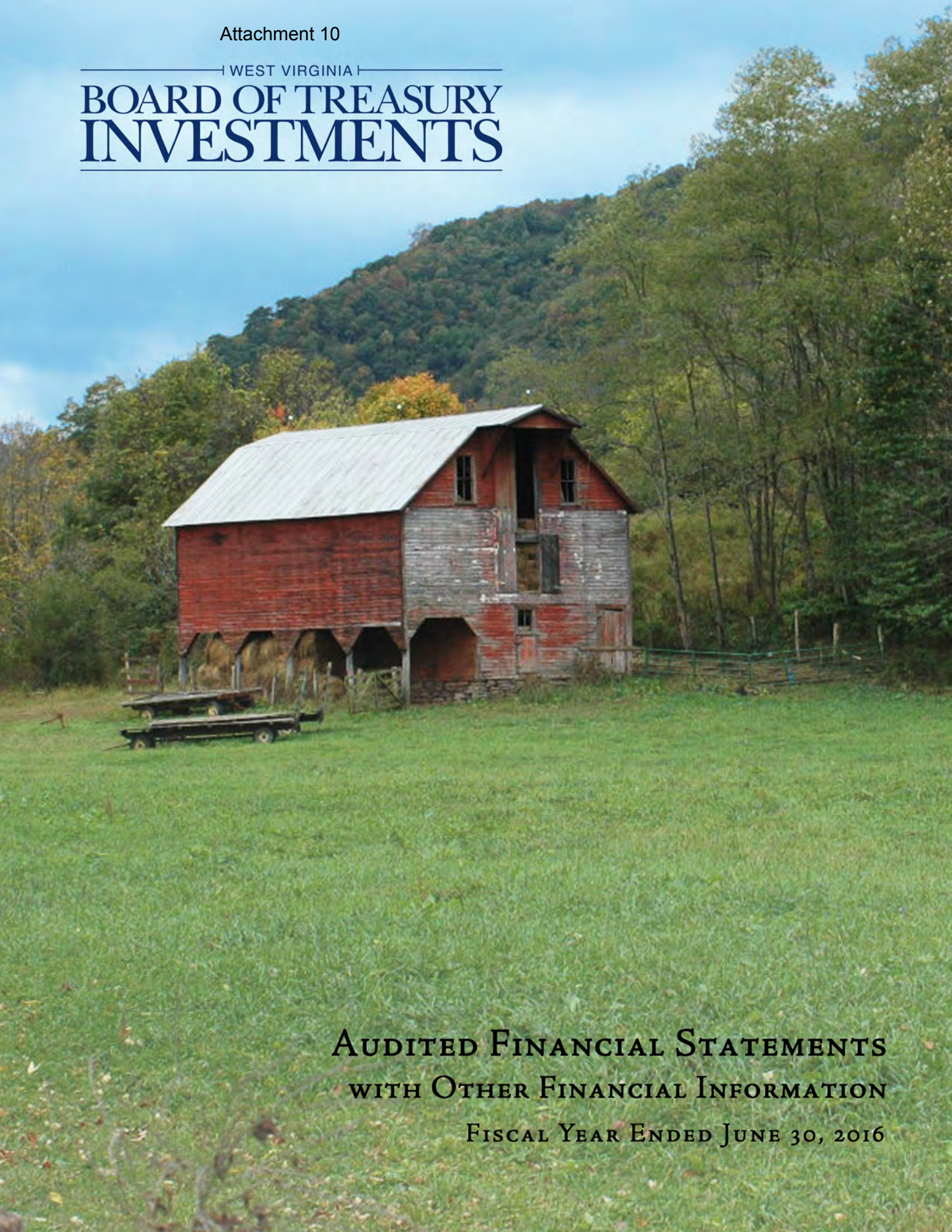
Attachment 10

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS



Audited Financial Statements with Other Financial Information

Fiscal Year Ended June 30, 2016

Audited Financial Statements
With Other Financial Information

West Virginia Board of Treasury Investments

Year Ended June 30, 2016

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West Virginia Board of Treasury Investments

Financial Statements with Other Financial Information
For the Year Ended June 30, 2016

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GIBBONS&KAWASH
Certified Public Accountants

300 Chase Tower
707 Virginia Street, East
Charleston, West Virginia 25301

Office: 304.345.8400
Fax: 304.345.8451

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, 2016, 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, 2016.

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, 2016, 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, 2016, 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 19 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 29, 2016, 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.

Gibbons & Kawash, A.C.

Charleston, West Virginia
August 29, 2016

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2016

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, 2016. 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 2016 was as challenging for West Virginia as fiscal year 2015, if not more so, from a budgetary perspective. In October 2015, the Governor announced mid-year across-the-board budget cuts of 4 percent for most state agencies. State aid to public schools, which had escaped cuts in previous years, was required to take a 1 percent cut for fiscal year 2016. The budgetary issues were driven by a significant decline in severance tax collections, which had declined by approximately 33% from fiscal year 2015, a 23% decline in corporate income/business franchise tax, and a 2% decline in personal income tax collections. Slowdowns in energy related sectors were primary reasons behind the declines in severance taxes and personal income taxes. In addition to the across-the-board budget cuts, the state also used one-time appropriations and dipped into the state's "rainy day" fund to shore up the 2016 budget. Falling revenues, as well as the utilization of unappropriated balances and reserves, during the fiscal year appeared to be the primary causes for the drop in net position over the year.

Rates of return for the Consolidated Fund's WV Money Market, WV Government Money Market, and WV Short Term Bond Pools were 0.36%, 0.21%, and 1.52%, respectively, for the year ended June 30, 2016. For money market and fixed income securities, one of the biggest events for the fiscal year was the Federal Reserve's rate hike in December 2015. Early in the fiscal year, the Treasury bill curve began steepening as the market priced in odds of around 50% for a September rate hike. However, as September rolled around, economic data was still somewhat mixed, providing both an argument and counter-argument for a rate hike. The possibility of a slowing global economy also weighed in against a hike in September. Ultimately, the Fed passed on a September rate hike, but continued to stress that a rate hike in 2015 was likely warranted. The Fed finally delivered in December 2015, raising the fed funds rate 25 basis points. Guidance from the Fed indicated the likely path forward was for at least four rate hikes in 2016. However, this would not come to pass as financial conditions deteriorated in early 2016, followed by a disappointing labor report in May 2016, and the uncertainty around the United Kingdom's ("U.K.") referendum to remain in the European Union (popularly known as the "Brexit" vote). While Treasury bills repriced higher leading up to, and after, the December Fed rate hike, uncertainty around future rate hikes during 2016 kept rates from moving materially higher. The Treasury bill curve, which had steepened in the first half of the year, flattened in the latter half of the year. The middle of the fiscal year also saw the effects of money market fund reform weighing on the front-end markets. In the fourth quarter of calendar year 2015 and first quarter of calendar year 2016, a number of fund complexes began the process of converting their prime money funds to government-only funds. The additional demand for short-dated Treasuries and U.S. government

agency issues kept rates well-bid in the short end of the curve. Corporate spreads, which had widened considerably during the year, ended the year modestly higher. Reinvestment in credit products during the widening period benefited the pools as spreads came in towards the end 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 a blended benchmark composed of fifteen percent of the iMoneyNet Treasury & Repo Institutional Average plus eighty-five percent of the iMoneyNet First Tier Institutional Average. Yields in the Pool were substantially higher in fiscal year 2016, tripling the 0.12% performance from fiscal year 2015. The most obvious source of the increase in performance was the mid-year rate hike by the Fed. While the Pool was managed with a weighted average maturity ("WAM") profile of around 50 days during most of the year, the investment managers shortened the WAM in the December time frame in anticipation of a Fed rate hike. Federated Investors, which replaced JP Morgan Asset Management in July 2015 as a co-manager of the pool with UBS Global Asset Management, tended to manage their slice of the pool with a WAM in the low to mid 50 day range, while UBS kept their WAM slightly shorter, staying in the mid to upper 40 day range. Both managers maintained their required minimum 15% investment in Treasury securities right around the minimum due to the low absolute level of Treasury yields relative to other permissible investment sectors. The effects of the 2014 reform of the Securities and Exchange Commission's (the "SEC") Rule 2a-7 began coming to the forefront in fiscal year 2016. The rule regulating money market funds lays out requirements that such funds must follow to be eligible to process transactions using a stable net asset value ("NAV"). Effective October 14, 2016, prime institutional funds will no longer be able to use a stable NAV for processing shareholder transactions and will be required to process such transactions at the floating, market-based NAV. Institutional government money market funds, those that invest 99% of their assets in cash, government securities and repurchase agreements backed by the same, will be able to continue using a constant NAV of $1.00 per share for the processing of shareholder transactions. Although not regulated by the SEC, governmental external investment pools were required by Governmental Accounting Standards Board ("GASB") Statement No. 31, *Accounting and Financial Reporting for Certain Investments and For External Investment Pools*, to comply with the provisions of SEC Rule 2a-7 in order to qualify to report external investment pools at amortized cost. In December 2015, GASB updated the reporting requirements for governmental external investment pools with the issuance of Statement No. 79, *Certain External Investment Pools and Pool Participants*. These new requirements are substantially similar to the revised Rule 2a-7 with one important distinction: governmental external investment pools that meet the requirements of Statement 79 will be able to continue reporting investment pools at amortized cost. This effectively permits the pools to continue using a stable NAV for processing shareholder transactions. In the last quarter of fiscal year 2016, this provided an added benefit for the WV Money Market Pool. Institutional money funds are beginning to build up liquidity in advance of October 14, 2016 in anticipation of participants exiting their funds once the floating NAV requirements go into effect. This has resulted in a drop in demand for credit related money market instruments maturing beyond the October 2016 implementation date. The WV Money Market Pool has been able to take advantage of this and its managers have been selectively investing in credit maturing after October 14, 2016 at attractive yields. Going forward, the Pool may have more opportunities when the implementation date falls within a three month window as this is a popular tenor for bank funding. The Pool's investment managers expect to manage the pool going forward with a similar maturity profile, taking advantage of longer dated opportunities, where prudent, as they present themselves. Although employment and economic data in the last quarter of the fiscal year was disappointing, these data points are seen to likely be transitory in nature. As long as the data improves from its early to mid-year slump, both Federated and UBS are optimistic that the Fed will hike rates at least once this year. In advance of a probable increase in rates, the managers will bring in the WAM and then extend back to the current range once the effects are priced into the market.

The WV Government Money Market Pool's objective is to preserve capital and maintain sufficient liquidity to meet the daily disbursement requirements of participants, while earning a return above inflation. The benchmark for the WV Government Money Market Pool is a blended benchmark composed of fifteen

percent of the iMoneyNet Treasury & Repo Institutional Average plus eighty-five percent of the iMoneyNet Government & Agencies Institutional Average. The portfolio performance increased dramatically year-over-year, rising 425% from 4 basis points for fiscal year 2015 to 21 basis points for fiscal year 2016. The Fed rate hike greatly benefited this pool, although as previously mentioned, demand for short-dated Treasuries and agencies did put some downward pressure on the short end of the curve. The WAM for the year was similar to 2015, staying in the low to mid 50 day range, with the exception of December 2015, when it was brought down in anticipation of Fed rate hike. The manager maintained a high allocation to overnight repo, both to take advantage of moves in overnight rates and meet liquidity requirements. Allocations to agency debt shifted to a higher allocation to Federal Home Loan Bank ("FHLB") issues as a continued oversupply of FHLB discount notes led to more attractive yields as compared to other agency paper. Over the near term, the pool will be managed in a similar fashion, with an eye toward actions by the Federal Reserve. Any hikes over the course of fiscal year 2017 are likely to be well telegraphed and gradual in nature, allowing ample time to adjust the WAM in anticipation of a rate hike.

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. Investment performance for fiscal year 2016 rose significantly, increasing by 85 basis points over fiscal year 2015 performance. The performance of 1.52% still fell short of the benchmark in 2016, but only by 7 basis points on a net of fee basis. The allocation to credit spread products again remained overweight versus the benchmark for fiscal year 2016. The portfolio maintained an allocation to credit around 80% versus a benchmark allocation of approximately 19% to 20%. Federated also kept the portfolio duration short verus the benchmark for the fiscal year, with a duration between 1.2 to 1.4 years versus a benchmark duration of between 1.8 to 1.9 years. Fiscal year 2016 was another up and down year with the Fed rate hike in December, a weak commodity market in early 2016 and the Brexit vote to close the fiscal year. The portfolio was well positioned for the December 2015 Fed rate hike, easily outperforming the benchmark in November and December 2015. The first quarter of calendar year 2016 started off on a down note, as the drop in oil prices led to a rout in the commodities markets, which in turn led to a dramatic risk-off trade in the credit markets. The rebounding in oil prices in February led to a big comeback in risk assets in late February to early March, which helped the pool achieve its highest monthly return in five years with a return of 43 basis points in March 2016. In late May/early June 2016, Federated extended the portfolio duration in advance of the June 2016 Federal Reserve meeting and the June 23, 2016 Brexit vote. The surprise result in the Brexit vote, with the U.K. voting to leave the European Union, led to a risk-off trade and a sharp drop in rates across the yield curve. Performance for June 2016 was positive, the second highest performing month of the year, but below the benchmark. For the year, the allocation to spread products contributed approximately 18 basis points of excess performance versus the BofA Merrill Lynch index. The shortened duration call versus the benchmark led to approximately 5 basis points of underperformance during the year. Before advisor fees, Federated did outperform the benchmark by 2 basis points, but after accounting for these fees, the performance fell short by 7 basis points. The portfolio is meeting 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 Statements 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, 2016 and 2015 (in thousands).

	2016	2015
Current assets	$ 1,323	$ 1,520
Noncurrent assets	4	1
Total assets	1,327	1,521
Current liabilities	513	838
Total liabilities	513	838
Net position:		
Investment in capital assets	4	1
Unrestricted	810	682
Total net position	$ 814	$ 683

Over the course of fiscal year 2016, the net position of the Operating Fund increased $131,000 over the prior fiscal year. The primary contribution to the increase in net position was the decrease of $325,000 in current liabilities. Offsetting this decrease in liabilities was a decrease in current assets of $197,000. An increase of $3,000 in noncurrent assets contributed to the increase in net position as well.

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 $1,323,000 comprises $753,000 in cash and $570,000 in accounts receivable. The cash balance decreased by $250,000 from 2015, while the accounts receivable balance increased by $53,000.

The decrease in the cash balance was primarily a result of the payment of invoices outstanding as of the prior fiscal year end related to payments withheld from vendors for incomplete vendor registration with the State. The total of the outstanding invoices for these vendors was $342,000. Contributing to the decrease in cash was an increase of $53,000 in accounts receivable. These decreases in cash were partially offset by net operating income of $131,000.

The accounts receivable balance of $570,000 represents fees that have been accrued but not withdrawn from the investment pools at June 30, 2016 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. Accounts receivable increased by $53,000 over the fiscal year end 2015 balance. At the end of fiscal year 2016, there were two months' of administrative and custodian fees receivable compared to the fiscal year 2015 ending balance having only one month of such fees. This extra month's receivable at the end of fiscal year 2016 accounted for $102,000 of the increase in receivables. However, as assets under management had declined in the final quarter of the fiscal year as compared to

the final quarter of fiscal year 2015, the related advisor fees on these assets also declined. Advisor fees receivable as of the end of fiscal year were $49,000 lower than the advisor fees receivable as of the end of fiscal year 2015.

Capital assets, net of accumulated depreciation, increased by $3,000 during the year. The increase resulted from the purchase of new laptops at a cost of $4,000, net of annual depreciation expense of $1,000. The BTI also retired assets totaling $6,000 that had been fully depreciated in prior fiscal years.

The balance of $513,000 in current liabilities represents $441,000 in accounts payable and $72,000 reimbursements due the West Virginia State Treasurer's Office (the "STO") at June 30, 2016. The majority of the accounts payable balance represents services received from the BTI's investment advisors for the quarter ending June 30, 2016, custodian fees for May and June 2016, investment consultant fees for the quarter ending June 2016, and maintenance costs due for the investment management system for April, May and June 2016. The $72,000 in reimbursements due to the STO was for staffing services provided to the BTI, office space rental expense, server software maintenance fees and licensing and support fees for desktop operating systems and productivity software. Nearly all of the decrease in accounts payable was the result of invoices held at the end of fiscal year 2015 related to vendors that had not met their registration requirements with the State. Remaining accounts payable declined modestly from fiscal year 2015 as advisor fees were lower in the final quarter of fiscal year 2016 due to the decrease in assets under management. This decline was offset by an increase in the amount due to the STO for office space rental expenses.

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 the condensed Statements of Revenues, Expenses and Changes in Fund Net Position of the operating fund for the periods ended June 30, 2016 and 2015 (in thousands).

	2016	2015
Revenues		
Operating revenues:		
Management services	$ 1,290	$ 1,297
Advisor and custodian services	1,492	1,685
Total revenues	2,782	2,982
Expenses		
Operating expenses:		
General and administrative	1,158	1,118
Advisor and custodian fees	1,492	1,685
Depreciation	1	2
Total expenses	2,651	2,805
Increase (decrease) in net position	131	177
Net position at beginning of year	683	506
Net position at end of year	$ 814	$ 683

Operating revenues at June 30, 2016 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 STO created and designated the Board of Treasury Investments Fee Fund in accordance with *West Virginia Code §12-6C-19*.

Operating revenues for fiscal year 2016 declined by $200,000. This decrease in revenue consisted of decrease of $186,000 in advisor fee revenues, a decrease of $7,000 in custodial fees, and a decrease of $7,000 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 2016. The declines were the highest in the WV Money Market and WV Government Money Market Pools, which fell by a combined $393 million over the course of fiscal year 2016. This resulted in a decrease in advisor fees of $209,000. Advisor fees for the WV Short Term Bond Pool increased by $23,000 over 2015 as a result of an increase in investments in the pool of approximately $30 million. These factors accounted for the net decrease of $186,000 in advisor fees in fiscal year 2016. Custodian fees declined by a combined $7,000 as a result of the changes in the assets of these pools. Although the administrative fee rate increased for fiscal year 2016, administrative fees fell from fiscal year 2015 as the average net assets subject to administrative fees fell over the year.

Total operating expenses for the year decreased by $154,000. This includes an increase of $40,000 in general and administrative expense and a decrease in advisor and custodian fees of $193,000. Changes in depreciation expense accounted for the remainder of the decline.

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 $29,000 from the prior year. Other general and administrative expenses increased by a net of $11,000.

A large portion of BTI expenses represent investment advisor fees. The current investment advisors are Federated Investors and UBS Global Asset Management. In July 2015, Federated Investors replaced JP Morgan Asset Management as a co-manager of the WV Money Market Pool. 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 $1,366,000 and custodian fees of $126,000. Investment advisor fees decreased by $186,000 and custodian fees decreased by $7,000 over fiscal year 2015. The net decrease in investment advisor fees was primarily due to the decline in assets under management. Federated's tiered advisor fee for the WV Money Market Pool of 3.50 basis points on the first $1 billion and 3.00 basis points on any amount above that is slightly lower than JPMorgan's fee, which was effectively 3.65 basis points on the first $1 billion and 3.00 basis points on amounts over the first $1 billion. This fee schedule difference accounted for some of the decrease in advisor fees, but the overwhelming majority was due to decreases of $335 million and $58 million in assets in the WV Money Market and WV Government Money Market Pools respectively. Advisor fees charged to the WV Money Market Pool fell by $197,000 while advisor fees charged to the WV Government Money Market declined by $12,000. The decreases in advisor fees were offset by an increase of $23,000 in advisor fees charged to the WV Short Term Bond Pool. An increase of $30 million in investments in the WV Short Term Bond Pool accounted for the advisor fee increase for the pool. As a result of the overall decrease in assets, custodian fees for the year fell by $7,000 from fiscal year 2015.

Financial Analysis of the Consolidated Fund

Net position. The following is combined, condensed Statements of Fiduciary Net Position of the Consolidated Fund fiduciary funds as of June 30, 2016 and 2015 (in thousands).

	2016	2015
Assets		
Investments	$ 2,837,461	$ 3,169,024
Receivables	7,543	2,669
Total assets	2,845,004	3,171,693
Liabilities		
Accrued expenses	570	518
Dividends and purchases payable	5,273	1,654
Total liabilities	5,843	2,172
Net Position		
Held in trust for investment pool participants	2,810,311	3,160,862
Held in trust for individual investment account holders	28,850	8,659
Net position	$ 2,839,161	$ 3,169,521

As of June 30, 2016, the Consolidated Fund's assets totaled approximately $2.8 billion and was composed almost entirely of investments in securities. Fiscal year 2016 was the fifth consecutive year that net position fell. Balances fell by a combined $330 million from fiscal year 2015, which was the most substantial drop year over year since fiscal year 2014, when assets under management fell by over $600 million from the prior fiscal year. Over the past five fiscal years, investment balances have fallen by nearly one third.

As detailed below, the BTI experienced a decrease in invested funds over the course of the fiscal year. Participant contributions were down, falling approximately $1.0 billion from fiscal year 2015. Participant withdrawals were down year-over-year as well, falling by nearly $720 million. As with the prior fiscal year, participant withdrawals exceeded participant contributions resulting in a decline in net position of $330 million. The WV Money Market and WV Government Money Market Pools both experienced declines during the year, with the WV Money Market Pool falling by $335 million and the WV Government Money Market Pool falling by $58 million. The WV Short Term Bond Pool was up $29.7 million over fiscal year 2015 as agencies continued to take advantage of the higher yield offered by the pool. The net position of the WV Bank Pool also rose during the year, gaining $13.1 million in assets. The net position of the Municipal Bond Commission Account was up over 2015, rising by $20.7 million during the fiscal year. The State Loan Pool and School Fund both fell during the fiscal year, with the State Loan Pool dropping $0.8 million and the School Fund falling $0.6 million. The Reserve Pool and West Virginia Economic Development Authority Account were little changed from the prior fiscal year.

The receivables balance comprises accrued interest and dividends and amounts due as a result of unsettled securities sales transactions. Receivables increased by $4.9 million from the fiscal year end 2015 balance. The increase was composed of an increase in the receivable for securities sold of $4.0 million and increase in interest and dividends receivable of $0.9 million. The open trade was in the WV Short Term Bond Pool, which had no such receivable as of fiscal year end 2015. Interest and dividends receivable on investments were up at the end of fiscal year 2016 despite the significant decline in assets. In December 2015, the

Federal Reserve increased their benchmark rate from near zero for the first time in seven years. This helped push the shorter end of the Treasury yield curve up substantially, with rates in the one year and under range increasing the most. The increase in yields more than offset the decline in assets in the WV Money Market Pool, resulting in an increase of $0.5 million in interest and dividends receivable. The effects on the WV Short Term Bond Pool were less substantial, as the benefits of increases in short term rates tapered off in maturities over 1 year and credit spreads tightened through the fiscal year. Receivables for the WV Short Term Bond Pool were up only $0.1 million over fiscal year 2015. A combination of an increase in assets and the increase in short term rates helped raise interest receivable in the WV Bank Pool by $0.1 million. Other pools and accounts experienced minor increases in receivables.

Total liabilities increased by approximately $3.7 million since June 30, 2015. 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 overwhelming majority of the increase was an increase of $3.4 million in the payable for securities purchased by the WV Short Term Bond Pool. Dividends payable in the WV Short Term Bond Pool increased by $0.2 million as a result of the aforementioned increase in yields. Accrued expenses were comparable to the end of fiscal year 2015.

Net position is the excess of total assets over total liabilities. As of June 30, 2016, the Consolidated Fund had total net position of approximately $2.8 billion. 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 11.1% from the prior year due to decreases in investments in the WV Money Market, WV Government Money Market and Loan Pools. These decreases were offset slightly by increases in the WV Short Term Bond and WV Bank Pools. The Reserve Pool did not change significantly during the year.

The WV Money Market Pool was down by approximately $334.4 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. The bulk of the decrease was attributable to a decline in the general cash balance of the State of $136.0 million, $13.2 million of which was transferred to the WV Bank Pool, and the withdrawal of $100.0 million invested for the state's Revenue Shortfall Reserve Account (rainy day fund). Overall, other state agency balances declined by a net of $109.1 million. Increases totaling $10.7 million were experienced in local government and safekeeping investments.

Amounts invested in the WV Government Money Market Pool fell from 2015 by $58.3 million. The Municipal Bond Commission ("MBC") is the single largest investor in the Pool. The MBC maintains pooled investment accounts where local governments may deposit surplus funds for investments. Over the course of the year, redemptions from those accounts exceeded contributions by $18.7 million. Other state agencies increased their investments in the pool by a total of $1.0 million. Local government investments in the Pool declined over the year by $40.6 million. County boards of education, which typically deposit bond proceeds in the pool, decreased their investments by $22.4 million as these proceeds were withdrawn to pay for the projects for which the bonds were issued. Investments by county governments decreased over the year by $18.2 million, primarily as a result of one county liquidating their accounts to invest elsewhere to earn a higher rate of return.

Investments in the State Loan Pool were flat for the fiscal year, declining by only $0.7 million. The balance of the Revolving Loan program was down $0.2 million for the year as the WV Economic Development Authority (the "EDA") borrowed amounts approximately equal to the regular principal payments

throughout the year. The remaining decrease in net position was the result of increases in the provision for loan loss reserve for the Non-Recourse Loan of $0.5 million.

The net position of the WV Short Term Bond Pool increased by $29.7 million from fiscal year end 2015. Approximately $12.0 million of the increase was a result of net investment income and increases in fair value over the year. The remaining increase was due to a net increase in state agency investments over the course of the fiscal year.

The net position of the WV Bank Pool increased again in fiscal year 2016 although the increase was not as large as that experienced in fiscal year 2015. In fiscal year 2015, the BTI was able to place 77% of the funds offered at auction compared to 84% of the funds offered at auction placed during fiscal year 2016. This small uptick in demand resulted in an increase of $13.2 million in net position for the fiscal year. This increase in net position was funded with transfers from the general cash of the state that is invested in the WV Money Market Pool.

The balance of the Reserve Pool did not change significantly over the fiscal year. There were no contributions or redemptions in the pool during the year. The slight increase in net position was the result of interest earnings that were reinvested in the account.

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 increased by $20.1 million from the prior fiscal year. The MBC was responsible for an increase of $20.7 million in net position for individual account holders. The MBC account holds investments escrowed to defease certain municipal bond issues. Levels of investment in this account are affected by municipal refinancing/refunding activity levels and the availability of eligible assets. Eligible assets for investment of these funds are typically U.S. Treasuries or U.S. Treasury Securities – State and Local Government Series (SLGS) issues. During the prior fiscal year, the MBC directed some investments to the WV Money Market and WV Government Money Market Pools due to tight supply of eligible securities. As these supply issues eased during fiscal year 2016, the MBC increased utilization of this account. The net position of the School Fund decreased by $0.6 million while the West Virginia Economic Development Authority ("EDA-AW") account increased during the year by a minimal amount.

Changes in net position. The following is a combined, condensed Statements of Changes in Fiduciary Net Position of the Consolidated Fund fiduciary funds for the years ended June 30, 2016 and 2015 (in thousands).

	Year Ended June 30,	
	2016	2015
Additions		
Net investment income	$ 15,327	$ 8,827
Net realized gain (loss)	(39)	(442)
Net increase (decrease) in fair value of investments	2,818	(986)
Unit purchases and contributions	9,944,131	10,943,939
Total additions	9,962,237	10,951,338
Deductions		
Distributions	15,108	8,272
Unit redemptions and withdrawals	10,277,489	10,997,159
Total deductions	10,292,597	11,005,431
Change in net position	(330,360)	(54,093)
Net position at beginning of year	3,169,521	3,223,614
Net position at end of year	$ 2,839,161	$ 3,169,521

Fiscal year 2016 net investment income increased substantially from fiscal year 2015 in spite of the decline in assets under management. All pools and accounts, with the exception of the EDA account, experienced increases in net investment income, with a total increase of $6.5 million from the prior fiscal year. The WV Money Market Pool's net invest income increased by $3.1 million, the largest increase of all the pools in dollar terms. The WV Government Money Market Pool experienced a 327% rise in net investment income. However, the actual amount of this increase was a less-than-impressive $0.3 million. Net investment income in the WV Short Term Bond Pool was up $2.6 million, or 40%, from fiscal year 2015. The WV Bank Pool's net investment income rose $0.2 million, while the State Loan Pool's rose $0.3 million. The increase in the State Loan Pool's net investment income was primarily the result of decreases in the amounts reserved for loan losses during fiscal year 2016. The remaining pools and accounts were up slightly or, in the case of EDA, down slightly in fiscal year 2016.

Fiscal year 2016 saw the first rate hike since the Fed lowered their target rate to zero in December 2008. After initially appearing poised to hike rates in September 2015, deteriorating global economic conditions and market volatility forced the Fed to put off a rate hike. The U.S. economy appeared to support the case for a rate hike, but the specter of an economic slowdown in China, along with the potential effects of such a slowdown on the U.S. economy caused the Fed to put the rate hike on hold. The Fed finally pulled the trigger in December 2015, raising their target range from 0 to 25 basis points to 25 to 50 basis points. The "dot plots", which is the quarterly chart published by the Federal Reserve that shows where various officials think the central bank's interest rate target should be over the next few years, showed that the Fed was penciling in four rate hikes for calendar year 2016. However, as 2016 unfolded, financial conditions continued to force the Fed to put rate hikes on hold. In the first two months of 2016, a sharp sell-off in energy prices drove a deterioration in financial conditions that forestalled a first quarter rate hike. After a weak January jobs report, the labor markets appeared to shrug off the sluggishness and posted solid gains in February, beating expectations. Concerns about global economic conditions and inflation continuing to fall below the Fed's two percent objective forestalled a March 2016 rate hike. June 2016 seemed like a

long shot for a rate hike with the uncertainty regarding the outcome of the United Kingdom European Union membership referendum, popularly known as the "Brexit" vote, until the May 2016 jobs report effectively dashed whatever slim hopes there were of a rate hike. The May 2016 report showed that the market only added 38,000 jobs for the month, well below even the most pessimistic expectations. Downward revisions to previous months added to the dismal nature of the report as the rolling three month average fell to its lowest levels since 2011. The May jobs report appeared to likely be an anomaly, but coupled with other factors, pushed off any further rate hikes to the last half of calendar year 2016 at the earliest. Overall, the Fed's monetary policy was still very accommodative during the fiscal year. The Fed's balance sheet, which had massively expanded during its asset purchase program, continued to remain at elevated levels as interest and principal receipts and maturities were reinvested or rolled over.

The Treasury bill curve ended the year at levels that were above those at the end of fiscal year 2015, but Treasury yields over 1 year in tenor closed the fiscal year below where they started. The rate hike in December 2015, and expectations that conditions would warrant subsequent rate hikes, steepened the bill curve in early 2016. However, the bill curve flattened out over the remainder of the fiscal year as various economic concerns, both domestic and global, pushed rate hikes off to late 2016 to early 2017 and demand factors kept a lid on short term Treasury rates. On the longer end of the Treasury curve, rates ended the year lower, with the 10 year falling from 2.43% at the beginning of the year to 1.49% at the end of the fiscal year. In June 2016, citizens of the United Kingdom voted in a referendum, popularly known as the EU referendum or Brexit referendum, to leave the European Union ("EU"). The results of the vote shocked the markets, as it had been projected to be a narrow but likely victory for supporters of remaining a part of the EU. Over the next four days, world equity markets dropped, losing an estimated $3 trillion in value as investors fled risk assets. Yields on longer dated Treasuries fell anywhere from 10% to 25%, depending on tenor, as investors sought safe, liquid assets while they assessed the near- and longer-term economic and financial ramifications of the UK unwinding its membership in the EU. At the end of June 2016, the Fed funds futures markets were pricing in no rate hikes until 2018.

The Fed's rate hike during fiscal year 2016 was the major contributor to the BTI's two principal stability pools outperforming fiscal year 2015 results. Performance in the WV Money Market Pool jumped 24 basis points over fiscal year 2015, to end the year with a return of 36 basis points. While the Treasury Bill curve was up over fiscal year 2015 levels as a result of the Fed's rate hike in December 2015, the back half of the curve (six month to one year range) flattened in the final quarter of the fiscal year as economic events pushed further rate hikes off until late 2016 to early 2017. One additional factor affecting returns for the pool was the change in investment managers. In July 2015, Federated Investors took over management of the half of the pool that had been managed by JPMorgan Asset Management. JPMorgan managed their slice of the pool using a much more conservative approach than Federated has employed. The increase in market rates, and to a degree the change in managers, resulted in an increase of net investment income in fiscal year 2016 of $3.1 million despite the decrease of $334.4 million in net position.

The WV Government Money Market Pool also experienced an increase in performance, with the return increasing from 4 basis points in 2015 to 21 basis points in 2016. The pool was managed with a weighted average maturity similar to fiscal year 2015, with a WAM over the year in the low to mid 50 day range. The investment strategy was unchanged in 2016, with agency discount notes added at points along the yield curve at times where there was a pick-up in spread to Treasuries and a 20% to 25% allocation to overnight repurchase agreements to take advantage of moves in overnight rates. Average assets under management were lower over the fiscal year, ending the year down $53.3 million from fiscal year end 2015. Even with the decline in net position, net investment income was up $0.3 million from fiscal year 2015.

Net investment income in the WV Short Term Bond Pool was up significantly in fiscal year 2016, increasing by 40%, or $2.6 million, over fiscal year 2015 net investment income. The increase was the result of higher yields in 2016, which increased by 29 basis points over 2015 yields to 1.41%. Yield increases in the 1 to 3

year section of the curve benefited the pool as new investments and interest and maturity receipts were re-invested at higher yields.

As with fiscal year 2015, the "increase" in the Loan Pool's net investment income resulted from decreases in the amounts reserved for potential loan losses in the Non-Recourse Loan program in 2016. The interest rate for the WV Revolving Loan program, which is indexed to the annual return on the WV Money Market Pool, increased by 2 basis points to 20 basis points for fiscal year 2016. The balance of the Revolving Loan fell throughout most of the year, reaching as low as $116 million in February 2016, before loan draws in April and June of 2016 brought the balance up to the around the level where it started the year. The mid-year decline in the loan balance offset some of the effects of the very modest rate increase, resulting in interest income that was up slightly from fiscal year 2015. See Note 7 to the audited financial statements for more information on the loan programs of the Loan Pool.

Net investment income for the MBC Account was up slightly over fiscal year 2015. As supply conditions related to eligible securities eased, the MBC increased utilization of the account during the fiscal year. However, the increase in investments did not translate into a significant increase in net investment income in dollar terms, given the relatively low balance of the fund and the yield levels at which the securities were purchased. Net investment income for the remaining pools was comparable to the prior fiscal year.

For the year, the investment pools had a combined net realized loss of $39,000. This represents a decrease of $0.4 million from fiscal year 2015. The net realized loss was the result of normal trading activity related to generating liquidity, taking advantage of opportunities or repositioning portfolios to stay within policy limits.

The net change in fair value for fiscal year 2016 was positive, rising by $3.8 million over fiscal year 2015. During the first half of the year, there were significant declines in the fair value of the WV Short Term Bond Pool as yields rose in anticipation of rate hikes. The Fed finally came through in December 2015, raising their benchmark rate by 25 basis points. At mid-year, the WV Short Term Bond Pool had experienced a net decline in fair value for the year of almost $3.6 million. Although the markets appeared to initially believe that there would be two or more rate hikes during calendar year 2016, those rate hikes did not materialize as U.S. economic data came in weaker than expected and world events helped to put the brakes on subsequent rate hikes. In June 2016, the market was taken by surprise by the results of the Brexit vote, resulting in a massive flight to quality. The change in fair value for the WV Short Term Bond Pool, which had been slowly rising during the first five months of calendar year 2016, increased dramatically in June 2016, rising by almost $2.2 million during the month. This resulted in an increase in fair value in the pool for the year of $2.7 million. The change in fair value in the EDA-AW Account was positive for the fiscal year, but did not contribute substantially to the overall increase over 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.

Yields in the one month to one year portion of the Treasury yield curve were up at fiscal year-end, primarily as a result of the mid-year rate hike by the Fed. Supply conditions for Treasury bills eased slightly during fiscal year 2016, as the net issuance for the year (gross issues less gross retirements) increased by $113 billion over the year, which represented an increase in net issuances of $61 billion over fiscal year 2015. However, the demand side of the equation, along with uncertainty about the timing of future Fed rate hikes,

worked to keep rates from moving materially higher after the December 2015 rate hike. Several factors contributed to the continued strong demand for high-quality liquid collateral including banking regulations and the impending implementation date of floating NAV for prime money market pools. While the banking regulatory reforms, such as the implementation of the required liquidity coverage ratios for certain banks, went into effect in fiscal year 2015, the effects of money market fund reform came to the forefront in fiscal year 2016.

In October, 2016, prime money market funds will be required to process transactions for institutional investors using a market based NAV. In advance of this date, a number of prime institutional funds have opted to convert to government money market funds in order to continue using a stable $1.00-per-share NAV for shareholder transactions. Several hundred billion USD in assets have moved from investing in short-term debt instruments, Treasuries and U.S. agency paper to investing solely in U.S. government securities. In addition to this, prime money funds have been shortening their average maturities and building cash in anticipation of investors exiting their funds in October 2016 prior to the implementation of floating NAV's. The increase in demand for short-term high quality liquid assets has put downward pressure on short-term Treasury and Agency yields. Opposite pressures are being felt in the short-term credit markets, as demand for instruments maturing beyond October 2016 has been declining. Banks, which use the short-term markets as a substantial source of funding, are seeing a decline in investments in their commercial paper programs. According to Fitch, prime funds have stopped investing a total of $81 billion in debt from 13 foreign banks that issue commercial paper. Fitch expects this number to increase as the October 14, 2016 deadline approaches. As a result, yields on bank commercial paper will likely rise, which is good for entities that continue to invest in these securities. The downside in the increase in yield for investors is that it increases the funding costs for the issuing banks which may have its own negative effects on the markets.

The Fed, which had been looking to gradually raise rates over the course of fiscal year 2016, was forced to place rate hikes on hold in light of choppy global financial conditions. In addition to concerns about economic growth, or its lack, in other parts of the world, overall sluggish U.S. growth also factored into their decisions to postpone rate hikes. U.S. GDP growth, which had been gradually rising in early 2015, posted three consecutive quarterly decreases in the growth rate, falling from a 2.0% growth rate at the end of fiscal year 2015 to a sub-1% growth rate in the first quarter of calendar year 2016. Contributing to the slowdown in growth has been a deceleration in non-residential fixed investment, which moved from contributing to economic growth during that last quarter of fiscal year 2015 to being a drag on economic growth by the end of fiscal year 2016. Retail sales also showed sluggish growth in the early part of fiscal year 2016, but began to show growth in the last quarter of the fiscal year. Housing and labor markets continued to be bright spots during the fiscal year. Notwithstanding the May 2016 employment report, employment continued to grow during the fiscal year, although the rate of increase in new jobs appeared to be slowing going into the last quarter of the fiscal year. Inflation and inflation expectations began to move closer to the Fed's 2% target, but still remained short of that level at the end of the fiscal year.

In 2016, state general revenue fund collections were $426.1 million below estimates due to a 7.5 percent decline in general revenues. Since the state cannot run a fiscal deficit, and general revenue expenditure levels are budgeted based on the estimated revenue collections, the state was forced to close the gap through a series of measures during the year. West Virginia balanced its budget with the aid of nearly $140 million in mid-year budget spending authority reductions, the reallocation of $53.9 million in Medicaid expenditures to various previously unappropriated Lottery Funds, the use of $12.3 million in other available fund balances and the use of $223 million in various gap fill revenues. The gap fill revenues included an appropriation of $83.8 million from the rainy day fund. As a result of the aforementioned budgetary adjustments, there was an un-appropriated year-end surplus from fiscal year 2016 activity, before any accounting for expirations, of $0.9 million. Absent the adoption of the budget gap closing policies, actual general revenue fund collections totaled less than $3.88 billion in fiscal year 2016, an amount that was lower than net collections received in the prior year and any previous year as far back as fiscal year 2011

or 2008 prior to the Great Recession. West Virginia's average annual nominal general revenue Fund growth rate over the past decade fell to less than 0.6 percent in comparison with the long-term average annual growth rate of closer to 4.0 percent.

Revenues are anticipated to resume growing in fiscal year 2017 by up to 3.3 percent as a result of some rebound in natural gas prices, continued investment in pipeline infrastructure, gradual stabilization in coal markets and some modest rebound in employment and wages during the forecast period. Even with the projected increase in revenues, nearly $100 million in tax increases and $200 million in various one-time budget cuts and one-time revenues were still needed to achieve balance in the fiscal year 2017 budget.

A very slow-growing national economy, in combination with slower worldwide economic growth, poses significant challenges for the state's economy and its export markets. Over the past year, the value of West Virginia nonmanufacturing goods exports fell by roughly 50 percent and the value of West Virginia manufactured goods exports fell by 11 percent. Coal sales fell by roughly 30 percent and natural gas prices tumbled roughly 60 percent. Natural resource employment fell by nearly one-fourth with overall employment and wage and salary income generally stagnant. On the positive side, planned natural gas pipeline infrastructure improvements should eventually result in higher local natural gas prices and higher state tax revenues. An abundant supply of competitively priced natural gas products should also stimulate additional regional manufacturing activity over time. Most growth in the national economy over the past two decades occurred in metropolitan areas. Greater growth in West Virginia's metropolitan areas is a key to renewed growth in the state economy. Overall growth rates for personal income and consumption are anticipated to slowly improve in the near term following nearly four years of general stagnation. However, future budget balance will still require some combination of savings associated with significant restructuring of state government service offerings and new revenue sources. Some additional revenue transfers from the rainy day fund may also occur. In the current environment, there will likely be some 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.

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

June 30, 2016

(In Thousands)

Assets	
Current assets:	
Cash	$ 753
Receivables	570
Total current assets	1,323
Noncurrent assets:	
Capital assets, net of accumulated depreciation	4
Total assets	1,327
Liabilities	
Current liabilities:	
Accounts payable	513
Total liabilities	513
Net position	
Investment in capital assets	4
Unrestricted	810
Total net position	$ 814

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, 2016

(In Thousands)

Operating revenues	
Management services	$ 1,290
Advisor services	1,366
Custodian services	126
Total operating revenues	2,782
Operating expenses	
Advisor fees	1,366
Management fees	642
Professional service fees	231
Fiduciary bond	19
Custodian fees	126
General and administrative	266
Depreciation	1
Total operating expenses	2,651
Operating income	131
Change in net position	131
Net position at beginning of period	683
Net position at end of period	$ 814

See accompanying notes to financial statements

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

For the Year Ended June 30, 2016

(In Thousands)

Cash flows from operating activities	
Cash received for services	$ 2,731
Payments to vendors	(2,977)
Net cash used in operating activities	(246)
Cash flows from capital and related financing activities	
Purchase of capital equipment	(4)
Net cash used for capital and related financing activities	(4)
Cash at beginning of period	1,003
Cash at end of period	$ 753
Reconciliation of operating income to net cash used in operating activities	
Operating income	$ 131
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation	1
Changes in assets and liabilities:	
Receivables	(53)
Accounts payable	(325)
Net cash used in operating activities	$ (246)

See accompanying notes to financial statements

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

June 30, 2016

(In Thousands)

Assets	
Investments:	
At amortized cost	$2,017,941
At fair value	819,520
Total investments	2,837,461
Receivables:	
Accrued interest	3,508
Dividends	33
Investments sold	4,002
Total receivables	7,543
Total assets	2,845,004
Liabilities	
Accrued expenses	570
Dividends payable	869
Investments purchased	4,404
Total liabilities	5,843
Net Position	
Held in trust for investment pool participants	2,810,311
Held in trust for individual investment account holders	28,850
Total net position	$2,839,161

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, 2016

(In Thousands)

Additions	
Investment income:	
Interest	$ 17,145
Dividends	402
Net amortization	1,069
Provision for uncollectible loans	(507)
Total investment income	18,109
Investment expenses:	
Investment advisor fees	1,366
Custodian bank fees	126
Administrative fees	1,290
Total investment expenses	2,782
Net investment income	15,327
Net realized gain from investments	(39)
Net increase in fair value of investments	2,818
Net increase in net position from operations	18,106
Participant transaction additions:	
Purchase of pool units by participants	9,864,797
Reinvestment of pool distributions	15,082
Contributions to individual investment accounts	64,252
Total participant transaction additions	9,944,131
Total additions	9,962,237
Deductions	
Distributions to pool participants:	
Net investment income	15,147
Net realized gain from investments	(39)
Total distributions to pool participants	15,108
Participant transaction deductions:	
Redemption of pool units by participants	10,233,163
Withdrawals from individual investment accounts	44,326
Total participant transaction deductions	10,277,489
Total deductions	10,292,597
Change in net position	(330,360)
Net position at beginning of period	3,169,521
Net position at end of period	$ 2,839,161

See accompanying notes to financial statements

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West Virginia Board of Treasury Investments

Notes to Financial Statements

June 30, 2016

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 Federated Investors 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 West Virginia CD Program. The program purchases CDs from state banks and depositories to make state investment funds available for consumer and business loans within the state.

Loan – 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, Loan, 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 are generated 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

Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates. The significant estimates and assumptions that affect the reporting of amounts of assets and liabilities at the balance sheet date and revenues and expenses for the year then ended are those required in the determination of the allowance for loan losses and amortization of investments. Actual results in the near term could differ from the estimates used to prepare these financial statements.

Investment Accounting

Investment Carrying Value 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, and Reserve pools or accounts are carried at amortized cost, as permissible under Governmental Accounting Standards Board ("GASB") Statement No. 31, as amended by GASB Statement Nos. 72 and 79. The WV Money Market and WV Government Money Market pools measure all investments at amortized cost for financial reporting purposes in accordance with criteria established in GASB Statement No. 79. The criteria specify that the pools must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place any limitations or restrictions on participant withdrawals from the WV Money Market and WV Government Money Market pools, such as redemption notice periods, maximum transaction amounts, and any authority to impose liquidity fees or redemption gates.

The specific exceptions to fair value reporting for the other pools and accounts referred to above are defined in professional standards as follows. The WV Bank Pool contains nonnegotiable certificates of deposit, which are nonparticipating interest-earning investment contracts. The Loan Pool contains loans receivable arising from lending activities of economic development authorities. The Reserve Pool contains a bank depository account that has no market.

The investments of the remaining pools and participant accounts are reported at fair value, which is determined by third party pricing services based on asset portfolio pricing models and other sources. The BTI measures fair value at the end of each month. See Note 5 for a discussion and summary of the measurement of the fair values. 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 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, 2016, the Loan Pool had an allowance for uncollectible loans of $22,823,976.

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 $753,000 at June 30, 2016. 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, 2016.

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 A+ by Standard & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standard & Poor's and P-1 by Moody's. The pool must have at least 15% of its assets in U.S. Treasury obligations or obligations guaranteed as to repayment of interest and principal by the United States of America. The following table provides information on the credit ratings of the WV Money Market Pool's investments (in thousands):

	Credit Rating			
Security Type	Moody's	S&P	Carrying Value	Percent of Pool Assets
Commercial paper	P-1	A-1+	$ 290,118	18.65%
	P-1	A-1	632,773	40.68
Corporate bonds and notes	Aa1	AA-	23,014	1.48
	Aa3	AA-	15,000	0.96
	A2	A	11,268	0.72
U.S. agency bonds	Aaa	AA+	9,499	0.61
U.S. Treasury notes *	Aaa	AA+	231,398	14.88
U.S. Treasury bills *	P-1	A-1+	19,982	1.28
Negotiable certificates of deposit	Aa2	AA-	3,000	0.19
	Aa3	AA-	6,000	0.39
	P-1	A-1+	78,006	5.02
	P-1	A-1	121,001	7.78
Money market funds	Aaa	AAAm	72,370	4.65
Repurchase agreements (underlying securities):				
U.S. Treasury notes *	Aaa	AA+	42,100	2.71
			$ 1,555,529	100.00%

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

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury obligations or obligations guaranteed as to repayment of interest and principal by the United States of

America 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. Treasury notes *	Aaa	AA+	$ 60,445	31.80%
U.S. Treasury bills *	P-1	A-1+	6,999	3.68
U.S. agency discount notes	P-1	A-1+	78,200	41.14
Money market funds	Aaa	AAAm	34	0.02
Repurchase agreements (underlying securities):				
U.S. Treasury notes *	Aaa	AA+	44,400	23.36
			$ 190,078	100.00%

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

The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all corporate bonds to be rated 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 pool must have at least 15% of its assets in U.S. Treasury obligations or obligations guaranteed as to repayment of interest and principal by the United States of America. The following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

	Credit Rating			
Security Type	Moody's	S&P	Carrying Value	Percent of Pool Assets
Corporate asset backed securities	Aaa	AAA	$ 75,096	9.50%
	Aaa	NR	80,990	10.24
	NR	AAA	71,821	9.08
Corporate bonds and notes	Aaa	AA+	4,088	0.52
	Aa1	AA+	4,993	0.63
	Aa2	AA+	4,105	0.52
	Aa2	AA	7,027	0.89
	Aa2	AA-	20,050	2.54
	Aa3	AA-	11,019	1.39
	Aa2	A	4,069	0.51
	Aa3	A+	10,010	1.27
	Aa3	A	1,495	0.19
	A1	AA	16,564	2.10
	A1	A+	11,714	1.48
	A1	A	8,214	1.04
	A2	A+	625	0.08
	A2	A	28,703	3.63
	A2	A-	18,082	2.29
	A3	AA-	1,510	0.19
	A3	A	3,729	0.47
	A3	A-	41,669	5.27
	A3	BBB+	29,407	3.72
	Baa1	A	1,942	0.25
	Baa1	A-	11,241	1.42
	Baa1	BBB+	54,401	6.88
	Baa1	BBB	12,671	1.60
	Baa1	NR	2,048	0.26
	Baa2	A-	4,391	0.56
	Baa2	BBB+	5,942	0.75
	Baa2	BBB	19,286	2.44
	Baa2	BBB-	6,152	0.78
	Baa3	BBB+	3,031	0.38
	Baa3	BBB	13,240	1.67
	Baa3	BBB-	15,979	2.02
	Ba1	BBB	2,339	0.30
	Ba1	BBB-	4,843	0.61
	NR	BBB-	1,977	0.25
U.S. agency mortgage backed securities *	Aaa	AA+	47,311	5.98
Corporate mortgage backed securities	Aaa	AAA	10,687	1.35
	Aaa	NR	18,607	2.35
	NR	AAA	108	0.01
U.S. Treasury notes *	Aaa	AA+	89,497	11.32
Money market funds	Aaa	AAAm	10,077	1.27
			$ 790,750	100.00%

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 $145,000. 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 $8,000. The mutual fund is rated AAAm by Standard & Poor's and Aaa by Moody's. The loans are not rated; however, because there is the potential for defaults on the loans, the pool is subject to credit risk related to the loans. The BTI addresses this credit risk by establishing and regularly evaluating a reserve for uncollectible loans.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately $1,584,000. 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	$ 42,100	1
U.S. Treasury notes	231,398	88
U.S. Treasury bills	19,982	91
Commercial paper	922,891	48
Certificates of deposit	208,007	40
Corporate bonds and notes	49,282	14
U.S. agency bonds and notes	9,499	24
Money market funds	72,370	1
	$ 1,555,529	49

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	$ 44,400	1
U.S. Treasury notes	60,445	89
U.S. Treasury bills	6,999	21
U.S. agency discount notes	78,200	50
Money market funds	34	1
	$ 190,078	50

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	$ 386,556	480
Corporate asset backed securities	227,907	302
U.S. Treasury notes	89,497	1,034
U.S. agency mortgage backed securities	47,311	175
Corporate mortgage backed securities	29,402	338
Money market funds	10,077	1
	$ 790,750	462

The West Virginia Bank Pool holds nonnegotiable certificates of deposit totaling $129,000,000 with maturity dates ranging from July 2016 through December 2016, and an interest in a money market mutual fund valued at approximately $145,000. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to 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 $8,000 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 losses in this pool arising from increasing interest rates.

The Reserve Pool maintains funds totaling approximately $18,762,000 in a bank depository account. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to 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	$ 21,524	485
State and local government securities	3,725	240
	$ 25,249	449

The School Fund Account holds only an interest in a money market mutual fund valued at approximately $1,584,000 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 $1,937,000 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 $129,000,000. The Reserve Pool contains funds totaling approximately $18,762,000 in a bank depository account. The BTI does not have a deposit policy for custodial credit risk.

5. Investments Measured at Fair Value

The BTI measures the WV Short Term Bond Pool, the Municipal Bond Commission Account, the School Fund Account and the EDA-AW Account at fair value for financial reporting purposes. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. The BTI categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the Unites States of America in accordance with GASB Statement No. 72.

The fair value hierarchy established under GASB Statement No. 72 categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The table below summarizes the recurring fair value measurements of the investment securities in the WV Short Term Bond Pool in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30, 2016 (in thousands).

Investment Type	Level 1	Level 2	Level 3	Total
Corporate bonds and notes	$ -	$ 386,556	$ -	$ 386,556
Corporate asset backed securities	-	227,907	-	227,907
U.S. Treasury notes	89,497	-	-	89,497
U.S. agency mortgage backed securities	-	47,311	-	47,311
Corporate mortgage backed securities	-	29,402	-	29,402
Money market funds	10,077	-	-	10,077
	$ 99,574	$ 691,176	$ -	$ 790,750

The School Fund Account holds a money market fund reported at a fair value of $1,584,000 using Level 1 inputs.

The Municipal Bond Commission Account holds U.S. Treasury Notes and Bonds reported at a fair value of $21,524,000 using Level 1 inputs. The Account also holds Treasury Securities – State and Local Government Series ("SLGS") issues that are reported at historical cost (face value) of $3,725,000. SLGS are special purpose securities the U.S. Department of the Treasury issues to state and local government entities, upon request by those entities, to assist them in complying with federal tax laws and Internal Revenue Service arbitrage regulations when they have cash proceeds to invest from their issuance of tax exempt bonds. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

The EDA-AW Account holds a U.S. Treasury bond reported at a fair value of $1,937,000 using Level 1 inputs.

6. Capital Assets

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

	June 30, 2015	Increases	Decreases	June 30, 2016
Equipment, at cost	$ 17	$ 4	$ (5)	$ 16
Accumulated depreciation	(16)	(1)	5	(12)
Equipment, net of accumulated depreciation	$ 1	$ 3	$ -	$ 4

7. Related Party Transactions

Intergovernmental Investments

The BTI is required by law to enter into certain investment transactions with other state entities. At June 30, 2016, 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, 2016, was 0.20%. 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, 2016, the outstanding balance was $122,742,402.

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, 2016, $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 $24,823,976 has been accrued at June 30, 2016.

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, 2016, the BTI reimbursed the Treasurer's Office $688,000 for services, which includes $657,000 for management services provided by Treasurer's Office employees. As of June 30, 2016, the BTI had an amount payable to the Treasurer's Office totaling $72,000, 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.

8. 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.

9. Effect of New Accounting Pronouncements

The GASB has issued four 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*; Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 7.* The provisions of Statements Nos. 73 and 74 are effective for financial statements for periods beginning after June 15, 2016; the provisions of Statement Nos. 75 and 82 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.

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

June 30, 2016

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Loan Pool
Assets					
Investments:					
At amortized cost	$ 1,555,529	$ 190,078	$ -	$129,145	$ 124,427
At fair value	-	-	790,750	-	-
Receivables:					
Accrued interest	1,224	119	1,906	158	20
Dividends	25	-	3	-	-
Investments sold	-	-	4,002	-	-
Total receivables	1,249	119	5,911	158	20
Total assets	1,556,778	190,197	796,661	129,303	124,447
Liabilities					
Accrued expenses	275	37	239	9	9
Dividends payable	-	-	869	-	-
Investments purchased	-	-	4,404	-	-
Total liabilities	275	37	5,512	9	9
Net Position					
Held in trust for investment pool participants	1,556,503	190,160	791,149	129,294	124,438
Held in trust for individual investment account holders	-	-	-	-	-
Total net position	$ 1,556,503	$ 190,160	$ 791,149	$129,294	$ 124,438

(Continued)

Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
$ 18,762	$ -	$ -	$ -	$ 2,017,941
-	25,249	1,584	1,937	819,520
-	47	-	34	3,508
5	-	-	-	33
-	-	-	-	4,002
5	47	-	34	7,543
18,767	25,296	1,584	1,971	2,845,004
-	-	-	1	570
-	-	-	-	869
-	-	-	-	4,404
-	-	-	1	5,843
18,767	-	-	-	2,810,311
-	25,296	1,584	1,970	28,850
$ 18,767	$ 25,296	$ 1,584	$ 1,970	$2,839,161

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, 2016

(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	$ 4,523	$ 273	$ 11,156	$ 371	$ 240
Dividends	296	9	44	1	-
Net (amortization) accretion	2,319	275	(1,124)	-	-
Provision for uncollectible loans	-	-	-	-	(507)
Total investment income	7,138	557	10,076	372	(267)
Investment expenses:					
Investment advisor fees	561	85	720	-	-
Custodian bank fees	82	14	30	-	-
Administrative fees	773	98	320	48	49
Total investment expenses	1,416	197	1,070	48	49
Net investment income	5,722	360	9,006	324	(316)
Net realized gain from investments	24	12	(75)	-	-
Net increase (decrease) in fair value of investments	-	-	2,733	-	-
Net increase in net position from operations	5,746	372	11,664	324	(316)
Participant transaction additions:					
Purchase of pool units by participants	9,426,448	365,055	60,344	3,263	9,637
Reinvestment of pool distributions	5,744	372	8,907	324	(316)
Contibutions to individual investment accounts	-	-	-	-	-
Total participant transaction additions	9,432,192	365,427	69,251	3,587	9,321
Total additions	9,437,938	365,799	80,915	3,911	9,005
Deductions					
Distributions to pool participants:					
Net investment income	5,722	360	9,006	324	(316)
Net realized gain (loss) from investments	24	12	(75)	-	-
Total distributions to pool participants	5,746	372	8,931	324	(316)
Participant transaction deductions:					
Redemption of pool units by participants	9,753,701	423,770	42,285	3,264	10,093
Withdrawals from individual investment accounts	-	-	-	-	-
Total participant transaction deductions	9,753,701	423,770	42,285	3,264	10,093
Total deductions	9,759,447	424,142	51,216	3,588	9,777
Net (decrease) increase in net position from operations	(321,509)	(58,343)	29,699	323	(772)
Inter-pool transfers in	26,050	-	-	38,910	-
Inter-pool transfers out	(38,910)	-	-	(26,050)	-
Net inter-pool transfers in (out)	(12,860)	-	-	12,860	-
Change in net position	(334,369)	(58,343)	29,699	13,183	(772)
Net position at beginning of period	1,890,872	248,503	761,450	116,111	125,210
Net position at end of period	$ 1,556,503	$ 190,160	$ 791,149	$ 129,294	$ 124,438

(Continued)

Reserve Pool	Municipal Bond Commission Account	School Fund Account	Economic Development Authority - American Woodmark Account	Total
$ -	$ 492	$ -	$ 90	$ 17,145
51	-	1	-	402
-	(388)	-	(13)	1,069
-	-	-	-	(507)
51	104	1	77	18,109
-	-	-	-	1,366
-	-	-	-	126
-	1	-	1	1,290
-	1	-	1	2,782
51	103	1	76	15,327
-	-	-	-	(39)
-	21	-	64	2,818
51	124	1	140	18,106
50	-	-	-	9,864,797
51	-	-	-	15,082
-	63,671	581	-	64,252
101	63,671	581	-	9,944,131
152	63,795	582	140	9,962,237
51	-	-	-	15,147
-	-	-	-	(39)
51	-	-	-	15,108
50	-	-	-	10,233,163
-	43,064	1,172	90	44,326
50	43,064	1,172	90	10,277,489
101	43,064	1,172	90	10,292,597
51	20,731	(590)	50	(330,360)
-	-	-	-	64,960
-	-	-	-	(64,960)
-	-	-	-	-
51	20,731	(590)	50	(330,360)
18,716	4,565	2,174	1,920	3,169,521
$ 18,767	$ 25,296	$ 1,584	$ 1,970	$ 2,839,161

See accompanying notes to financial statements.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2016
(In thousands)

WEST VIRGINIA MONEY MARKET POOL

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues								
United States Treasury		0.630 %		0.397 %	07/15/2016	15,000	$ 15,001	$ 15,003
United States Treasury		2.500		0.856	07/15/2016	24,876	24,947	24,932
United States Treasury		1.500		0.600	07/31/2016	25,000	25,019	25,027
United States Treasury		1.000		0.394	08/31/2016	25,000	25,025	25,029
United States Treasury		0.630		0.378	10/15/2016	10,000	10,007	10,008
United States Treasury		1.000		0.533	10/31/2016	10,000	10,015	10,022
United States Treasury		3.130		0.358	10/31/2016	5,000	5,046	5,046
United States Treasury		0.313	*F*	0.318	10/31/2016	10,000	10,000	10,000
United States Treasury		0.500		0.624	11/30/2016	20,000	19,990	20,011
United States Treasury		0.880		0.461	12/31/2016	10,000	10,021	10,023
United States Treasury		0.750		0.525	01/15/2017	20,000	20,024	20,033
United States Treasury		0.500		0.510	01/31/2017	10,000	9,999	10,003
United States Treasury		0.630		0.533	02/15/2017	8,000	8,005	8,009
United States Treasury		0.630		0.688	05/31/2017	5,000	4,997	5,004
United States Treasury		0.428	*F*	0.438	10/31/2017	19,500	19,498	19,513
United States Treasury		0.532	*F*	0.485	01/31/2018	4,800	4,803	4,809
United States Treasury		0.450	*F*	0.431	04/30/2018	9,000	9,001	9,001
Total U. S. Treasury Issues	14.9%						231,398	231,473
U. S. Government Agency Bonds								
Federal Farm Credit Bank		0.459	*F*	0.474	11/29/2016	5,000	5,000	5,000
Federal Farm Credit Bank		0.448	*F*	0.478	12/19/2016	4,500	4,499	4,500
Total U. S. Government Agency Bonds	0.6%						9,499	9,500
Corporate Bonds								
Wells Fargo & Company		1.250		0.590	07/20/2016	11,264	11,268	11,267
Bank of Nova Scotia		0.808	*F*	0.807	07/29/2016	9,000	9,000	9,003
Bank of Nova Scotia		0.803	*F*	0.803	08/05/2016	5,000	5,000	5,002
Nordea Bank Finland NY		0.812	*F*	0.654	08/09/2016	1,000	1,000	1,000
Bank of Montreal		0.716	*F*	0.687	08/12/2016	10,000	10,000	10,002
Royal Bank of Canada		0.747	*F*	0.747	09/06/2016	10,000	10,000	9,999
Toronto Dominion Bank		0.792	*F*	0.792	10/17/2016	8,000	8,000	8,003
Royal Bank of Canada		0.987	*F*	0.987	02/02/2017	10,000	5,000	5,003
Total Corporate Bonds	3.8%						59,268	59,279
Short Term Issues								
Goldman, Sachs & Co		0.400		0.400	07/01/2016	23,100	23,100	23,100
Merrill Lynch PFS Inc		0.420		0.420	07/01/2016	19,000	19,000	19,000
Credit Suisse New York		0.770		0.560	07/01/2016	10,000	10,000	10,000
Atlantic Asset Securities Corp		0.000		0.416	07/01/2016	13,000	13,000	13,000
ING Funding LLC		0.000		0.406	07/01/2016	1,000	1,000	1,000
Nordea Bank AB		0.000		0.528	07/01/2016	8,000	8,000	8,000
Societe Generale		0.000		0.406	07/01/2016	9,000	9,000	9,000
Starbird Funding Group		0.000		0.619	07/01/2016	10,000	10,000	10,000
Anglesea Funding LLC		0.000		0.681	07/06/2016	15,000	14,999	14,999
Antalis SA		0.000		0.477	07/06/2016	1,790	1,790	1,790
Bank of Tokyo - MIT UFJ NY		0.610		0.610	07/07/2016	10,000	10,000	10,000

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F – Floating rate note security.
* *Fair value is determined by a third party pricing service and reported in accordance with GASB 72. Fair value is not determined for loans. Their reported fair value 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, 2016
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Canadian Imperial Bank		0.840		0.840	07/07/2016	10,000	10,000	10,000
Erste Abwicklungsanstalt		0.000		0.661	07/07/2016	15,000	14,998	14,998
Massachusetts Mutal Life Insur		0.000		0.416	07/07/2016	8,500	8,499	8,499
Bank of Nova Scotia		0.870		0.870	07/08/2016	5,000	5,000	5,000
Banque et Caisse dEpargne		0.000		0.396	07/08/2016	15,000	14,999	14,999
Sumitomo Mitsui Banking Corp		0.000		0.396	07/08/2016	10,000	9,999	9,999
Working Capital Management Co		0.000		0.477	07/08/2016	20,000	19,998	19,998
Caterpillar Financial Services		0.000		0.406	07/11/2016	10,000	9,999	9,999
Victory Receivables Corp		0.000		0.589	07/11/2016	10,000	9,998	9,998
HSBC USA Inc		0.000		0.866	07/12/2016	10,000	9,997	9,997
Jupiter Securitization Co LLC		0.000		0.866	07/12/2016	10,000	9,997	9,997
Gotham Funding Corp		0.000		0.467	07/13/2016	20,000	19,997	19,997
Liberty Street Funding LLC		0.000		0.855	07/13/2016	8,000	7,998	7,998
Manhattan Asset Funding Co		0.000		0.528	07/13/2016	10,000	9,998	9,998
Jupiter Securitization Co LLC		0.677	*F*	0.677	07/13/2016	2,000	2,000	2,000
Jupiter Securitization Co LLC		0.000		0.866	07/14/2016	6,000	5,998	5,998
Nieuw Amsterdam Receivables		0.000		0.416	07/14/2016	11,600	11,598	11,598
Albion Capital Corp SA/LLC		0.000		0.472	07/15/2016	19,792	19,788	19,788
Cancara Asset Securitization		0.000		0.497	07/15/2016	10,000	9,998	9,998
Gotham Funding Corp		0.000		0.467	07/15/2016	5,368	5,367	5,367
Siemens Capital Co LLC		0.000		0.457	07/15/2016	10,000	9,998	9,998
Skandivan Enskilda Bank NY		0.630		0.630	07/18/2016	10,000	10,000	10,000
LMA Americas LLC		0.000		0.467	07/18/2016	20,000	19,996	19,996
Working Capital Management Co		0.000		0.599	07/18/2016	8,000	7,998	7,998
Gotham Funding Corp		0.000		0.467	07/19/2016	10,000	9,998	9,998
LMA Americas LLC		0.000		0.558	07/19/2016	21,000	20,994	20,994
BMW US Capital LLC		0.000		0.406	07/20/2016	13,200	13,197	13,197
Massachusetts Mutal Life Insur		0.000		0.416	07/20/2016	11,000	10,998	10,998
Versailles Commercial Paper LL		0.000		0.517	07/20/2016	5,000	4,999	4,999
Manhattan Asset Funding Co		0.000		0.477	07/21/2016	5,852	5,850	5,850
LMA Americas LLC		0.000		0.558	07/22/2016	4,000	3,999	3,999
Nieuw Amsterdam Receivables		0.000		0.406	07/22/2016	9,000	8,998	8,998
Svenska Handelsbanken		0.540		0.540	07/25/2016	5,000	5,000	5,000
DBS Bank LTD		0.000		0.426	07/26/2016	10,000	9,997	9,997
Erste Abwicklungsanstalt		0.000		0.676	07/26/2016	5,000	4,998	4,998
Mizuho Bank LTD		0.000		0.527	07/26/2016	10,000	9,996	9,996
Manhattan Asset Funding Co		0.000		0.609	07/27/2016	6,000	5,997	5,997
Nordea Bank Finland NY		0.570		0.500	07/29/2016	10,000	10,001	10,001
Rabobank Nederland NV		0.710		0.620	08/01/2016	10,000	10,001	10,001
Mizuho Bank LTD		0.000		0.614	08/01/2016	13,000	12,993	12,993
Starbird Funding Group		0.000		0.619	08/02/2016	10,000	9,995	9,995
Svenska Handelsbanken AB		0.000		0.691	08/03/2016	25,000	24,984	24,984
HSBC USA Inc		0.000		0.871	08/04/2016	10,000	9,992	9,992
Westpac Banking Corp		0.000		0.907	08/04/2016	8,000	7,993	7,993
Skandinaviska Enskilda Bank		0.000		0.599	08/05/2016	5,000	4,997	4,997
Toronto Dominion Bank		0.750		0.750	08/08/2016	2,000	2,000	2,000
DZ Bank NY		0.650		0.650	08/08/2016	10,000	10,000	10,000
Manhattan Asset Funding Co		0.000		0.588	08/08/2016	11,000	10,993	10,993
Erste Abwicklungsanstalt		0.000		0.691	08/09/2016	5,000	4,996	4,996
Barton Capital Corp		0.000		0.538	08/10/2016	10,000	9,994	9,994
Ciesco LLC		0.000		0.579	08/11/2016	9,000	8,994	8,994
Erste Abwicklungsanstalt		0.000		0.671	08/11/2016	20,000	19,985	19,985

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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, 2016
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Standard Chartered Bank		0.570		0.570	08/12/2016	1,000	1,000	1,000
Fairway Finance Corp		0.000		0.579	08/16/2016	5,000	4,996	4,996
Manhattan Asset Funding Co		0.000		0.558	08/16/2016	30,000	29,979	29,979
Caisse Des Depots ET Con		0.000		0.650	08/17/2016	4,000	3,997	3,997
Svenska Handelsbanken		0.810		0.689	08/17/2016	3,000	3,000	3,000
Wells Fargo Bank		0.850		0.850	08/22/2016	8,000	8,000	8,000
Gotham Funding Corp		0.000		0.609	08/23/2016	10,000	9,991	9,991
Canadian Imperial Bank		0.850		0.850	08/24/2016	5,000	5,000	5,000
United States Treasury		0.000		0.304	08/25/2016	10,000	9,995	9,995
ASB Finance LTD London		0.000		0.937	08/26/2016	5,000	4,993	4,993
Cancara Asset Securitization		0.000		0.609	08/26/2016	10,000	9,991	9,991
Microsoft Corp		0.000		0.436	08/31/2016	10,000	9,993	9,993
Bank Nederlandse Gemeent		0.000		0.620	08/31/2016	20,000	19,979	19,985
Matchpoint Finance PLC		0.000		0.670	09/01/2016	20,000	19,977	19,981
Liberty Street Funding LLC		0.000		0.671	09/07/2016	7,000	6,991	6,992
Skandinaviska Enskilda Bank		0.000		0.589	09/07/2016	8,000	7,991	7,994
DNB Nor Bank ASA		0.620		0.620	09/09/2016	8,000	8,000	8,002
Victory Receivables Corp		0.000		0.619	09/09/2016	7,000	6,992	6,992
Toronto Dominion Bank		1.117	*F*	0.792	09/09/2016	23,000	23,015	23,018
ANZ National (INTL) LTD		0.000		0.793	09/12/2016	25,000	24,960	24,970
Nationwide Building Soc		0.000		0.660	09/12/2016	890	889	889
Thunder Bay Funding		0.000		0.876	09/12/2016	8,000	7,986	7,990
Sumitomo Mitsui Bank		0.620		0.620	09/14/2016	10,000	10,000	10,001
Thunder Bay Funding Inc		0.000		0.671	09/15/2016	7,000	6,990	6,991
Victory Receivables Corp		0.000		0.619	09/15/2016	8,000	7,990	7,990
Caisse Des Depots ET Con		0.000		0.640	09/16/2016	10,000	9,987	9,987
Fairway Finance Corp		0.000		0.661	09/16/2016	10,000	9,986	9,986
Toronto Dominion Bank		0.980		0.630	09/19/2016	5,000	5,004	5,004
Kells Funding LLC		0.000		0.640	09/20/2016	5,000	4,993	4,993
Svenska Handelsbanken		0.610		0.600	09/21/2016	10,000	10,000	10,001
Chariot Funding LLC		0.000		0.938	09/22/2016	5,000	4,989	4,993
Credit Suisse First Boston		0.000		0.655	09/23/2016	15,000	14,977	14,979
Barton Capital LLC		0.601	*F*	0.601	09/23/2016	10,000	10,000	10,000
Jupiter Securitization Co LLC		0.000		1.020	09/30/2016	3,710	3,701	3,704
Bank of Montreal		0.660		0.660	10/03/2016	8,000	8,000	8,000
Chariot Funding LLC		0.000		0.897	10/03/2016	3,000	2,993	2,995
National Australia Bank LTD		0.000		0.830	10/03/2016	8,000	7,983	7,989
Nordea Bank AB		0.000		0.814	10/04/2016	8,000	7,983	7,986
Matchpoint Finance PLC		0.000		0.691	10/05/2016	10,000	9,982	9,982
Commonwealth Bank of Australia		0.000		0.835	10/07/2016	5,000	4,989	4,993
DZ Bank NY		0.750		0.750	10/11/2016	10,000	10,000	10,003
Wells Fargo Bank		0.883	*F*	0.838	10/13/2016	10,000	10,001	10,007
Kells Funding LLC		0.000		0.732	10/17/2016	5,000	4,989	4,990
Old Line Funding Corp		0.000		0.896	10/17/2016	5,000	4,987	4,990
Thunder Bay Funding Inc		0.000		0.691	10/17/2016	8,000	7,984	7,983
Jupiter Securitization Co LLC		0.000		0.907	10/18/2016	500	499	499
JP Morgan Securities LLC		0.000		1.040	10/21/2016	5,000	4,984	4,990
Chariot Funding LLC		0.000		1.020	10/24/2016	5,000	4,984	4,984
Jupiter Securitization Co LLC		0.000		1.020	10/25/2016	5,000	4,984	4,988
BNZ International Funding		0.000		0.865	11/03/2016	8,000	7,976	7,983
United States Treasury		0.000		0.382	11/03/2016	10,000	9,987	9,992

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Fairway Finance Corp		0.858	*F*	0.855	11/07/2016	10,000	10,000	10,004
Bedford Row Funding Corp		0.000		0.865	11/08/2016	10,000	9,969	9,972
ASB Finance LTD London		0.000		0.876	11/09/2016	5,000	4,984	4,988
Chariot Funding LLC		0.000		0.969	11/18/2016	5,000	4,981	4,984
Canadian Imperial Bank		0.940		0.940	11/28/2016	2,000	2,000	2,002
Westpac Securities NZ LTD		0.000		0.968	11/28/2016	5,000	4,980	4,984
Ciesco LP		0.000		0.896	12/13/2016	3,000	2,988	2,988
Charta LLC		0.000		0.937	12/27/2016	5,000	4,977	4,978
Westpac Banking Corp		0.000		0.999	01/04/2017	8,000	7,959	7,965
Chariot Funding LLC		0.000		1.020	01/11/2017	2,495	2,482	2,482
Chariot Funding LLC		0.000		1.020	01/17/2017	2,000	1,989	1,989
Chariot Funding LLC		0.000		1.020	01/18/2017	2,000	1,989	1,989
Jupiter Securitization Co LLC		0.000		1.020	01/27/2017	2,000	1,988	1,988
Chariot Funding LLC		0.000		1.020	02/03/2017	8,100	8,051	8,050
Royal Bank of Canada		1.017	*F*	1.017	02/27/2017	5,000	5,000	5,002
Bedford Row Funding Corp		0.000		1.071	03/13/2017	4,000	3,970	3,968
Natixis NY Branch		0.613	*F*	0.613	04/05/2017	8,000	8,000	8,000
Federated Institutional Prime Obligations		0.392 **				72,050	72,050	72,050
Federated Treasury Obligations		0.240 **				200	200	200
Dreyfus Cash Management		0.242 **				120	120	120
Total Short Term Issues	80.7%						1,255,360	1,255,480
Total Money Market Pool	100.0%						$ 1,555,529	$ 1,555,732

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues								
United States Treasury		0.500 %		0.241 %	07/31/2016	5,000	$ 5,001	$ 5,001
United States Treasury		0.500		0.272	08/31/2016	5,000	5,002	5,002
United States Treasury		1.000		0.373	08/31/2016	8,500	8,509	8,510
United States Treasury		0.880		0.326	09/15/2016	10,000	10,011	10,011
United States Treasury		0.500		0.358	09/30/2016	4,000	4,001	4,001
United States Treasury		0.630		0.314	10/15/2016	4,000	4,004	4,003
United States Treasury		0.313	*F*	0.318	10/31/2016	3,000	3,000	3,000
United States Treasury		0.880		0.461	12/31/2016	3,000	3,006	3,007
United States Treasury		0.750		0.532	01/15/2017	3,000	3,004	3,005
United States Treasury		0.500		0.510	01/31/2017	2,500	2,500	2,501
United States Treasury		0.630		0.533	02/15/2017	2,500	2,501	2,503
United States Treasury		0.880		0.490	02/28/2017	2,200	2,206	2,206
United States Treasury		0.428	*F*	0.436	10/31/2017	4,500	4,500	4,503
United States Treasury		0.532	*F*	0.485	01/31/2018	1,200	1,201	1,202
United States Treasury		0.450	*F*	0.431	04/30/2018	2,000	2,000	2,000
Total U. S. Treasury Issues	31.8%						60,446	60,455

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL (Continued)

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Goldman, Sachs & Co		0.400	0.400	07/01/2016	44,400	44,400	44,400
Federal Home Loan Mort Corp		0.000	0.539	07/05/2016	2,500	2,500	2,500
Federal Home Loan Bank		0.000	0.338	07/06/2016	6,183	6,183	6,183
Federal Home Loan Bank		0.000	0.463	07/08/2016	4,500	4,500	4,500
Federal Home Loan Bank		0.000	0.411	07/13/2016	3,500	3,499	3,500
Federal National Mortgage Assn		0.000	0.539	07/13/2016	2,500	2,500	2,500
Federal Home Loan Bank		0.000	0.345	07/15/2016	2,000	2,000	2,000
Federal Home Loan Bank		0.000	0.503	07/20/2016	3,000	2,999	2,999
United States Treasury		0.000	0.238	07/21/2016	7,000	6,999	6,999
Federal Home Loan Bank		0.000	0.325	07/22/2016	5,000	4,999	4,999
Federal National Mortgage Assn		0.000	0.314	07/27/2016	8,000	7,998	7,998
Federal Home Loan Bank		0.000	0.335	08/05/2016	3,000	2,999	2,999
Federal Farm Credit Bank		0.000	0.314	08/10/2016	2,660	2,659	2,659
Federal Home Loan Bank		0.000	0.345	08/12/2016	7,000	6,997	6,997
Federal Home Loan Bank		0.000	0.452	08/15/2016	3,000	2,998	2,999
Federal Home Loan Bank		0.000	0.411	09/09/2016	3,000	2,998	2,998
Federal Home Loan Bank		0.000	0.391	09/14/2016	5,300	5,296	5,296
Federal Home Loan Bank		0.000	0.426	09/27/2016	2,000	1,998	1,998
Federal Home Loan Bank		0.000	0.447	10/07/2016	3,000	2,996	2,996
Federal Home Loan Bank		0.000	0.447	10/12/2016	3,000	2,996	2,996
Federal Home Loan Bank		0.000	0.467	11/04/2016	3,100	3,095	3,095
Federal Home Loan Bank		0.000	0.447	11/09/2016	3,000	2,995	2,996
Federal Home Loan Bank		0.000	0.462	11/30/2016	3,000	2,994	2,994
Dreyfus Treasury & Agency Cash Management		0.220 **			34	34	34
Total Short Term Issues	68.2%					129,632	129,635
Total Government Money Market Pool	100.0%					$ 190,078	$ 190,090

WEST VIRGINIA SHORT TERM BOND POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues							
United States Treasury		1.000 %	0.914 %	03/15/2019	16,000	$ 16,037	$ 16,136
United States Treasury		0.880	1.050	05/15/2019	5,000	4,975	5,024
United States Treasury		0.880	0.846	06/15/2019	68,000	68,058	68,337
Total U. S. Treasury Issues	11.3%					89,070	89,497

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Agency Issues								
Federal Home Loan Mort Corp		0.692	*F*	0.786	03/15/2021	77	76	77
Federal Home Loan Mort Corp		0.692	*F*	0.784	06/15/2021	73	73	73
Federal Home Loan Mort Corp		0.942	*F*	0.940	04/15/2027	234	234	236
Federal Home Loan Mort Corp		0.942	*F*	0.940	04/15/2028	271	271	272
Federal Home Loan Mort Corp		0.642	*F*	0.709	10/15/2028	454	452	451
Federal Home Loan Mort Corp		0.792	*F*	0.836	04/15/2029	346	345	345
Federal Home Loan Mort Corp		0.642	*F*	0.696	05/15/2030	843	840	838
Federal Home Loan Mort Corp		1.042	*F*	1.030	08/15/2030	143	143	146
Federal Home Loan Mort Corp		0.692	*F*	0.748	09/15/2030	158	158	159
Federal Home Loan Mort Corp		0.942	*F*	0.993	09/15/2030	66	66	67
Federal Home Loan Mort Corp		0.742	*F*	0.794	04/15/2031	393	392	392
Federal Home Loan Mort Corp		0.842	*F*	0.840	06/15/2031	161	161	161
Federal Home Loan Mort Corp		0.842	*F*	0.843	07/15/2031	100	100	101
Federal Home Loan Mort Corp		0.842	*F*	0.840	09/15/2031	575	575	580
Federal National Mortgage Assn		0.753	*F*	0.764	09/25/2031	498	497	501
Federal Home Loan Mort Corp		0.892	*F*	0.890	11/15/2031	497	497	498
Federal Home Loan Mort Corp		0.892	*F*	0.890	12/15/2031	227	227	227
Federal Home Loan Mort Corp		0.892	*F*	0.890	12/15/2031	162	162	163
Federal Home Loan Mort Corp		0.992	*F*	0.991	02/15/2032	231	231	234
Federal National Mortgage Assn		0.803	*F*	0.808	02/25/2032	1,006	1,006	1,014
Federal Home Loan Mort Corp		0.892	*F*	0.891	03/15/2032	189	189	190
Federal Home Loan Mort Corp		0.942	*F*	0.941	03/15/2032	187	187	188
Federal Home Loan Mort Corp		0.942	*F*	0.941	03/15/2032	535	535	538
Federal Home Loan Mort Corp		0.942	*F*	0.941	04/15/2032	260	260	261
Federal Home Loan Mort Corp		0.942	*F*	0.941	07/15/2032	576	576	578
Federal National Mortgage Assn		0.796	*F*	0.800	08/17/2032	593	593	592
Federal Home Loan Mort Corp		0.842	*F*	0.840	10/15/2032	365	365	368
Federal Home Loan Mort Corp		0.892	*F*	0.891	11/15/2032	162	162	162
Federal Home Loan Mort Corp		0.842	*F*	0.840	01/15/2033	293	294	294
Federal Home Loan Mort Corp		0.842	*F*	0.840	01/15/2033	1,123	1,123	1,124
Federal Home Loan Mort Corp		0.842	*F*	0.840	02/15/2033	673	673	674
Federal National Mortgage Assn		0.853	*F*	0.849	03/25/2033	54	54	54
Federal Home Loan Mort Corp		0.892	*F*	0.903	06/15/2034	376	376	377
Federal Home Loan Mort Corp		0.742	*F*	0.816	09/15/2035	286	285	287
Federal National Mortgage Assn		0.703	*F*	1.027	03/25/2036	697	697	695
Government National Mort Assn		0.836	*F*	0.894	12/20/2060	3,356	3,325	3,327
Government National Mort Assn		0.936	*F*	0.943	12/20/2060	2,736	2,740	2,721
Government National Mort Assn		1.036	*F*	1.021	02/20/2061	4,309	4,334	4,303
Government National Mort Assn		0.936	*F*	0.943	06/20/2062	4,062	4,068	4,039
Government National Mort Assn		0.956	*F*	0.958	08/20/2062	1,852	1,857	1,844
Government National Mort Assn		0.776	*F*	0.814	12/20/2062	2,384	2,372	2,356
Government National Mort Assn		0.836	*F*	0.861	03/20/2063	3,588	3,580	3,558
Government National Mort Assn		0.886	*F*	0.901	04/20/2063	3,265	3,264	3,240
Government National Mort Assn		1.136	*F*	1.111	08/20/2063	4,539	4,577	4,547
Government National Mort Assn		0.836	*F*	0.866	04/20/2065	4,500	4,483	4,458
Total U.S. Agency Issues	6.0%						47,475	47,310

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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)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Corporate Issues								
Corporate Bonds								
Bank of Montreal		1.148	*F*	1.148	07/15/2016	5,000	5,000	5,001
Royal Bank of Canada		1.117	*F*	1.117	09/09/2016	5,000	5,000	5,004
American Honda Finance		1.127	*F*	1.127	10/07/2016	1,580	1,580	1,582
John Deere Capital Corp		0.919	*F*	0.919	10/11/2016	2,500	2,500	2,502
Kroger Company		1.163	*F*	1.130	10/17/2016	2,000	2,000	2,001
Morgan Stanley		1.083	*F*	2.270	10/18/2016	1,500	1,495	1,501
BP Capital Markets PLC		1.052	*F*	1.052	11/07/2016	5,000	5,000	5,004
Citigroup Inc		1.300		1.334	11/15/2016	2,780	2,780	2,781
Huntington National Bank		1.300		1.052	11/20/2016	2,987	2,990	2,990
Bear Stearns Co Inc		1.044	*F*	2.024	11/21/2016	4,000	3,985	4,001
Cox Communications Inc		5.880		1.211	12/01/2016	2,000	2,039	2,034
National City Bank		1.003	*F*	2.380	12/15/2016	1,000	994	1,000
SABMiller Holdings Inc		2.450		1.168	01/15/2017	2,000	2,014	2,013
Manufacturers & Traders Trust		1.013	*F*	1.012	01/30/2017	4,000	4,000	4,002
Hyundai Capital America		1.450		1.477	02/06/2017	2,000	2,000	2,002
Pepsico Inc		0.950		0.993	02/22/2017	4,100	4,099	4,105
Actavis Funding SCS		1.850		1.874	03/01/2017	2,000	2,000	2,007
Daimler Finance NA		1.008	*F*	0.000	03/10/2017	-	-	-
Sempra Energy		2.300		1.296	04/01/2017	1,758	1,771	1,773
Duke Energy Corp		1.009	*F*	1.009	04/03/2017	1,000	1,000	999
MetLife Global Funding		1.009	*F*	1.009	04/10/2017	4,000	4,000	4,007
National Rural Utilities		0.950		0.982	04/24/2017	3,330	3,329	3,330
Volkswagon Group America		1.024	*F*	1.024	05/23/2017	2,000	2,000	1,990
Fifth Third Bancorp		1.350		1.365	06/01/2017	5,000	4,999	5,005
Nextera Energy Capital		1.590		1.406	06/01/2017	1,500	1,502	1,504
Fidelity National		1.450		1.481	06/05/2017	1,015	1,015	1,014
Kraft Foods Group Inc		2.250		1.547	06/05/2017	2,000	2,013	2,018
Exelon Corp		1.550		1.585	06/09/2017	1,000	1,000	1,002
Verizon Communications		1.057	*F*	1.057	06/09/2017	585	585	585
Ford Motor Credit Company		3.000		1.680	06/12/2017	1,000	1,012	1,015
Australia & NZ Banking Group		0.916	*F*	0.916	06/13/2017	4,000	4,000	4,003
Hess Corp		1.300		1.341	06/15/2017	1,200	1,200	1,192
American Honda Finance		0.837	*F*	0.798	07/14/2017	1,300	1,300	1,300
Manufacturers & Traders Trust		0.938	*F*	0.938	07/25/2017	4,750	4,750	4,742
Daimler Finance NA		1.380		1.493	08/01/2017	4,000	3,995	4,008
Weyerhaeuser Company		6.950		1.575	08/01/2017	2,000	2,115	2,108
PRICOA Global Funding		1.350		1.374	08/18/2017	2,000	1,999	2,007
Reynolds American Inc		2.300		1.480	08/21/2017	2,000	2,018	2,024
Nextera Energy Capital		2.060		1.886	09/01/2017	2,000	2,004	2,014
Capital One Bank USA		1.500		1.537	09/05/2017	2,350	2,349	2,349
American Express Credit		0.947	*F*	0.948	09/22/2017	1,035	1,035	1,033
HP Enterprise CO		2.450		2.479	10/05/2017	4,000	3,999	4,052
Bayer US Finance LLC		0.910	*F*	0.910	10/06/2017	4,650	4,650	4,628
ERAC USA Finance LLC		6.380		1.763	10/15/2017	1,813	1,919	1,922
Hutch Whampoa International		1.630		1.704	10/31/2017	2,000	1,998	2,009
Mississippi State		1.157	*F*	1.158	11/01/2017	2,000	2,000	2,001
Duke Energy Progress Inc		0.836	*F*	0.836	11/20/2017	1,500	1,500	1,495
Alibaba Group Holding		1.630		1.663	11/28/2017	4,000	3,998	4,008
AT&T Inc		1.400		1.793	12/01/2017	3,000	2,984	3,005
Ford Motor Credit Company		1.250	*F*	1.238	12/06/2017	4,000	4,000	3,979
Carnival Corp		1.880		1.806	12/15/2017	2,000	2,002	2,019
Becton Dickinson & Company		1.800		1.800	12/15/2017	1,200	1,200	1,210
Schlumberger Holdings Corp		1.900		1.917	12/21/2017	1,500	1,500	1,510

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WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Morgan Stanley		1.880		1.911	01/05/2018	2,000	1,999	2,011
Canadian Natural Resources Ltd		1.750		1.776	01/15/2018	735	735	729
American Tower Corporation		4.500		2.202	01/15/2018	2,000	2,069	2,087
Wells Fargo Bank NA		1.650		1.665	01/22/2018	5,000	4,999	5,043
JP Morgan Chase		1.538	*F*	1.538	01/25/2018	1,000	1,000	1,005
US Bank NA		1.350		1.402	01/26/2018	2,000	1,998	2,007
Capital One Bank USA		1.313	*F*	1.313	02/05/2018	2,000	2,000	1,998
International Business Machs		1.130		1.229	02/06/2018	2,000	1,997	2,009
MUFG Americas Holding Corp		1.630		1.648	02/09/2018	2,000	1,999	2,002
Discover Bank		2.000		2.101	02/21/2018	2,000	1,997	2,006
PNC Bank NA		1.500		1.509	02/23/2018	5,000	4,999	5,035
Huntington National Bank		1.700		1.748	02/26/2018	2,000	1,998	2,010
American Honda Finance		1.500		1.546	03/13/2018	2,000	1,998	2,020
Goldcorp Inc		2.130		1.979	03/15/2018	2,000	2,005	2,003
Hyundai Capital America		2.000		2.086	03/19/2018	2,000	1,997	2,013
Zimmer Holdings Inc		2.000		2.021	04/01/2018	2,250	2,249	2,269
RCI Banque SA		3.500		2.687	04/03/2018	2,000	2,028	2,065
Bank of Montreal		1.229	*F*	1.229	04/09/2018	5,000	5,000	5,009
Wal-Mart Stores		1.130		1.144	04/11/2018	5,000	4,998	5,025
Telefonica Emisiones		3.190		2.377	04/27/2018	2,000	2,029	2,054
Citigroup Inc		1.324	*F*	1.324	04/27/2018	4,000	4,000	3,997
Enterprise Products		1.650		1.691	05/07/2018	2,000	1,999	2,002
BP Capital Markets PLC		1.140	*F*	1.027	05/10/2018	5,000	5,010	4,978
Grupo Televisa SA		6.000		2.810	05/15/2018	2,629	2,781	2,835
HSBC Bank		1.266	*F*	1.174	05/15/2018	5,000	5,009	4,979
Wisconsin Energy Corporation		1.650		1.669	06/15/2018	2,000	1,999	2,018
Heinz HJ Company		2.000		2.069	07/02/2018	1,000	999	1,013
CVS Corp		1.900		1.924	07/20/2018	1,500	1,499	1,523
Westpac Banking Corp		1.378	*F*	1.377	07/30/2018	2,000	2,000	2,003
Shell International Finance		1.900		1.278	08/10/2018	4,000	4,052	4,069
McGraw-Hill Companies Inc		2.500		2.284	08/15/2018	2,000	2,009	2,048
Celgene Corporation		2.130		2.127	08/15/2018	2,860	2,860	2,903
Viacom Inc		2.500		2.090	09/01/2018	2,000	2,017	2,028
HSBC Bank		1.520	*F*	1.520	09/24/2018	5,000	5,000	4,989
Principal Life Global Fund		2.250		2.297	10/15/2018	2,750	2,747	2,804
Fidelity National		2.850		2.865	10/15/2018	2,000	1,999	2,053
AbbVie Inc		2.000		1.798	11/06/2018	2,000	2,009	2,020
Goldman Sachs		1.726	*F*	1.678	11/15/2018	8,500	8,510	8,521
Lockheed Martin Corp		1.850		1.909	11/23/2018	2,000	1,997	2,027
Coca-Cola Femsa SAB		2.380		2.403	11/26/2018	3,000	2,998	3,058
Marathon Petroleum Corp		2.700		2.728	12/14/2018	1,170	1,169	1,196
New York Life Global FDG		2.100		2.124	01/02/2019	4,000	3,998	4,088
Bank of America Corp		1.668	*F*	1.668	01/15/2019	4,000	4,000	4,016
Oracle Corporation		1.208	*F*	1.208	01/15/2019	4,450	4,450	4,471
Petroleos Mexicanos		3.130		3.125	01/23/2019	300	300	299
Morgan Stanley		1.488	*F*	1.488	01/24/2019	4,000	4,000	3,993
BB&T Corporation		1.297	*F*	1.297	02/01/2019	4,000	4,000	4,009
Mondelez International		1.157	*F*	1.157	02/01/2019	2,000	2,000	1,997
Cisco Systems Inc		1.600		1.601	02/28/2019	1,700	1,700	1,726
Fifth Third Bancorp		2.300		2.330	03/01/2019	625	625	637
Cisco Systems Inc		1.173	*F*	1.173	03/01/2019	2,350	2,350	2,358
Nissan Motor Acceptance		2.350		2.360	03/04/2019	2,000	1,999	2,044
Stryker Corporation		2.000		2.040	03/08/2019	1,910	1,908	1,942
Citizens Bank NA/RI		2.500		2.504	03/14/2019	1,320	1,320	1,339

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Newell Rubbermaid Inc		2.600		2.608	03/29/2019	1,925	1,925	1,975
Huntington National Bank		2.200		2.233	04/01/2019	1,480	1,479	1,494
Bank of America Corp		1.495	*F*	1.495	04/01/2019	3,950	3,950	3,941
MassMutual Global Funding		2.350		2.373	04/09/2019	4,000	3,998	4,105
NBC Universal Enterprise		1.970		1.674	04/15/2019	2,000	2,016	2,045
Capital One Financial Corp		2.450		2.466	04/24/2019	3,000	2,999	3,046
Ford Motor Credit Company		2.020		2.021	05/03/2019	1,000	1,000	1,009
Union Bank NA		2.250		2.298	05/06/2019	615	614	625
Apple Computer Inc		0.934	*F*	0.934	05/06/2019	5,000	5,000	4,993
Comerica Inc		2.130		2.125	05/23/2019	850	850	861
Ryder System Inc		2.550		2.575	06/01/2019	2,100	2,098	2,140
Diamond 1 Fin/Diamond 2		3.480		3.483	06/01/2019	1,950	1,950	1,998
Aetna Inc		1.900		1.926	06/07/2019	2,340	2,338	2,370
Penske Truck Leasing		2.500		2.503	06/15/2019	2,000	1,999	2,022
Emera US Finance LP		2.150		2.159	06/15/2019	830	830	840
Norfolk Southern Corp		5.900		2.147	06/15/2019	2,000	2,214	2,248
Verizon Communications		1.426	*F*	1.426	06/17/2019	2,000	2,000	2,010
Daimler Finance NA		1.500		1.551	07/05/2019	3,640	3,634	3,635
Molson Coors Brewing Co		1.450		1.213	07/15/2019	770	770	772
American International Grp Inc		2.300		2.343	07/16/2019	4,000	3,995	4,070
Citigroup Inc		2.500		2.513	07/29/2019	5,000	4,998	5,093
CBS Corp		2.300		2.365	08/15/2019	3,000	2,994	3,046
Tyson Foods Inc		2.650		2.664	08/15/2019	1,000	1,000	1,027
Bank of New York Mellon		1.136	*F*	1.136	09/11/2019	2,100	2,100	2,094
Brit Sky Broadcasting		2.630		2.657	09/16/2019	885	884	900
ERAC USA Finance LLC		2.350		2.380	10/15/2019	2,000	1,998	2,038
US Bank NA		1.114	*F*	1.114	10/28/2019	4,000	4,000	3,994
Associated Banc-Corp		2.750		2.779	11/15/2019	1,405	1,404	1,422
General Motors Financial Co		2.188	*F*	2.188	01/15/2020	500	500	495
National Rural Utilities		2.000		2.044	01/27/2020	1,975	1,972	2,016
Union Pacific Corp		1.800		1.845	02/01/2020	1,700	1,697	1,727
Caterpillar Financial Services		2.000		1.716	03/05/2020	4,000	4,040	4,103
AFLAC Inc		2.400		2.406	03/16/2020	2,000	2,000	2,061
Marathon Oil Corp		2.700		2.747	06/01/2020	1,200	1,198	1,130
AT&T Inc		1.561	*F*	1.567	06/30/2020	2,100	2,100	2,092
General Motors Financial Co		3.200		3.206	07/13/2020	2,000	1,999	2,026
CCO Safari II LLC		3.580		3.583	07/23/2020	2,230	2,230	2,339
JP Morgan Chase		1.843	*F*	1.843	10/29/2020	3,000	3,000	3,031
Stifel Financial Corp		3.500		3.585	12/01/2020	1,950	1,943	1,977
BAE Systems Holdings Inc		2.850		2.926	12/15/2020	1,790	1,784	1,829
Anheuser Busch Inbev Fin		2.650		2.717	02/01/2021	5,000	4,986	5,185
Regions Financial Corp		3.200		3.223	02/08/2021	1,950	1,948	2,007
Crown Castle INTL Corp		3.400		3.405	02/15/2021	2,000	1,999	2,088
Exelon Corp		2.450		2.455	04/15/2021	1,000	1,000	1,014
Citizens Bank NA/RI		2.550		2.534	05/13/2021	1,800	1,801	1,817
Chevron Corp		1.576	*F*	1.576	05/16/2021	4,000	4,000	4,022
CVS Corp		2.130		2.184	06/01/2021	1,000	997	1,012
Total U. S. Corporate Bonds	48.9%						383,855	386,557

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Corporate Asset Backed Issues								
Great American Leasing		1.120		1.126	06/20/2017	1,336	1,336	1,336
BMW Vehicle Lease Trust		0.990		0.993	08/21/2017	1,300	1,300	1,300
Hyundai Auto Lease Trust		1.010		1.017	09/15/2017	2,000	2,000	2,000
MMAF Equipment Finance		0.960		0.968	09/18/2017	1,189	1,189	1,189
Kubota Credit Owner Trust		0.940		0.941	12/15/2017	1,386	1,386	1,386
Ally Auto Receivables Trust		0.920		0.922	02/15/2018	1,545	1,545	1,546
Chrysler Capital Auto Rec		0.910		0.916	04/16/2018	9	9	9
Drive Auto Receivables Trust		1.300		1.310	06/15/2018	911	911	911
Ohio Phase-In-Recovery Funding		0.960		0.957	07/01/2018	749	749	749
Volkswagen Auto Lease Trust		0.990		1.004	07/20/2018	1,250	1,250	1,250
Ford Credit Auto Lease Trust		1.310		1.319	08/15/2018	2,075	2,075	2,081
M&T Bank Auto Trust		1.570		1.578	08/15/2018	3,000	3,000	3,008
Smart Trust		0.967	*F*	0.968	09/14/2018	3,000	3,000	2,992
Hyundai Auto Lease Trust		1.260		1.270	09/17/2018	3,000	3,000	3,005
California Republic Auto Rec		1.600		1.612	09/17/2018	705	705	706
GM Financial Leasing Trust		1.530		1.542	09/20/2018	2,575	2,575	2,589
Honda Auto Receivables		1.050		1.056	10/15/2018	4,200	4,200	4,207
Drive Auto Receivables Trust		1.380		1.385	10/15/2018	1,515	1,515	1,515
World Omni Auto Lease		1.540		1.556	10/15/2018	3,000	3,000	3,018
Santander Drive Auto Rec Trust		1.550		1.317	10/15/2018	690	692	690
Volkswagen Auto Loan Enh Trst		0.910		1.369	10/22/2018	2,789	2,773	2,784
ARI Fleet Lease Trust		1.110		1.119	11/15/2018	740	740	740
Drive Auto Receivables Trust		1.590		1.601	12/17/2018	1,000	1,000	1,001
Americredit Automobile Rec		0.957	*F*	0.959	01/08/2019	2,189	2,189	2,189
Ford Credit Floorplan		1.920		1.372	01/15/2019	3,637	3,663	3,652
Ally Master Owner Trust		0.912	*F*	0.914	01/15/2019	2,500	2,500	2,500
Americredit Automobile Rec		0.900		0.907	02/08/2019	867	867	867
Americredit Automobile Rec		0.940		0.943	02/08/2019	1,586	1,586	1,586
Smart Trust		0.997	*F*	0.999	02/14/2019	2,600	2,600	2,593
Santander Drive Auto Rec Trust		1.270		1.280	02/15/2019	2,500	2,500	2,501
BMW Vehicle Lease Trust		1.550		1.559	02/20/2019	1,740	1,740	1,745
Penarth Master Trust		0.848	*F*	0.850	03/18/2019	4,100	4,100	4,088
Enterprise Fleet Financing LLC		1.060		1.067	03/20/2019	93	93	93
Capital Auto Receivables Asset		1.620		1.627	03/20/2019	1,150	1,150	1,153
Gracechurch Card PLC		1.292	*F*	0.702	05/15/2019	5,000	5,044	5,003
Nextgear Floorplan		1.800		1.812	07/15/2019	4,000	4,000	3,982
Hyundai Auto Lease Trust		1.650		1.661	08/15/2019	5,000	4,999	5,027
CNH Wholesale Master Trust		1.042	*F*	1.044	08/15/2019	4,000	4,000	4,000
Enterprise Fleet Financing LLC		0.870		0.873	09/20/2019	459	459	458
Master Credit Card Trust		1.198	*F*	1.100	09/23/2019	4,000	4,000	4,001
Santander Drive Auto Rec Trust		1.890		1.583	10/15/2019	495	497	495
Navistar Financial Dealer Note		1.203	*F*	1.206	10/25/2019	3,700	3,700	3,688
Americredit Automobile Rec		1.260		1.265	11/08/2019	1,200	1,200	1,200
CNH Equipment Trust		1.050		1.054	11/15/2019	1,444	1,444	1,444
Hyundai Auto Lease Sec		1.800		1.811	12/16/2019	2,000	2,000	2,014
Americredit Automobile Rec		1.270		1.281	01/08/2020	4,000	3,999	4,004
Golden Credit Card Trust		0.882	*F*	0.858	02/15/2020	4,000	4,002	3,991
Chase Issuance Trust		0.762	*F*	0.763	02/18/2020	4,000	4,000	4,001
PFS Financing Corp		1.642	*F*	1.646	02/18/2020	2,900	2,900	2,902
Nissan Auto Lease Trust		1.290		1.296	03/16/2020	2,000	2,000	2,004
Enterprise Fleet Financing LLC		1.050		1.058	03/20/2020	2,300	2,299	2,296
GM Financial Auto Leasing		1.760		1.780	03/20/2020	1,850	1,850	1,855

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Evergreen Credit Card Trust		1.162	*F*	1.165	04/15/2020	3,750	3,750	3,751
PFS Financing Corp		1.062	*F*	1.064	04/15/2020	2,500	2,500	2,476
GMF Floorplan		0.942	*F*	0.944	05/15/2020	3,000	3,000	2,980
Americredit Automobile Rec		1.700		1.714	07/08/2020	1,170	1,170	1,178
California Republic Auto Rec		1.560		1.571	07/15/2020	2,000	2,000	2,003
Cards II Trust		0.962	*F*	0.964	07/15/2020	5,000	5,000	5,000
GE Equipment Small Ticket		1.390		1.396	07/24/2020	689	689	689
Great American Leasing		1.470		1.481	08/15/2020	4,000	3,999	3,995
Barclays Dryrock Trust		1.480		1.501	09/15/2020	3,500	3,500	3,518
Volvo Financial Equipment		1.890		1.900	09/15/2020	1,500	1,500	1,515
First National Master Trust		1.212	*F*	1.215	09/15/2020	3,500	3,500	3,508
Porsche Innovative Lease		1.260		1.265	09/21/2020	1,700	1,700	1,701
Dell Equipment Finance Trust		1.720		1.728	09/22/2020	2,000	2,000	2,002
AmeriCredit Automobile Rec		1.810		1.822	10/08/2020	1,340	1,340	1,351
Volvo Financial Equipment LLC		1.300		1.304	11/16/2020	2,000	2,000	2,002
Hyundai Floorplan Master Owner		1.810		1.835	03/15/2021	2,450	2,449	2,452
Golden Credit Card Trust		0.892	*F*	0.894	03/15/2021	2,950	2,950	2,933
Nissan Auto Lease Trust		1.700		1.712	04/15/2021	3,500	3,499	3,524
Nextgear Floorplan		2.142	*F*	2.152	04/15/2021	2,000	2,000	1,998
Mercedes Benz Auto Lease Trust		1.530		1.538	05/17/2021	1,830	1,830	1,841
GMF Floorplan		1.960		1.875	05/17/2021	3,000	2,999	3,012
Trillium Credit Card Trust II		1.185	*F*	1.176	05/26/2021	3,800	3,800	3,800
ARI Fleet Lease Trust		0.920		0.925	07/15/2021	954	954	954
Discover Card Master Trust		1.640		1.655	07/15/2021	2,500	2,499	2,533
Macquarie Equipment Funding		1.230		1.234	07/20/2021	3,463	3,462	3,465
Motor PLC		0.933	*F*	0.946	08/25/2021	304	304	304
Enterprise Fleet Financing LLC		1.830		1.841	09/20/2021	3,500	3,500	3,499
Mercedes-Benz Auto Lease Trust		1.690		1.697	11/15/2021	2,000	2,000	2,006
American Express Master Trust		0.812	*F*	0.813	12/15/2021	5,000	5,000	5,000
Chrysler Capital Auto Rec		1.960		1.970	01/18/2022	3,000	3,000	3,022
GE Dealer Floorplan		1.098	*F*	1.101	01/20/2022	5,000	5,000	4,955
SLM Student Loan Trust		1.292	*F*	1.296	02/15/2022	553	553	553
Navient Student Loan Trust		0.922	*F*	0.918	05/16/2022	80	80	80
Capital One Multi Asset Trust		0.802	*F*	0.803	06/15/2022	2,600	2,600	2,586
Motor PLC		1.053	*F*	1.056	06/25/2022	3,552	3,552	3,550
SLM Student Loan Trust		1.042	*F*	1.044	07/15/2022	189	189	188
ARI Fleet Lease Trust		0.810		0.846	11/15/2022	205	204	204
SMB Private Education Loan		1.142	*F*	1.184	02/15/2023	3,166	3,162	3,164
SLMA Student Loan Trust		1.192	*F*	1.195	10/16/2023	230	230	229
Chesapeake Funding LLC		1.715	*F*	1.537	04/07/2024	269	271	269
ARI Fleet Lease Trust		2.110		2.124	07/15/2024	3,000	2,999	3,013
Chesapeake Funding LLC		0.885	*F*	0.886	03/07/2026	3,048	3,048	3,043
Chesapeake Funding LLC		0.965	*F*	0.967	02/07/2027	2,687	2,687	2,680
Hertz Fleet Lease Funding LP		0.845	*F*	0.847	04/10/2028	1,806	1,805	1,801
Chesapeake Funding II LLC		1.880		1.888	06/15/2028	2,250	2,250	2,256
SLMA Student Loan Trust		1.542	*F*	1.547	06/17/2030	4,000	4,000	3,994
Social Professional Loan Progr		1.680		1.687	03/25/2031	1,775	1,775	1,778
Equity One ABS Inc		4.150		4.253	04/25/2034	208	206	209
Sequoia Mortgage Trust		2.500		2.540	05/25/2043	3,688	3,670	3,620
Wells Fargo RBS		1.396	*F*	1.396	03/15/2044	3,836	3,836	3,837
Commercial Mortgage Trust		1.340		1.345	07/10/2045	108	108	108
JPMBB Commercial Mortgage		1.096	*F*	1.095	11/15/2045	3,058	3,058	3,065

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2016
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

SECURITY NAME	% of POOL	COUPON		YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Commercial Mortgage Trust		1.020		1.025	06/10/2046	2,331	2,331	2,330
GS Mortgage Securities Trust		1.510		1.511	09/10/2047	1,249	1,249	1,256
Commercial Mortgage Trust		1.380		1.385	10/10/2047	1,793	1,793	1,799
Lanark Master Issuer PLC		1.154	*F*	1.156	12/22/2054	6,530	6,530	6,525
Gosforth Funding PLC		1.326	*F*	1.328	02/15/2058	2,707	2,707	2,699
Silverstone Master		1.185	*F*	1.187	01/21/2070	4,200	4,200	4,162
Total Corporate Asset Backed Issues	32.5%						257,318	257,309
Total Corporate Issues	81.4%						641,173	643,866
Short Term Issues								
Dreyfus Cash Management		0.242 **				10,077	10,077	10,077
Total Short Term Issues	1.3%						10,077	10,077
Total Short Term Bond Pool	100.00%						$ 787,795	$ 790,750

WEST VIRGINIA BANK POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Grant County Bank		0.470 %	0.470 %	07/14/2016	2,000	$ 2,000	$ 2,000
Jefferson Security Bank		0.470	0.470	07/14/2016	5,000	5,000	5,000
Bank of Romney		0.470	0.470	07/14/2016	4,000	4,000	4,000
WesBanco Bank		0.470	0.470	07/14/2016	9,000	9,000	9,000
Citizens Bank of WV-Elkins		0.470	0.471	07/14/2016	5,000	5,000	5,000
Jefferson Security Bank		0.410	0.410	08/11/2016	5,000	5,000	5,000
Bank of Romney		0.410	0.410	08/11/2016	3,000	3,000	3,000
WesBanco Bank		0.450	0.450	08/11/2016	10,000	10,000	10,000
Bank of Romney		0.520	0.520	09/15/2016	2,000	2,000	2,000
WesBanco Bank		0.520	0.520	09/15/2016	10,000	10,000	10,000
Freedom Bank		0.540	0.540	09/15/2016	2,000	2,000	2,000
Freedom Bank		0.550	0.550	09/15/2016	1,000	1,000	1,000
Grant County Bank		0.480	0.480	10/13/2016	3,000	3,000	3,000
Jefferson Security Bank		0.480	0.480	10/13/2016	5,000	5,000	5,000
Pioneer Community Bank		0.480	0.480	10/13/2016	2,000	2,000	2,000
Bank of Romney		0.480	0.480	10/13/2016	3,000	3,000	3,000
WesBanco Bank		0.480	0.480	10/13/2016	10,000	10,000	10,000
Citizens Bank of WV-Elkins		0.510	0.510	11/10/2016	2,000	2,000	2,000
Bank of Romney		0.510	0.510	11/10/2016	3,000	3,000	3,000
WesBanco Bank		0.510	0.510	11/10/2016	5,000	5,000	5,000
Jefferson Security Bank		0.520	0.515	11/10/2016	5,000	5,000	5,000
United Bank Inc - Parkersburg		0.540	0.540	11/10/2016	10,000	10,000	10,000
Citizens Bank of WV-Elkins		0.530	0.530	12/15/2016	5,000	5,000	5,000
Bank of Romney		0.530	0.530	12/15/2016	3,000	3,000	3,000
Summit Community Bank		0.530	0.530	12/15/2016	5,000	5,000	5,000
WesBanco Bank		0.540	0.540	12/15/2016	10,000	10,000	10,000
Dreyfus Treasury & Agency Cash Management		0.220 **			145	145	145
Total Short Term Issues	100.0%					129,145	129,145
Total West Virginia Bank Pool	100.0%					$ 129,145	$ 129,145

F – Floating rate note security.
* *Fair value is determined by a third party pricing service and reported in accordance with GASB 72. Fair value is not determined for loans. Their reported fair value 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, 2016
(In thousands)

STATE LOAN POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Loans and Mortgages							
Intergovernmental Loans							
WVEDA Revolving Loan		0.200 %			122,743	$ 122,743	$ 122,743
WVEDA Non-Recourse Loan		3.000		06/30/2022	24,500	24,500	24,500
Total Intergovernmental Loans						147,243	147,243
Reserve for uncollectable loans					22,824	22,824	22,824
Loans and Mortgages, net of reserve for uncollectable loans	100.0%					124,419	124,419
Short Term Issues							
Dreyfus Treasury & Agency Cash Management		0.220 **			8	8	8
Total Short Term Issues	0.0%					8	8
Total State Loan Pool	100.0%					$ 124,427	$ 124,427

RESERVE POOL

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Reserve Pool Depository Account		0.300 %	0.300 %		18,762	$ 18,762	$ 18,762
Total Short Term Issues	100.0%					18,762	18,762
Total Reserve Pool	100.0%					$ 18,762	$ 18,762

F – Floating rate note security.
** Fair value is determined by a third party pricing service and reported in accordance with GASB 72. Fair value is not determined for loans. Their reported fair value 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, 2016
(In thousands)

MUNICIPAL BOND COMMISSION

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Government Issues							
United States Treasury		0.380 %	0.393 %	10/31/2016	248	$ 248	$ 248
United States Treasury		0.880	0.508	11/30/2016	5,939	5,948	5,951
United States Treasury		0.500	0.624	04/30/2017	934	933	934
United States Treasury		8.750	0.001	05/15/2017	1,055	1,136	1,130
United States Treasury		1.880	0.726	10/31/2017	236	240	240
United States Treasury		0.630	0.752	04/30/2018	11,693	11,666	11,701
United States Treasury		9.130	0.001	05/15/2018	1,138	1,332	1,320
State & Local Government		0.260	0.260	09/01/2016	86	86	86
State & Local Government		0.520	0.520	03/01/2017	3,639	3,639	3,639
Total U. S. Treasury Issues	100.0%					25,228	25,249
Total Municipal Bond Commission Pool	100.0%					$ 25,228	$ 25,249

SCHOOL FUND

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
Short Term Issues							
Dreyfus Treasury & Agency Cash Management		0.220 **			1,584	$ 1,584	$ 1,584
Total Short Term Issues	100.0%					1,584	1,584
Total School Fund	100.0%					$ 1,584	$ 1,584

EDA - AW

SECURITY NAME	% of POOL	COUPON	YIELD	MATURITY	UNITS	AMORTIZED COST	FAIR VALUE*
U. S. Treasury Issues							
United States Treasury Bond		6.250 %	4.929 %	08/15/2023	1,445	$ 1,558	$ 1,937
Total U. S. Treasury Issues	100.0%					1,558	1,937
Total EDA-AW	100.0%					$ 1,558	$ 1,937

F – Floating rate note security.
** Fair value is determined by a third party pricing service and reported in accordance with GASB 72. Fair value is not determined for loans. Their reported fair value equals amortized cost.*
*** Rate represents last business day of the month.*

See accompanying notes to financial statements.

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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, 2016

(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	$ 1,556,503	$ 190,160	$ 788,193	$ 129,294	$ 124,438	$ 18,767
Accumulated undistributed net investment income (loss)	-	-	-	-	-	-
Accumulated undistributed net realized gain (loss)	-	-	-	-	-	-
Unrealized net appreciation (depreciation) of investments	-	-	2,956	-	-	-
Net position at value	$ 1,556,503	$ 190,160	$ 791,149	$ 129,294	$ 124,438	$ 18,767
Investment unit data:						
Units outstanding	1,556,503,425	190,159,653	7,754,347	129,294,382	124,437,585	18,766,557
Net position, unit price	$ 1.00	$ 1.00	$ 102.03	$ 1.00	$ 1.00	$ 1.00

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PORTFOLIO STATISTICS (UNAUDITED)

JUNE 30, 2016

	West Virginia Money Market	West Virginia Government Money Market	West Virginia Short Term Bond Pool
Weighted Average Days to Maturity	49 days	50 days	N/A
Maximum Weighted Average Investment Maturity Term Per Board Guidelines	60 days	60 days	N/A
Effective Duration	N/A	N/A	462 days
Maximum Effective Duration Per Board Guidelines	N/A	N/A	731 days
Money Market Yield - Monthly	0.50%	0.27%	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 366-day year, assuming no reinvestment of earnings.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PARTICIPANT NET ASSET VALUES (UNAUDITED)

JUNE 30, 2016

(IN THOUSANDS)

WV Money Market Pool

State Agencies:	
WV State Treasurer's Office:	
State Participation	$ 75,096
Banking Services	500,203
Safekeeping	18,316
Safe Road Bonds	5
Veterans Lottery	1,242
Total WV State Treasurer's Office	594,862
Higher Education Policy Commission	245,192
Department of Environmental Protection	43,264
Department of Health and Human Resources	9,303
WV Lottery Commission	122,612
Public Employees Insurance Agency	90,719
Department of Transportation	54,001
Regional Jail Authority	32,376
Water Development Authority	22,863
Division of Natural Resources	64,754
WV Municipal Pension Oversight Board	28,574
Board of Risk and Insurance Management	25,907
WV Economic Development Authority	45,006
Performance and wage bond accounts	23,035
Department of Education and the Arts	5,720
School Building Authority	5,286
Department of Administration	5,394
WVU	18,223
WV Housing	7,823
Other	17,167
Total State Agencies	1,462,081
Local Governments:	
Brooke County Board of Education	9,721
Mercer County Board of Education	19,973
Fayette County Board of Education	10,705
Boone County Commission	7,646
Marshall County Board of Education	13,269
Fayette County Commission	2,360
Barbour County Board of Education	1,483
Roane County Board of Education	2,084
Kanawha County Emergency Ambulance Authori	1,989
City of Parkersburg	3,761
Lewis County Board of Education	1,070
Wyoming County Board of Education	1,033
Braxton County Board of Education	3,399
Lincoln County Board of Education	1,773
City of Hinton	1,286
Kanawha EOC	2,117
Greenbrier County Board of Education	1,102
Other	9,651
Total net asset value	94,422
	$ 1,556,503

WV Government Money Market Pool

State Agencies:	
Municipal Bond Commission	$ 156,688
WV Economic Development Authority	9,320
WV State Treasurer's Office - Safekeeping	7,778
WV Housing	7,753
Other	2,707
Total State Agencies	184,246
Local Governments:	
Jefferson County Board of Education	2,875
Hancock County Commission	1,100
Other	1,939
Total Local Governments	5,914
Total net asset value	$ 190,160

WV Short Term Bond Pool

State Agencies:	
WV State Treasurer's Office:	
State Participation	$ 282,440
Banking Services	165,509
Prepaid Tuition Escrow	19,819
Total WV State Treasurer's Office	467,768
Department of Environmental Protection	251,866
WV Economic Development Authority	17,141
Higher Education Policy Commission	5,690
WV Court of Claims	1,531
WV Parkways Authority	3,208
Department of Transportation	2,103
Division of Culture and History	1,242
WV Lottery Commission	30,633
DHHR - Children's Health Ins	5,732
Other	801
Total State Agencies	787,715
Local Governments:	
City of Charleston	2,792
Other	642
Total Local Governments	3,434
Total net asset value	$ 791,149

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GIBBONS&KAWASH
Certified Public Accountants

300 Chase Tower
707 Virginia Street, East
Charleston, West Virginia 25301

Office: 304.345.8400
Fax: 304.345.8451

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 the 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, 2016, 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 29, 2016.

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.

Gibbons & Kawash, A.C.

Charleston, West Virginia
August 29, 2016