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JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

July 25 , 2012

(Speaker Thompson presides)

AGENDA

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

July 25, 2012

1:00 - 2:00pm

Senate Finance Room

1. Approval of June 27, 2012, minutes

2. Committee Reports/Requests

"Mr. Speaker/President- At the direction of Senator Wills and Delegate Fleischauer, Co-Chairs of Subcommittee C, of the Joint Judiciary Committee, I request that the Joint Committee on Government and Finance approve expense reimbursement for two speakers, Mr. Brian Stettin from The Treatment Advocacy Center who is compiling a report on the mental illness treatment laws of all 50 states plus the District of Columbia; and Mr. DJ Jaffe from Mental Illness Policy Org, a policy think tank focusing on serious mental illness and treatment, to attend August interim meetings for the purpose of making presentations on the involuntary commitment processes of other states to Subcommittee C of the Joint Judiciary Committee. Mr. Stettin will be traveling from Washington DC and Mr. Jaffe will be traveling from New York City."

3. Monthly/Quarterly Reports Distribution:

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund

4. Workforce WV Unemployment Compensation Trust Fund Distribution: (Russell Fry, Acting Executive Director)

5. Monthly/Quarterly Reports Distribution: (Ross Taylor, Acting Cabinet Secretary)

PEIA (Express Script and Ted Cheatham per Speaker's request)

BRIM

CHIP

Real Estate Report

6. Monthly/Quarterly Report Distribution from Department of Health and Human Resources: (Molly Jordan, Deputy Secretary, DHHR, Nancy Atkins, Bureau for Medical Services)

Medicaid Report

7. Office of Technology and Homeland Security re: router purchases at the request of Delegate Armstead and approved at last months meeting.

8. Investment Management Board Distribution: (Christy Watson or Tom Sauvegeot)

9. Workers' Compensation: (Mike Riley, Acting Commissioner, Andrew Pauley, Counsel)

10. Board of Treasury Report Distribution

11. Other Business

12. Adjournment

(Speaker Thompson presides)

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- 8. Workers' Compensation:**
- 9. Board of Treasury Report Distribution**
- 10. Other Business**
- 11. Adjournment**

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

304-347-4870

Executive Summary WV Lottery, Unemployment Trust, General Revenue and State Road Fund

- **West Virginia Lottery as of June 30, 2012:**
Gross profit for fiscal year 2012 is \$ 651 million. This is 5.86 % above gross profit as of the end last fiscal year.
- **West Virginia Unemployment Compensation Fund as of June 30, 2012:** Regular benefits paid for fiscal year 2012 are \$19.7 million less than last fiscal year. Overall ending trust fund balance is \$ 38.7 million above the ending trust fund balance the last fiscal year.
- **General Revenue Fund as of June 30, 2012:**
The general revenue collections are above the estimated collections by \$ 87.6 million.
- **State Road Fund as of June 30, 2012:**
The state road fund collections are above the estimated collections by \$ 43 million.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

MEMORANDUM

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: July 18, 2012

Re: Review of West Virginia Lottery Financial Information
As of June 30, 2012

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the year ending June 30, 2012 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 1,457,530,000.00 at the end of fiscal year 2012. Table games accounted for \$78 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 7.1 million of total gross receipts. Gross lottery revenue has increased by 4.67% when compared with fiscal year 2010-2011. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for fiscal year 2012 was \$ 651 million; for last fiscal year it was \$615 million. Expressed as a percentage, gross profit is 5.91 %

higher for fiscal year 2012 than for fiscal year 2011.

Operating Transfers to the State of West Virginia:

A total of \$ 662,982,000.00 has been accrued to the state of West Virginia for fiscal year 2011-2012. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Revenue Center Construction Fund (State Road Fund) \$15,000,000.00

Bureau of Senior Services	\$64,797,000.00
Community and Technical College	\$4,998,000.00
Department of Education	\$30,573,000.00
Library Commission	\$11,268,000.00
Higher Education-Central Office	\$8,208,000.00
Tourism	\$7,359,000.00
Department of Natural Resources	\$3,388,000.00
Division of Culture and History	\$5,873,000.00
Department of Education and Arts	\$1,839,000.00
State Building Commission	\$9,995,000.00
School Building Authority	\$18,000,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	166,298,000.00

Excess Lottery Fund

Lottery

Lottery continued

General Purpose Fund	\$65,000,000.00
Economic Development Fund	18,988,000.00
Higher Education Improvement Fund	15,000,000.00
WV Infrastructure Council Fund	46,000,000.00
Higher Education Improvement Fund	29,000,000.00
WV Racing Commission	2,000,000.00
Refundable Credit	10,000,000.00
WV Development Office	1,000,000.00
Department of Education	47,139,000.00
State Park Improvement Fund	5,000,000.00
School Building Authority	19,000,000.00
Excess Lottery Surplus	97,116,000.00
Total State Excess Lottery Revenue Fund	355,244,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	1,839,000.00
State Debt Reduction Fund	546,000.00
Tourism Promotion Fund	86,000.00
Total Historic Hotel	2,471,000.00

Veterans Instant Ticket Fund 566,000.00

Table Games State Debt Reduction Fund 35,648,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$9,800,000.00
Development Office Promo Fund	\$2,673,000.00
Research Challenge Fund .5%	\$3,564,000.00

Capitol Renovation and Improvement Fund .6875%	\$4,900,000.00
Parking Garage Fund .0625%	\$445,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$5,127,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$39,509,000.00
TOTAL TRANSFERS	*\$614,736,000.00

* CASH BASIS

Total Accrued last FY 2011:	178,218,000.00
Total Cash Distributions FY 2012:	614,736,000.00
Applied to FY 2011:	178,218,000.00
Applied to FY 2012	436,518,000.00
Revenue Ctr Construction Approp	9,645,000.00
Accrued for FY 2012 as of June 30:	216,819,000.00



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

June 30, 2012



P.O. BOX 2067
CHARLESTON, WV 25327

PHONE: 304-558-0500
FAX: 304-558-3321

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

John C. Musgrave by John Myers

RE: Monthly Report on Lottery Operations
Month Ending June 30, 2012

DATE: July 18, 2012

This report of the Lottery operations is provided pursuant to the State Lottery Act.

Financial statements of the Lottery for the month ending June 30, 2012 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$112,879,020 for the month of June.

Transfers of lottery revenue totaling \$55,762,482 made for the month of June to the designated state agencies per House Bill 2012, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of June 30, 2012 was 1,592 and 1,542 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM
Attachment

pc: Honorable Earl Ray Tomblin, Governor
Charles O. Lorensen, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

www.wvlottery.com

WEST VIRGINIA LOTTERY

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**WEST VIRGINIA LOTTERY
BALANCE SHEETS
(In Thousands)
-Unaudited-**

ASSETS	June 30, 2012	June 30, 2011
Current Assets:		
Cash and cash equivalents	\$ 241,538	\$ 266,196
Accounts receivable	36,671	29,783
Inventory	510	497
Other assets	2,275	2,134
Total Current Assets	<u>280,994</u>	<u>298,610</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	2,373	4,324
Capital assets	46,816	38,965
Less accumulated depreciation and amortization	(4,531)	(8,544)
Net Capital Assets	<u>42,285</u>	<u>30,421</u>
Total Noncurrent Assets	<u>44,658</u>	<u>34,745</u>
Total Assets	<u>\$ 325,652</u>	<u>\$ 333,355</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 216,819	\$ 178,218
Deferred LVL permit fees	-	58,863
Estimated prize claims	13,372	12,011
Accounts payable	3,238	4,440
Other accrued liabilities	40,248	40,751
Total Current Liabilities	<u>273,677</u>	<u>294,283</u>
Total Liabilities	<u>273,677</u>	<u>294,283</u>
Net Assets:		
Invested in capital assets	42,285	30,421
Unrestricted	8,000	6,612
Restricted assets (see note 12)	1,690	2,039
Total Net Assets	<u>51,975</u>	<u>39,072</u>
Total Liabilities and Net Assets	<u>\$ 325,652</u>	<u>\$ 333,355</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

(In Thousands)
- Unaudited -

	CURRENT MONTH		YEAR TO DATE	
	2012	2011	2012	2011
Lottery revenues				
On-line games	\$ 6,684	\$ 5,776	\$ 83,613	\$ 77,870
Instant games	8,862	8,444	117,676	115,697
Racetrack video lottery	57,977	56,785	764,898	726,952
Limited video lottery	32,494	30,822	406,108	397,544
Table games	6,212	6,263	78,121	68,154
Historic resort	650	248	7,114	6,232
	<u>112,879</u>	<u>108,338</u>	<u>1,457,530</u>	<u>1,392,449</u>
Less commissions				
On-line games	459	410	5,844	5,457
Instant games	620	591	8,239	8,098
Racetrack video lottery	28,103	29,205	424,049	404,945
Limited video lottery	15,922	15,103	198,993	194,797
Table games	2,669	2,691	33,571	29,288
Historic resort	334	130	3,671	3,126
	<u>48,107</u>	<u>48,130</u>	<u>674,367</u>	<u>645,711</u>
Less on-line prizes	3,228	3,041	42,039	40,374
Less instant prizes	5,908	5,772	78,567	80,333
Less ticket costs	127	269	2,188	2,275
Less vendor fees and costs	864	700	8,611	8,372
	<u>10,127</u>	<u>9,782</u>	<u>131,405</u>	<u>131,354</u>
Gross profit	<u>54,645</u>	<u>50,426</u>	<u>651,758</u>	<u>615,384</u>
Administrative expenses				
Advertising and promotions	698	(46)	5,680	9,481
Wages and related benefits	1,172	1,199	12,774	11,978
Telecommunications	37	53	761	648
Contractual and professional	322	526	5,452	4,588
Rental	18	54	423	649
Depreciation and amortization	180	17	1,164	1,501
Other administrative expenses	88	80	1,936	1,346
	<u>2,515</u>	<u>1,883</u>	<u>28,190</u>	<u>30,191</u>
Other Operating Income	<u>504</u>	<u>7,993</u>	<u>73,351</u>	<u>11,805</u>
Operating Income	<u>52,634</u>	<u>56,536</u>	<u>696,919</u>	<u>596,998</u>
Nonoperating income (expense)				
Investment income	19	17	181	297
Capital contribution from State of WV	1,513	-	9,645	-
Distributions to municipalities and counties	(637)	(604)	(7,960)	(7,792)
Distributions - capital reinvestment	(12,222)	(11,733)	(22,900)	(21,558)
Distributions to the State of West Virginia	(36,536)	(41,527)	(662,982)	(565,256)
	<u>(47,863)</u>	<u>(53,847)</u>	<u>(684,016)</u>	<u>(594,309)</u>
Net income	<u>4,771</u>	<u>2,689</u>	<u>12,903</u>	<u>2,689</u>
Net assets, beginning of period	<u>47,204</u>	<u>36,383</u>	<u>39,072</u>	<u>36,383</u>
Net assets, end of period	<u>\$ 51,975</u>	<u>\$ 39,072</u>	<u>\$ 51,975</u>	<u>\$ 39,072</u>

The accompanying notes are an integral part of these financial statements.

Lottery Attachment Financial Statements FY 2012

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012**

(In Thousands)

-Unaudited-

	2012	2011
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,465,130	\$ 1,460,320
Cash payments for:		
Personnel costs	(11,402)	(10,659)
Suppliers	(16,229)	(16,890)
Other operating costs	(809,710)	(768,100)
Cash provided by operating activities	<u>627,789</u>	<u>664,671</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(614,736)	(628,077)
Distributions to municipalities and counties	(7,927)	(7,813)
Distributions to racetrack from racetrack cap. reinv. fund	(18,888)	(14,695)
Cash used in noncapital financing activities	<u>(641,551)</u>	<u>(650,585)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(13,028)</u>	<u>(8,573)</u>
Cash flows from investing activities:		
Investment earnings received	<u>181</u>	<u>297</u>
Cash provided by investing activities	<u>181</u>	<u>297</u>
Increase (decrease) in cash and cash equivalents	(26,609)	5,810
Cash and cash equivalents - beginning of period	<u>270,520</u>	<u>264,710</u>
Cash and cash equivalents - end of period	\$ <u>243,911</u>	\$ <u>270,520</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 696,919	\$ 596,998
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,164	1,501
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(6,888)	(2,797)
(Increase) decrease in inventory	(13)	186
(Increase) decrease in other assets	(141)	139
Increase (decrease) in estimated prize claims	1,361	(1,117)
Increase (decrease) in accounts payable	(1,202)	1,390
Increase (decrease) in deferred revenue	(58,863)	58,863
Increase (decrease) in other accrued liabilities	(4,548)	9,508
Cash provided by operating activities	<u>\$ 627,789</u>	<u>\$ 664,671</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the "State Lottery Fund." The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission, consisting of seven members and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below.

BASIS OF PRESENTATION – The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

The Lottery has contracted with a private vendor to manufacture, distribute, and provide data processing support for instant and on-line games. Under the terms of the agreements, the Lottery pays a percentage of gross revenues or gross profits for the processing and manufacture of the games.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state “jackpot” game; HOT LOTTO®, a multi-state “lotto” game; Mega Millions®, a multi-state “jackpot” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of seven percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent’s on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery’s sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), and licensed historic resort hotels as defined by WV Code. Each licensee as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

CASH AND CASH EQUIVALENTS -- Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

INVENTORY -- Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

OTHER ASSETS -- Other assets consist of deposits restricted for payment of certain Multi-State Lottery Association activities and prepaid expenses.

CAPITAL ASSETS -- The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

ADVERTISING AND PROMOTIONS -- The Lottery expenses the costs of advertising and promotions as they are incurred.

COMPENSATED ABSENCES -- The Lottery has accrued \$566,986 and \$523,398 of at June 30, 2012 and 2011, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan (see Note 16).

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET ASSETS – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

OPERATING REVENUES AND EXPENSES – Operating revenues and expenses for proprietary funds such as the Lottery are revenues and expenses that result from providing services and producing and delivering goods and/or services. Operating revenues for the Lottery are derived from providing various types of lottery games. Operating expenses include commissions, prize costs, other direct costs of providing lottery games, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2012 the carrying amounts of deposits (overdraft) with financial institutions were \$477 thousand with a bank balance (overdraft) of \$524 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

	June 30, 2012	June 30, 2011
Deposits with financial institutions	\$ 477	\$ (56)
Cash on hand at the Treasurer's Office	42,350	45,547
Investments with BTI reported as cash equivalents	201,084	225,029
	\$ 243,911	\$ 270,520

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended June 30, 2012 is as follows (in thousands):

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At June 30, 2012
Construction in Progress	\$ 8,444	\$ 10,075	\$ (18,000)	\$ 519
Buildings	20,174	17,910	-	38,084
Land	1,434	-	-	1,434
Improvements	1,170	-	(910)	260
Equipment	7,743	3,067	(4,291)	6,519
	<u>\$ 38,965</u>	<u>\$ 31,052</u>	<u>\$ (23,201)</u>	<u>\$ 46,816</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At June 30, 2012
Buildings	\$ -	\$ 237	-	237
Improvements	1,142	3	(885)	260
Equipment	7,402	827	(4,195)	4,034
	<u>\$ 8,544</u>	<u>\$ 1,067</u>	<u>\$ (5,080)</u>	<u>\$ 4,531</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game, the HOT LOTTO® game, and the MEGA MILLIONS® jackpot game on behalf of participating state lotteries. MUSL is currently comprised of 33 member state lotteries, including the District of Columbia and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Hot Lotto, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit. A copy of the audit may be obtained by writing to the Multi-State Lottery Association, 1701-48th Street, Suite 210, West Des Moines, Iowa 50266-6723.

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended June 30, 2012 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,417,081	\$ 38,686,528
Hot Lotto	389,719	4,736,542
Mega Millions	912,382	14,746,963
Total	\$ 4,719,182	\$ 58,170,033
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,708,541	\$ 19,344,184
Hot Lotto	194,859	2,368,525
Mega Millions	469,877	7,594,900
Total	\$ 2,373,277	\$ 29,307,609

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

	<u>PowerBall</u>	<u>Hot Lotto</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	N/A

At June 30, 2012, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 126,481,109	\$ 2,386,175
Hot Lotto	7,383,082	485,862
Mega Millions	18,827,770	330,810
Total	<u>\$ 152,691,961</u>	<u>\$ 3,202,847</u>

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$17,414,201 at June 30, 2012, of which the Lottery's share was \$1,537,522.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 10 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended June 30, 2012 and fiscal year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 651,171	\$ 639,314	\$ 8,434,745	\$ 8,023,046
Credits (prizes) won	(585,170)	(574,026)	(7,575,505)	(7,205,678)
Promotional credits played	(7,987)	(8,502)	(93,869)	(87,380)
MWAP Contributions	(37)	-	(473)	(3,035)
Gross terminal income	57,977	56,786	764,898	726,953
Administrative costs	-	(524)	(17,524)	(17,456)
Net Terminal Income	57,977	56,262	747,374	709,497
Less distribution to agents	(28,103)	(29,205)	(424,049)	(404,945)
Racetrack video lottery revenues	<u>\$ 29,874</u>	<u>\$ 27,057</u>	<u>\$ 323,325</u>	<u>\$ 304,552</u>

A summary of video lottery revenues paid or accrued for certain state funds to conform with the legislation follows (in thousands):

	June 30, 2012	Year-to-Date
State Lottery Fund	\$ 1,004	\$ 130,125
State Excess Lottery Revenue Fund	24,656	141,408
Capital Reinvestment Fund	2,197	12,623
Tourism Promotion Fund 1.375%	693	9,683
Development Office Promotion Fund .375 %	189	2,641
Research Challenge Fund .5 %	252	3,521
Capitol Renovation & Improvement Fund .6875 %	347	4,842
Parking Garage Fund .0625 %	32	440
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	504	5,042
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 29,874</u>	<u>\$ 323,325</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended June 30, 2012 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 377,140	\$ 363,313	\$ 4,781,734	\$ 4,671,596
Credits (prizes) won	(344,646)	(332,491)	(4,375,626)	(4,274,052)
Gross terminal income	\$ 32,494	\$ 30,822	\$ 406,108	\$ 397,544
Administrative costs	(650)	(616)	(8,122)	(7,950)
Gross Profit	31,844	30,206	397,986	389,594
Commissions	(15,922)	(15,103)	(198,993)	(194,797)
Municipalities and Counties	(637)	(604)	(7,960)	(7,792)
Limited video lottery revenues	<u>\$ 15,285</u>	<u>\$ 14,499</u>	<u>\$ 191,033</u>	<u>\$ 187,005</u>

NOTE 8 – TABLE GAMES

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 8 – TABLE GAMES (continued)

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Debt Reduction Fund.

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended June 30, 2012 and fiscal year-to-date were \$17,747,217 and \$223,203,230, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table Games Privilege Tax	\$ 6,212	\$ 6,263	\$ 78,121	\$ 68,154
Interest on Table Games Fund	-	-	5	6
Administrative costs	(710)	(716)	(8,928)	(7,789)
Total Available for Distribution	5,502	5,547	69,198	60,371
<u>Less Distributions:</u>				
Racetrack Purse Funds	444	447	5,580	4,868
Thoroughbred & Greyhound Development Funds	355	358	4,464	3,894
Racing Association Pension Plan	149	150	1,875	1,636
Municipalities/ Counties	1,721	1,736	21,652	18,890
Total Distributions	2,669	2,691	33,571	29,288
State Debt Reduction Fund	\$ 2,833	\$ 2,856	\$ 35,627	\$ 31,083

NOTE 9 – HISTORIC RESORT HOTEL

In 2009, the Legislature passed Senate Bill 575 which permits video lottery and table games at a licensed historic resort hotel which is defined as “a resort hotel registered with the United States Department of the Interior as a national historic landmark in its National Registry of Historic Places having not fewer than five hundred guest rooms under common ownership and having substantial recreational guest amenities in addition to the gaming facility.”

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the historic resort hotel.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended June 30, 2012 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 5,021	\$ 2,346	\$ 68,993	\$ 49,464
Credits (prizes) won	(4,541)	(2,160)	(63,583)	(45,097)
Promotional credits played	(31)	(10)	(458)	(274)
MWAP Contributions	(1)	-	(1)	-
Gross terminal income	448	176	4,951	4,093
Capital reinvestment	(21)	(8)	(233)	(192)
Modernization Fund	(4)	-	(45)	-
Administrative costs	(24)	(10)	(267)	(221)
Hotel commissions	(189)	(75)	(2,094)	(1,731)
Net terminal income	210	83	2,312	1,949
Historic Resort Hotel Fund	133	54	1,470	1,253
Human Resource Benefit Fund	77	29	842	696

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended June 30, 2012 and fiscal year-to-date were \$577,212 and \$6,182,748, respectively.

The following table shows the month and fiscal year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table games privilege tax	\$ 202	\$ 72	\$ 2,164	\$ 2,139
Administrative Costs	(26)	(9)	(278)	(275)
Total Available for Distribution	176	63	1,886	1,864
Historic Resort Hotel Fund	147	52	1,577	1,558
Human Resource Benefit Fund	29	11	309	306

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 9 – HISTORIC RESORT HOTEL (continued)
Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 133	\$ 1,470
Historic Resort Table Games	147	1,577
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>280</u>	<u>3,047</u>
Municipalities/ Counties	40	427
State General Revenue Fund	179	1,950
State Debt Reduction Fund	53	579
State Tourism Promotion Fund	8	91
Total Distributions	<u>\$ 280</u>	<u>\$ 3,047</u>

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2012 the State Legislature budgeted \$166,297,857 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)**

funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended June 30, 2012 the Lottery made such distributions and accrued additional distributions of \$44,704,334. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. For the month ended June 30, 2012, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$437,406, \$2,832,824, and \$240,936, respectively.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

A summary of the cash distributions made to certain state agencies to conform to the legislation follows (in thousands):

BUDGETARY DISTRIBUTIONS

	<u>June 30, 2012</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund:</u>		
State Road Fund	\$ -	\$ 15,000
 <u>State Lottery Fund:</u>		
Community and Technical College	\$	\$ 4,998
Bureau of Senior Services		64,797
Department of Education		30,573
Library Commission		11,268
Higher Education-Policy Commission		8,208
Tourism		7,359
Natural Resources		3,388
Division of Culture & History		5,873
Department of Education & Arts		1,839
Building Commission		9,995
School Building Authority		18,000
Total State Lottery Fund	<u>\$ -</u>	<u>\$ 166,298</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

State Excess Lottery Revenue Fund:

Economic Development Fund	\$	\$	18,989
Higher Education Improvement Fund			15,000
General Purpose Account			65,000
Higher Education Improvement Fund			29,000
State Park Improvement Fund			5,000
School Building Authority			19,000
Refundable Credit	86		10,000
WV Development Office	1,000		1,000
WV Racing Commission			2,000
Department of Education	14,708		47,139
Excess Lottery Surplus	34,216		97,116
West Va. Infrastructure Council			46,000
Total State Excess Lottery Revenue Fund	\$ 50,010	\$	355,244
Total Budgetary distributions:	\$ 50,010	\$	536,542
Veterans Instant Ticket Fund	\$ 35	\$	566

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 843	\$	9,800
Development Office Promotion Fund .375%	230		2,673
Research Challenge Fund .5%	307		3,564
Capitol Renovation & Improvement Fund .6875%	421		4,900
Parking Garage Fund .0625 %	37		445
Parking Garage Fund 1 %	-		500
Cultural Facilities & Cap. Resources Fund .5%	-		1,500
Capitol Dome & Cap. Improvements Fund .5%	613		5,127
Workers Compensation Debt Reduction Fund 7%	-		11,000
Total	\$ 2,451	\$	39,509

Table Games State Debt Reduction Fund	\$ 3,024	\$	35,648
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 180	\$	1,839
State Debt Reduction Fund	54		546
Tourism Promotion Fund	7		86
Total	\$ 241	\$	2,471

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 55,761	\$	614,736
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West Virginia Lottery RCC Fund Appropriations	1,513		9,645
Accrued nonoperating distributions, beginning	(237,557)		(178,218)
Accrued nonoperating distributions, end	216,819		216,819
	\$ 36,536	\$	662,982

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended June 30, 2012 and June 30, 2011 approximated \$422,571 and \$648,731 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended June 30, 2012 and year-to-date were \$109,827 and \$984,034, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2013	900
2014	923
2015	232
Total	\$ 2,055

NOTE 12 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2012 and June 30, 2011 were as follows:

	June 30, 2012	June 30, 2011
Beginning balance	\$ 2,039	\$ 8,355
Additions		
Legislative Appropriations	9,645	-
Deductions		
Asset acquisition	(9,994)	(6,316)
Surplus of excess funds		
Ending balance	\$ 1,690	\$ 2,039

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 13 – COMMITMENTS

For the year ended June 30, 2011, the Lottery Commission designated \$594,218 of unexpended administrative funds for the acquisition of capital assets, for the year ended June 30, 2012 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2012 and 2011, \$3,193,044 and \$5,921,057, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Ave. S.E., Charleston, West Virginia 25304-1636.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending June 30, 2012 and fiscal year-to-date are as follows (in thousands):

	June 30, 2012	Year-to-Date
Lottery contributions	\$ 92	\$ 1,225
Employee contributions	29	357
Total contributions	\$ 121	\$ 1,582

NOTE 15 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16– OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$961 and \$903 per employee per month for the years ending June 30, 2012 and 2011 respectively. Through June 30, 2012 and 2011, the Lottery has paid premiums of \$317,694 and \$294,952. As of June 30, 2012 and 2011, the Lottery has recorded a liability of \$4,075,581 and \$2,749,868 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

304-347-4870

Memorandum

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: July 6, 2012

Re: Status of General Revenue Fund and State Road Fund as of
June 30, 2012

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the fiscal year ending June 30, 2012. The status of the fund collections are as follows:

The net collections were ahead of the estimate for the fiscal year. Total collections were \$87.6 million over the estimate.

Personal Income Tax collections were \$ 42 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 37 million over the estimate for the year.

Severance tax collections were \$ 22.5 million over the estimate for the year.

Corporate Income and Business Franchise Tax collections were \$ 14 million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were \$ 43 million over the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 523,689,608.81 as of June 30, 2012.

Balance July 1, 2011	342,320,537.63
Cash flow loan to General Revenue on July 1, 2011. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Repaid September	- 60,000,000.00 + 60,000,000.00
Senate Bill 1001 July 2011 special session WV Code 11B-2-20 transfers	150,667,825.51
Earnings	30,701,245.67
Balance June 30, 2012	523,689,608.81

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 327,698,976.68 as of June 30, 2012.

Balance July 1, 2011	316,806,577.84
Earnings	9,339,820.84
Other transfers per WV Code 11B-2-20(F) Medical Malpractice Insurance Collections	1,552,578.00
Balance June 30, 2012	327,698,976.68

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of June 30, 2012.

Balance July 1, 2011	45,019,319.21
Revenues	-0-
Balance June 30, 2012	45,019,319.21

GENERAL REVENUE FUND FY 2011-2012

FINAL

By Source and by Month

Monthly Revenue Estimates

as of June 29, 2012 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	155,800,000	161,918,089	6,118,089	1,646,600,000	1,688,963,133	42,363,133
Consumer Sales Tax & Use Tax	87,500,000	89,335,789	1,835,789	1,178,500,000	1,215,973,366	37,473,366
Severance Tax	30,000,000	33,561,422	3,561,422	445,400,000	467,901,853	22,501,853
Corp Income /Business Franchise	30,300,000	50,655,754	20,355,754	173,500,000	188,085,447	14,585,447
HB 102 - Lottery Transfers	0	0	0	127,900,000	127,900,000	0
Business and Occupation	13,600,000	11,309,668	-2,290,332	122,700,000	121,031,382	-1,668,618
Tobacco Products Tax	9,680,000	11,041,398	1,361,398	112,500,000	109,609,465	-2,890,535
Insurance Tax	500,000	977,842	477,842	107,700,000	109,665,255	1,965,255
Interest Income	3,500,000	399,363	-3,100,637	31,000,000	2,705,375	-28,294,625
Departmental Collections	1,180,000	1,080,257	-99,743	16,500,000	16,540,654	40,654
Liquor Profit Transfers	2,000,000	2,837,500	837,500	15,300,000	15,358,303	58,303
Senior Tax Credit Reimbur Lot	800,000	86,979	-713,021	10,000,000	10,000,000	0
Beer Tax and Licenses	1,140,000	1,146,354	6,354	8,600,000	8,416,390	-183,610
Property Transfer Tax	720,000	665,966	-54,034	8,100,000	8,127,577	27,577
Property Tax	100,000	98,353	-1,647	6,000,000	6,051,316	51,316
Miscellaneous Receipts	320,000	318,917	-1,083	3,500,000	3,483,389	-16,611
Miscellaneous Transfers	20,000	0	-20,000	700,000	528,487	-171,513
Business Fran Registration Fees	25,000	72,332	47,332	670,000	1,192,959	522,959
Liquor License Renewal	21,000	22,054	1,054	451,000	451,328	328
Racing Fees	0	0	0	0	0	0
Charter Tax	0	4,911	4,911	0	74,137	74,137
Telecommunications Tax	0	7,507	7,507	0	96,367	96,367
Estate and Inheritance Tax	0	0	0	0	15,937	15,937
Video Lottery Transfers	0	139,338	139,338	0	1,132,807	1,132,807
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	337,206,000	365,679,794	28,473,794	4,015,621,000	4,103,304,926	87,683,926
	0	0	0	0	0	0
Percent of Estimates						
TOTALS	337,206,000	365,679,794	28,473,794	4,015,621,000	4,103,304,926	87,683,926
Percent of Estimates		108.44%			102.18%	
Collections this day		8,572,778				

Prepared by Legislative Auditor's Office, Budget Division

**STATE ROAD FUND FY 2011-2012
By Source and by Month
Monthly Revenue Estimates
as of June 29, 2012 WVFIMS**

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	20,300,000	19,970,893	-329,107	380,700,000	387,040,546	6,340,546
Privilege Tax	13,860,000	15,454,136	1,594,136	151,114,000	186,292,914	35,178,914
Licenses & Registration	15,182,000	16,158,915	976,915	88,988,000	90,682,527	1,694,527
Highway Litter Control	287,000	135,549	-151,451	1,680,000	1,585,878	-94,122
TOTALS	49,629,000	51,719,492	2,090,492	622,482,000	665,601,865	43,119,865

Percent of Estimates

104.21%

106.93%

Collections this day

8,810,861

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF June 1, 2012 : \$519,721,597.46

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF June 1, 2012 : \$332,234,869.20

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF June 1, 2012: \$45,019,319.21

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590
304-347-4870

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: July 16, 2012

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the June 30, 2012 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. June 30th is the end of the fiscal year 2012.

For fiscal year 2011-2012, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2011	\$101,837,094.21
Receipts July 1, 2011 thru June 30, 2012	\$ 406,192,721.29
Disbursements July 1, 2011 thru June 30, 2012	\$ 367,421,336.24
Balance June 30, 2012	\$ 140,608,479.26

ITEMS OF NOTE:

Regular benefits paid for fiscal year 2012 were \$19 million less than for fiscal year 2011.

Federal emergency benefits totaled \$127 million for fiscal year 2012; for fiscal year 2011 federal emergency benefits totaled \$ 176 million.

Total disbursements were \$ 93 million less in fiscal year 2012 than the preceding fiscal year 2011.

Receipts for fiscal year 2012 were \$ 61 million less than in fiscal year 2011. Overall ending trust fund balance was \$38.7 million higher on June 30, 2012 than on June 30, 2011.

West Virginia's unemployment rate for the month of May 2012 was 7.3 percent. National unadjusted employment rate was 7.9 percent.

Seasonally adjusted unemployment rates were 6.9 percent for West Virginia and 8.2 percent nationally.

Since May 2011 employment has increased by 5,400. Employment gains were as follows: 3,100 in construction; 3,700 in educational and health services; 1,600 in leisure and hospitality; 700 in professional and business services; 2,000 in government. Declines in employment were as follows: 2,300 in trade transportation and utilities; 200 in other services; 1,100 in manufacturing; and 2,100 in mining and logging.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING APRIL 2011 AND APRIL 2012**

	APRIL 2011	MAY 2011	JUNE 2011	APRIL 2012	MAY 2012	JUNE 2012	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$38,898,460.49</u>	<u>\$49,106,436.23</u>	<u>\$114,721,986.45</u>	<u>\$76,168,989.65</u>	<u>\$85,531,981.75</u>	<u>\$154,583,262.06</u>	<u>\$113,557,350.29</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$27,773,758.71	\$83,175,228.57	\$1,980,523.73	\$30,132,488.97	\$88,327,495.01	\$1,540,732.89	\$7,071,205.86
3. Federal Emergency Benefits (EUCCB)	\$12,225,429.86	\$13,815,032.80	\$12,315,858.64	\$10,182,804.50	\$9,764,187.07	\$8,955,272.58	(\$9,444,057.15)
4. Federal Share Extended Benefits (EB)	\$2,315,626.16	\$2,148,241.46	\$2,383,414.20	\$1,583,035.19	\$1,290,291.41	\$726,987.49	(\$3,246,967.73)
5. Temp Federal Additional Comp (FAC)	\$5,083.25	\$1,995.90	\$2,089.64	\$909.89	\$38.96	\$225.00	(\$7,994.94)
6. UCFE (Federal Agencies)	\$292,739.31	\$284,152.30	\$288,276.22	\$176,924.63	\$162,000.88	\$124,810.65	(\$401,631.67)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. UCX (Military Agencies)	\$422,297.10	\$482,807.37	\$791,243.49	\$0.00	\$0.00	\$875,478.44	\$84,234.95
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$415,179.94	\$487,316.81	\$456,528.29	\$374,581.38	(\$1,858.13)
13. CNIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$43,034,934.39</u>	<u>\$99,907,458.40</u>	<u>\$18,176,985.86</u>	<u>\$42,573,479.79</u>	<u>\$100,000,541.62</u>	<u>\$12,597,888.43</u>	<u>(\$5,947,068.81)</u>
Less Disbursements:							
Debt Bond Repayment							
Regular Benefits:	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Federal Emergency Benefits (EUCCB)	\$17,381,715.79	\$16,967,694.13	\$16,440,918.84	\$20,118,800.27	\$19,758,836.50	\$18,241,378.22	\$5,348,686.23
Federal Share Extended Benefits (EB)	\$12,189,987.89	\$14,257,641.78	\$11,891,085.68	\$10,737,515.47	\$9,270,693.09	\$8,910,728.27	(\$9,419,778.52)
Emergency Benefits (TEUC)	\$2,287,823.01	\$2,396,777.24	\$2,156,188.19	\$1,693,437.89	\$1,190,899.85	\$693,308.15	(\$3,263,142.55)
Temp Federal Additional Comp (FAC)	(\$1,383.45)	(\$474.02)	(\$598.98)	(\$537.00)	(\$2,733.00)	(\$1,122.00)	(\$1,935.55)
UCFE (Federal Workers) Benefits	\$4,920.25	\$1,970.90	\$2,089.64	\$871.89	\$38.96	\$225.00	(\$7,844.94)
UCX (Military Workers) Benefits	\$246,273.12	\$219,563.07	\$201,711.60	\$159,789.03	\$124,463.15	\$112,983.93	(\$270,311.69)
Reed Act Funds	\$385,883.93	\$433,492.14	\$385,083.13	\$476,604.80	\$379,010.79	\$358,671.20	\$28,027.59
Special Administrative Transfer**	\$228,000.00	\$15,242.94	\$5,000.00	\$0.00	\$53,474.13	\$500.00	(\$192,268.81)
	\$125,938.11	\$0.00	\$0.00	\$24,005.34	\$174,577.84	\$257,998.46	\$330,643.53
Total Monthly Disbursements	<u>\$32,826,958.65</u>	<u>\$34,291,908.18</u>	<u>\$31,061,478.10</u>	<u>\$33,210,487.69</u>	<u>\$30,949,261.31</u>	<u>\$28,572,671.23</u>	<u>(\$7,447,924.70)</u>
Trust Fund Balance	<u>\$49,106,436.23</u>	<u>\$114,721,986.45</u>	<u>\$101,837,094.21</u>	<u>\$85,531,981.75</u>	<u>\$154,583,262.06</u>	<u>\$140,608,479.26</u>	<u>\$115,058,206.18</u>

* Three month total variance column is the difference between the sum of the previous year's three months data for each category and the current year's three months data. The purpose of the report is to show significant changes in receipts, disbursements, or balances.

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

UC TRUST FUND PROJECTIONS - 2012

July 10, 2012

Month	Revenues	Benefits	Trust Fund Balance
2011			
Balance 1/1/2011			76,901,000
January	7,672,000	25,494,000	59,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,172,000	12,515,000	111,623,000
October	12,476,000	14,286,000	109,813,000
November	23,233,000	14,306,000	118,740,000
December	1,982,000	14,920,000	105,802,000
Totals - 2011	236,450,000	207,549,000	105,802,000

2012

January	12,438,000	21,838,000	96,402,000
February	15,756,000	18,727,000	93,431,000
March	1,964,000	19,227,000	76,168,000
April	29,482,000	20,118,000	85,532,000
May	88,809,000	19,758,000	154,583,000
June	2,266,000	16,241,000	140,608,000
July	14,223,000	15,195,000	139,636,000
August	39,705,000	15,533,000	163,808,000
September	2,353,000	11,552,000	154,609,000
October	13,188,000	13,513,000	154,284,000
November	22,596,000	14,708,000	162,172,000
December	2,130,000	15,467,000	148,835,000
Totals - 2012	244,910,000	201,877,000	148,835,000

The average unemployment rate in West Virginia for CY 2011 was 8.4%

The average projected unemployment rate in West Virginia for CY 2012 is 7.8%

Executive Division
112 California Avenue
Charleston, WV 25305

An agency of the Department of Commerce

An equal opportunity employer/program and auxiliary aids are available upon request to individuals with disabilities.

www.workforcewv.org



Financial Statements

May 2012

West Virginia Legislative Interims
July 2012

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Eleven Months Ending May 31, 2012

	(\$ 0 0 0 's)				
	ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE	PRIOR YR VARIANCE
				\$	\$
				%	%
ADDITIONS					
Employer Premiums:					
Health premiums	\$2,982	\$3,516	\$3,084	(\$534)	(\$102)
Pay Go Premiums	115,914	114,182	111,090	1,732	4,824
Annual required contributions	958	0	1,930	958	(972)
Total Employer Premiums	119,853	117,698	116,104	2,155	3,749
Member Premiums:					
Health premiums	64,369	62,454	61,646	1,915	2,724
Pay Go Premiums	23,651	23,318	22,689	333	962
Life Insurance Premiums	15,642	15,455	12,925	187	2,717
Total Member Premiums	103,662	101,227	97,260	2,435	6,403
Total Premium Additions	223,516	218,925	213,364	4,590	10,152
Other Additions:					
Retiree Drug Subsidy	1,038	1,287	950	(249)	89
Investment Income	(1,512)	29,374	46,029	(30,886)	(47,541)
TOTAL ADDITIONS	223,042	249,586	260,342	(26,544)	(37,300)
DEDUCTIONS					
Payments to Managed Care Org.	46,189	45,352	40,871	(837)	(5,318)
Life Insurance Expense	15,715	15,455	12,920	(260)	(2,796)
Medical Claims Expense	55,671	60,638	56,712	4,967	1,041
Pharmacy Claims Expense	98,787	89,668	88,450	(9,119)	(10,336)
Administrative Service Fees (External)	8,123	8,498	8,190	374	67
Other Operating Expenses	3,231	3,122	2,952	(109)	(279)
Bad Debt Expense	0	363	(1,024)	363	(1,024)
TOTAL DEDUCTIONS	227,716	223,096	209,071	(4,620)	(18,644)
NET FUND INCREASE	(4,674)	26,491	51,271	(31,165)	(55,944)
Net Assets Held in Trust for Post Employment Benefits					
Beginning of period	472,079	472,079	422,636	0	49,443
End of period	\$467,405	\$498,570	\$473,906	(\$31,165)	(\$6,501)

**West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET**



	2012		2011
	(in thousands)		
ASSETS			
Short Term Assets			
Cash and Equivalents	\$ 23,371	\$	18,776
Advance Deposit with Carrier/Trustee	204,911		193,334
Receivables - Net	6,068		1,108
Prepaid Insurance	477		545
Total Short Term Assets	234,827		213,763
Long Term Assets			
Investments	136,750		141,352
Total Long Term Assets	136,750		141,352
TOTAL ASSETS	371,577		355,115
LIABILITIES			
Short Term Liabilities			
Accounts payable	1,266		1,184
Claims Payable	110		174
OPEB Liability	182		181
Agents Commissions Payable	1,076		1,183
Unearned Revenue	10,089		5,022
Current Estimated Claim Reserve	49,438		44,898
Total Short Term Liabilities	62,161		52,642
Long Term Liabilities			
Compensated Absences	75		66
Estimated Noncurrent Claim Reserve	84,157		88,949
Total Long Term Liabilities	84,232		89,015
TOTAL LIABILITIES	146,393		141,657
Prior Year Net Assets	219,828		192,207
Current Year Earnings (Deficiency)	5,356		21,251
TOTAL NET ASSETS	225,184		213,458
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 371,577	\$	355,115

DRAFT - Unaudited - Management Purposes Only

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the eleven months ending



	2012	May 31	2011
	(in thousands)		
Operating Revenues			
Premium Revenues	\$	47,161	\$ 48,547
Less - Excess Insurance		(4,932)	(5,568)
Total Operating Revenues		42,229	42,979
Operating Expenses			
Claims Expense		41,108	33,871
Property & MS Claims Expense		4,336	4,084
Personal Services		1,274	1,257
General & Administrative Expense		2,299	2,413
Total Operating Expenses		49,017	41,625
Operating Income (Loss)		(6,788)	1,354
Nonoperating Revenues			
Investment Income		12,144	19,897
Total Nonoperating Revenues		12,144	19,897
Net income (Loss)	\$	5,356	\$ 21,251

DRAFT - Unaudited - Management Purposes Only

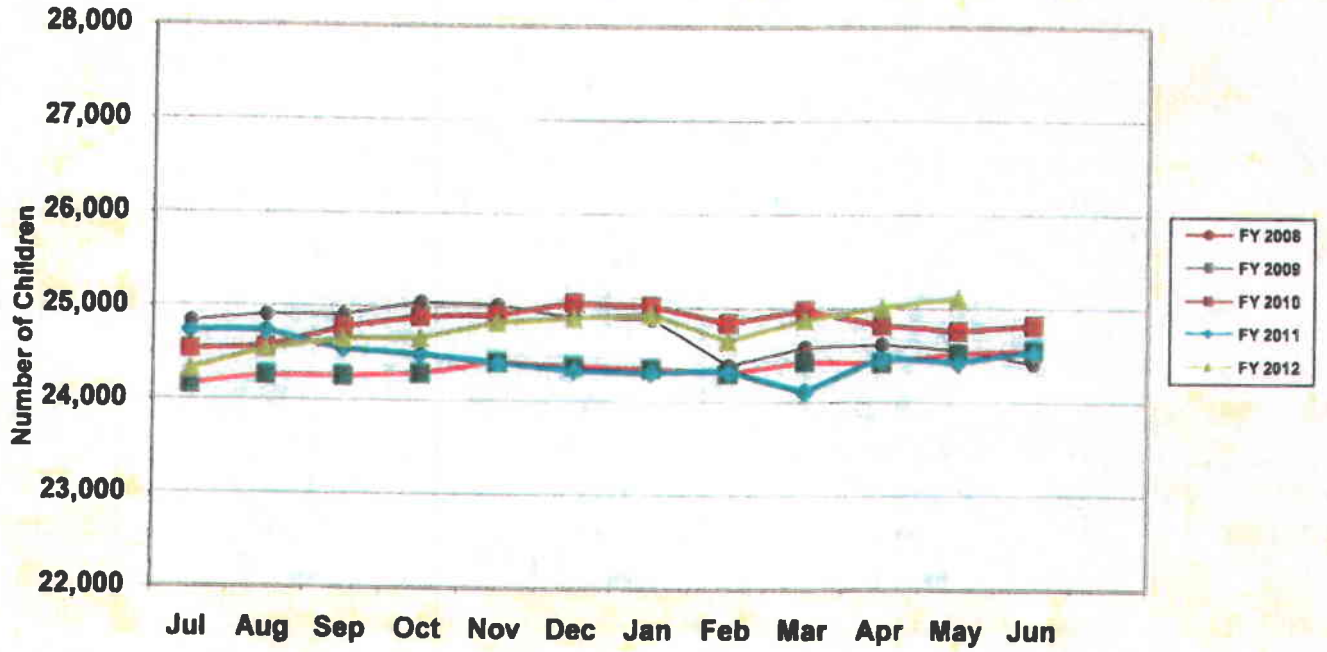


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

**Joint Committee on
Government and Finance
Report**

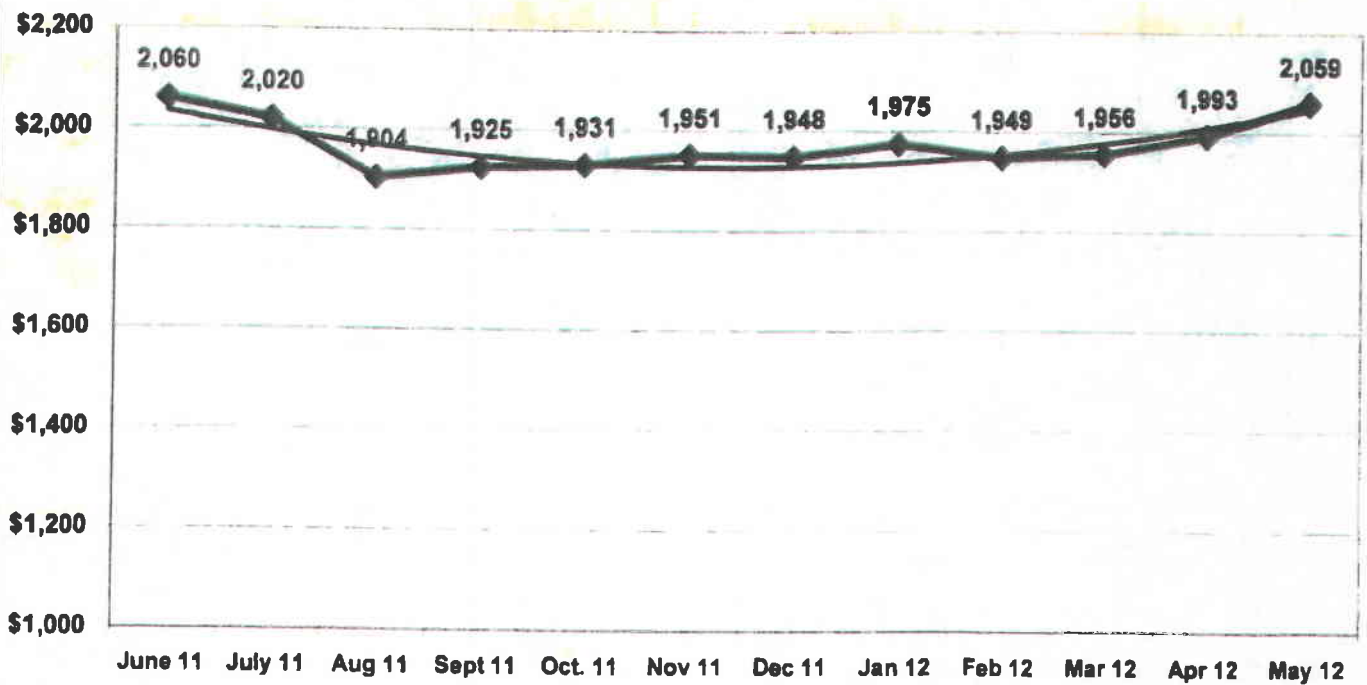
July 2012

WV CHIP Enrollment



May 31st Enrollment 25,115

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
May 2012 and 2011
(Accrual Basis)**

Assets:	May 31, 2012	May 31, 2011	Variance	
Cash & Cash Equivalents	\$14,986,921	\$13,113,047	\$1,873,874	14%
Due From Federal Government	\$5,309,635	\$5,951,121	(\$641,486)	-11%
Due From Other Funds	\$1,120,861	\$909,389	\$211,472	23%
Accrued Interest Receivable	\$11,932	\$10,300	\$1,632	16%
Fixed Assets, at Historical Cost	<u>\$94,332</u>	<u>\$62,804</u>	<u>\$31,528</u>	<u>50%</u>
Total Assets	<u>\$21,523,681</u>	<u>\$20,046,661</u>	<u>\$1,477,020</u>	<u>7%</u>
Liabilities:				
Due to Other Funds	\$266,954	\$355,252	(\$88,298)	-25%
Deferred Revenue	\$1,872,562	\$3,101,628	(\$1,229,066)	-40%
Unpaid Insurance Claims Liability	<u>\$5,580,000</u>	<u>\$4,500,000</u>	<u>\$1,080,000</u>	<u>24%</u>
Total Liabilities	<u>\$7,719,516</u>	<u>\$7,956,880</u>	<u>(\$237,364)</u>	<u>-3%</u>
Fund Equity	\$13,804,165	\$12,089,781	\$1,714,384	14%
Total Liabilities and Fund Equity	<u>\$21,523,681</u>	<u>\$20,046,661</u>	<u>\$1,477,020</u>	<u>7%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Eleven Months Ending May 31, 2012 and May 31, 2011
(Modified Accrual Basis)

	May 31, 2012	May 31, 2011	Variance	
Revenues				
Federal Grants	43,131,945	39,248,837	3,883,108	10%
State Appropriations	10,925,514	10,425,628	499,886	5%
Premium Revenues	672,431	430,419	242,012	56%
Investment Income:				
Investment Earnings	117,991	244,035	(126,044)	-52%
Unrealized Gain(loss) On Investments*	(25,020)	192,604	(217,624)	-113%
Total Investment Income	<u>92,971</u>	<u>436,639</u>	<u>(343,668)</u>	<u>-79%</u>
Total Revenues	<u>54,822,861</u>	<u>50,541,523</u>	<u>4,281,338</u>	<u>8%</u>
Expenditures:				
Claims:				
Outpatient Services	14,038,671	11,797,400	2,241,271	19%
Physicians & Surgical	10,326,108	9,500,690	825,418	9%
Prescribed Drugs	9,686,696	8,958,531	728,165	8%
Dental	7,403,425	6,255,146	1,148,279	18%
Inpatient Hospital Services	4,480,057	3,844,151	635,906	17%
Outpatient Mental Health	1,482,177	1,368,202	113,975	8%
Durable & Disposable Med. Equip.	1,312,134	1,127,809	184,325	16%
Inpatient Mental Health	948,904	819,181	129,723	16%
Vision	787,919	773,606	14,313	2%
Therapy	620,970	521,104	99,866	19%
Medical Transportation	418,542	361,034	57,508	16%
Other Services	170,291	166,037	4,254	3%
Less: Collections**	<u>(504,158)</u>	<u>(650,300)</u>	<u>146,142</u>	<u>-22%</u>
Total Claims	<u>51,171,736</u>	<u>44,842,591</u>	<u>6,329,145</u>	<u>14%</u>
General and Admin Expenses:				
Salaries and Benefits	452,735	449,752	2,983	1%
Program Administration	1,727,591	2,148,312	(420,721)	-20%
Eligibility	350,310	378,688	(28,378)	-7%
Outreach & Health Promotion	1,041,903	578,568	463,335	80%
Current	<u>212,566</u>	<u>163,337</u>	<u>49,229</u>	<u>30%</u>
Total Administrative	<u>3,785,105</u>	<u>3,718,657</u>	<u>66,448</u>	<u>2%</u>
Total Expenditures	<u>54,956,841</u>	<u>48,561,248</u>	<u>6,395,593</u>	<u>13%</u>
Excess of Revenues				
Over (Under) Expenditures	(133,980)	1,980,275	(2,114,255)	-107%
Fund Equity, Beginning	<u>13,938,145</u>	<u>10,109,506</u>	<u>3,828,639</u>	<u>38%</u>
Fund Equity, Ending	<u>13,804,165</u>	<u>12,089,781</u>	<u>1,714,384</u>	<u>14%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2012
 For the Eleven Months Ended May 31, 2012**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	May-12	Actual Amt Apr-12	Actual Amt Mar-12
Projected Cost	\$54,634,844	\$50,081,940	\$49,507,332	\$574,608	1%	\$4,552,904	\$5,830,161	\$4,877,097	\$6,017,733
Premiums	680,592	\$623,876	672,431	\$48,555	8%	\$56,716	72,360	69,897	68,892
Subrogation & Rebates	<u>731,381</u>	<u>\$670,433</u>	<u>504,158</u>	<u>(166,274)</u>	<u>-25%</u>	<u>\$60,948</u>	<u>15,022</u>	<u>23,100</u>	<u>56,731</u>
Net Benefit Cost	53,222,871	\$48,787,632	\$48,330,743	\$456,889	1%	\$4,435,239	5,742,779	4,784,100	5,892,110
Salaries & Benefits	\$580,500	\$532,125	\$452,732	\$79,393	15%	\$48,375	\$44,074	\$39,610	\$39,610
Program Administration	3,116,505	\$2,856,796	1,743,916	1,112,880	39%	\$259,709	170,500	125,094	171,386
Eligibility	420,000	\$385,000	279,404	105,596	27%	\$35,000	0	4,313	74,337
Outreach & Health Prom.	300,000	\$275,000	1,032,301	(757,301)	-275%	\$25,000	218,001	51,690	5,140
Current Expense	<u>160,000</u>	<u>\$146,667</u>	<u>227,576</u>	<u>(80,909)</u>	<u>-55%</u>	<u>\$13,333</u>	<u>17,264</u>	<u>16,287</u>	<u>14,779</u>
Total Admin Cost	\$4,577,005	\$4,195,588	\$3,735,929	\$459,659	11%	\$381,417	\$449,839	\$236,994	\$305,252
Total Program Cost	<u>\$57,799,876</u>	<u>\$52,983,220</u>	<u>\$52,066,672</u>	<u>\$916,548</u>	<u>2%</u>	<u>\$4,816,656</u>	<u>\$6,192,618</u>	<u>\$5,021,094</u>	<u>\$6,197,362</u>
Federal Share 80.83%	46,719,640	42,826,336	\$42,142,499	683,837	2%	3,893,303	5,005,493	4,058,550	5,009,328
State Share 19.17%	<u>11,080,236</u>	<u>10,156,883</u>	<u>\$9,924,172</u>	<u>232,711</u>	<u>2%</u>	<u>923,353</u>	<u>1,187,125</u>	<u>962,544</u>	<u>1,188,034</u>
Total Program Cost **	<u>\$57,799,876</u>	<u>\$52,983,220</u>	<u>\$52,066,672</u>	<u>\$916,548</u>	<u>2%</u>	<u>\$4,816,656</u>	<u>\$6,192,618</u>	<u>\$5,021,094</u>	<u>\$6,197,362</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2011 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenerio dated 6/30/11 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

WVCHIP Enrollment Report

ATTACHMENT 1

June 2012

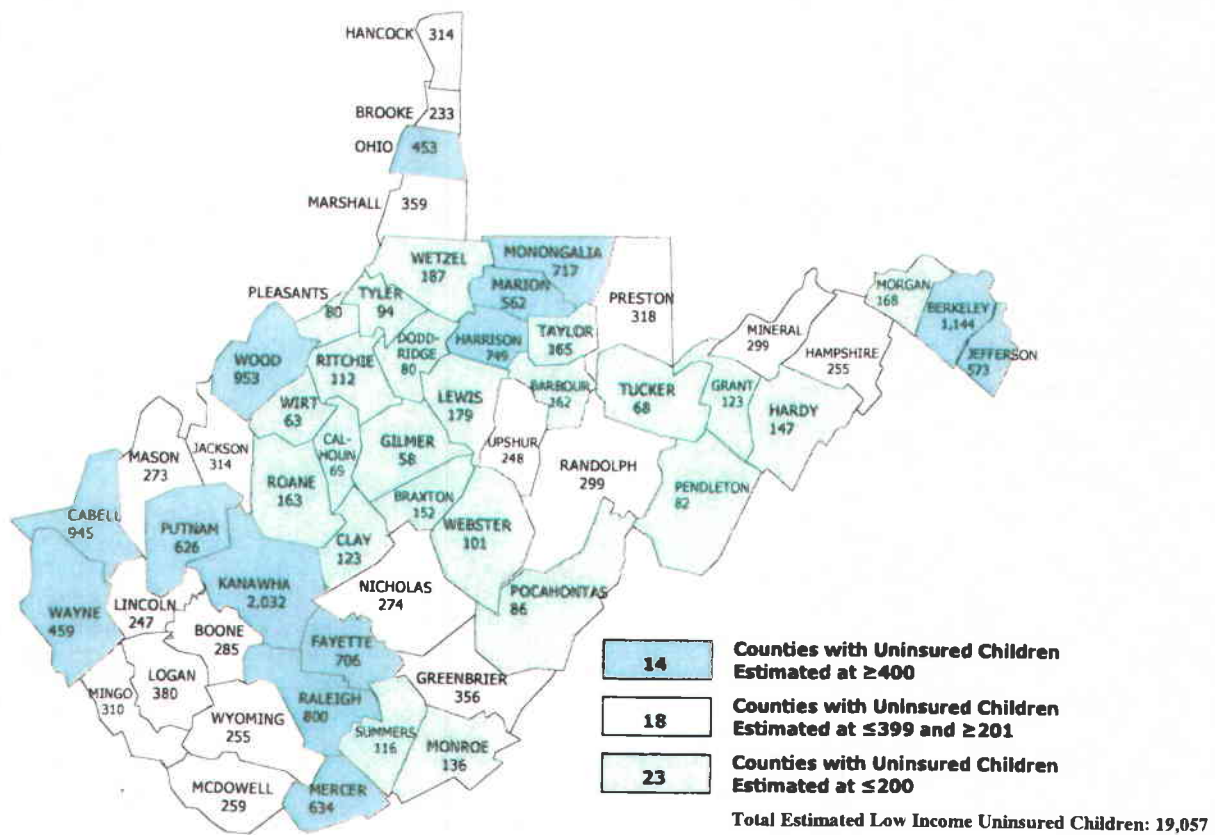
<u>County</u>	<u>County Pop.</u> <u>2010 Est.</u> <u>(0-18 Yrs)</u>	<u>Total CHIP</u> <u>Enrollment</u> <u>Jun-12</u>	<u>Total Medicaid</u> <u>Enrollment</u> <u>Jun-12</u>	<u>Total</u> <u>CHIP/Medicaid</u> <u>Enrollment</u>	<u>CHIP/Medicaid</u> <u>Enrollment</u> <u>% of Population</u>	<u>2009</u> <u>Est.</u> <u>Uninsured</u> <u>5%</u>	<u>2009</u> <u># Children</u> <u>Uninsured</u> <u>Ranking*</u>
Barbour	3,600	286	1,541	1,827	50.8%	180	33
Berkeley	26,251	1,399	8,206	9,605	36.6%	1,313	2
Boone	5,615	310	2,472	2,782	49.5%	281	25
Braxton	3,006	202	1,547	1,749	58.2%	150	40
Brooke	4,573	272	1,522	1,794	39.2%	229	31
Cabell	18,879	1,009	8,457	9,466	50.1%	944	4
Calhoun	1,518	122	757	879	57.9%	76	51
Clay	2,215	187	1,358	1,545	69.7%	111	44
Doddridge	1,673	134	646	780	46.6%	84	48
Fayette	9,438	834	4,485	5,319	56.4%	472	13
Gilmer	1,260	77	575	652	51.7%	63	54
Grant	2,555	206	942	1,148	44.9%	128	42
Greenbrier	7,131	615	2,863	3,478	48.8%	357	16
Hampshire	5,392	328	2,148	2,476	45.9%	270	27
Hancock	6,166	379	2,454	2,833	45.9%	308	20
Hardy	3,015	161	1,196	1,357	45.0%	151	39
Harrison	15,202	923	5,616	6,539	43.0%	760	7
Jackson	6,602	420	2,716	3,136	47.5%	330	18
Jefferson	12,679	505	3,111	3,616	28.5%	634	10
Kanawha	39,771	2,319	17,090	19,409	48.8%	1,989	1
Lewis	3,389	288	1,665	1,953	57.6%	169	37
Lincoln	4,930	316	2,697	3,013	61.1%	247	30
Logan	7,496	531	3,768	4,299	57.4%	375	15
Marion	11,227	687	4,292	4,979	44.3%	561	11
Marshall	6,886	338	2,764	3,102	45.0%	344	17
Mason	5,929	303	2,705	3,008	50.7%	296	21
McDowell	4,423	305	3,051	3,356	75.9%	221	32
Mercer	12,764	1,154	6,926	8,080	63.3%	638	9
Mineral	5,868	316	1,980	2,296	39.1%	293	23
Mingo	5,905	383	2,991	3,374	57.1%	295	22
Monongalia	15,294	805	4,263	5,068	33.1%	765	6
Monroe	2,835	228	1,027	1,255	44.3%	142	41
Morgan	3,596	280	1,318	1,598	44.4%	180	34
Nicholas	5,561	390	2,534	2,924	52.6%	278	26
Ohio	8,444	504	2,048	2,552	30.2%	422	14
Pendleton	1,462	122	506	628	43.0%	73	52
Pleasants	1,551	112	546	658	42.4%	78	50
Pocahontas	1,561	157	705	862	55.2%	78	49
Preston	6,536	488	2,467	2,955	45.2%	327	19
Putnam	13,150	788	3,455	4,243	32.3%	658	8
Raleigh	16,403	1,271	7,363	8,634	52.6%	820	5
Randolph	5,705	486	3,605	4,091	71.7%	285	24
Ritchie	2,205	149	906	1,055	47.9%	110	45
Roane	3,239	317	1,640	1,957	60.4%	162	38
Summers	2,521	220	1,242	1,462	58.0%	126	43
Taylor	3,514	230	1,344	1,574	44.8%	176	35
Tucker	1,371	141	449	590	43.0%	69	53
Tyler	1,924	123	715	838	43.5%	96	47

WVCHIP Enrollment Report

ATTACHMENT 1

June 2012

County	County Pop 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-12	Total Medicaid Enrollment Jun-12	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,996	382	2,380	2,762	55.3%	250	29
Wayne	9,516	527	4,100	4,627	48.6%	476	12
Webster	1,977	152	1,146	1,298	65.6%	99	46
Wetzel	3,466	219	1,602	1,821	52.5%	173	36
Wirt	1,201	93	669	762	63.5%	60	55
Wood	18,956	1,221	8,247	9,468	49.9%	948	3
Wyoming	5,116	400	2,451	2,851	55.7%	256	28
Totals	387,459	25,114	159,269	184,383	47.6%	19,373	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Department of Administration Real Estate Division Leasing Report
For the period of June 1, 2012 through June 30, 2012

STRAIGHT RENEWAL

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-209 Renewal for 1 year consisting of 4,400 square feet of office space at the current annual per square foot rate of \$10.50, annual cost \$46,200.00, 505 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

HHR-134 Renewal for 1 year consisting of 2,150 square feet of office space at the current annual per square foot rate of \$5.50, annual cost \$11,824.92, 119 West Main Street, in the City of West Union, Doddridge County, West Virginia.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

OES-017 Renewal for 3 months consisting of 8,000 square feet of storage space at the current annual per square foot rate of \$4.82, annual cost \$38,559.96, 4510 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF REHABILITATION SERVICES

DRS-081 Renewal for 1 year consisting of 3,244 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$42,171.96, full service, U. S. Route 55, Harco Complex, in the City of Moorefield, Hardy County, West Virginia.

DRS-068 Renewal for 3 years consisting of 1,422 square feet of office space at the current annual per square foot rate of \$7.75, annual cost \$11,020.56, water/sewer, 207 5th Street, in the City of Pt. Pleasant, Mason County, West Virginia.

DIVISION OF VETERANS AFFAIRS

VET-007 Renewal for 1 year consisting of 739 square feet of office space at the current monthly rate of \$100.00, annual cost \$1,200.00, full service, 1500 Main Street, Mercer County Memorial Building, in the City of Princeton, Mercer County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-031 Renewal for 1 year consisting of 2,797 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$33,564.00, full service, U. S. Route 55, in the City of Fairlea, Greenbrier County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-181 Renewal for 1 year consisting of 6,292 square feet of office space with an increase in the annual per square foot rate from \$3.83 to \$4.20, annual cost \$26,426.40, 404 Main Street, in the City of Grantsville, Calhoun County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 June 1 - 30, 2012

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Department of Health and Human Resources	HHR-209	Kanawha	4,400	10.50	46,200
2	Department of Health and Human Resources	HHR-134	Doddridge	2,150	5.50	11,825
3	Div of Homeland Security & Emergency Management	OES-017	Kanawha	8,000	4.82	38,560
4	Division of Rehabilitation Services	DRS-081	Hardy	3,244	13.00	42,172
5	Division of Rehabilitation Services	DRS-068	Mason	1,422	7.75	11,021
6	Division of Veterans Affairs	VET-007	Mercer	739	0.00	1,200
7	WORKFORCE West Virginia	WWV-031	Greenbrier	2,797	12.00	33,564
8	Department of Health and Human Resources	HHR-181	Calhoun	6,292	4.20	26,426
9	Division of Natural Resources	NAT-121	Hampshire	0	0.00	500
10	Division of Veterans Affairs	VET-008	Ohio	0	0.00	3,240
11	Division of Miners' Health, Safety and Training	MHS-031	Monongalia	4,710	12.00	56,520
12	WORKFORCE West Virginia	WWV-009	Kanawha	29,164	12.90	376,216
					82.67	
				Total Rentable Square Feet	<u>62,918</u>	
				Average Annual Rental Rate	<u>9.19</u>	
				Total Annual Rent		<u>647,444</u>

Joint Committee on Government and Finance

July 2012

Department of Health and Human Resources

MEDICAID REPORT

May 2012 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

MONTH OF MAY 2012	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month 05/31/12	Current Month Ended 05/31/12	Year To-Date Thru 05/31/12	06/01/12 Thru 06/30/12
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,043,833	176,928,067	14,371,272	17,035,921	147,774,507	29,153,560
Inpatient Hospital - DSH	54,602,728	55,616,400	13,797,962	13,904,100	55,698,690	(82,290)
Inpatient Hospital - Supplemental Payments	150,374,918	79,066,286	-	-	64,601,638	14,464,648
Inpatient Hospital - GME Payments	5,178,062	5,128,800	1,531,678	1,282,200	5,901,754	(772,954)
Mental Health Facilities	82,205,443	83,604,219	9,128,287	8,087,615	74,694,798	8,909,421
Mental Health Facilities - DSH Adjustment Payments	18,870,766	18,866,400	4,722,423	4,716,600	18,887,389	(20,989)
Nursing Facility Services - Regular Payments	497,490,876	533,935,963	41,385,066	44,518,200	486,185,669	47,750,295
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	62,315,850	68,807,100	6,040,380	5,733,925	60,542,599	8,264,501
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	120,938,365	129,796,223	11,752,307	12,527,271	107,249,679	22,546,544
Physicians Services - Supplemental Payments	28,779,948	30,575,400	-	-	26,661,492	3,913,908
Outpatient Hospital Services - Regular Payments	104,867,944	107,096,383	11,162,505	10,317,252	97,681,467	9,414,917
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	355,934,526	368,792,906	36,665,934	35,952,710	347,807,655	20,985,252
Drug Rebate Offset - National Agreement	(178,030,580)	(156,989,600)	(4,340,659)	(4,161,978)	(214,160,184)	57,170,584
Drug Rebate Offset - State Sidebar Agreement	(18,264,735)	(20,042,600)	(435,033)	(505,589)	(17,499,301)	(2,543,299)
Dental Services	65,110,306	61,522,537	5,510,683	5,935,789	52,378,679	9,143,859
Other Practitioners Services - Regular Payments	11,297,560	13,106,060	1,300,634	1,333,548	11,407,282	1,698,778
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	5,014,428	5,507,120	424,255	546,308	4,282,451	1,224,669
Lab & Radiological Services	23,034,934	23,867,397	2,694,425	2,338,775	23,196,435	670,962
Home Health Services	44,244,071	45,150,371	7,818,652	4,396,529	47,501,817	(2,351,446)
Hysterectomies/Sterilizations	202,721	221,100	14,639	21,260	181,521	39,579
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,393,791	1,692,037	139,685	163,558	1,102,941	589,096
Rural Health Clinic Services	7,938,113	9,400,347	847,192	915,423	7,089,577	2,310,770
Medicare Health Insurance Payments - Part A Premiums	17,589,540	19,087,800	1,489,335	3,181,300	15,940,086	3,147,714
Medicare Health Insurance Payments - Part B Premiums	86,800,107	101,265,000	6,686,943	16,877,500	78,867,078	22,397,922
120% - 134% Of Poverty	6,412,164	7,018,300	475,324	674,837	5,776,973	1,241,327
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	7,200,103	7,611,400	800,042	731,865	6,775,538	835,862

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

	MONTH OF MAY 2012		ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month 05/31/12	SFY2012	Current Month 05/31/12	Current Month Ended 05/31/12	Year To-Date Thru 05/31/12	06/01/12 Thru 06/30/12
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	331,340,463	332,146,800	28,289,074		27,678,900		312,189,015	19,957,785
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	430,840	474,700	85,068		45,644		409,952	64,748
Medicaid Health Insurance Payments: Coinsurance	-	-	-		-		-	-
Medicaid Health Insurance Payments: Other	22,935	-	-		-		-	-
Home & Community-Based Services (MR/DD)	250,190,675	291,985,942	25,898,649		26,230,980		265,373,619	26,612,322
Home & Community-Based Services (Aged/Disabled)	105,384,910	124,444,608	12,848,844		11,082,710		121,617,756	2,826,852
Home & Community-Based Services (Traumatic Brain Injury)	-	2,600,925	-		250,089		-	2,600,925
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-		-		-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-		-		-	-
Community Supported Living Services	-	-	-		-		-	-
Programs Of All-Inclusive Care Elderly	-	-	-		-		15,197	(15,197)
Personal Care Services - Regular Payments	43,271,225	54,253,564	4,618,294		4,522,077		46,846,078	7,407,486
Personal Care Services - SDS 1915(j)	-	-	-		-		-	-
Targeted Case Management Services - Com. Case Management	-	-	-		-		-	-
Targeted Case Management Services - State Wide	3,683,372	4,102,733	274,536		398,385		2,906,930	1,195,803
Primary Care Case Management Services	311,397	362,800	14,913		34,885		204,778	158,022
Hospice Benefits	23,031,071	23,968,000	3,249,372		2,304,615		22,216,198	1,751,802
Emergency Services Undocumented Aliens	250,549	252,200	34,252		24,250		295,548	(43,348)
Federally Qualified Health Center	17,062,376	18,053,125	1,829,496		1,754,317		17,867,255	185,870
Non-Emergency Medical Transportation	22,846,997	23,329,348	2,316,651		2,245,683		23,662,006	(332,658)
Physical Therapy	1,950,648	1,993,133	250,669		191,933		2,002,659	(9,526)
Occupational Therapy	259,371	223,033	34,928		21,760		330,658	(107,625)
Services for Speech, Hearing & Language	322,095	261,398	48,680		25,500		511,571	(250,173)
Prosthetic Devices, Dentures, Eyeglasses	1,750,474	1,982,028	214,439		191,817		1,723,969	258,059
Diagnostic Screening & Preventive Services	506,980	555,348	50,139		53,519		490,726	64,622
Nurse Mid-Wife	241,124	280,900	17,156		27,010		200,199	80,701
Emergency Hospital Services	1,340,493	5,903,671	322		567,808		5,283	5,898,388
Critical Access Hospitals	31,130,998	33,377,270	2,924,597		3,213,404		27,963,684	5,413,587
Nurse Practitioner Services	1,296,506	1,242,745	161,865		119,913		1,378,202	(135,457)
School Based Services	55,049,683	66,000,436	5,666,492		6,350,596		43,919,283	22,081,152
Rehabilitative Services (Non-School Based)	76,039,609	88,073,374	7,932,599		8,019,952		73,264,785	14,808,588
Private Duty Nursing	4,856,304	5,087,998	382,374		512,538		4,246,362	841,636
Other Care Services	20,936,984	22,969,227	2,090,098		2,209,659		19,462,999	3,506,229
Less: Recoupments	-	-	(151,393)		-		(262,386)	262,386
NET EXPENDITURES:	2,719,053,859	2,880,556,723	273,066,045		284,602,863		2,505,370,554	375,186,169

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

MONTH OF MAY 2012	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month 05/31/12	Current Month Ended 05/31/12	Year To-Date Thru 05/31/12	06/01/12 Thru 06/30/12
Collections: Third Party Liability (line 9A on CMS-64)	(9,341,740)	-	-	-	(5,399,353)	5,399,353
Collections: Probate (line 9B on CMS-64)	(81,809)	-	-	-	(321,277)	321,277
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(396)	-	-	-	(1,205)	1,205
Collections: Other (line 9D on CMS-64)	(7,250,803)	-	-	-	(6,000,732)	6,000,732
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,702,379,111	2,880,556,723	273,066,045	284,602,863	2,493,647,987	386,908,736
Plus: Medicaid Part D Expenditures	18,156,396	33,719,754	3,005,205	3,242,284	30,965,944	2,753,810
Plus: State Only Medicaid Expenditures	4,750,829	4,580,645	472,299	454,641	3,671,478	909,168
Plus: Money Follow the Person Expenditures	-	3,964,312	-	381,184	-	3,964,312
TOTAL MEDICAID EXPENDITURES	\$ 2,725,286,336	\$ 2,922,821,434	\$ 276,543,549	\$ 288,680,972	\$ 2,528,285,408	\$ 394,536,025
Plus: Reimbursables ⁽¹⁾	5,304,734	5,832,222	704,884	559,166	6,096,644	(264,422)
TOTAL EXPENDITURES	\$ 2,730,591,069	\$ 2,928,653,656	\$ 277,248,433	\$ 289,240,138	\$ 2,534,382,053	\$ 394,271,604

(1) This amount will revert to State Only if not reimbursed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2012

11 Months Actuals 1 Months Remaining

MONTH OF MAY 2012	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2011	Current Month Ended 05/31/12	Year-To-Date Thru 05/31/12	06/01/12 Thru 06/30/12	SFY2012
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 213,690,990	\$ 23,816,599	\$ 210,933,113		\$ 210,933,113
MATCHING FUNDS					
General Revenue (0403/189)	222,471,412	31,058,110	187,779,697	30,690,901	218,470,598
MRDD Waiver (0403/466)	87,753,483	9,762,883	78,990,600	9,762,883	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,379,666	216,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	5,826,334	529,666	6,356,000
Traumatic Brain Injury (0403/835)	-	66,667	733,334	66,666	800,000
Title XIX Waiver for Seniors (0403-533)	7,500,000	1,054,625	8,532,875	3,554,625	12,087,500
Medical Services Surplus (0403/633)	-	-	18,853,334	(18,853,334)	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	2,500,000	(2,500,000)	-
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	7,222,578	31,222,578	-	31,222,578
Lottery Transfer (5405/871)	16,670,000	2,070,000	8,670,000	-	8,670,000
Trust Fund Appropriation (5185/189)	-	-	12,076,099	18,480,495	30,556,594
Provider Tax (5090/189)	152,750,473	15,800,000	149,300,000	12,982,760	162,282,760
Certified Match	16,726,042	2,198,437	21,016,780	3,736,078	24,752,858
Reimbursables - Amount Reimbursed	3,688,478	681,966	7,695,193	(1,862,971)	5,832,222
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	712,458	79,449	830,011	(830,011)	-
CMS - 64 Adjustments	898,977	-	569,448	(569,448)	-
TOTAL MATCHING FUNDS	\$ 755,086,891	\$ 94,557,315	\$ 747,909,062	\$ 55,404,644	\$ 803,313,706
FEDERAL FUNDS	\$ 2,191,395,795	\$ 198,784,620	\$ 1,837,252,393	\$ 318,995,885	\$ 2,156,248,278
TOTAL REVENUE SOURCES	\$ 2,946,482,686	\$ 293,341,935	\$ 2,585,161,455	\$ 374,400,529	\$ 2,959,561,984
TOTAL EXPENDITURES:					
Provider Payments	\$ 2,730,591,069	\$ 277,248,433	\$ 2,534,382,053	\$ 394,271,604	\$ 2,928,653,656
TOTAL	\$ 215,891,617	\$ 16,093,502	\$ 50,779,403		\$ 30,908,328

Note: FMAP (73.24% applicable Jul. - Sep. 2011) (72.62% applicable Oct. 2011 - Jun. 2012)

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Monthly Performance Report

May 31, 2012



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of May 31, 2012

	6/30/2011		5/31/2012		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	12,849,850	100.0	12,759,397	100.0							
Pension Assets	10,191,097	79.3	9,915,598	77.7							
Public Employees' Retirement System	4,359,025	33.8	4,246,606	33.2	-4.4	-3.9	-1.4	-2.1	11.7	1.5	6.1
Teachers' Retirement System	5,010,212	38.9	4,809,048	37.6	-4.4	-3.9	-1.5	-2.2	11.3	1.0	5.8
Teachers' Employers Cont. Collection A/C	-	0.0	44,789	0.4	0.0	0.0	0.0	0.0	0.1	1.1	
EMS Retirement System	31,963	0.3	34,166	0.3	-4.4	-3.9	-1.5	-2.2	11.6		
Public Safety Retirement System	482,005	3.8	468,209	3.7	-4.3	-3.8	-1.4	-2.1	11.8	1.5	6.2
Judges' Retirement System	124,587	1.0	123,445	1.0	-4.4	-3.9	-1.4	-2.2	11.7	1.5	6.1
State Police Retirement System	70,756	0.6	75,884	0.6	-4.4	-3.9	-1.5		11.6		
Deputy Sheriffs' Retirement System	112,488	0.9	113,280	0.9	-4.4	-3.9	-1.5	-2.2	11.7	1.5	6.1
Municipal Police & Firefighter Retirement System	61	0.0	171	0.0	-4.5	-4.0	1.2	1.2			
Insurance Assets	1,968,581	15.3	1,971,056	15.5							
Workers' Compensation Old Fund	933,073	7.3	938,630	7.4	-1.5	-1.0	2.4	2.1	9.1	2.6	
Workers' Comp. Self-Insured Guaranty Risk Pool	9,627	0.1	10,790	0.1	-1.7	-1.3	1.7	1.2	2.7	2.8	
Workers' Comp. Uninsured Employers Fund	8,911	0.1	9,057	0.1	-1.8	-1.3	1.6	1.1	2.1	2.4	
Pneumoconiosis	261,558	1.9	255,332	2.0	-1.8	-1.4	1.6	1.1	9.2	3.4	
Board of Risk & Insurance Mgmt.	140,522	1.1	136,750	1.1	-1.8	-1.3	1.8	1.3	9.6	4.3	
Public Employees' Insurance Agency	175,171	1.4	182,171	1.4	-0.6	0.0	4.0	3.7	9.5	4.1	
WV Retiree Health Benefit Trust Fund	437,457	3.4	435,875	3.4	-3.1	-2.8	-0.4	-1.0	9.0		
AccessWV	2,262	0.0	2,451	0.0	0.9	1.7	8.4	8.6			
Endowment Assets	690,172	5.4	872,743	6.8							
Wildlife Fund	40,380	0.3	39,023	0.3	-4.4	-3.9	-1.5	-2.2	11.6	1.5	6.3
Prepaid Tuition Trust	84,791	0.7	76,224	0.6	-3.5	-2.8	0.2	-0.6	12.4	2.5	6.7
Revenue Shortfall Reserve Fund	242,748	1.9	423,445	3.2	0.9	1.8	8.7	9.0	11.3	0.9	
Revenue Shortfall Reserve Fund - Part B	315,738	2.4	327,699	2.6	-1.4	-0.8	3.3	3.0	11.0	0.6	
WV DEP Trust	6,515	0.1	6,352	0.1	-5.2	-4.9	-2.9	-3.7			

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of May 31, 2012

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	12,764,611	100.00								
Total Equity Composite	5,298,575	41.50	-8.77	-8.96	-9.75	-10.88	12.23	-2.12	5.47	
<i>Total Equity Policy Index</i>			-8.72	-8.90	-9.89	-11.34	10.17	-3.40	4.83	
Excess Return			-0.05	-0.06	0.14	0.46	2.06	1.28	0.64	
US Equity Composite	2,694,952	21.11	-6.38	-4.09	-0.64	-2.09	16.23	-0.72	5.18	
<i>Russell 3000 Index</i>			-6.18	-3.92	-0.07	-1.87	15.38	-0.75	4.62	
Excess Return			-0.20	-0.17	-0.57	-0.22	0.85	0.03	0.56	
Large Cap Composite	2,017,488	15.80	-5.75	-2.87	1.59	0.02	15.81	-0.69	4.16	
<i>S&P 500 Index</i>			-6.01	-3.53	1.28	-0.41	14.92	-0.92	4.14	
Excess Return			0.26	0.66	0.31	0.43	0.89	0.23	0.02	
Non-Large Cap Composite	677,464	5.31	-8.21	-7.55	-6.87	-8.01	18.88	0.27	7.11	
<i>Russell 2500 Index</i>			-6.83	-5.52	-5.73	-7.80	18.09	0.09	7.00	
Excess Return			-1.38	-2.03	-1.14	-0.21	0.79	0.18	0.11	
International Equity Composite	2,603,623	20.39	-11.11	-13.57	-18.39	-19.23	7.99	-3.54	6.81	
<i>MSCI AC World ex US Index</i>			-11.25	-13.73	-18.96	-20.11	5.01	-5.12	6.11	
Excess Return			0.14	0.16	0.57	0.88	2.98	1.58	0.70	
Fixed Income Composite	3,611,932	28.30	0.22	0.98	5.22	4.88	9.46	5.58	6.07	
<i>Fixed Income Policy</i>			0.64	1.27	7.09	6.74	7.74	6.87	5.79	
Excess Return			-0.42	-0.29	-1.87	-1.86	1.72	-1.29	0.28	
Core Fixed Income	1,245,213	9.76	0.85	1.67	7.97	7.86	8.16			
<i>Barclays Capital Aggregate</i>			0.90	1.46	7.43	7.12	7.12			
Excess Return			-0.05	0.21	0.54	0.74	1.04			
Total Return Fixed Income	2,366,719	18.54	-0.11	0.62	3.81	3.36	9.75	5.68	6.60	
<i>Barclays Capital US Universal</i>			0.64	1.27	7.09	6.74	7.74	6.61	5.97	
Excess Return			-0.75	-0.65	-3.28	-3.38	2.01	-0.93	0.63	
TIPS Composite	751,681	5.89	1.68	2.61	12.24	13.14				
<i>Barclays Capital U.S. TIPS</i>			1.67	2.62	12.29	13.19				
Excess Return			0.01	-0.01	-0.05	-0.05				
TRS Annuity	52,902	0.41	0.35	1.09	4.11	4.49	4.49			
Cash Composite	263,820	2.07	0.01	0.02	0.06	0.06	0.12	1.20	1.98	
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.07	0.19	0.20	0.27	1.21	2.03	
Excess Return			-0.01	-0.05	-0.13	-0.14	-0.15	-0.01	-0.05	
Private Equity Composite	1,071,733	8.39	0.90	3.93	15.19	15.43	17.08			
Real Estate Composite	608,572	4.78	-0.52	1.65	5.11	5.69	8.15			
Hedge Funds Composite	1,105,396	8.66	-1.30	-1.03	-0.21	-1.13	6.43			
<i>LIBOR + 400 bps</i>			0.37	1.11	4.07	4.43	4.37			
Excess Return			-1.67	-2.14	-4.28	-5.56	2.06			

West Virginia Investment Management Board
 Participant Plans Allocation vs. Targets
 As of May 31, 2012

	Domestic Equity		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %

Pension Assets

Public Employees' Retirement System	24.5	24.5	23.7	26.5	25.1	23.0	10.8	10.0	6.1	6.0	9.3	10.0	0.5	0.0
Teachers' Retirement System	24.6	24.5	23.9	26.5	24.1	23.0	10.9	10.0	6.2	6.0	9.4	10.0	0.9	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	24.2	24.5	23.4	26.5	26.2	23.0	10.7	10.0	6.0	6.0	9.0	10.0	0.5	0.0
Public Safety Retirement System	23.5	24.5	22.8	26.5	23.5	23.0	10.4	10.0	5.9	6.0	9.2	10.0	4.7	0.0
Judges' Retirement System	24.4	24.5	23.8	26.5	25.5	23.0	10.8	10.0	6.1	6.0	9.3	10.0	0.1	0.0
State Police Retirement System	24.4	24.5	23.5	26.5	25.7	23.0	10.7	10.0	6.0	6.0	8.9	10.0	0.8	0.0
Deputy Sheriffs' Retirement System	24.3	24.5	23.6	26.5	25.5	23.0	10.8	10.0	6.1	6.0	9.3	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	22.1	24.5	23.5	26.5	19.9	23.0	10.0	10.0	6.0	6.0	9.6	10.0	8.9	0.0

Insurance Assets

Workers' Compensation Old Fund	9.5	9.8	9.1	10.6	71.0	69.6	0.0	0.0	0.0	0.0	0.0	0.0	10.4	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.4	9.8	9.1	10.6	57.2	54.6	0.0	0.0	0.0	0.0	18.0	20.0	6.3	5.0
Workers' Comp. Uninsured Employers Fund	9.5	9.8	9.2	10.6	56.7	54.6	0.0	0.0	0.0	0.0	19.5	20.0	5.1	5.0
Pneumoconiosis	9.6	9.8	9.3	10.6	56.5	54.6	0.0	0.0	0.0	0.0	20.0	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	9.5	9.8	9.2	10.6	56.7	54.6	0.0	0.0	0.0	0.0	19.5	20.0	5.1	5.0
Public Employees' Insurance Agency	4.7	4.9	4.5	5.3	76.5	74.8	0.0	0.0	0.0	0.0	9.3	10.0	5.0	5.0
WV Retiree Health Benefit Trust Fund	16.9	17.1	16.3	18.6	47.9	44.3	0.0	0.0	0.0	0.0	18.9	20.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Endowment Assets

Wildlife Fund	24.3	24.5	23.6	26.5	25.2	23.0	10.8	10.0	6.1	6.0	9.8	10.0	0.2	0.0
Prepaid Tuition Trust	31.2	32.9	15.8	16.1	51.7	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	9.4	10.0	9.0	10.0	81.1	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0
WV DEP Trust	35.3	35.0	26.7	30.0	38.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Statutory Limitations

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of May 31, 2012

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

Returns are net of management fees. Returns shorter than one year are unannualized.



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

July 2012

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

With the passage of S.B. 1004 in January 2005, significant changes were made to workers' compensation insurance in West Virginia. The State administered monopolistic fund effectively ended when a new domestic mutual insurance company, "BrickStreet", was formed to issue workers' compensation insurance on a going forward basis. BrickStreet began writing new workers' compensation insurance liabilities effective January 2006. (They also retained the workers' compensation insurance premium and incurred liability starting in July 2005.) The West Virginia workers' compensation insurance market was later opened to competition beginning in July 2008.

At the time when the domestic mutual insurance company was formed in order to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State administered monopolistic fund. Subsequent to privatization, this legacy liability was retained by the State of West Virginia in what is now known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. Apart from those sections which specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report concerns the workers' compensation legacy liability of the State of West Virginia, i.e. the Old Fund.

Although belonging to the State of West Virginia, the administration of the Old Fund was initially placed via statute with BrickStreet. By January 2008, however, BrickStreet relinquished the administration of the Old Fund back to the State to be managed by the West Virginia Offices of the Insurance Commissioner. The West Virginia Offices of the Insurance Commissioner contracted with three Third Party Administrators (TPA's: Sedgwick Claims Management Services, Wells Fargo Disability Management, and American Mining Insurance Company) to ensure timely claim payments and proper claims management with the ultimate goal of claim resolution.

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Offices of the Insurance Commissioner.

Definitions:

Appeal (BOR): A formal procedure conducted by the Board of Review at which a decision of an administrative law judge (OOJ) having presided over a matter of workers' compensation (Old Fund or Privately Insured) is to be afforded additional consideration. An appeal may be filed by any aggrieved party, such as a claimant, employer, dependent of a claimant, private insurance carrier, etc.

Board of Review: (BOR) A three judge panel that serves as an intermediate appellate tribunal in workers' compensation litigation. Specifically, the Board of Review reviews all appeals taken from any final decision of the Office of Judges. The BOR may reverse, vacate, modify or remand a decision of the Office of Judges. Any appeal taken from a Board of Review final order must be filed with the West Virginia Supreme Court of Appeals.

Claim Reserve: individual claim level cost estimate that is projected on the ultimate probable exposure; must be the best projection based on the facts and findings of the claim. This function is to capture the key components that impact the range of any impending cost in workers' compensation claims. No discounting is applied. The Indemnity Reserve is adjusted to cover the cost of loss or exposure both on a temporary and permanent basis. The reserve should also be adjusted to include the projected cost of any death and/or dependent benefits when appropriate. The Medical Reserve covers medical cost, hospital stays, specialized treatment, rehabilitation, durable medical equipment, and medications, etc. The Expense Reserve is placed for the cost of legal defense and investigations, etc. The reserves may be reduced based on the findings of early mortality factors.

Coal Workers' Pneumoconiosis Fund: State managed fund into which FBL premiums received are held, and out of which FBL benefits are paid. This fund was closed to future liabilities as of 12/31/2005. Because of the latency period between the date of last exposure and the onset of disease, new FBL claims will occur.

Fatal: claim under which the worker died as a result of injury or illness.

FBL: claim for Occupational Pneumoconiosis (Black Lung) benefits under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive FBL Claim: an FBL claim for which an award had been sought, but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Some variance in the number of reported "inactive" claims has occurred in the past due to one TPA holding active reserves on "inactive" claims. This has subsequently been rectified. Denied Old Fund FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

Indemnity: statutory wage replacement benefits awarded as a result of a worker's occupational illness or injury.

Med Only: claim under which only the payment of medical benefits were sought or awarded, i.e. no payment of wage replacement benefits (indemnity) is being made.

Non-FBL: claim for benefits other than a Federal Black Lung award, i.e. all other claim types.

Office of Judges: (OOJ) An office comprised of administrative law judges who are charged with resolving protests or appeals to workers' compensation claims management decisions. The Office of Judges conducts hearings, receives and weighs evidence and arguments, and issues written decisions on protests or appeals from initial claim management decisions. Any final decision of the Office of Judges may be appealed to the workers' compensation Board of Review. The OOJ hears protests involving Old Fund claims as well as those arising from the private market (private carrier or privately insured.)

OP/OD: claim of Occupational Pneumoconiosis or Occupational Disease. An OP claim could be considered the State level equivalent of an FBL claim; however, State OP claims provide for varying percentages of impairment where the FBL applicant must prove total impairment to be eligible. (State OP claims are awarded more frequently than FBL, but afford lesser benefits.) An example of an OD claim would be occupational hearing loss.

Partial Award: claim for which benefits are being paid, but no official award has been made.

Payment Agreement: individual legal agreements that were made in order to settle a particular payment issue on a specific claim. These are different than your "standard" claim types, such as PTD or TPD. They identify a sub-set of claims that are not settled in the same philosophy that is practiced today. This normally references a situation in which a PT was granted years ago and the "onset" date was in litigation. A compromise was reached and a settlement was executed to the agreed up "onset" date. Although a settlement was executed, it was only applicable to an issue, not to the entire claim, so monthly payments continue to pay on these claims.

Protest (OOJ): An objection to a ruling of a workers' compensation claim administrator (Old Fund or Private Market) which prompts the initiation of the adjudication process at the Office of Judges.

PPD: (Permanent Partial Disability) paid to compensate an injured worker for permanent impairment that results from an occupational injury or disease. The American Medical Association defines permanent impairment as impairment that has become static or well stabilized with or without medical treatment and is not likely to remit despite medical treatment. It should be noted, some injuries that are total loss by severance have statutory impairment ratings that are defined per WV Code §23-4-6(f). Payment for PPD is based upon 4 weeks of compensation for each one percent of disability.

PTD: (Permanent Total Disability) A disability which renders a claimant unable to engage in gainful employment requiring skills or abilities which can be acquired or which are comparable to those of any gainful employment in which the claimant previously engaged with some regularity. While the comparison of pre-injury income and post-disability income is not a factor to be considered in determining whether or not a claimant is permanently and totally disabled, the geographic availability of gainful employment should be considered. Specifically, the geographic availability

of gainful employment within a 75 mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

Self-Insured: an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

Self-Insured Guaranty Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

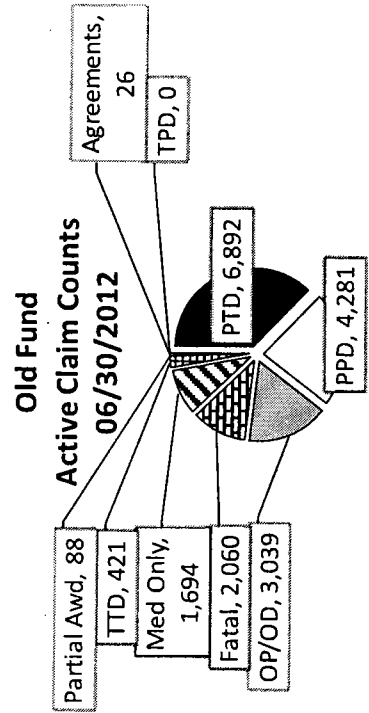
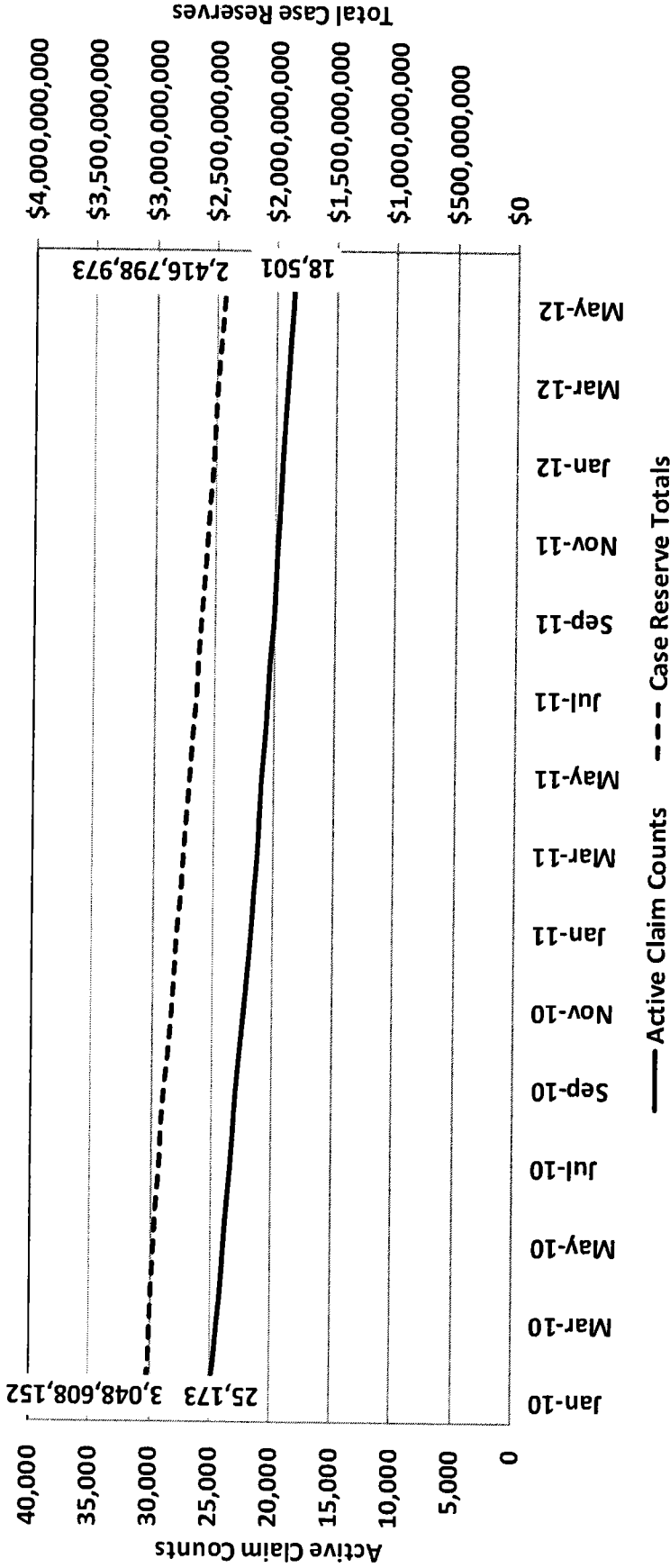
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

TPD: (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average weekly wage earnings earned at the time of injury and the average weekly wage earnings earned at the new employment.

TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified disabled due to the compensable injury by his/her treating physician.

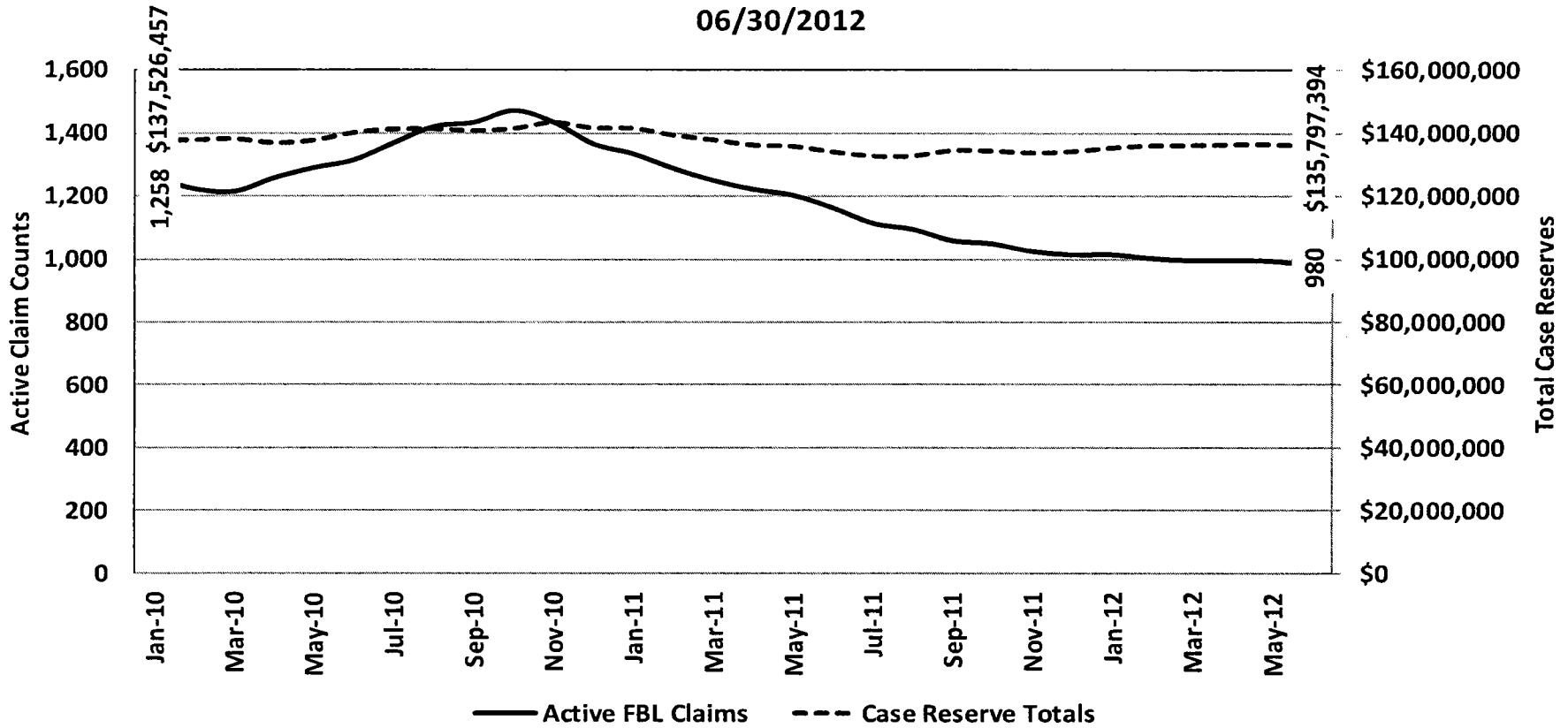
Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

Old Fund Active Claim Counts and Case Reserves 06/30/2012

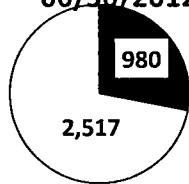


- Agreements – a legal agreement to settle a payment issue
- Fatal – worker died due to injury or illness
- Med Only – payment of medical benefits without wage replacement
- OP/OD - Occupational Pneumoconiosis or Occupational Disease
- Partial Awd – benefits being paid without official awards
- PPD - Permanent Partial Disability; unlikely to improve with treatment
- PTD - Permanent Total Disability; unable to engage in employment
- TPD - Temporary Partial Disability released to work with restrictions
- TTD - Temporary Total Disability; unable to engage in employment

**CWP Fund (FBL)
Active Claim Counts and Case Reserves
06/30/2012**



**CWP Fund (FBL)
Active and Inactive Claims
06/30/2012**



■ Active □ Inactive

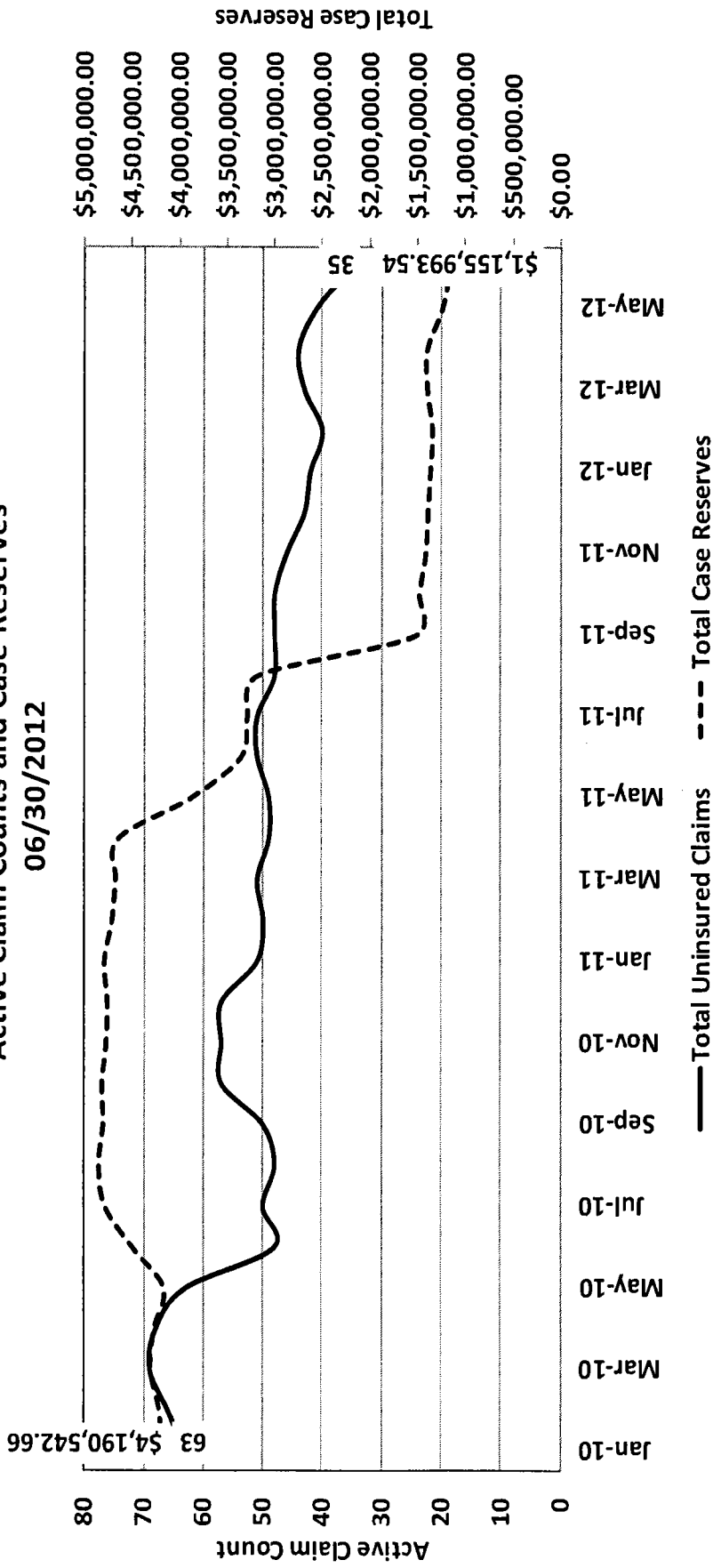
Active – Benefits being paid to claimant/beneficiary

CWP Fund - Coal Worker's Pneumoconiosis; miners/beneficiaries disabled or deceased

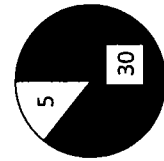
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive – claim for which an award was sought, but not afforded. Federal statutes permit an appeal, so claim may be reopened

Uninsured Fund Active Claim Counts and Case Reserves 06/30/2012



Uninsured Fund Active Claim Counts 06/30/2012



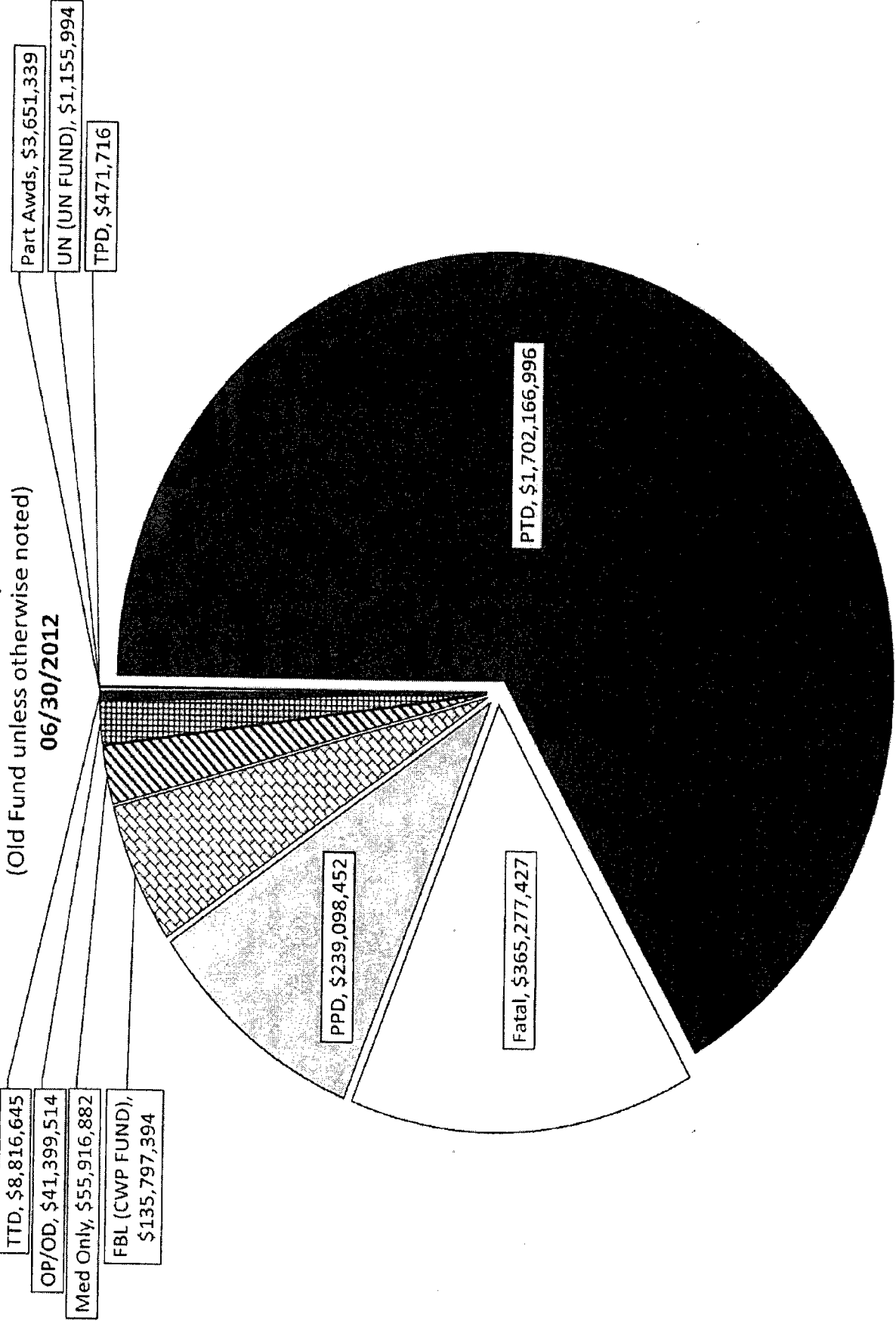
■ Indemnity □ Med Only

Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

Uninsured (Employer's) Fund - (UEF) established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF.

Total Case Reserves by Fund
 (Old Fund unless otherwise noted)
06/30/2012



OLD FUND CASH STATEMENT
June 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	943,172,539	888,535,954	54,636,585	888,535,954	795,869,972	734,195,514
Revenues						
Personal Income Tax	95,400,000	95,400,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	93,947,355	93,112,747	834,608	93,112,747	91,573,307	125,672,963
Debt Reduction Surcharge	39,758,082	41,096,360	(1,338,278)	41,096,360	39,594,122	40,115,329
Self-Insured Debt Reduction Surcharge	9,620,197	8,058,590	1,561,607	8,058,590	6,562,051	6,568,235
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	575,167	3,120,389	(2,545,223)	3,120,389	1,783,840	2,945,069
Other Income - Return of Unclaimed Property	202,103	191,860	10,243	191,860	95,620	39,392
Operating Revenues	250,502,904	251,979,946	(1,477,042)	251,979,946	246,008,940	281,740,988
Surplus Note Principal Payments	-	-	-	-	43,500,000	145,000,000
Investment / Interest Earnings (Losses)	18,284,929	88,270,887	(69,985,958)	88,270,887	102,218,697	(94,861,549)
Total Revenues	268,787,833	340,250,833	(71,463,000)	340,250,833	391,727,637	331,879,439
Expenditures						
Claims Benefits Paid:						
Medical	39,226,318	41,972,430	(2,746,112)	41,972,430	55,134,617	49,512,377
Permanent Total Disability	124,963,432	136,800,060	(11,836,628)	136,800,060	152,789,051	150,152,910
Permanent Partial Disability	1,822,571	2,513,255	(690,684)	2,513,255	4,890,325	8,171,853
Temporary Disability	188,666	384,571	(195,904)	384,571	1,322,403	2,033,710
Fatals	28,139,830	29,994,599	(1,854,769)	29,994,599	34,822,223	32,537,625
104 weeks death benefit	6,729,656	6,321,554	408,103	6,321,554	6,394,618	6,615,381
Settlements	56,164,626	50,628,569	5,536,056	50,628,569	24,145,535	3,219,641
Loss Adjustment Expenses	2,333,885	4,514,323	(2,180,437)	4,514,323	3,794,198	2,047,418
Total	259,568,984	273,129,360	(13,560,376)	273,129,360	283,292,970	254,290,915
Less: Claims credits and overpayments	8,161,625	7,666,404	495,221	7,666,404	4,327,846	2,612,892
Total Benefits Paid	251,407,359	265,462,956	(14,055,597)	265,462,956	278,965,124	251,678,023
Administrative Expenses	18,047,605	20,151,292	(2,103,687)	20,151,292	20,096,531	20,473,309
Total Expenditures	269,454,964	285,614,248	(16,159,284)	285,614,248	299,061,655	272,151,332
Closing Transfer from Private Carrier Fund						1,946,351
Excess (Deficiency) of Revenues over Expenditures	(667,131)	54,636,585	(55,303,716)	54,636,585	92,665,982	61,674,458
Cash Ending Balances	942,505,408	943,172,539	(667,132)	943,172,539	888,535,954	795,869,972

Note: The purpose of the report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of the Old Fund cash, IMB and BTI Investment accounts and any deposits in transit from the Debt Reduction Fund. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
June 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	262,926,105	244,074,613	18,851,492	244,074,613	221,866,212	261,695,430
Revenues						
Investment Earnings (Losses)	2,745,783	29,283,335	(26,537,552)	29,283,335	32,224,147	(28,434,390)
Other Income - Return of Unclaimed Property	-	-	-	-	899	132
Total Revenues	2,745,783	29,283,335	(26,537,552)	29,283,335	32,225,046	(28,434,258)
Expenditures						
Payment of Claims	11,131,012	10,415,160	715,852	10,415,160	9,978,121	11,395,319
Contractual / Professional	17,124	16,682	442	16,683	38,524	(359)
Total Expenditures	11,148,136	10,431,842	716,294	10,431,843	10,016,645	11,394,960
Excess (Deficiency) of Revenues over Expenditures	(8,402,353)	18,851,493	(27,253,846)	18,851,492	22,208,401	(39,829,218)
Cash Ending Balances	254,523,752	262,926,106	(8,402,354)	262,926,105	244,074,613	221,866,212

Note: The Coal Worker's Pneumoconiosis Fund (CWP Fund) ceased operations December 31, 2005 and is in run-off status under the administrative oversight of the Insurance Commissioner. Established in 1973, the CWP Fund existed to provide insurance coverage to companies for liabilities incurred as a result of the Federal Coal Mine Health and Safety Act of 1969. Participation in the CWP Fund was voluntary for employers. The current revenues of the CWP Fund are limited to the earnings from invested assets. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL

June 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	9,744,809	8,112,918	1,631,891	8,112,918	6,969,307	5,177,977
Revenues						
Guaranty Risk Pool Assessments	1,093,066	1,119,674	(26,608)	1,119,674	1,283,687	1,767,189
Investment Earnings (Losses)	125,813	592,165	(466,352)	592,165	9,237	68,517
Total Revenues	1,218,879	1,711,839	(492,960)	1,711,839	1,292,924	1,835,706
Expenditures						
Payment of Claims	28,466	28,707	(241)	28,707	104,821	44,376
Contractual / Professional	105,247	51,241	54,006	51,241	44,492	-
Total Expenditures	133,713	79,948	53,765	79,948	149,313	44,376
Excess (Deficiency) of Revenues over Expenditures	1,085,166	1,631,891	(546,725)	1,631,891	1,143,611	1,791,330
Cash Ending Balances	10,829,975	9,744,809	1,085,166	9,744,809	8,112,918	6,969,307

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
June 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	205,705	173,041	32,664	173,041	-	-
Revenues						
Security Risk Pool Assessments	-	115,569	(115,569)	115,568	173,041	-
Total Revenues	-	115,569	(115,569)	115,568	173,041	-
Expenditures						
Payment of Claims	2,187	73,649	(71,463)	73,649	-	-
Contractual / Professional	-	9,255	(9,255)	9,255	-	-
Total Expenditures	2,187	82,904	(80,718)	82,904	-	-
Excess (Deficiency) of Revenues over Expenditures	(2,187)	32,664	(34,851)	32,664	173,041	-
Cash Ending Balances	203,518	205,705	(2,187)	205,705	173,041	-

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND

June 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	9,086,330	8,905,444	180,886	8,905,444	8,588,268	8,164,225
Revenues						
Fines and Penalties	948,896	939,626	9,270	939,626	892,806	977,167
Investment Earnings (Losses)	99,906	474,728	(374,822)	474,728	10,923	100,907
Total Revenues	1,048,802	1,414,354	(365,552)	1,414,354	903,729	1,078,074
Expenditures						
Payment of Claims	553,676	1,224,981	(671,306)	1,224,982	577,819	654,031
Contractual/Professional	7,392	8,486	(1,095)	8,486	8,734	-
Total Expenditures	561,067	1,233,467	(672,400)	1,233,468	586,553	654,031
Excess (Deficiency) of Revenues over Expenditures	487,735	180,887	306,848	180,886	317,176	424,043
Cash Ending Balances	9,574,065	9,086,331	487,735	9,086,330	8,905,444	8,588,268

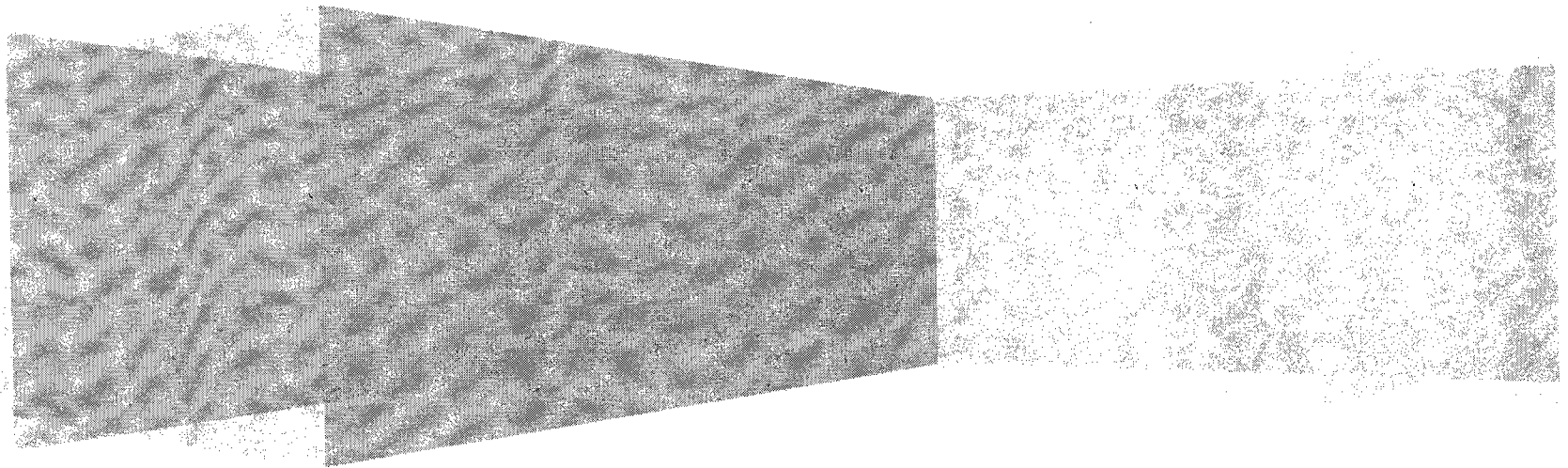
The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right to levy assessments on employers in order to maintain the solvency of the Fund. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF. The Uninsured Cash Statement is unaudited information.

West Virginia Offices of the Insurance Commissioner

OFFICE OF JUDGES' REPORT

TO INDUSTRIAL COUNCIL – July 5, 2012

Rebecca A. Roush, Chief Administrative Law Judge

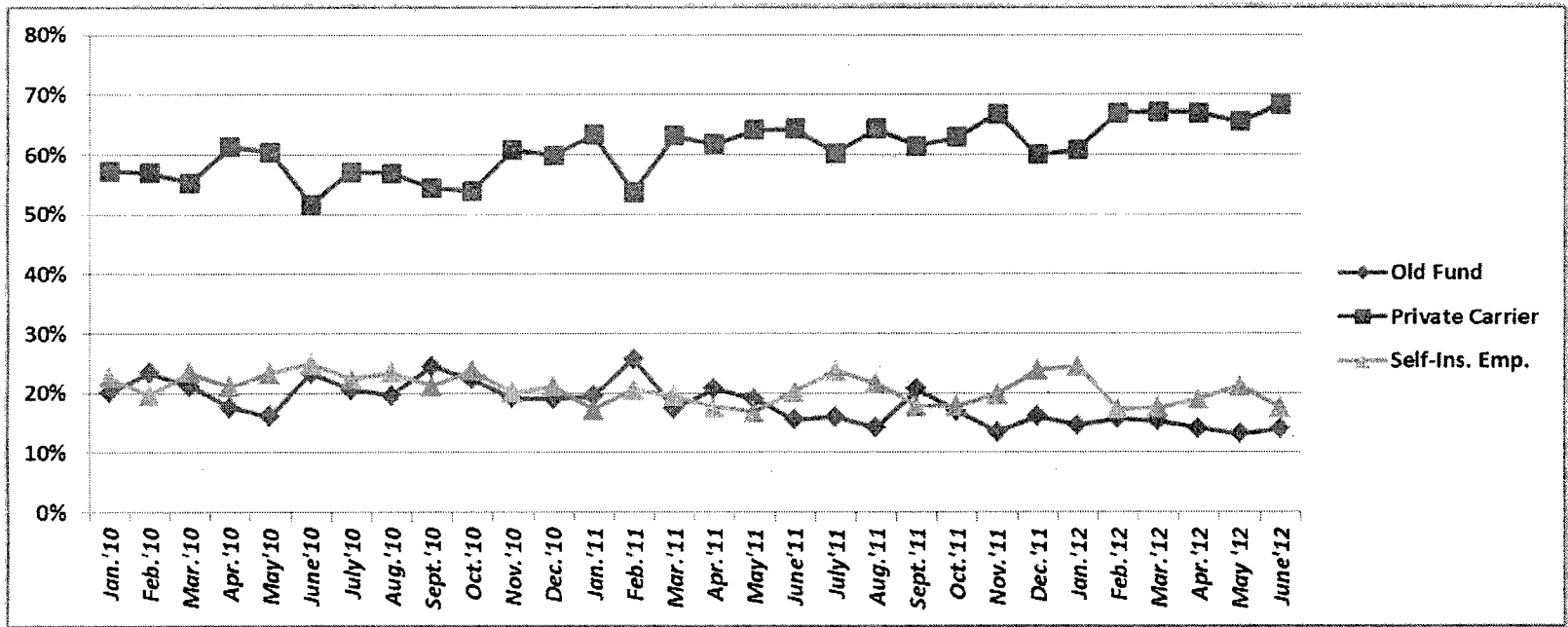


Statistical Analysis

A. Protests Acknowledged: 2011 June 2012
 5045 408 2464

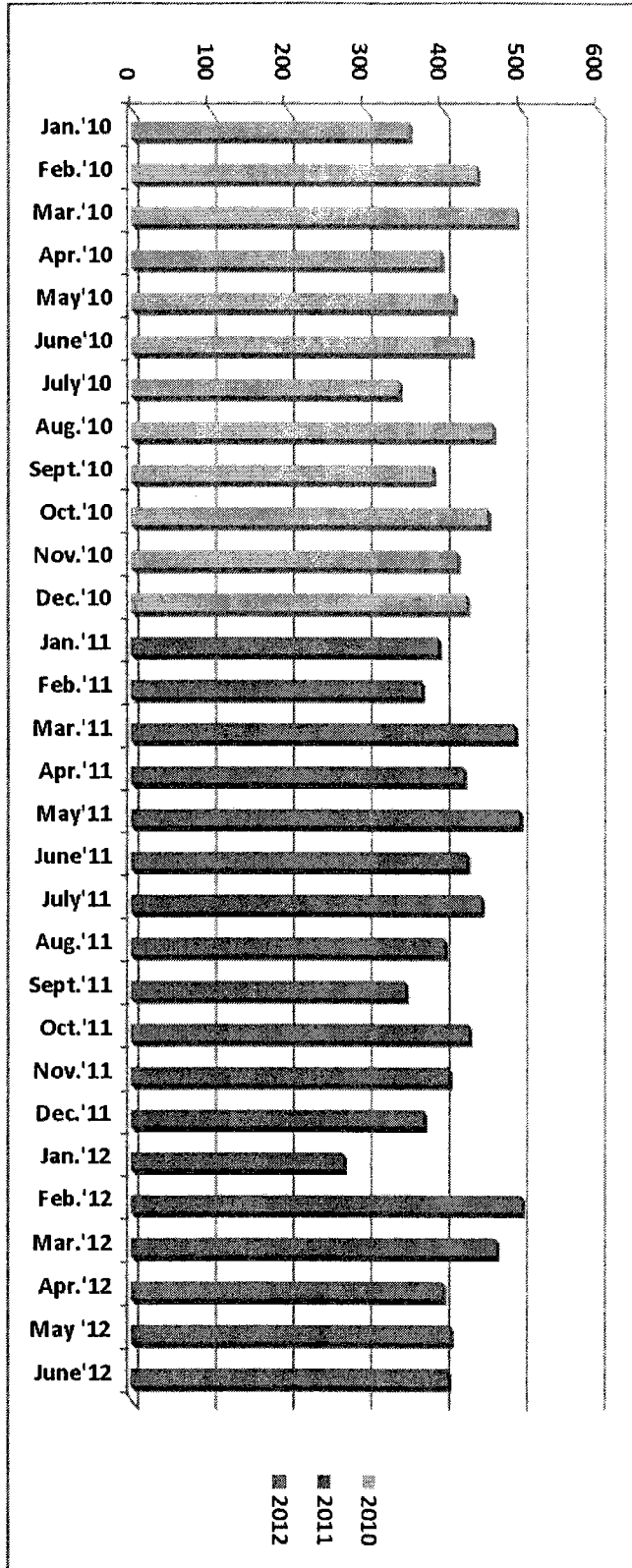
Fund Involved:

FUND	2011	% of protests	June'12	% of protests	2012	% of protests
Old Fund	903	17.90%	57	13.97%	342	13.88%
Private Carrier	3158	62.60%	279	68.38%	1650	66.96%
Self-Insured	984	19.50%	72	17.65%	472	19.16%
Subtotal	5045		408		2464	
Temporary	1029		60		429	
Total	6074		468		2893	



Protests Acknowledged by Carrier Type

Protests Acknowledged by Month





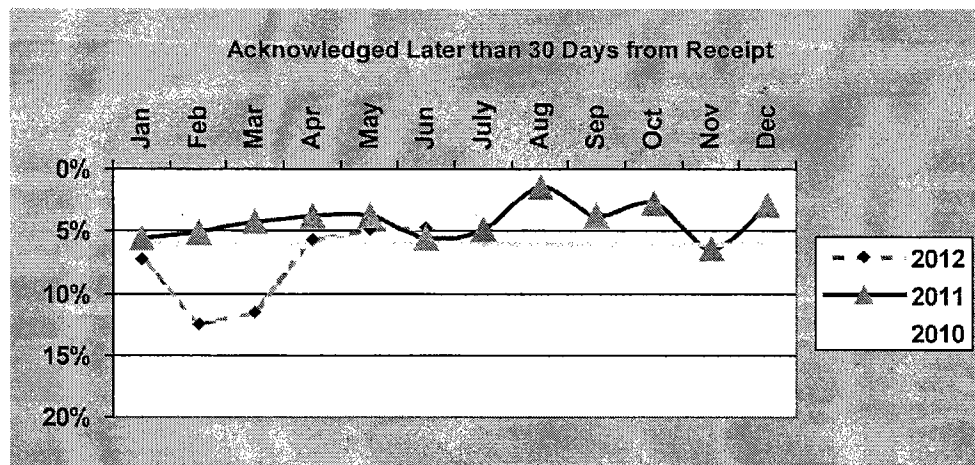
Protests Including Projection for 2012

B. Issues Resolved: 2011 June 2012
 5327 392 2335

C. Pending Caseload Report

PENDING AS OF July 3, 2012	3521
PENDING 1 MONTH BEFORE	3515
PENDING 2 MONTHS BEFORE	3520
PENDING 3 MONTHS BEFORE	3524
PENDING 6 MONTHS BEFORE	3450
PENDING 12 MONTHS BEFORE	3691

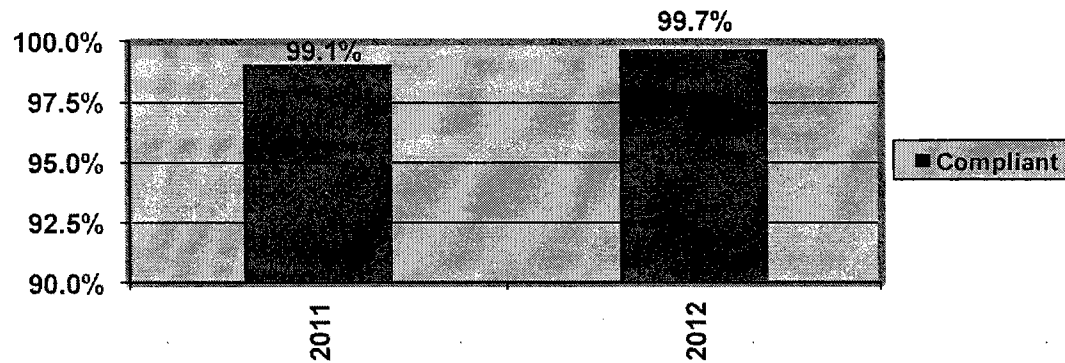
D. Acknowledgment Timeliness: 2011 June YTD
 Protest Ackn. >30 days 4.3% 4.7% 7.9%
 Protest Ackn. 24-30 days 2.3% 2.5% 3.7%
 Protest Ackn. 11-23 days 31.1% 15.9% 23.9%
 Protest Ackn. <11 days 62.3% 77.0% 64.6%



		<u>June '12</u>	<u>2012</u>
E. Protests Resolved:	1. Protests decided:	266	1652
	2. Withdrawals:	69	406
	3. "No Evidence" Dismissals:	41	281

		<u>2011</u>	<u>June '12</u>	<u>2012</u>
F. Final Decision Timeliness	1. <30 days:	43.2%	37.9%	53.0%
	2. 30-60 days:	49.8%	60.1%	44.3%
	3. 60-90 days:	6.1%	1.6%	2.5%
	4. +90 days:	0.9%	0.4%	0.3%

Decision Within Rule's Time Limits



		<u>2011</u>	<u>June</u>	<u>2012</u>
G. Time Standard Compliance		92.4%	93.6%	92.9%

Tuesday, July 03, 2012

Time Standard Compliance

Report Dates: From 6/1/2012 thru 6/30/2012

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	3	2	66.70%	1	33.30%
OPBD	15	14	93.30%	1	6.70%
REOPENING	6	4	66.70%	2	33.30%
COMPENSABILITY	18	17	94.40%	1	5.60%
TTD	15	15	100%	0	0%
PPD	37	37	100%	0	0%
REHABILITATION	1	1	100%	0	0%
DEP BEN FATAL	1	0	0%	1	100%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0%	1	100%
TRMT/EQUIP CL	44	42	95.50%	2	4.50%
Total	141	132	93.6%	9	6.4%

Tuesday, July 03, 2012

Final Decision Compliance

Report Dates: From 6/1/2012 thru 6/30/2012

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OPBD	9	2	22.2%	7	77.8%	0	0.0%	0	0.0%
PPD	40	21	52.5%	19	47.5%	0	0.0%	0	0.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
COMPENSABILITY	60	20	33.3%	38	63.3%	1	1.7%	1	1.7%
OP NON-MED	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
PTD ENTITLEMENT	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
SPECIAL CATEGORY	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	83	32	38.6%	50	60.2%	1	1.2%	0	0.0%
BENEFIT OVERPAYMENT	4	3	75.0%	1	25.0%	0	0.0%	0	0.0%
DEP BEN FATAL	6	3	50.0%	2	33.3%	1	16.7%	0	0.0%
REOPENING	10	1	10.0%	9	90.0%	0	0.0%	0	0.0%
TTD	23	9	39.1%	14	60.9%	0	0.0%	0	0.0%
Totals	243	92	37.9%	146	60.1%	4	1.6%	1	0.4%

Tuesday, July 03, 2012

Motion Resolution Compliance

Report Dates: From 6/1/2012 thru 6/30/2012

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
FAILURE TO ACT 30 DAY	2	2	100%	0	0%
BENEFIT RATE	2	2	100%	0	0%
PTD ENTITLEMENT	1	1	100%	0	0%
OPBD	26	24	92.30%	2	7.70%
SPECIAL CATEGORY	1	1	100%	0	0%
TEMP	2	2	100%	0	0%
COMPENSABILITY	238	230	96.60%	8	3.40%
DEP BEN FATAL	17	15	88.20%	2	11.80%
OP NON-MED	9	7	77.80%	2	22.20%
PPD	162	155	95.70%	7	4.30%
REOPENING	38	37	97.40%	1	2.60%
FAILURE TO ACT 15 DAY	2	2	100%	0	0%
REHABILITATION	1	1	100%	0	0%
TRMT/EQUIP CL	330	312	94.50%	18	5.50%
TTD	108	103	95.40%	5	4.60%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	5	5	100%	0	0%
FAILURE TO ACT 10 DAY	1	1	100%	0	0%
PTD ONSET DATE	1	1	100%	0	0%
Total	946	901	95.2%	45	4.8%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 6/1/2012 thru 6/30/2012

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CBO-CL BEN. OVERPAYMENT	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
COMPENSABILITY	Total: 63	2	3.2%	3	4.8%	15	23.8%	43	68.3%
CCS-CL SEC.CONDITION	15	0	0.0%	1	6.7%	1	6.7%	13	86.7%
CHC-CL COMPENSABILITY	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CIS-CL SI SEC.CONDITION	4	1	25.0%	0	0.0%	2	50.0%	1	25.0%
CPI-CL SI REJECT CLAIM	3	0	0.0%	1	33.3%	0	0.0%	2	66.7%
CPJ-CL REJECT CLAIM	30	1	3.3%	1	3.3%	11	36.7%	17	56.7%
CQR-CL SI REJ OCCDISEASE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRZ-CL REJ OCC DISEASE	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
DEP BEN FATAL	Total: 6	0	0.0%	1	16.7%	2	33.3%	3	50.0%
CDF-CL DENY/GRNT DTH BEN	3	0	0.0%	1	33.3%	1	33.3%	1	33.3%
CIF-CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
EIF-EM SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
FAILURE TO ACT 10 DAY	Total: 2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
C5N-CL FTA NOT COVERED	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 4	1	25.0%	1	25.0%	1	25.0%	1	25.0%
C03-CL FTA TREATMENT	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
FTA Multiple Issues-FTA MULITPLE ISSUES	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
C6A-CL FTA ACT UPON PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7D-CL FTA REF FOR EXAM	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
OPBD	Total: 21	2	9.5%	0	0.0%	2	9.5%	17	81.0%
CBF-CL % BOARD FINDING	9	1	11.1%	0	0.0%	2	22.2%	6	66.7%
CSF-CL% SI BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CSO-CL SI AD.BRD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
EAO-EM ADD BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
EBF-EM % BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
ESF-EM% SI BOARD FINDING	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
ESO-EM SI AD.BRD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
PPD	Total: 102	4	3.9%	3	2.9%	11	10.8%	84	82.4%
C8P-CL OIC %AWRD DNY/GNT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CAA-CL ADDL % AWARD D/G	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CAD-CL % AWARD DENY/GRNT	83	4	4.8%	3	3.6%	7	8.4%	69	83.1%
CEW-CL EXTRA WKS D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIE-CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG-CL SI %AWARD DNY/GNT	10	0	0.0%	0	0.0%	2	20.0%	8	80.0%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKC-CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CEB-CL PTD REV. BODY DETERMINATION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CPB-CL GRNT/DNY VOC REHA	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CPV-CL DY/GRNT REHAB PLN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
REOPENING	Total: 19	1	5.3%	0	0.0%	2	10.5%	16	84.2%
CIQ-CL SI DY/GNT R/O PPD	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CJV-CL DNY/GRNT R/O PPD	5	1	20.0%	0	0.0%	1	20.0%	3	60.0%
CRD-CL DENY/GRNT R/O TTD	8	0	0.0%	0	0.0%	0	0.0%	8	100.0%
ERD-EM DNY/GRNT R/O TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
SPECIAL CATEGORY	Total: 12	0	0.0%	0	0.0%	6	50.0%	6	50.0%
C1I-CL SI SL CATEGORY	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNW-CL SPL CATEGORY	8	0	0.0%	0	0.0%	3	37.5%	5	62.5%
E2D-EM OIC SPL CATEGORY	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
TRMT/EQUIP CL	Total: 134	7	5.2%	2	1.5%	16	11.9%	109	81.3%
C8E-CL OIC TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C8H-CL OIC EQUIP DNY/GRNT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CBX-CL TRMT DENY	93	6	6.5%	2	2.2%	12	12.9%	73	78.5%
CED-CL EQUIP DENY/GRANT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CHH-CL AUTH HA/RPR D/G	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CSX-CL SI TRMT DENY	33	0	0.0%	0	0.0%	4	12.1%	29	87.9%
CYY-CL TRMT GRANT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
TRMT/EQUIP EM	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EYY-EM TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
TTD	Total: 34	2	5.9%	0	0.0%	5	14.7%	27	79.4%
CCC-CL CLOSING THE CLAIM	26	2	7.7%	0	0.0%	4	15.4%	20	76.9%
CIC-CL SI CLSING THE CLM	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CJS-CL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPX-CL INITIAL TTD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
EJS-EM TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals: Claims 337	408	19	4.7%	10	2.5%	65	15.9%	314	77.0%

Resolution of Issues

Report Dates: Decision Date from 6/1/2012 thru 6/30/2012

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	76	22	28.90	30	39.50	2	2.60	17	22.40	3	3.90	1	1.30	1	1.30	0	0
BENEFIT OVERPAYMENT	4	4	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
TTD	46	5	10.90	9	19.60	5	10.90	23	50	4	8.70	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
OPBD	24	1	4.20	7	29.20	4	16.70	12	50	0	0	0	0	0	0	0	0
REOPENING	12	1	8.30	8	66.70	1	8.30	1	8.30	1	8.30	0	0	0	0	0	0
SPECIAL CATEGORY	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
OP NON-MED	2	0	0	0	0	0	0	1	50	0	0	1	50	0	0	0	0
TRMT/EQUIP CL	111	27	24.30	45	40.50	9	8.10	19	17.10	4	3.60	3	2.70	4	3.60	0	0
APPLICATION THRESHOLD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	5	0	0	5	100	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 30 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0
PPD	102	15	14.70	24	23.50	20	19.60	43	42.20	0	0	0	0	0	0	0	0
Totals	392	77	19.6	132	33.7	41	10.5	120	30.6	12	3.1	5	1.3	5	1.3	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 6/30/12

102

Petitions denied on face:	27
Petitions denied by ALJ Decision:	42
Petitions granted:	14
Petitions withdrawn through settlement:	4
Petitions currently pending:	15

Failure to Timely Act Process

Petitions filed 9/1/05 through 6/30/12

Filed:	347
Denied/dismissed:	143
Withdrawn:	12
Reports to OIC:	167
Pending	25

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7	12	8	11	10	15	15	112
2011	10	16	11	15	21	16	11	13	9	8	12	10	152
2012	14	2	18	12	13	5							64

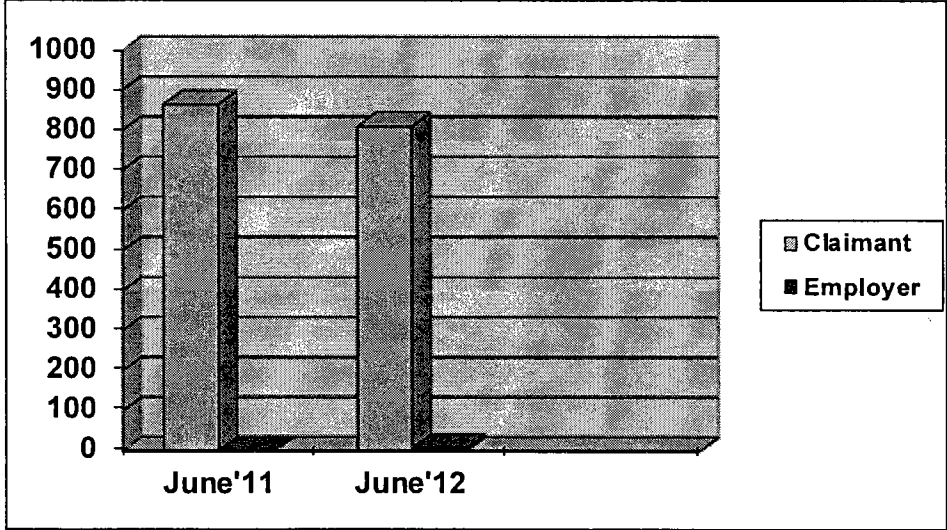
Pro Se Claimant Information as of June 30, 2012

Pending Protests Involving Pro Se Claimants: 497

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year		
Party	Month June'12	% Protests		Month June '11	% Protests
Claimant	810	23.00%		865	23.44%
Employer	8	0.02%		2	0.02%
Total	818			867	

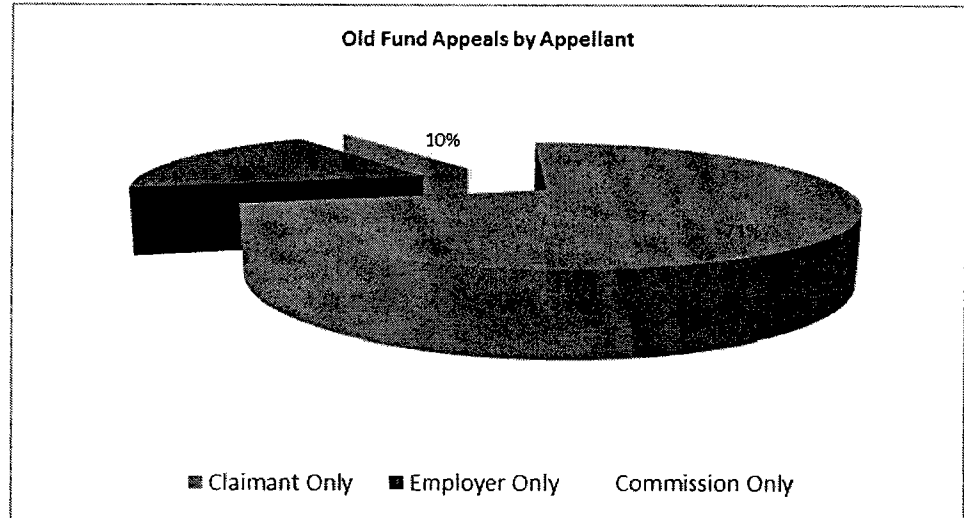
Pending Treatment Issues



Appeals Received
From June 1, 2012 Thru June 30, 2012

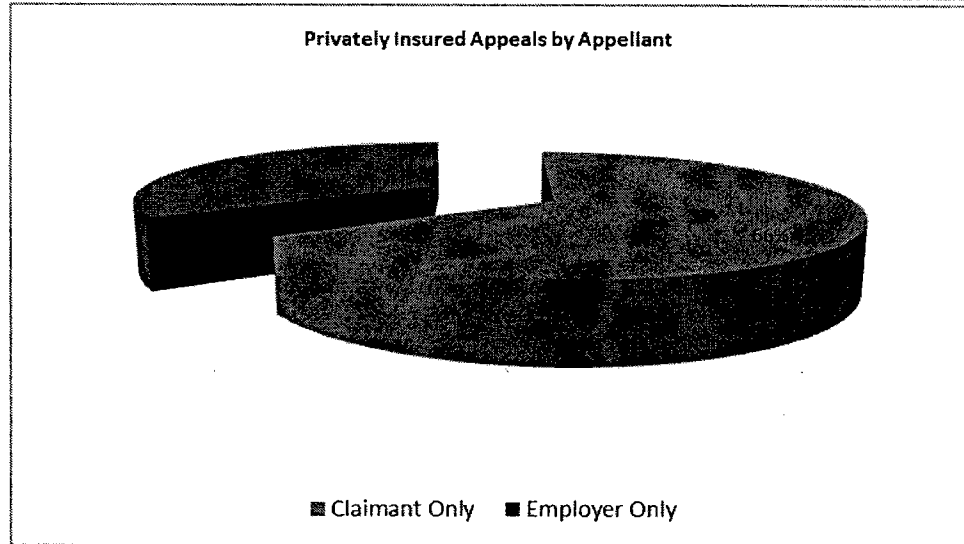
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	15
Employer Only	4
Commission Only	2
Old Fund Total	21



Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	45
Employer Only	23
Privately Insured Total	68
Total Appeals	89

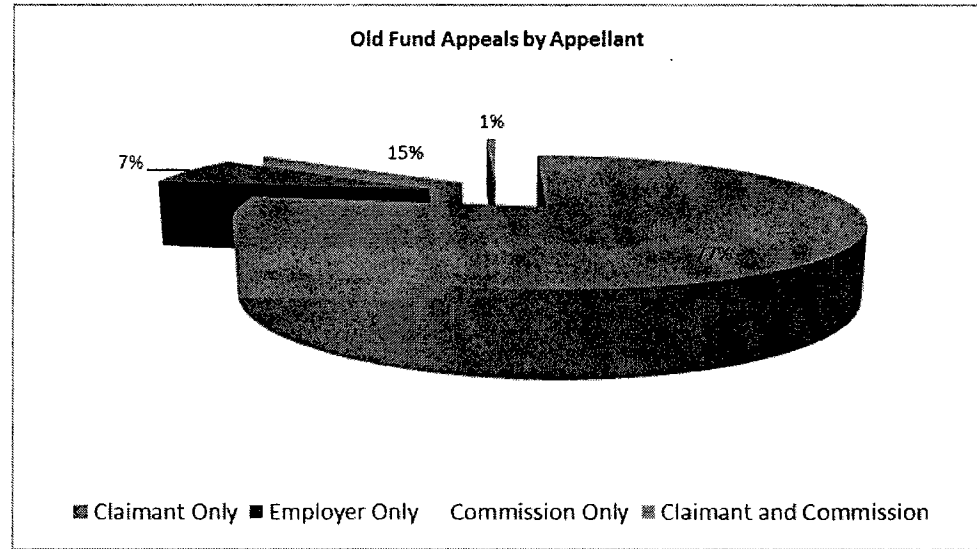


Appeals counted more than once:

**Yearly Appeals Received
From January 1, 2012 Thru June 30, 2012**

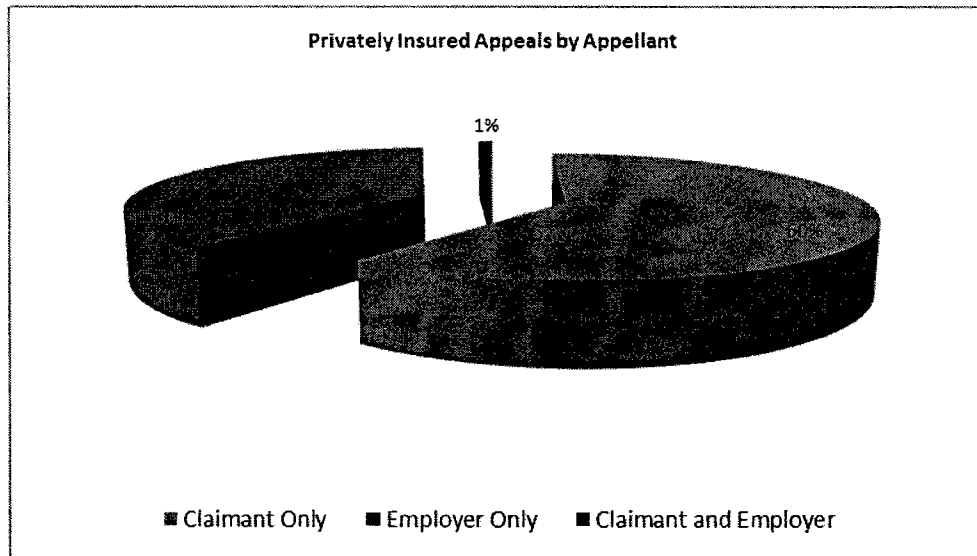
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	121
Employer Only	11
Commission Only	23
Claimant and Commission	1
Old Fund Total	156



Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	255
Employer Only	163
Claimant and Employer	4
Privately Insured Total	422
Total Appeals	578



Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2012 Thru June 30, 2012

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	8	1	12.5	7	87.5
CL % BOARD FINDING	1	0	0.0	1	100.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0
CL CLOSING THE CLAIM	6	0	0.0	6	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	3	1	33.3	2	66.7
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0
CL REJECT CLAIM	16	0	0.0	16	100.0
CL SEC.CONDITION	7	0	0.0	7	100.0
CL SI %AWARD DNY/GNT	2	1	50.0	1	50.0
CL SI CLSING THE CLM	2	0	0.0	2	100.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0
CL SI DY/GNT R/O TTD	1	0	0.0	1	100.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	1	1	100.0	0	0.0
CL SI REJECT CLAIM	5	0	0.0	5	100.0
CL SI TRMT DENY	9	4	44.4	5	55.6
CL TRMT DENY	27	5	18.5	22	81.5
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	2	0	0.0	2	100.0
Totals	99	21	21.2	78	78.8

Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2012 Thru June 30, 2012

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	63	7	11.1	56	88.9
CL % BOARD FINDING	7	2	28.6	5	71.4
CL ADD BOARD FINDING	6	5	83.3	1	16.7
CL ADDL % AWARD D/G	8	4	50.0	4	50.0
CL APP.THRESHOLD	1	1	100.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0
CL CLOSING THE CLAIM	47	0	0.0	47	100.0
CL COMPENSABILITY	7	0	0.0	7	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	8	8	100.0	0	0.0
CL DENY/GRNT R/O TTD	21	1	4.8	20	95.2
CL DNY/GRNT R/O PPD	7	5	71.4	2	28.6
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	1	100.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	1	1	100.0	0	0.0
CL OIC REJ OC.DISEAS	1	1	100.0	0	0.0
CL ONSET DATE ISSUE	2	2	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	2	1	50.0	1	50.0
CL REJ OCC DISEASE	9	4	44.4	5	55.6
CL REJECT CLAIM	93	2	2.2	91	97.8
CL SEC.CONDITION	41	2	4.9	39	95.1
CL SI %AWARD DNY/GNT	20	3	15.0	17	85.0
CL SI AD.BRD FINDING	1	1	100.0	0	0.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	13	0	0.0	13	100.0
CL SI COMPENSABLE	1	0	0.0	1	100.0
CL SI DENY/GRANT PTD	3	3	100.0	0	0.0
CL SI DY/GNT DTH BEN	7	6	85.7	1	14.3
CL SI DY/GNT R/O TTD	5	1	20.0	4	80.0
CL SI G/D TP REHAB	1	1	100.0	0	0.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI INITIAL TTD	1	0	0.0	1	100.0
CL SI NON-MED ORDER	2	1	50.0	1	50.0

CL SI PRSTS BEN RATE	2	2	100.0	0	0.0
CL SI REJ OCCDISEASE	8	5	62.5	3	37.5
CL SI REJECT CLAIM	16	0	0.0	16	100.0
CL SI SEC.CONDITION	7	0	0.0	7	100.0
CL SI TRMT DENY	50	20	40.0	30	60.0
CL SI TTD	1	0	0.0	1	100.0
CL TRMT DENY	153	53	34.6	100	65.4
CL TRMT GRANT	15	12	80.0	3	20.0
CL TTD	5	0	0.0	5	100.0
CL% SI BOARD FINDING	2	1	50.0	1	50.0
EM % BOARD FINDING	3	0	0.0	3	100.0
EM COMPENSABILITY	1	0	0.0	1	100.0
EM% SI BOARD FINDING	1	0	0.0	1	100.0
Totals	650	159	24.5	491	75.5

Appeals Received By Issue
From June 1, 2012 Thru June 30, 2012

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	8	6	75.0	1	12.5	0	0.0	1	12.5
CL % BOARD FINDING	1	0	0.0	1	100.0	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	6	4	66.7	2	33.3	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	3	2	66.7	1	33.3	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	16	6	37.5	10	62.5	0	0.0	0	0.0
CL SEC.CONDITION	7	4	57.1	3	42.9	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI IEB DETRM'TION	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	5	4	80.0	1	20.0	0	0.0	0	0.0
CL SI TRMT DENY	9	6	66.7	3	33.3	0	0.0	0	0.0
CL TRMT DENY	27	20	74.1	6	22.2	0	0.0	1	3.7
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0
Totals	99	65	65.7	32	32.3	0	0.0	2	2.0

Appeals counted more than once:

**WORKER COMPENSATION BOARD OF REVIEW
FOR JUNE 2012**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	42	80.8%	50.6%	294	82.6%	52.0%
	DISMISSED	4	7.7%	4.8%	30	8.4%	5.3%
	MODIFY				3	0.8%	0.5%
	MOOT				1	0.3%	0.2%
	REMAND	2	3.8%	2.4%	10	2.8%	1.8%
	REVERSE	4	7.7%	4.8%	18	5.1%	3.2%
	Total Dispositions	52			356		
CLAIMANT/EMPLOYER	AFFIRMED	2	100.0%	2.4%	6	75.0%	1.1%
	DISMISSED				1	12.5%	0.2%
	REVERSE				1	12.5%	0.2%
	Total Dispositions	2			8		
EMPLOYER	AFFIRMED	16	64.0%	19.3%	88	55.7%	15.6%
	DISMISSED	5	20.0%	6.0%	24	15.2%	4.2%
	MODIFY				3	1.9%	0.5%
	REMAND	3	12.0%	3.6%	9	5.7%	1.6%
	REVERSE	1	4.0%	1.2%	34	21.5%	6.0%
	Total Dispositions	25			158		
DIVISION/OIC	AFFIRMED	1	25.0%	1.2%	26	60.5%	4.6%
	DISMISSED	2	50.0%	2.4%	6	14.0%	1.1%
	REMAND				1	2.3%	0.2%
	REVERSE	1	25.0%	1.2%	10	23.3%	1.8%
	Total Dispositions	4			43		
Grand Totals		83			565		

Dispositions By Issues
BOR Orders Mailed From June 1, 2012 Thru June 30, 2012

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	13	10	76.9	2	15.4	0	0.0	0	0.0	1	7.7	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	17	12	70.6	0	0.0	2	11.8	0	0.0	3	17.6	0	0.0	0	0.0
CL SEC.CONDITION	7	5	71.4	0	0.0	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	10	6	60.0	1	10.0	3	30.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	90	68	75.6	6	6.7	11	12.2	0	0.0	5	5.6	0	0.0	0	0.0

Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2012 Thru June 30, 2012

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	64	49	76.6	4	6.3	9	14.1	0	0.0	2	3.1	0	0.0	0	0.0
CL % BOARD FINDING	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	13	9	69.2	3	23.1	1	7.7	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	36	25	69.4	4	11.1	6	16.7	1	2.8	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	7	4	57.1	3	42.9	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	11	8	72.7	1	9.1	1	9.1	0	0.0	1	9.1	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	19	16	84.2	1	5.3	1	5.3	1	5.3	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	3	0	0.0	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL FTA INJ COMPENSAB	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	4	2	50.0	1	25.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	6	5	83.3	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	11	6	54.5	2	18.2	3	27.3	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	92	69	75.0	11	12.0	6	6.5	1	1.1	5	5.4	0	0.0	0	0.0
CL SEC.CONDITION	41	32	78.0	4	9.8	5	12.2	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	20	16	80.0	0	0.0	1	5.0	1	5.0	2	10.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL SI CLSING THE CLM	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	7	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI IEB DETRM'TION	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0

CL SI INITIAL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI PRSTS BEN RATE	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	8	4	50.0	1	12.5	1	12.5	1	12.5	1	12.5	0	0.0	0	0.0
CL SI REJECT CLAIM	22	15	68.2	4	18.2	2	9.1	0	0.0	1	4.5	0	0.0	0	0.0
CL SI SEC.CONDITION	12	11	91.7	1	8.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	38	31	81.6	6	15.8	0	0.0	0	0.0	1	2.6	0	0.0	0	0.0
CL SI TTD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	118	85	72.0	10	8.5	18	15.3	2	1.7	3	2.5	0	0.0	0	0.0
CL TRMT GRANT	10	6	60.0	3	30.0	0	0.0	0	0.0	1	10.0	0	0.0	0	0.0
CL TTD	5	4	80.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	4	4	100	0	0	0	0	0	0	0	0	0	0	0	0
Totals	608	448	73.684	67	11.02	65	10.691	8	1.3158	20	3.2895	0	0	0	0

**WV Offices of the Insurance Commissioner
Worker's Compensation - Revenue Recovery
June 2012**

COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 6,197.25
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 55,405.18
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 13,617.26
# of active accounts uninsured (cumulative)	421
\$ of active accounts uninsured (cumulative)	\$ 1,469,821.47
Telephone contacts	1,753
Walk-ins	15

LIENS	
Liens sent to county clerks for recordation	46
Liens sent to county clerks for release	46
Intent to lien letters sent to employer/owner/officer/member	148

Uninsured Accounts Resolved	198
All Cash Receipts from WC accounts	\$ 75,219.69

INJUNCTIONS	
Affidavits for injunction submitted to legal	3
Hearings attended	3
# of injunction complaints filed	3
# of injunctions granted	2
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	10
Agreements set up	9
Total # of agreements on system (cumulative)	80
Intent to void letters mailed	9
Agreements voided	3

MISCELLANEOUS	
Terminations Processed	40
Rule 11 Letters Mailed	156
Rule 11 hearings	0

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
August 30, 2012

OPERATING REPORT

JUNE 2012

Board of Treasury Investments

1900 Kanawha
Boulevard East
Suite E-122
Charleston WV
25305
(304) 340-1578
www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

Acting Executive
Director
Kara K. Hughes,
CPA, MBA, CFE

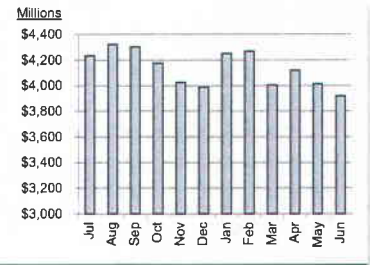
Acting Chief
Financial Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,919,677,000

Last Month
\$4,013,915,000

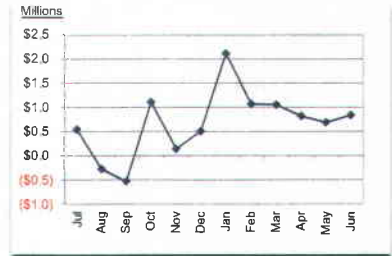
Beginning of Fiscal Year
\$4,172,779,000



Net Assets for the Past 12 Months

Total Net Income & Gains

Fiscal Year
\$8,101,000



Net Income (Loss) for the Past 12 Months

Money Market Pools

As of June 30, 2012

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1102%	.1149%	.1192%	46 Days	\$2.8 Billion
WV Gov't Money Market	.0822%	.0882%	.0925%	54 Days	\$300.0 Million

* Yields represent the simple money market yield net of fees.

** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JUNE 2012

Global Stocks Boost Equity Markets

Market Environment

After giving back all of the gains of 2012 in April and May, global stock markets turned positive once again in June. European authorities provided Spanish banks with an infusion of capital, the US Federal Reserve extended Operation Twist, the Greeks provided a measure of stability by electing a pro-bailout party, and the month closed with clear action steps from the EU Summit to provide support for struggling peripheral countries. Each of these headlines was a catalyst for a market upswing. Investors reacted favorably to these macroeconomic signals despite the US employment picture remaining cloudy and growth statistics continuing to indicate slowing conditions.

Equity markets were broadly positive for June, with MSCI EAFE leading the way. After the US 10 year Treasury yield reached record low levels in May (below 1.50%), rates were up across the curve as investors sought more risk. The 10-year Treasury finished the month yielding 1.64% and the 30-year yield increased 11 basis points to 2.75%. In general, credit sectors experienced positive performance despite rising Treasury rates. After approaching record highs mid-month, Spanish and Italian bond yields fell 50-100 basis points on the last day of the month, reacting to the agreement reached at the EU Summit for further support. While oil was down for the month, commodities broadly advanced, though they still sit in negative territory year-to-date in 2012.

The pendulum swung back to positive sentiment in June, reinforcing how quickly markets can reverse and highlighting the benefits of a risk-balanced approach to asset allocation. While it is important to have exposure to strategies that do well in a flight-to-safety environment (such as high quality sovereign debt), it is equally important that investment programs have balanced exposure to markets (such as equities and credit) that react positively in a "flight-to-risk" environment like this past month. In particular, despite the recent rally, emerging markets have participated less meaningfully and remain attractively priced.

Equity Market Results

June, overall, was a positive month for stocks. The end of the month rally did not, however, capture the intra-month volatility as most indices began the month with a drop, appreciating significantly (more than 5%) only to fall again and then recover before month end. For the quarter, large cap U.S. equities, as measured by the Russell 1000 index, appreciated nearly 4% while their smaller counterparts increased nearly 5% in value.

International equities fared somewhat better for the month but worse for the quarter. Developed markets, as represented by the MSCI EAFE index, rose 7% in June but declined 7.1% for the quarter. Smaller, or less developed markets, represented by the MSCI Emerging Markets Index also followed this pattern, increasing 3.4% for the month but declining more than 10% for the quarter.

For both domestic and international stocks, May was the primary culprit behind the negative results for the quarter. May was characterized by slowing growth expectations and increasing political instability.

Bond Market Results

Fixed income securities had a relatively flat month in June, with the Barclays Capital Aggregate index generating a 0.04% return. For the entire quarter, bonds managed to post a 2.1% return – easily outpacing equity investments. U.S. Treasury rates rose during June, but remained below their levels at the beginning of the quarter. Intermediate Treasuries posted a 1.5% return during the quarter, while their longer dated counterparts rose more than 10% during the same period. Investment grade bonds, as measured by the Barclays Capital US Credit Index, posted gains of 0.4% and 2.5% for the month of June and second quarter, respectively. Once again, short duration instruments left their investors with fairly muted returns, generating a 0.01% return in June and a 0.02% return for the quarter.

West Virginia Board of Treasury Investments

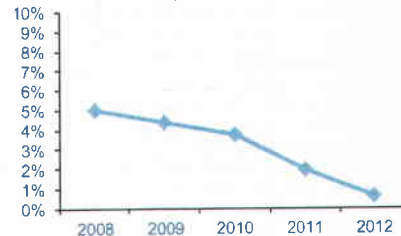
Financial Highlights as of June 30, 2012

WV Short Term Bond Pool

Rates of Return for the Past 12 Months *Net of All Fees*

July 1 - June 30	Return	Net Assets At June 30 <i>(in Millions)</i>
2012	0.6%	\$ 504.3
2011	2.0%	\$ 476.2
2010	3.7%	\$ 455.7
2009	4.4%	\$ 327.0
2008	5.0%	\$ 356.7

**WV Short Term Bond Pool
Rates of Return
Past 12 Months
July 1 - June 30**



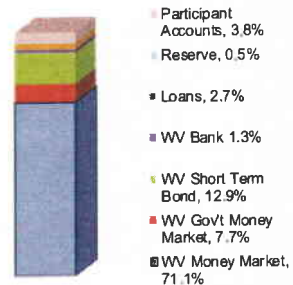
Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

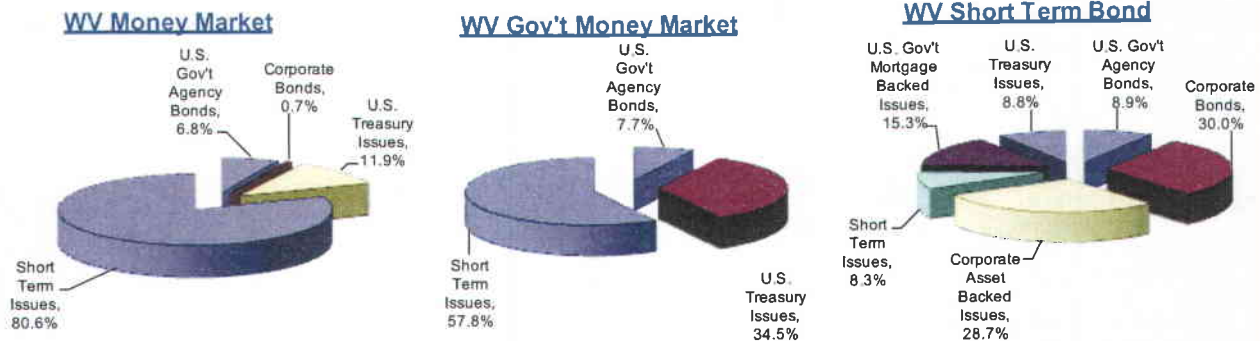
Pool	Net Asset Value	June Net Income	Fiscal YTD Net Income
WV Money Market	\$ 2,788,044	\$ 307	\$ 3,376
WV Gov't Money Market	300,047	23	177
WV Short Term Bond	504,292	382	2,892
WV Bank	52,590	14	142
Loss Amortization *	-	-	13
Loans	106,825	95	889
Reserve	19,041	7	76
Participant Accounts	148,838	10	536
	<u>\$ 3,919,677</u>	<u>\$838</u>	<u>\$8,101</u>

* Closed in August 2011

Percent of Total Net Asset Value



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



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

JUNE 30, 2012

(IN THOUSANDS)

West Virginia Board of Treasury Investments

Statements of Net Assets, Operations, and Changes in Net Assets -- Unaudited

For the Month Ended June 30, 2012

(In Thousands)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,786,968	\$ 299,629		\$ 52,507	\$ 125,765	\$ 145,105
At fair value	-	-	\$ 503,617	-	-	3,654
Cash	-	-	-	-	-	-
Other assets	1,356	452	1,215	84	103	80
Total assets	2,788,324	300,081	504,832	52,591	125,868	148,839
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	280	34	540	1	2	1
Total liabilities	280	34	540	1	2	1
Net Assets	\$ 2,788,044	\$ 300,047	\$ 504,292	\$ 52,590	\$ 125,866	\$ 148,838
Investment income						
Interest and dividends	\$ 495	\$ 136	\$ 728	\$ 15	\$ 104	\$ 41
Net accretion (amortization)	(48)	(96)	(263)	-	-	(14)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	447	40	465	15	104	27
Expenses						
Fees	140	17	50	1	2	-
Total expenses	140	17	50	1	2	-
Net investment income	307	23	415	14	102	27
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(33)	-	-	(17)
Net gain (loss) from investments	-	-	(33)	-	-	(17)
Net increase (decrease) in net assets from operations	307	23	382	14	102	10
Distributions to participants	307	23	415	14	102	-
Participant activity						
Purchases, reinvestment of units and contributions	884,991	31,129	473	14	342	136,492
Redemptions and withdrawals	1,090,256	51,151	222	-	3,343	2,683
Inter-pool transfers in	-	-	-	10,000	-	-
Inter-pool transfers out	10,000	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	(215,265)	(20,022)	251	10,014	(3,001)	133,809
Increase (decrease) in net assets	(215,265)	(20,022)	218	10,014	(3,001)	133,819
Net assets at beginning of period	3,003,309	320,069	504,074	42,576	128,867	15,019
Net assets at end of period	\$ 2,788,044	\$ 300,047	\$ 504,292	\$ 52,590	\$ 125,866	\$ 148,838