

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

CD Auction
September 12, 2007

OPERATING REPORT

JUNE 2007

Board of Treasury Investments

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Charleston WV 25305
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www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive Director

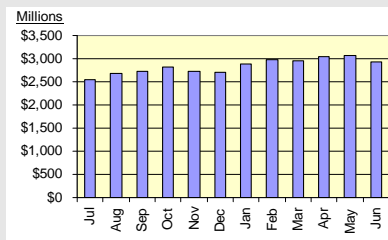
Glenda Probst,
CPA, CTP

Chief Financial Officer

Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$2,923,563,000



Last Month
\$3,073,472,000

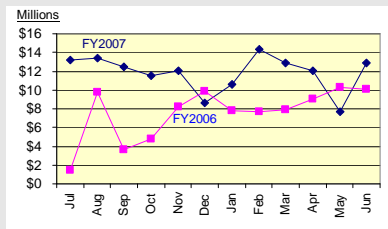
Beginning of Fiscal Year
\$2,481,176,000

17.8% Growth This Fiscal Year

Total Net Income & Gains

This Month \$12,867,000

Fiscal Year \$141,760,000

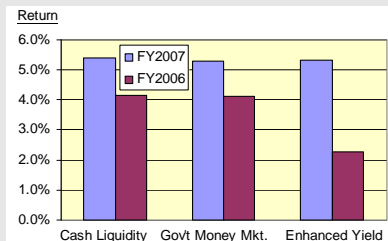


Outpacing Last Year

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	June 2007	Fiscal Year 2007	Fiscal Year 2006
Cash Liquidity	5.5%	5.4%	4.2%
Gov't Money Mkt	5.3%	5.3%	4.1%
	Fiscal Year 2007	Fiscal Year 2006	
Enhanced Yield	5.3%	2.3%	



Returns are annualized fiscal year to date for Cash Liquidity & Gov't Money Mkt; past 12 months for Enhanced Yield

Returns Exceed Prior Year's

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JUNE 2007

Housing Slump, Trade Deficit Hold Back Economic Growth

The U.S. unemployment rate remained at 4.5% in June as U.S. job growth accelerated. Job growth increased by 132,000 in June, more than predicted. During the first quarter, the U.S. economy grew at a finalized 0.7% annual growth rate, the slowest pace in four years, restrained by the housing slump and a larger trade deficit. The previous GDP estimate for the first quarter was 0.6%. Consumer spending remained the key driver, expanding at a 4.2% annual pace in the first quarter. Home construction fell at an annual rate of 15.8% after contracting by 19.8% in the fourth quarter of 2006. U.S. consumer prices rose 0.7% in May, the biggest increase since September 2005, led by a jump in gasoline costs. The core CPI, which excludes food and energy, rose 0.1% in May and 2.2% for the trailing twelve months. The Producer Price Index rose more than forecast in May, jumping 0.9% on higher fuel costs.

Excluding food and energy costs, prices climbed 0.2%. The PPI rose 4.1% from May 2006 while the core PPI only rose 1.6% from a year earlier. Housing starts fell 3.7% in May as sluggish demand has created a large inventory of unsold new homes. Sales of previously owned homes also fell in May to the lowest level in almost four years. The housing recession is the worst since 1991 and continues to be the biggest threat, but has yet to spill over much into other parts of the economy.

For the month of June, Treasury yields shifted higher across the curve with the exception of the 6-month and 2-year Treasuries, which fell between 1 and 5 bps to 4.94% and 4.86%, respectively. The yield curve remained slightly inverted at the short end of the curve. The 3-year Treasury yield rose only 2 bps in June to 4.88%, while the 5-year Treasury picked up 7 bps to 4.92%. The 10-year Treasury yield rose the most for the month, increasing 14 bps to 5.02% as the 30-year Treasury yield rose 11 bps to 5.12%. The yield spread between the 30-year Treasury and the 2-year Treasury widened to 27 bps.

Year-to-date in 2007, 90-Day T-bills have earned 2.54%, while 1-3 Year Government Bonds have returned 2.13%. For the last 12 months, T-bills outperformed with a 5.20% return as 1-3 Year Government Bonds earned 5.08%.

CD Auction Success Continues

The first CD auction held under the newly expanded schedule continued the ongoing success of the program. The July auction garnered \$64 million in bids for the \$25 million offered. The program places short term investment funds with the highest bidding West Virginia banks. The competitive bidding results in additional interest earnings for the state. The auction has deposited more than \$153 million since its inception last year and has earned more than \$4 million to date. Awards were issued to the following banks:

BB&T – Charleston	\$5,000,000
Chase Bank – Charleston	\$2,000,000
Citizens National Bank – Berkeley Springs	\$2,500,000
Fifth Third Bank – Huntington	\$1,000,000
Freedom Bank, Inc. – Belington	\$5,000,000
Harrison County Bank – Lost Creek	\$4,500,000
United Bank, Inc. – Parkersburg	\$5,000,000

The next CD auction will be September 12, 2007

Board Receives Financial Reporting Award

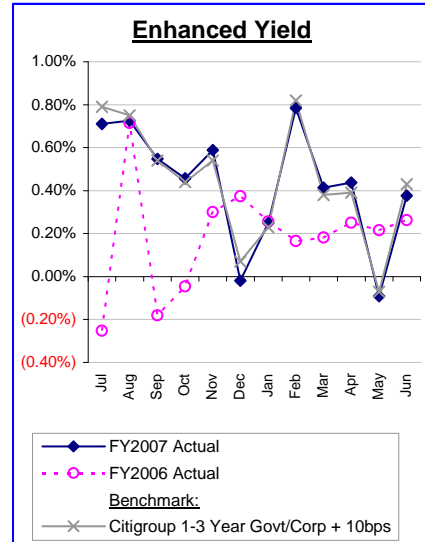
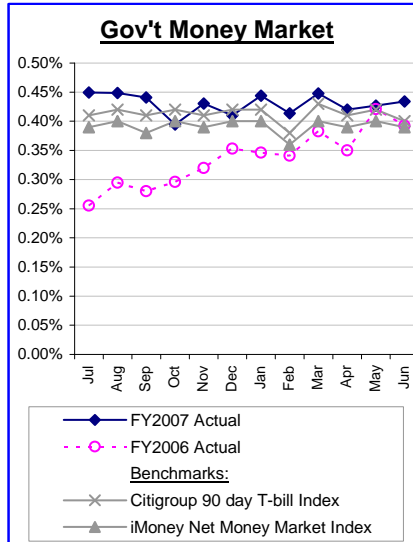
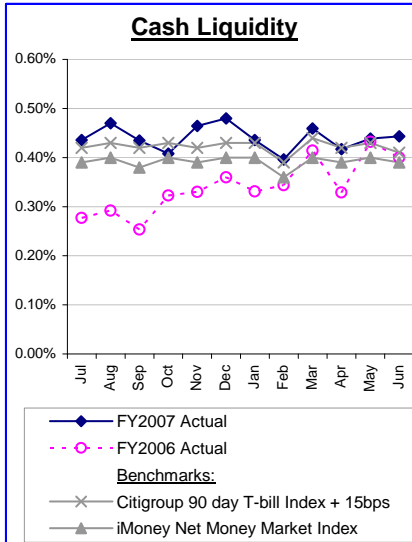
The Board of Treasury Investments has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, a professional association of more than 17,000 state/provincial and local finance officers in the United States and Canada. The award is nationally recognized and its attainment represents a significant accomplishment for a government and its management.

This is the first time that the state has submitted its application for the short term investment funds. Only eight other West Virginia government programs have achieved this honor.

West Virginia Board of Treasury Investments

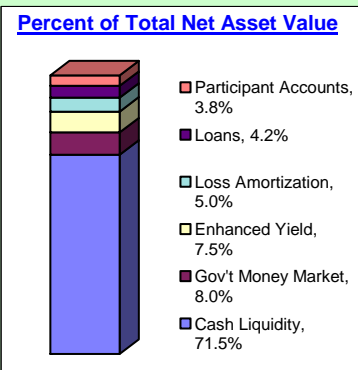
Financial Highlights as of June 30, 2007

Monthly Rates of Return for Operating Pools *(Net of Fees)*



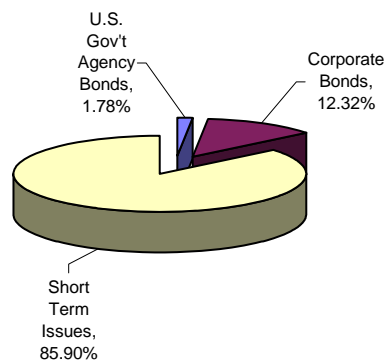
Summary of Value and Earnings *(In Thousands)*

Pool	Asset Value	June Net Income (Loss)	Fiscal YTD Net Income (Loss)
Cash Liquidity	\$ 2,071,394	\$ 9,936	\$ 103,892
Gov't Money Market	229,917	1,003	10,860
Enhanced Yield	229,727	857	13,231
Loss Amortization	154,277	207	8,334
Loans	130,578	475	1,842
Participant Accounts	107,670	389	3,601
	<u>\$ 2,923,563</u>	<u>\$ 12,867</u>	<u>\$ 141,760</u>

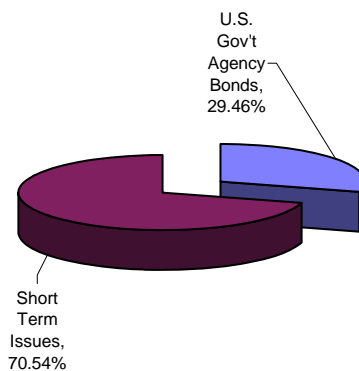


Securities by Type for Operating Pools *(Percentage of Asset Value)*

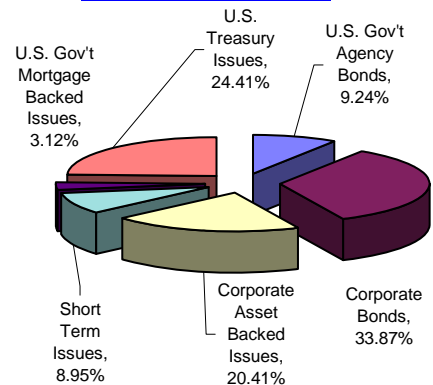
Cash Liquidity Pool



Gov't Money Market Pool



Enhanced Yield Pool



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS –
UNAUDITED

JUNE 30, 2007

(IN THOUSANDS)

	Cash Liquidity	Government Money Market	Enhanced Yield	Other Pools	Participant Directed Accounts
Assets					
Investments:					
At amortized cost	\$ 2,077,831	\$ 229,551		\$ 130,231	\$ 46,269
At fair value	-	-	\$ 228,920	154,277	60,667
Collateral for securities loaned	357,574	55,233	43,869	-	-
Other assets	3,842	397	1,823	352	735
Total assets	2,439,247	285,181	274,612	284,860	107,671
Liabilities					
Payable for securities loaned	357,574	55,233	43,869	-	-
Other liabilities	10,279	31	1,016	5	1
Total liabilities	367,853	55,264	44,885	5	1
Net Assets	\$ 2,071,394	\$ 229,917	\$ 229,727	\$ 284,855	\$ 107,670
Investment income					
Interest and dividends	\$ 3,988	\$ 503	\$ 907	\$ 480	\$ 421
Securities lending income	1,464	189	305	-	-
Net accretion (amortization)	5,971	503	78	555	(10)
Provision for uncollectible loans	-	-	-	-	-
Total investment income	11,423	1,195	1,290	1,035	411
Expenses					
Fees	213	23	24	5	1
Securities lending borrower rebates	1,278	169	288	-	-
Total expenses	1,491	192	312	5	1
Net investment income	9,932	1,003	978	1,030	410
Net realized gain (loss)					
from investments	4	-	(55)	-	-
Net increase (decrease)					
in fair value of investments	-	-	(66)	(348)	(21)
Net gain (loss) from investments	4	-	(121)	(348)	(21)
Net increase (decrease) in net assets from operations	9,936	1,003	857	682	389
Distributions to participants	9,936	1,003	978	475	-
Participant activity					
Purchases, reinvestment of units and contributions	712,661	24,146	924	475	19
Redemptions and withdrawals	839,388	40,973	-	-	8,248
Net increase (decrease) in net assets from participant activity	(126,727)	(16,827)	924	475	(8,229)
Increase (decrease) in net assets	(126,727)	(16,827)	803	682	(7,840)
Net assets at beginning of period	2,198,121	246,744	228,924	284,173	115,510
Net assets at end of period	\$ 2,071,394	\$ 229,917	\$ 229,727	\$ 284,855	\$ 107,670