Loan Bank		0.157	F 0.157	10/21/2015	5,000	5,000	5,000
Federal Farm Credit Bank		0.147	F 0.145	11/02/2015	5,000	5,000	5,000
Federal Farm Credit Bank		0.152	F 0.157	12/30/2015	5,000	5,000	5,001
Federal Home Loan Bank		0.310	0.310	01/06/2016	5,000	5,000	5,000
Federal Home Loan Bank		0.210	0.245	02/08/2016	9,000	8,998	8,997
Federal Farm Credit Bank		0.158	F 0.174	07/06/2016	5,000	4,999	5,001
Federal Farm Credit Bank		0.186	F 0.201	11/29/2016	5,000	4,999	5,002
Federal Farm Credit Bank		0.188	F 0.217	12/19/2016	4,500	4,498	4,502
Total U. S. Government Agency Bonds	4.3%					81,994	82,005
<i>Corporate Bonds</i>							
National Bank Canada NY		0.288	F 0.288	01/08/2016	10,000	10,000	10,000
Royal Bank of Canada		0.374	F 0.361	08/05/2016	10,000	10,000	9,999
Svenska Handelsbanken AB		0.376	F 0.375	08/26/2016	10,000	10,000	9,997
Total Corporate Bonds	1.6%					30,000	29,996
<i>Short Term Issues</i>							
Swedbank NY		0.100	0.100	07/01/2015	15,000	15,000	15,000
Goldman, Sachs & Co		0.110	0.110	07/01/2015	11,200	11,200	11,200
Merrill Lynch PFS Inc		0.120	0.120	07/01/2015	1,323	1,323	1,323
BNP Paribas NY Branch		0.000	0.030	07/01/2015	25,000	25,000	25,000
Credit Agricole CIB NY		0.000	0.061	07/01/2015	25,000	25,000	25,000
Toronto Dominion Bank		0.240	0.200	07/06/2015	15,000	15,000	15,000

(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.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Bank of Tokyo-Mitsubishi UFJ	0.240		0.240	07/06/2015	20,000	20,000	20,000
American Honda Finance	0.000		0.122	07/06/2015	10,000	10,000	10,000
BNP Paribas NY Branch	0.000		0.183	07/06/2015	35,000	34,999	34,999
PNC Bank NA	0.000		0.305	07/06/2015	9,000	9,000	9,000
ABN AMRO Funding USA LLC	0.000		0.254	07/06/2015	18,500	18,499	18,499
Manhattan Asset Funding	0.000		0.203	07/06/2015	10,000	10,000	10,000
Nieuw Amrsterdam Rec	0.000		0.152	07/06/2015	10,000	10,000	10,000
Skandinaviska Enskilda Bank	0.000		0.244	07/06/2015	12,000	12,000	12,000
Societe Generale	0.000		0.162	07/06/2015	20,000	20,000	20,000
Fairway Finance Corp	0.000		0.203	07/07/2015	15,000	14,999	14,999
Liberty Street Funding LLC	0.000		0.172	07/07/2015	8,000	8,000	8,000
LMA Americas LLC	0.000		0.172	07/07/2015	20,000	19,999	19,999
Victory Receivables Corp	0.000		0.183	07/07/2015	13,000	13,000	13,000
Caisse Centrale Desjardn UDS	0.000		0.183	07/08/2015	20,000	19,999	19,999
Mitsubishi UFJ Trust and Banki	0.000		0.243	07/08/2015	10,000	10,000	10,000
Atlantic Asset Securities Corp	0.000		0.162	07/09/2015	13,000	13,000	13,000
Sumitomo Mitsui Banking Corp	0.000		0.254	07/09/2015	8,000	8,000	8,000
State Street Corp	0.000		0.203	07/10/2015	15,000	14,999	14,999
Working Capital Management Co	0.000		0.203	07/10/2015	29,000	28,999	28,999
Credit Agricole CIB NY	0.000		0.152	07/13/2015	28,000	27,999	27,999
Natixis NY Branch	0.000		0.132	07/13/2015	20,000	19,999	19,999
Barton Capital Corp	0.000		0.162	07/13/2015	18,000	17,999	17,999
National Australia Funding	0.000		0.142	07/13/2015	20,000	19,999	19,999
Gotham Funding Corp	0.000		0.172	07/14/2015	8,000	8,000	8,000
Nordea Bank AB	0.000		0.183	07/14/2015	15,000	14,999	14,999
Albion Capital Corp	0.000		0.213	07/15/2015	8,000	7,999	7,999
Federal Home Loan Bank	0.000		0.152	07/15/2015	20,000	19,999	19,999
Albion Capital Corp	0.000		0.213	07/16/2015	20,000	19,998	19,998
Regency Markets No 1	0.000		0.172	07/16/2015	16,622	16,621	16,621
Mizuho Bank LTD/NY	0.260		0.260	07/17/2015	10,000	10,000	10,000
Federal Home Loan Bank	0.000		0.085	07/22/2015	33,000	32,998	32,998
BMO Harris Bank NA	0.300		0.300	07/23/2015	10,000	10,000	10,000
United States Treasury	0.000		0.046	07/23/2015	20,000	19,999	19,999
Federal Home Loan Bank	0.000		0.064	07/24/2015	35,000	34,999	34,999
LMA Americas LLC	0.000		0.172	07/27/2015	10,000	9,999	9,999
United States Treasury	0.000		0.076	07/30/2015	10,000	9,999	9,999
Alpine Securitization	0.000		0.233	08/03/2015	30,000	29,994	29,994
Gotham Funding Corp	0.000		0.203	08/03/2015	20,000	19,996	19,996
Sumitomo Mitsui Banking Corp	0.000		0.243	08/03/2015	10,000	9,998	9,998
Federal National Mortgage Assn	0.000		0.162	08/03/2015	10,000	9,999	9,999
Victory Receivables Corp	0.000		0.172	08/04/2015	25,000	24,996	24,996
Federal Home Loan Bank	0.000		0.094	08/05/2015	30,000	29,997	29,997
Oversea-Chinese Banking Corp	0.000		0.203	08/06/2015	10,000	9,998	9,998
Westpac Banking Corp	0.180		0.180	08/07/2015	8,000	8,000	8,000
Working Capital Management Co	0.000		0.203	08/07/2015	20,000	19,996	19,996

(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.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)							
<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Victory Receivables Corp	0.000		0.193	08/10/2015	15,000	14,997	14,997
Federal Home Loan Bank	0.000		0.069	08/12/2015	18,400	18,399	18,399
Bank of Nova Scotia	0.000		0.147	08/13/2015	25,000	24,996	24,996
Federal Home Loan Bank	0.000		0.071	08/14/2015	10,000	9,999	9,999
Manhattan Asset Funding	0.000		0.203	08/17/2015	10,000	9,997	9,997
Old Line Funding Corp	0.000		0.183	08/18/2015	12,882	12,879	12,879
DSB Bank LTD	0.000		0.193	08/19/2015	12,000	11,997	11,997
Old Line Funding Corp	0.000		0.172	08/20/2015	30,127	30,120	30,120
Federal Home Loan Mort Corp	0.000		0.120	08/28/2015	15,000	14,997	14,997
Mizuho Bank LTD/NY	0.250		0.250	09/01/2015	18,000	18,000	18,001
Federal Home Loan Mort Corp	0.000		0.132	09/01/2015	15,000	14,997	14,998
Nordea Bank AB	0.000		0.208	09/02/2015	20,000	19,993	19,994
Federal Home Loan Bank	0.000		0.087	09/02/2015	15,000	14,998	14,998
United States Treasury	0.000		0.079	09/03/2015	10,000	9,999	10,000
Old Line Funding Corp	0.000		0.244	09/03/2015	15,000	14,994	14,995
Thunder Bay Funding LLC	0.000		0.223	09/03/2015	8,000	7,997	7,997
Natixis NY Branch	0.255	F	0.253	09/03/2015	15,000	15,000	15,000
Oversea-Chinese Banking Corp	0.210		0.210	09/08/2015	8,000	8,000	8,000
Federal Home Loan Bank	0.000		0.091	09/11/2015	18,100	18,097	18,098
Federal Home Loan Bank	0.000		0.091	09/18/2015	34,900	34,893	34,895
Oversea-Chinese Banking Corp	0.000		0.233	09/24/2015	2,800	2,798	2,799
Liberty Street Funding LLC	0.000		0.254	09/28/2015	11,000	10,993	10,993
General Electric Capital Corp	0.000		0.356	10/02/2015	10,000	9,991	9,996
BMO Harris Bank NA	0.310		0.310	10/08/2015	10,000	10,000	10,004
Rabobank Nederland NV	0.300		0.295	10/13/2015	10,000	10,000	10,000
Federal Home Loan Mort Corp	0.000		0.152	10/19/2015	3,000	2,999	2,999
JP Morgan Chase Bank	0.320		0.320	10/28/2015	10,000	10,000	10,004
Federal National Mortgage Assn	0.000		0.117	11/02/2015	26,000	25,990	25,990
Chariot Funding LLC	0.000		0.305	11/09/2015	8,000	7,991	7,991
Nordea Bank AB	0.000		0.320	11/12/2015	7,000	6,992	6,992
ANZ Banking Group	0.276	F	0.275	11/13/2015	12,000	12,000	12,000
Federal Home Loan Mort Corp	0.000		0.203	11/16/2015	7,000	6,995	6,997
United States Treasury	0.000		0.079	11/27/2015	10,000	9,997	9,999
Jupiter Securitization Co LLC	0.000		0.335	12/01/2015	8,000	7,989	7,986
Credit Suisse New York	0.228	F	0.225	12/04/2015	15,000	15,000	14,999
HSBC Bank USA NA	0.400		0.400	12/07/2015	10,000	10,000	10,001
Federal Home Loan Bank	0.000		0.181	12/18/2015	14,000	13,988	13,991
United States Treasury	0.000		0.080	12/24/2015	20,000	19,992	19,992
National Australia Bank LTD	0.000		0.422	01/08/2016	10,000	9,978	9,978
Barton Capital LLC	0.255	F	0.255	01/08/2016	10,000	10,000	9,999
Jupiter Securitization Co LLC	0.000		0.508	01/20/2016	6,000	5,983	5,984
United States Treasury	0.000		0.209	02/04/2016	22,100	22,073	22,073
Toronto Dominion Bank NY	0.520		0.520	02/23/2016	10,000	10,000	10,004
Canadian Imperial Bank	0.398	F	0.327	03/11/2016	10,000	10,005	9,999
Westpac Banking Corp	0.308	F	0.305	04/04/2016	10,000	10,000	9,999
Bank of Nova Scotia	0.408	F	0.408	07/29/2016	9,000	9,000	9,001
UBS Select	0.090	**			90,000	90,000	90,000
Dreyfus Cash Management	0.040	**			17	17	17
Total Short Term Issues	<u>81.9%</u>					<u>1,548,710</u>	<u>1,548,736</u>
Total Money Market Pool	<u>100.0%</u>					<u>\$ 1,890,464</u>	<u>\$ 1,890,499</u>

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.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Treasury Issues</i>							
United States Treasury		0.250 %	0.049 %	07/15/2015	3,000	\$ 3,000	\$ 3,000
United States Treasury		0.250	0.043	07/31/2015	5,000	5,001	5,000
United States Treasury		1.750	0.049	07/31/2015	5,000	5,007	5,007
United States Treasury		0.250	0.084	08/15/2015	5,000	5,001	5,000
United States Treasury		0.250	0.106	12/15/2015	4,000	4,003	4,003
United States Treasury		0.380	0.166	01/15/2016	3,000	3,003	3,004
United States Treasury		0.380	0.179	01/31/2016	4,000	4,004	4,005
United States Treasury		0.068	F 0.073	10/31/2016	5,000	5,000	5,000
Total U. S. Treasury Issues	13.7%					34,019	34,019
<i>U. S. Government Agency Bonds</i>							
Federal National Mortgage Assn		0.500	0.198	07/02/2015	3,000	3,000	3,000
Federal Home Loan Bank		0.130	0.163	08/28/2015	3,000	3,000	3,000
Total U. S. Government Agency Bonds	2.4%					6,000	6,000
<i>Short Term Issues</i>							
Goldman, Sachs & Co		0.110	0.110	07/01/2015	44,100	44,100	44,100
Federal Home Loan Bank		0.000	0.086	07/06/2015	6,000	6,000	6,000
Federal Farm Credit Bank		0.000	0.030	07/09/2015	5,000	5,000	5,000
Federal Home Loan Mort Corp		0.000	0.112	07/10/2015	6,000	6,000	6,000
Federal Home Loan Mort Corp		0.000	0.086	07/14/2015	2,115	2,115	2,115
Federal Home Loan Mort Corp		0.000	0.101	07/21/2015	3,000	3,000	3,000
Federal National Mortgage Assn		0.000	0.091	07/22/2015	5,000	5,000	5,000
Federal Home Loan Bank		0.000	0.086	07/23/2015	5,000	5,000	5,000
Federal Home Loan Bank		0.000	0.081	07/29/2015	3,000	3,000	3,000
Federal Home Loan Bank		0.000	0.066	07/31/2015	3,200	3,200	3,200
Federal National Mortgage Assn		0.000	0.051	08/03/2015	4,000	4,000	4,000
Federal Home Loan Bank		0.000	0.100	08/05/2015	9,000	8,999	8,999
Federal Home Loan Bank		0.000	0.081	08/07/2015	7,100	7,099	7,099
Federal Home Loan Mort Corp		0.000	0.122	08/07/2015	3,889	3,889	3,889
Federal Home Loan Bank		0.000	0.091	08/10/2015	5,000	4,999	4,999
Federal Home Loan Bank		0.000	0.142	08/12/2015	2,200	2,200	2,200
Federal Home Loan Mort Corp		0.000	0.122	08/14/2015	3,000	3,000	3,000
Federal Home Loan Bank		0.000	0.079	08/19/2015	9,000	8,999	8,999
United States Treasury		0.000	0.104	08/20/2015	3,000	3,000	3,000
Federal Home Loan Bank		0.000	0.092	08/21/2015	7,700	7,699	7,699
Federal Home Loan Mort Corp		0.000	0.061	08/21/2015	5,000	5,000	5,000
Federal Home Loan Mort Corp		0.000	0.086	08/25/2015	4,750	4,749	4,749
Federal Home Loan Bank		0.000	0.086	09/02/2015	3,000	3,000	3,000
Federal Home Loan Mort Corp		0.000	0.096	09/02/2015	3,300	3,299	3,299
Federal Home Loan Bank		0.000	0.106	09/04/2015	5,000	4,999	4,999
Federal Home Loan Bank		0.000	0.112	09/09/2015	4,000	3,999	4,000

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F – Floating rate note security.

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** Rate represents last business day of the month.

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Federal Home Loan Mort Corp	0.000		0.076	09/09/2015	4,000	3,999	4,000
Federal Home Loan Mort Corp	0.000		0.101	09/11/2015	4,000	3,999	4,000
Federal Home Loan Mort Corp	0.000		0.098	09/14/2015	9,000	8,998	8,999
Federal Home Loan Mort Corp	0.000		0.142	09/21/2015	4,000	3,999	3,999
Federal Home Loan Mort Corp	0.000		0.091	09/22/2015	2,300	2,300	2,300
Federal Home Loan Bank	0.000		0.101	09/25/2015	5,000	4,999	4,999
Federal Home Loan Mort Corp	0.000		0.147	10/09/2015	5,000	4,998	4,998
Federal Home Loan Bank	0.000		0.132	11/06/2015	1,900	1,899	1,899
Federal Home Loan Bank	0.000		0.155	11/13/2015	2,865	2,863	2,864
United States Treasury	0.000		0.079	11/27/2015	3,000	2,999	3,000
United States Treasury	0.000		0.210	02/04/2016	6,000	5,992	5,992
Dreyfus Cash Management	0.010	**			59	59	59
Total Short Term Issues	<u>83.9%</u>					<u>208,449</u>	<u>208,455</u>
Total Government Money Market Pool	<u>100.0%</u>					<u>\$ 248,468</u>	<u>\$ 248,474</u>

WEST VIRGINIA SHORT TERM BOND POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Agency Issues</i>							
Federal Home Loan Mort Corp	0.436	% F	0.528	%	03/15/2021	149	\$ 149
Federal Home Loan Mort Corp	0.436	F	0.526		06/15/2021	229	\$ 230
Federal Home Loan Mort Corp	0.686	F	0.682		04/15/2027	288	291
Federal Home Loan Mort Corp	0.686	F	0.683		04/15/2028	337	342
Federal Home Loan Mort Corp	0.386	F	0.451		10/15/2028	571	573
Federal Home Loan Mort Corp	0.536	F	0.578		04/15/2029	428	431
Federal Home Loan Mort Corp	0.386	F	0.438		05/15/2030	1,023	1,026
Federal Home Loan Mort Corp	0.786	F	0.773		08/15/2030	157	160
Federal Home Loan Mort Corp	0.686	F	0.735		09/15/2030	80	81
Federal Home Loan Mort Corp	0.436	F	0.490		09/15/2030	232	233
Federal Home Loan Mort Corp	0.486	F	0.536		04/15/2031	553	557
Federal Home Loan Mort Corp	0.586	F	0.583		06/15/2031	203	205
Federal Home Loan Mort Corp	0.586	F	0.586		07/15/2031	116	117
Federal Home Loan Mort Corp	0.586	F	0.583		09/15/2031	777	784
Federal National Mortgage Assn	0.487	F	0.496		09/25/2031	607	611
Federal Home Loan Mort Corp	0.636	F	0.633		11/15/2031	664	671
Federal Home Loan Mort Corp	0.636	F	0.633		12/15/2031	191	193
Federal Home Loan Mort Corp	0.636	F	0.633		12/15/2031	256	259
Federal Home Loan Mort Corp	0.736	F	0.734		02/15/2032	286	290
Federal National Mortgage Assn	0.537	F	0.541		02/25/2032	1,253	1,263

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F – Floating rate note security.

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See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Federal Home Loan Mort Corp	0.636	F	0.633	03/15/2032	235	235	238
Federal Home Loan Mort Corp	0.686	F	0.683	03/15/2032	234	234	237
Federal Home Loan Mort Corp	0.686	F	0.683	03/15/2032	671	671	680
Federal Home Loan Mort Corp	0.686	F	0.683	04/15/2032	353	353	358
Federal Home Loan Mort Corp	0.686	F	0.683	07/15/2032	651	651	659
Federal National Mortgage Assn	0.535	F	0.539	08/17/2032	743	743	748
Federal Home Loan Mort Corp	0.586	F	0.583	10/15/2032	453	453	457
Federal Home Loan Mort Corp	0.636	F	0.633	11/15/2032	227	227	230
Federal Home Loan Mort Corp	0.586	F	0.583	01/15/2033	360	360	363
Federal Home Loan Mort Corp	0.586	F	0.583	01/15/2033	1,293	1,294	1,306
Federal Home Loan Mort Corp	0.586	F	0.583	02/15/2033	812	812	820
Federal National Mortgage Assn	0.587	F	0.582	03/25/2033	103	103	103
Federal Home Loan Mort Corp	0.636	F	0.645	06/15/2034	441	441	446
Federal Home Loan Mort Corp	0.486	F	0.558	09/15/2035	433	431	434
Federal National Mortgage Assn	0.437	F	0.760	03/25/2036	812	812	807
Government National Mort Assn	0.582	F	0.630	12/20/2060	3,749	3,715	3,749
Government National Mort Assn	0.682	F	0.681	06/20/2062	4,263	4,269	4,280
Government National Mort Assn	0.582	F	0.598	03/20/2063	4,057	4,047	4,055
Government National Mort Assn	0.632	F	0.639	04/30/2063	3,754	3,753	3,762
Total U.S. Agency Issues	4.2%					31,993	32,198
Corporate Issues							
Corporate Bonds							
General Electric Capital Corp	1.630		1.106	07/02/2015	2,000	2,000	2,000
Enterprise Products Oper	1.250		0.682	08/13/2015	2,000	2,001	2,001
National Rural Utilities	3.880		0.613	09/16/2015	5,000	5,034	5,033
American Honda Finance	2.500		1.594	09/21/2015	1,150	1,152	1,155
Westpac Banking Corp	1.130		1.222	09/25/2015	4,000	3,999	4,006
JPMorgan Chase & Co	1.100		0.945	10/15/2015	5,000	5,002	5,005
JPMorgan Chase & Co	0.935	F	0.712	10/15/2015	5,000	5,003	5,007
Wells Fargo & Company	0.479	F	1.237	10/28/2015	4,000	3,990	4,001
American Express Centurion	0.880		0.888	11/13/2015	1,000	1,000	1,001
Oracle Corp	5.250		0.743	01/15/2016	5,000	5,121	5,130
PNC Bank	0.589	F	0.476	01/28/2016	5,000	5,003	5,005
Royal Bank of Canada	0.649	F	0.649	03/08/2016	3,850	3,850	3,858
Canadian Natural Resources Ltd	0.657	F	0.657	03/30/2016	555	555	554
Raymond James Financial Inc	4.250		1.114	04/15/2016	1,940	1,988	1,988
General Electric Capital Corp	2.950		1.037	05/09/2016	5,000	5,081	5,098
Nordea Bank AB	0.737	F	0.737	05/13/2016	1,500	1,500	1,505
Wells Fargo Bank NA	5.750		1.057	05/16/2016	5,530	5,755	5,741
New York Life Global FDG	0.627	F	0.628	05/23/2016	3,660	3,660	3,670
American Honda Finance	0.657	F	0.657	05/26/2016	1,750	1,750	1,754
Principal Life Global Fund	0.655	F	0.654	05/27/2016	2,000	2,000	2,004
Bank of Montreal	0.795	F	0.795	07/15/2016	5,000	5,000	5,019
Royal Bank of Canada	0.741	F	0.741	09/09/2016	5,000	5,000	5,016
Verizon Communications	2.500		1.001	09/15/2016	1,370	1,395	1,392
American Honda Finance	0.784	F	0.771	10/07/2016	1,580	1,580	1,586
John Deere Capital Corp	0.566	F	0.566	10/11/2016	2,500	2,500	2,505

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F – Floating rate note security.

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** Rate represents last business day of the month.

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Kroger Co	0.804	F	0.771	10/17/2016	2,000	2,001	2,001
Morgan Stanley Dean Witter	0.725	F	1.897	10/18/2016	1,500	1,477	1,498
BP Capital Markets PLC	0.696	F	0.696	11/07/2016	5,000	5,000	4,998
Citigroup Inc	1.300		1.334	11/15/2016	2,780	2,779	2,778
Huntington National Bank	1.300		1.052	11/20/2016	2,987	2,997	2,982
Bear Stearns Co Inc	0.671	F	1.640	11/21/2016	4,000	3,946	3,996
PRICOA Global Funding 1	1.150		1.175	11/25/2016	1,600	1,599	1,600
Cox Communications Inc	5.880		1.211	12/01/2016	2,000	2,131	2,123
National City Bank	0.636	F	1.995	12/15/2016	1,000	980	998
AutoZone Inc	1.300		1.307	01/13/2017	1,030	1,030	1,032
SABMiller Holdings Inc	2.450		1.168	01/15/2017	2,000	2,039	2,031
Manufacturers & Traders Trust	0.653	F	0.653	01/30/2017	4,000	4,000	3,991
Hyundai Capital America	1.450		1.477	02/06/2017	2,000	1,999	1,994
Citigroup Inc	5.500		1.521	02/15/2017	2,000	2,127	2,125
Pepsico Inc	0.950		0.989	02/22/2017	1,100	1,099	1,100
Actavis Funding SCS	1.850		1.874	03/01/2017	2,000	1,999	2,010
Daimler Finance NA	0.632	F	0.632	03/10/2017	4,000	4,000	3,998
Sempra Energy	2.300		1.296	04/01/2017	1,758	1,788	1,784
Duke Energy Corp	0.664	F	0.651	04/03/2017	1,000	1,000	1,000
MetLife Global Funding I	0.651	F	0.652	04/10/2017	4,000	4,000	4,013
National Rural Utilities	0.950		0.982	04/24/2017	3,330	3,328	3,324
Volkswagon Group America	0.652	F	0.652	05/23/2017	2,000	2,000	2,000
Fifth Third Bancorp	1.350		1.365	06/01/2017	5,000	4,999	4,985
Nextera Energy Capital	1.590		1.406	06/01/2017	1,500	1,505	1,503
Fidelity National Inform	1.450		1.481	06/05/2017	1,015	1,014	1,013
Kraft Foods Group Inc	2.250		1.547	06/05/2017	2,000	2,027	2,027
Exelon Corp	1.550		1.585	06/09/2017	1,000	999	1,001
Verizon Communications	0.681	F	0.681	06/09/2017	585	585	584
Ford Motor Credit Company	3.000		1.680	06/12/2017	2,000	2,050	2,046
Australia & NZ Banking Group	0.546	F	0.546	06/13/2017	4,000	4,000	3,990
Hess Corp	1.300		1.341	06/15/2017	1,200	1,199	1,194
American Honda Finance	0.447	F	0.445	07/14/2017	1,300	1,300	1,300
Manufacturers & Traders Trust	0.577	F	0.577	07/25/2017	4,750	4,750	4,721
Daimler Finance NA	1.380		1.493	08/01/2017	4,000	3,990	3,994
Weyerhaeuser Company	6.950		1.575	08/01/2017	2,000	2,220	2,201
PRICOA Global Funding 1	1.350		1.374	08/18/2017	2,000	1,999	1,994
Lorillard Tobacco Co	2.300		1.482	08/21/2017	2,000	2,034	2,007
Capital One Bank USA	1.500		1.537	09/05/2017	2,350	2,348	2,340
American Express Credit	0.581	F	0.581	09/22/2017	1,035	1,035	1,031
Sysco Corp	1.450		1.463	10/02/2017	1,400	1,400	1,414
Bayer US Finance LLC	0.564	F	0.551	10/06/2017	4,650	4,650	4,641
ERAC USA Finance LLC	6.380		1.763	10/15/2017	1,813	2,000	1,993
Hutch Whampoa Int 14 LTD	1.630		1.704	10/31/2017	2,000	1,996	1,994
Mississippi State	0.887	F	0.885	11/01/2017	2,000	2,000	2,006
Duke Energy Progress Inc	0.476	F	0.476	11/20/2017	1,500	1,500	1,496
Alibaba Group Holding	1.630		1.663	11/28/2017	4,000	3,996	3,996
AT&T Inc	1.400		1.793	12/01/2017	3,000	2,972	2,980
Ford Motor Credit Company	0.849	F	0.849	12/06/2017	4,000	4,000	3,971

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See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
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(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Carnival Corp	1.880		1.806	12/15/2017	2,000	2,003	2,008
Intel Corporation	1.350		1.029	12/15/2017	4,000	4,031	3,999
Becton Dickinson & Company	1.800		1.800	12/15/2017	1,200	1,200	1,200
Morgan Stanley	1.880		1.911	01/05/2018	2,000	1,998	2,005
Canadian Natural Resources Ltd	1.750		1.776	01/15/2018	735	735	730
American Tower Corporation	4.500		2.202	01/15/2018	2,000	2,113	2,116
JP Morgan Chase & Co	1.177	F	1.177	01/25/2018	1,000	1,000	1,007
US Bank NA	1.350		1.402	01/26/2018	2,000	1,997	1,999
Capital One Bank USA	0.959	F	0.959	02/05/2018	2,000	2,000	2,000
International Business Machs	1.130		1.229	02/06/2018	2,000	1,995	1,987
MUFG Americas Holding Corp	1.630		1.648	02/09/2018	2,000	1,999	1,992
Nabors Industries Inc	6.150		2.630	02/15/2018	1,518	1,653	1,639
Discover Bank	2.000		2.101	02/21/2018	2,000	1,995	1,995
PNC Bank NA	1.500		1.509	02/23/2018	5,000	4,999	4,984
Huntington National Bank	1.700		1.748	02/26/2018	2,000	1,998	1,988
American Honda Finance	1.500		1.546	03/13/2018	2,000	1,998	2,000
Goldcorp Inc	2.130		1.979	03/15/2018	2,000	2,008	2,005
Hyundai Capital America	2.000		2.086	03/19/2018	2,000	1,995	2,001
Zimmer Holdings INC	2.000		2.021	04/01/2018	2,250	2,249	2,251
RCI Banque SA	3.500		2.687	04/03/2018	2,000	2,043	2,078
Bank of Montreal	0.884	F	0.874	04/09/2018	5,000	5,000	5,027
Wal-Mart Stores	1.130		1.144	04/11/2018	5,000	4,997	4,981
Telefonica Emisiones Sau	3.190		2.377	04/27/2018	2,000	2,044	2,054
Citigroup Inc	0.967	F	0.967	04/27/2018	4,000	4,000	3,988
Enterprise Products Oper	1.650		1.691	05/07/2018	2,000	1,998	1,998
BP Capital Markets PLC	0.789	F	0.677	05/10/2018	5,000	5,016	4,983
Grupo Televisa SA	6.000		2.810	05/15/2018	2,629	2,859	2,905
HSBC Bank	0.914	F	0.823	05/15/2018	5,000	5,013	5,021
Bank of New York Mellon	1.600		1.603	05/22/2018	1,425	1,425	1,424
Reynolds American Inc	7.750		2.086	06/01/2018	2,000	2,319	2,309
Wisconsin Energy Corporation	1.650		1.669	06/15/2018	2,000	1,999	2,001
Heinz HJ Company	2.000		2.069	07/02/2018	1,000	998	1,000
Westpac Banking Corp	1.018	F	1.018	07/30/2018	2,000	2,000	2,007
Shell International Fin	1.900		1.278	08/10/2018	4,000	4,076	4,039
Viacom INC	2.500		2.090	09/01/2018	2,000	2,025	2,021
HSBC Bank USA Inc	1.162	F	1.162	09/24/2018	5,000	5,000	5,020
Principal Life Global Fund	2.250		2.297	10/15/2018	2,750	2,746	2,800
AbbVie Inc	2.000		1.798	11/06/2018	2,000	2,013	2,001
Goldman Sachs	1.374	F	1.326	11/15/2018	8,500	8,514	8,575
Coca-Cola Femsa SAB	2.380		2.403	11/26/2018	3,000	2,997	3,042
New York Life Global FDG	2.100		2.124	01/02/2019	4,000	3,997	4,019
Bank of America Corp	1.315	F	1.315	01/15/2019	4,000	4,000	4,036
Oracle Corporation	0.855	F	0.855	01/15/2019	4,450	4,450	4,473
Petroleos Mexicanos	3.130		3.125	01/23/2019	300	300	303
Morgan Stanley Dean Witter	1.128	F	1.127	01/24/2019	4,000	4,000	3,999
BB&T Corporation	0.938	F	0.938	02/01/2019	4,000	4,000	3,997

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(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Mondelez International		0.798	F	0.798	02/01/2019	2,000	1,978
Fifth Third Bancorp		2.300		2.330	03/01/2019	625	626
Cisco Systems Inc		0.783	F	0.783	03/01/2019	2,350	2,359
Nissan Motor Acceptance		2.350		2.360	03/04/2019	2,000	2,016
Huntington National Bank		2.200		2.233	04/01/2019	1,480	1,471
Bank of America Corp		1.154	F	1.144	04/01/2019	3,950	3,957
MassMutual Global Funding		2.350		2.373	04/09/2019	4,000	4,041
NBC Universal Enterprise		1.970		1.674	04/15/2019	2,000	1,986
Capital One Financial Corp		2.450		2.466	04/24/2019	3,000	3,000
Union Bank NA		2.250		2.298	05/06/2019	615	616
Apple Computer Inc		0.580	F	0.580	05/06/2019	5,000	5,013
Comerica Inc		2.130		2.125	05/23/2019	850	844
Ryder System Inc		2.550		2.575	06/01/2019	2,100	2,104
Penske Truck Leasing		2.500		2.503	06/15/2019	2,000	1,999
Norfolk Southern Corp		5.900		2.147	06/15/2019	2,000	2,270
Verizon Communications		1.053	F	1.053	06/17/2019	2,000	1,987
American International Grp Inc		2.300		2.343	07/16/2019	4,000	3,993
Citigroup Inc		2.500		2.513	07/29/2019	5,000	5,007
CBS Corp		2.300		2.365	08/15/2019	3,000	2,992
Tyson Foods Inc		2.650		2.664	08/15/2019	1,000	999
Bank of New York Mellon		0.766	F	0.765	09/11/2019	2,100	2,098
Brit Sky Broadcasting		2.630		2.657	09/16/2019	885	879
ERAC USA Finance LLC		2.350		2.380	10/15/2019	2,000	1,998
US Bank NA		0.759	F	0.759	10/28/2019	4,000	3,999
Associated Banc-Corp		2.750		2.779	11/15/2019	1,405	1,403
General Motors Financial Co		1.835	F	1.835	01/15/2020	500	500
National Rural Utilities		2.000		2.044	01/27/2020	1,975	1,946
Union Pacific Corp		1.800		1.843	02/01/2020	1,700	1,697
Caterpillar Financial Services		2.000		1.716	03/05/2020	4,000	3,953
AFLAC Inc		2.400		2.406	03/16/2020	2,000	1,999
Marathon Oil Corp		2.700		2.747	06/01/2020	1,200	1,197
AT&T Inc		1.212	F	1.208	06/30/2020	2,100	2,108
Total U. S. Corporate Bonds	52.5%					399,744	399,819
Corporate Asset Backed Issues							
MMAF Equipment Finance LLC		0.690		0.699	05/09/2016	132	132
World Omni Auto Lease Securiti		0.506	F	0.506	05/16/2016	753	753
Capital Auto Receivables		0.680		0.683	05/20/2016	317	317
Smart Trust		0.636	F	0.636	09/14/2016	744	744
Ford Credit Auto Lease Trust		0.960		0.961	10/17/2016	1,190	1,192
Americredit Automobile Rec		0.650		0.656	03/08/2017	98	98
Smart Trust		0.736	F	0.318	03/14/2017	825	825
Great American Leasing Rec		1.660		0.882	04/17/2017	1,727	1,740
Master Credit Card Trust		0.780		1.007	04/21/2017	5,000	5,002
Ally Auto Receivables Trust		0.900		0.912	05/22/2017	1,700	1,701
Americredit Automobile Rec		0.620		0.627	06/08/2017	79	79
Great American Leasing Rec		1.120		1.126	06/20/2017	3,000	3,005
BMW Vehicle Lease Trust		0.990		0.993	08/21/2017	1,300	1,302
Santander Drive Auto Rec Trust		0.700		0.702	09/15/2017	1,190	1,190

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Hyundai Auto Lease Sec	1.010		1.017	09/15/2017	2,000	2,000	2,004
BMW Floorplan Master Owner Tr	0.586	F	0.586	09/15/2017	8,000	8,000	8,004
MMAF Equipment Finance	0.960		0.969	09/18/2017	2,000	2,000	2,001
Santander Drive Auto Rec Trust	1.110		1.117	10/16/2017	967	967	968
GE Dealer Floorplan Master	0.627	F	0.628	10/20/2017	2,500	2,500	2,501
Drive Auto Receivables Trust	1.010		1.015	11/15/2017	2,300	2,300	2,301
Kubota Credit Owner Trust	0.940		0.941	12/15/2017	3,000	3,000	3,003
Volkswagen Auto Lease Trust	1.250		1.257	12/20/2017	4,000	4,000	4,005
Ford Credit Floorplan Master	0.566	F	0.566	01/15/2018	2,950	2,950	2,951
Citibank Credit Card Issuance	0.730		0.734	02/07/2018	2,000	2,000	2,001
PFS Financing Corp	0.736	F	0.747	02/15/2018	3,030	3,030	3,027
Chrysler Capital Auto Rec	0.910		0.916	04/16/2018	908	908	910
SLM Student Loan Trust	0.447	F	0.447	05/25/2018	13	13	13
Drive Auto Rec Trust	1.300		1.310	06/15/2018	1,775	1,775	1,775
Ohio Phase-In-Recovery Funding	0.960		0.957	07/02/2018	1,307	1,307	1,307
Santander Drive Auto Rec Trust	0.810		0.837	07/16/2018	4,200	4,198	4,198
Volkswagen Auto Lease Trust	0.990		1.004	07/20/2018	1,250	1,250	1,252
Ford Credit Auto Lease Trust	1.310		1.320	08/15/2018	2,075	2,075	2,073
M&T Bank Auto Receivables Trus	1.570		1.578	08/15/2018	3,000	3,000	3,021
Smart Trust	0.706	F	0.707	09/14/2018	3,000	3,000	3,000
Golden Credit Card Trust	0.616	F	0.616	09/15/2018	4,700	4,700	4,704
Ford Credit Floorplan Master	0.656	F	0.656	09/15/2018	3,000	3,000	3,005
Hyundai Auto Lease Securitizat	1.260		1.270	09/17/2018	3,000	3,000	3,005
GM Financial Leasing Trust	1.530		1.543	09/20/2018	2,575	2,575	2,581
Nissan Auto Lease Trust	0.740		0.983	10/15/2018	3,040	3,028	3,041
Honda Auto Receivables Owner T	1.050		1.056	10/15/2018	4,200	4,200	4,205
Santander Drive Auto Rec Trust	1.550		1.318	10/15/2018	2,570	2,580	2,583
Ari Fleet Lease Trust	1.110		1.119	11/15/2018	1,000	1,000	1,000
USAA Auto Owner Trust	1.020		0.976	12/17/2018	3,820	3,823	3,821
Americredit Automobile Rec	0.900		0.907	01/08/2019	2,000	2,000	1,997
Ford Credit Floorplan Master	1.920		1.372	01/15/2019	3,637	3,673	3,683
Ally Master Owner Trust	0.656	F	0.656	01/15/2019	2,500	2,500	2,500
Americredit Automobile Rec	0.940		0.943	02/08/2019	2,250	2,250	2,245
Smart Trust	0.736	F	0.737	02/14/2019	3,500	3,500	3,499
Santander Drive Auto Receivabl	1.270		1.280	02/15/2019	2,500	2,500	2,500
PFS Financing Corp	0.786	F	0.787	02/15/2019	3,500	3,500	3,493
Citibank Credit Card Issuance	1.020		1.083	02/22/2019	3,000	2,996	2,999
Penarth Master	0.585	F	0.586	03/18/2019	4,100	4,100	4,095
Enterprise Fleet Financing LLC	1.060		1.067	03/20/2019	1,999	1,999	2,002
Gracechurch Card PLC	1.036	F	0.448	05/15/2019	5,000	5,058	5,026
Mercedes-Benz Auto Lease Trust	0.760		0.767	07/15/2019	1,300	1,300	1,301
CNH Wholesale Master Note Trus	0.786	F	0.787	08/15/2019	4,000	4,000	4,003
Hyundai Auto Lease Sec Trust	1.650		1.661	08/15/2019	5,000	4,999	5,018
Enterprise Fleet Financing LLC	0.870		0.873	09/20/2019	1,248	1,248	1,247
Santander Drive Auto Rec Trust	1.890		1.588	10/15/2019	2,000	2,013	2,013
Porsche Innovative Lease Owner	0.880		0.883	10/22/2019	2,500	2,500	2,501
Navistar Financial Dealer Note	0.937	F	0.939	10/25/2019	3,700	3,700	3,704
Americredit Automobile Rec Tr	1.260		1.266	11/08/2019	1,200	1,200	1,201
CNH Equipment Trust	1.050		1.054	11/15/2019	1,500	1,500	1,496

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
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(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
Mercedes-Benz Auto Lease Trust	0.900		0.905	12/16/2019	1,250	1,250	1,251
Americredit Auto Receivables	1.270		1.282	01/08/2020	4,000	3,999	3,996
Golden Credit Card Trust	0.626	F	0.601	02/15/2020	4,000	4,002	4,000
Chase Issuance Trust	0.506	F	0.506	02/18/2020	4,000	4,000	4,004
Nissan Auto Lease Trust	1.290		1.296	03/16/2020	2,000	2,000	2,000
Enterprise Fleet Financing LLC	1.050		1.058	03/20/2020	4,424	4,423	4,424
PFS Financing Corp	0.806	F	0.807	04/15/2020	2,500	2,500	2,500
GMF Floorplan Owner Revolving	0.686	F	0.686	05/15/2020	3,000	3,000	3,001
CNH Equipment	1.160		1.054	06/15/2020	2,851	2,859	2,858
Bank of America Credit Card Tr	0.516	F	0.516	06/15/2020	3,900	3,900	3,903
Dell Equipment Finance Trust	0.940		0.946	06/22/2020	2,000	2,000	2,002
GE Equipment Small Ticket	1.390		1.395	07/24/2020	1,200	1,200	1,206
Great American Leasing Rec	1.470		1.481	08/15/2020	4,000	3,999	4,005
Barclays Dryrock Issuance Trus	1.490		1.501	09/15/2020	3,500	3,499	3,509
Porsche Innovative Lease Owner	1.260		1.265	09/21/2020	1,700	1,700	1,703
Volvo Financial Equipment LLC	1.300		1.304	11/16/2020	2,000	2,000	1,995
Ari Fleet Lease Trust	0.486	F	0.515	01/15/2021	436	436	436
Golden Credit Card Trust	0.636	F	0.636	03/15/2021	2,950	2,950	2,948
Discover Card Master Trust	0.624	F	0.636	04/15/2021	2,000	2,000	2,005
ARI Fleet Lease Trust	0.920		0.925	07/15/2021	2,000	2,000	2,001
Discover Card Master Trust	0.616	F	0.616	07/15/2021	3,000	3,000	3,007
Macquarie Equipment Funding Tr	1.230		1.234	07/20/2021	4,000	4,000	4,001
American Express Master Trust	0.556	F	0.556	12/15/2021	5,000	5,000	4,994
Motor PLC	0.787	F	0.788	01/06/2022	4,250	4,250	4,247
Capital One Multi Asset Trust	0.554	F	0.566	01/18/2022	2,000	2,000	2,002
GE Dealer Floorplan Master	0.837	F	0.838	01/20/2022	5,000	5,000	4,971
SLM Student Loan Trust	1.036	F	1.038	02/15/2022	1,367	1,367	1,371
Navient Student Loan Trust	0.666	F	0.661	05/16/2022	435	435	435
Capital One Multi Asset Trust	0.534	F	0.546	06/15/2022	2,600	2,600	2,601
Motor PLC	0.667	F	0.679	06/15/2022	2,420	2,420	2,423
SLM Student Loan Trust	0.786	F	0.787	07/15/2022	348	348	349
ARI Fleet Lease Trust	0.810		0.812	11/15/2022	518	518	518
SLMA Student Loan Trust	0.936	F	0.937	10/06/2023	653	653	654
Chesapeake Funding LLC	1.434	F	1.256	04/07/2024	1,873	1,888	1,879
SLMA Student Loan Trust	1.186	F	1.188	10/15/2024	667	667	669
Chesapeake Funding LLC	0.604	F	0.605	03/07/2026	4,574	4,574	4,560
Chesapeake Funding LLC	0.688	F	0.685	02/07/2027	3,000	3,000	2,998
Hertz Fleet Lease Funding LP	0.585	F	0.586	04/10/2028	3,548	3,548	3,543
SLMA Student Loan Trust	1.286	F	1.289	06/17/2030	4,000	4,000	4,042
Equity One ABS Inc	4.150		4.253	04/25/2034	338	335	341
Sequoia Mortgage Trust	2.500		2.540	05/25/2043	4,174	4,153	3,920
Wells Fargo RBS	1.135	F	1.138	03/15/2044	4,000	4,000	4,025
Commercial Mortgage Trust	1.340		1.345	07/10/2045	2,612	2,612	2,614
JPMBB Commercial Mortgage Sec	0.836	F	0.837	11/15/2045	4,000	4,000	4,024
Commercial Mortgage Trust	1.020		1.025	06/10/2046	3,369	3,369	3,362
Wells Fargo Commercial Mortgage	1.680		1.677	07/15/2046	4,087	4,087	4,092

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
GS Mortgage Securities Trust		1.510	1.511	09/10/2047	1,545	1,545	1,544
Commercial Mortgage Trust		1.380	1.385	10/10/2047	2,337	2,337	2,333
Fosse Master Issuer PLC		1.676	F 1.679	10/18/2054	877	877	880
Lanark Master Issuer PLC		0.784	F 0.784	12/22/2054	7,449	7,449	7,449
Silverstone Master		1.826	F 1.830	01/21/2055	833	833	836
Silverstone Master		0.826	F 0.827	01/21/2070	4,200	4,200	4,211
Total Corporate Asset Backed Issues	<u>38.8%</u>					<u>295,555</u>	<u>295,497</u>
Total Corporate Issues	91.3%					695,299	695,316
<i>Short Term Issues</i>							
Dreyfus Cash Management Institutional Fund		0.040	**		34,012	34,012	34,012
Total Short Term Issues	<u>4.5%</u>					<u>34,012</u>	<u>34,012</u>
Total Short Term Bond Pool	<u>100.0%</u>					<u>\$ 761,304</u>	<u>\$ 761,526</u>

WEST VIRGINIA BANK POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Short Term Issues</i>							
Jefferson Security Bank		0.160 %	0.160 %	07/09/2015	5,000	\$ 5,000	\$ 5,000
Bank of Romney		0.160	0.160	07/09/2015	4,000	4,000	4,000
WesBanco Bank		0.160	0.160	07/09/2015	3,500	3,500	3,500
Mountain Valley Bank		0.170	0.165	07/09/2015	2,500	2,500	2,500
Grant County Bank		0.170	0.170	07/09/2015	2,000	2,000	2,000
WesBanco Bank		0.170	0.170	07/09/2015	1,500	1,500	1,500
WesBanco Bank		0.180	0.180	07/09/2015	1,500	1,500	1,500
Bank of Romney		0.160	0.160	08/13/2015	3,000	3,000	3,000
Jefferson Security Bank		0.170	0.165	08/13/2015	5,000	5,000	5,000
WesBanco Bank		0.170	0.170	08/13/2015	10,000	10,000	10,000
Bank of Romney		0.160	0.160	09/10/2015	2,000	2,000	2,000
Summit Community Bank		0.160	0.160	09/10/2015	3,000	3,000	3,000
WesBanco Bank		0.160	0.160	09/10/2015	10,000	10,000	10,000
Jefferson Security Bank		0.160	0.160	10/15/2015	10,000	10,000	10,000
Bank of Romney		0.160	0.160	10/15/2015	3,000	3,000	3,000
WesBanco Bank		0.160	0.160	10/15/2015	7,000	7,000	7,000
WesBanco Bank		0.170	0.170	10/15/2015	3,000	3,000	3,000
BB&T - Charleston		0.170	0.170	11/12/2015	7,000	7,000	7,000
Bank of Romney		0.170	0.170	11/12/2015	3,000	3,000	3,000
WesBanco Bank		0.170	0.170	11/12/2015	10,000	10,000	10,000
BB&T - Charleston		0.170	0.170	12/10/2015	5,000	5,000	5,000
Jefferson Security Bank		0.170	0.170	12/10/2015	5,000	5,000	5,000
WesBanco Bank		0.180	0.180	12/10/2015	10,000	10,000	10,000
Dreyfus Cash Management		0.010	**		66	66	66
Total Short Term Issues	<u>100.0%</u>					<u>116,066</u>	<u>116,066</u>
Total West Virginia Bank Pool	<u>100.0%</u>					<u>\$ 116,066</u>	<u>\$ 116,066</u>

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2015
(In thousands)

LOAN POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Loans and Mortgages</i>							
Intergovernmental Loans							
WVEDA Revolving Loan		0.180 %		12/31/2023	122,966	\$ 122,966	\$ 122,966
WVEDA Non-Recourse Loan		3.000		06/30/2022	24,500	24,500	24,500
Total Intergovernmental Loans						147,466	147,466
Reserve for uncollectable loans					22,317	22,317	22,317
Loans and Mortgages, net of reserve for uncollectable loans	100.0%					125,149	125,149
<i>Short Term Issues</i>							
Dreyfus Cash Management Treasury Institutional Fund		0.010 **			48	48	48
Total Short Term Issues	0.0%					48	48
Total Loan Pool	100.0%					\$ 125,197	\$ 125,197

RESERVE POOL

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Short Term Issues</i>							
Reserve Pool Depository Account		0.250 %	0.250 %		18,712	\$ 18,712	\$ 18,712
Total Short Term Issues	100.0%					18,712	18,712
Total Reserve Pool	100.0%					\$ 18,712	\$ 18,712

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
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(In thousands)

MUNICIPAL BOND COMMISSION

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Government Issues</i>							
United States Treasury		7.250 %	0.001 %	05/15/2016	980	\$ 1,042	\$ 1,039
United States Treasury		8.750	0.001	05/15/2017	1,055	1,228	1,215
United States Treasury		9.130	0.001	05/15/2018	1,138	1,436	1,403
State & Local Government		0.290	0.290	12/01/2015	12	12	12
State & Local Government		0.380	0.380	06/01/2016	813	813	813
Total U. S. Treasury Issues	<u>100.0%</u>					<u>4,531</u>	<u>4,482</u>
Total Municipal Bond Commission Pool	<u>100.0%</u>					<u>\$ 4,531</u>	<u>\$ 4,482</u>

SCHOOL FUND

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>Short Term Issues</i>							
Dreyfus Cash Management Treasury Institutional Fund		0.010 **			2,174	\$ 2,174	\$ 2,174
Total Short Term Issues	<u>100.0%</u>					<u>2,174</u>	<u>2,174</u>
Total School Fund	<u>100.0%</u>					<u>\$ 2,174</u>	<u>\$ 2,174</u>

EDA - AW

<u>SECURITY NAME</u>	<u>% of POOL</u>	<u>COUPON</u>	<u>YIELD</u>	<u>MATURITY</u>	<u>UNITS</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE*</u>
<i>U. S. Treasury Issues</i>							
United States Treasury Bond		6.250 %	4.929 %	08/15/2023	1,445	\$ 1,571	\$ 1,886
Total U. S. Treasury Issues	<u>100.0%</u>					<u>1,571</u>	<u>1,886</u>
Total EDA-AW	<u>100.0%</u>					<u>\$ 1,571</u>	<u>\$ 1,886</u>

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Other Financial Information

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WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSET VALUES (UNAUDITED)

JUNE 30, 2015

(IN THOUSANDS EXCEPT FOR INVESTMENT UNIT DATA)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loan Pool	Reserve Pool
Paid-in capital	\$ 1,890,872	\$ 248,503	\$ 761,227	\$ 116,111	\$ 125,210	\$ 18,716
Accumulated undistributed net investment income (loss)	-	-	-	-	-	-
Accumulated undistributed net realized gain (loss)	-	-	-	-	-	-
Unrealized net appreciation (depreciation) of investments	-	-	223	-	-	-
Net position at value	<u>\$ 1,890,872</u>	<u>\$ 248,503</u>	<u>\$ 761,450</u>	<u>\$ 116,111</u>	<u>\$ 125,210</u>	<u>\$ 18,716</u>
Investment unit data:						
Units outstanding	1,890,872,033	248,502,810	7,489,619	116,110,682	125,210,123	18,715,777
Net position, unit price	\$ 1.00	\$ 1.00	\$ 101.67	\$ 1.00	\$ 1.00	\$ 1.00

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
PORTFOLIO STATISTICS (UNAUDITED)
JUNE 30, 2015

	<u>West Virginia Money Market</u>	<u>WV Government Money Market</u>	<u>WV Short Term Bond Pool</u>
Weighted Average Days to Maturity	47 days	51 days	N/A
Maximum Weighted Average Investment Maturity Term Per Board Guidelines	60 days	60 days	N/A
Effective Duration	N/A	N/A	410 days
Maximum Effective Duration Per Board Guidelines	N/A	N/A	731 days
Money Market Yield - Monthly	0.14%	0.05%	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, 2015

(IN THOUSANDS)

WV Money Market Pool	
State Agencies:	
WV State Treasurer's Office:	
State Participation	\$ 80,694
Banking Services	630,638
Safekeeping	17,836
Safe Road Bonds	37
Veterans Lottery	1,153
Total WV State Treasurer's Office	<u>730,358</u>
Higher Education Policy Commission	262,876
Department of Environmental Protection	27,087
Department of Health and Human Resources	8,077
WV Lottery Commission	95,764
Public Employees Insurance Agency	134,009
Department of Transportation	128,687
Regional Jail Authority	37,336
Water Development Authority	24,929
Division of Natural Resources	59,427
WV Municipal Pension Oversight Board	28,194
Board of Risk and Insurance Management	17,219
WV Economic Development Authority	35,300
Insurance Commission	8,214
WV Secretary of State's Office	5,543
School Building Authority	1,629
West Virginia University	50,126
Performance and wage bond accounts	21,942
Department of Commerce	100,097
Department of Education and the Arts	7,459
Department of Administration	5,571
Other	15,151
Total State Agencies	<u>1,804,995</u>
Local Governments:	
Brooke County Board of Education	12,687
Mercer County Board of Education	15,500
Fayette County Board of Education	9,076
Boone County Commission	6,804
Marshall County Board of Education	7,812
Fayette County Commission	2,628
Barbour County Board of Education	3,041
Roane County Board of Education	2,585
Kanawha County Emergency Ambulance Authority	1,983
City of Parkersburg	2,133
Lewis County Board of Education	1,066
Wyoming County Board of Education	1,030
Braxton County Board of Education	2,437
Pleasants County Board of Education	1,836
Lincoln County Board of Education	2,718
Cabell County Board of Education	1,138
Greenbrier County Board of Education	1,353
City of Hinton	1,099
Other	8,951
Total net asset value	<u>85,877</u>
	<u>\$ 1,890,872</u>

WV Government Money Market Pool	
State Agencies:	
Municipal Bond Commission	\$ 175,315
WV Housing Development Fund	8,942
WV Economic Development Authority	9,291
Other	8,460
Total State Agencies	<u>202,008</u>
Local Governments:	
Preston County Board of Education	5,509
Hardy County Board of Education	2,549
Kanawha County Sheriff	18,177
Jefferson County Board of Education	2,871
Hancock County Commission	1,098
Wayne County Board of Education	15,526
Other	765
Total Local Governments	<u>46,495</u>
Total net asset value	<u>\$ 248,503</u>

WV Short Term Bond Pool	
State Agencies:	
WV State Treasurer's Office:	
State Participation	\$ 278,386
Banking Services	163,133
Prepaid Tuition Escrow	18,537
Total WV State Treasurer's Office	<u>460,056</u>
Department of Environmental Protection	207,783
WV Economic Development Authority	16,895
Department of Administration	5,650
Higher Education Policy Commission	5,608
WV Court of Claims	2,044
Public Employees Insurance Agency	5,666
WV Parkways Authority	3,162
Department of Transportation	2,073
Division of Culture and History	1,324
WV Lottery Commission	47,015
Other	790
Total State Agencies	<u>758,066</u>
Local Governments:	
City of Charleston	2,752
Other	632
Total Local Governments	<u>3,384</u>
Total net asset value	<u>\$ 761,450</u>

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.

**INDEPENDENT AUDITOR'S 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, 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, the financial statements of the West Virginia Board of Treasury Investments (the BTI), a component unit of the State of West Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the BTI's basic financial statements, and have issued our report thereon dated August 31, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the BTI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the BTI's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

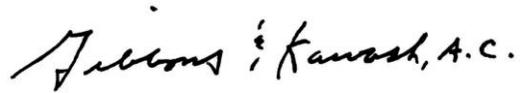
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BTI's financial statements are free from 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Jellison & Kanosh, A.C.".

Charleston, West Virginia
August 31, 2015

— | WEST VIRGINIA | —
BOARD OF TREASURY
INVESTMENTS

www.wvbt.org