

(Speaker Thompson presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**May 22, 2013**

**1:00 - 2:00pm**

**Senate Finance Room**

- 1. Approval of February 12, 2013, minutes**
- 2. 2013 Interim Studies**
- 3. Committee Reports/Requests**
- 4. Monthly/Quarterly Reports Distribution:**  
Status Reports on Lottery and the General Revenue Fund.
- 5. Workforce WV Unemployment Compensation Trust Fund Distribution:**
- 6. Monthly/Quarterly Reports Distribution:**  
PEIA.  
BRIM  
CHIP  
Real Estate Report
- 7. Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**  
  
Medicaid Report
- 8. Investment Management Board Distribution:**
- 9. Workers' Compensation:**
- 10. Board of Treasury Report Distribution**
- 11. Other Business**
- 12. Adjournment**

**MAY INTERIM ATTENDANCE**  
**Legislative Interim Meetings**  
**May 20, 21, and 22, 2013**

Wednesday, May 22, 2013  
1:00 PM -- 2:00 PM

Joint Committee on Government and Finance

Senate Finance

Senate

Kessler, Chair  
 Palumbo  
 Plymale  
 Prezioso  
 Unger  
 Hall, M.

House

Thompson, Chair  
 Boggs  
 Caputo  
 Miley  
 White  
 Armstead  
 Cowles

Citizen Members

I certify that the attendance as noted above is correct.

  
\_\_\_\_\_  
Staff Person

Marlene Elliott

**Please return to Brenda in Room 132-E or Fax to 347-4819 ASAP, due to payroll deadline.**

## **Joint Committee on Government and Finance**

February 12, 2013

2:00pm - 3:00pm

### **Senate**

Kessler, Chair  
Palumbo  
Plymale (Absent)  
Prezioso  
Unger (Absent)  
Hall

### **House**

Thompson, Chair  
Boggs  
Caputo (Absent)  
Miley (Absent)  
White (Absent)  
Armstead

### **President Kessler presides:**

President Kessler: "The committee will come to order. The first item on the agenda is the approval of the January 7<sup>th</sup> minutes. The Speaker so moved the minutes be approved, discussion, all in favor say aye, opposed, the ayes have it."

Mr. Speaker: "One of the subcommittees that were making the reports this time did not get to meet because of the change in February and they asked that the Joint Committee approve the motion that I am about to make which looks at the feasibility of a ATV trail system in central West Virginia to study over the next interims I am assuming. I hereby make a motion that we enter into a contract with Rahall Transportation Institute to study a central WV ATV trail system." President Kessler: "Any questions on the motion? All in favor say aye, opposed, the ayes appear to have it the ayes do have it, the motion is approved."

President Kessler: "We got monthly and quarterly reports in our packet and first we have our Monthly and Quarterly Report from WORKFORCE WV COMPENSATION TRUST FUND, Mr. Fry. or his designee."

Valerie Comer, Deputy Executive Director of WORKFORCE WV: "Mr. President, Mr. Speaker, and Committee members. The trust fund balance as of today is \$94M. We project this year's revenues to be \$231M and benefits paid out \$249M with a projected balance at the end of the year \$89M.

President Kessler: "Any questions?"

Ms. Comer: "Thank you."

President Kessler: "Next is the Monthly Quarterly Reports from Mr. Ross Taylor,

Secretary of Finance and Administration, PEIA, BRIM, CHIP and Real Estate Report."

Mr. Cedric Greene, Deputy for Ross Taylor, "Good afternoon gentlemen, Mr. Taylor apologizes for not being able to be here today. Previously you were handed the PEIA, BRIM, CHIP and Real Estate reports. If there are questions, the directors are here to answer or if I can answer any general question for you I will be glad to do so."

President Kessler: "Are there any questions on any of the reports to the Committee? There being none."

Mr. Greene: "Thank you."

President Kessler: "Next we have the Medicaid report, Nancy Atkins, Commissioner."

Ms. Atkins: "Nancy Atkins, Commissioner of Medicaid. Mr. President, Mr. Speaker and members of the Committee, your report is in your packet and I'd be happy to answer any questions."

President Kessler: "Any questions on the report for Ms. Atkins?"

Delegate Boggs: "Nancy to the best of your knowledge of the date that you can deem accurate, what's the number on the waiting list for the medicaid, aged and disabled waiver program?"

Ms. Atkins: "The report in your packet, I'm sorry I don't have that in front of me, indicates that there are. I'm sorry I don't have that right in front of me, I thought I did. Year to date, 3,365."

Delegate Boggs: "That is how many are currently on the waiting list?"

Ms. Atkins: "Currently on the managed enrollment list at the end of the month, that's year to date. 1727, I'm sorry at the end of December."

Delegate Boggs: "Does that include the additional slots that were allocated a few months ago?"

Ms. Atkins: "We're in the process of enrolling those folks."

Delegate Boggs: "So that doesn't show up in this. It could be less?"

Ms. Atkins: "Yes, it could be less."

Delegate Boggs: "Thank you."

President Kessler: "Next we have the Investment Management Board, Executive Director Craig Slaughter."

Mr. Slaughter: "Gentlemen, Craig Slaughter, Executive Director of the WV Investment Management Board. You should have your report for periods ending December 31, 2012 in your packet. Things have been good, you can see that. At the end of the calendar year we have a ten year return of 8.1% for the most of the DB plans and 7.7% for teachers and the returns for the other insurance assets and the endowment assets fall in line with their asset allocations. We feel good about where we are. January was another good month and the returns to date are a little higher than they are represented here for the year. We are hopeful for the remainder of the year. Any questions?"

President Kessler: "How are we doing with the markets, DOW Jones being pretty high here lately, you doing okay?"

Mr. Slaughter: "I think we are positioned to do well. The reality is fixed incomes, there is not a lot of upside of fixed income right now. I think the equity markets are holding up through the end of the year, fiscal year. We may well have a correction, not necessarily expecting a big correction of sorts, but I'm modestly hopeful for the rest of the year."

Mr. President: "Thank you."

President Kessler: "Next we have Worker's Compensation, Commissioner Riley."

Mr. Riley: "Good Afternoon Mr. President, Mr. Speaker, Committee Members, Mike Riley, Insurance Commissioner. I will just highlight a couple of quick numbers for you. We ended the month of January with 17,564 active claims in the old fund, 952 claims in the Coal Workers Pneumoconiosis Fund, and the uninsured fund just 35 active claims. Total revenue here to date \$187M and the total expenditures \$120M. So far so good."

President Kessler: "Any questions of Mr. Riley? Any questions? Board of Treasury Reports are all in your file."

Senator Hall: "I don't know if there is anyone here to answer. I noticed the chart we have on the first page – its running pretty stable, spikes in October"

and drops off the shelf in November and December. Not for Craig, probably be for the Treasurer's Office. I guess I will get the answer later when the Treasurer shows up. I think its important to know what happened there."

Mr. President: "Any other business come before the Committee? If not, the Speaker moves we adjourn. All in favor say aye. Ayes. Oppose? The ayes have it, I declare the meeting adjourned."

# 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*

May 8, 2013

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

- West Virginia Lottery as of March 31, 2013:  
Gross profit for July 1, 2012 – March 31, 2013 of fiscal year 2013 is \$ 438.8 million.
- West Virginia Unemployment Compensation Fund as of March 31, 2013:  
Total disbursements were \$14.5 million more than this time period last fiscal year. Overall ending trust fund balance was 14.3 million lower on March 31, 2013, than on March 31, 2012.
- General Revenue Fund as of April 30, 2013:  
The general revenue collections are at 100.13% of the estimate.
- State Road Fund as of April 30, 2013:  
The state road fund collections are 101.19% of the estimate.

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  
Director Budget Division  
Legislative Auditor's Office

Date: May 8, 2013

Re: Review of West Virginia Lottery Financial Information  
As of March 31, 2013

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ending March 31, 2013 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 \$ 997,275,000.00 on March 31, 2013. Table games accounted for \$55 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 5.7 million of total gross receipts. Gross lottery revenue has decreased by 8.84% when compared with July - March 2012 of fiscal year 2011-2012. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - March 2013 was \$ 438.8 million; for last fiscal year it was \$ 481.5 million. Expressed as a percentage,



gross profit is 8.88% lower for July - March 2013 than for July - March 2012.

**Operating Transfers to the State of West Virginia:**

A total of \$ 412,259,000.00 has been accrued to the state of West Virginia for July - March 2013 of fiscal year 2012-2013. 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:

Bureau of Senior Services	\$42,834,000.00
Community and Technical College	\$4,496,000.00
Department of Education	\$30,611,000.00
Library Commission	\$12,186,000.00
Higher Education-Central Office	\$7,889,000.00
Tourism	\$7,364,000.00
Department of Natural Resources	\$3,398,000.00
Division of Culture and History	\$5,903,000.00
Economic Development Authority	\$9,000,000.00
Department of Education and Arts	\$1,840,000.00
School Building Authority	\$16,197,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$141,718,000.00</b>

**Excess Lottery Fund**

General Purpose Fund	\$ 65,000,000.00
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Lottery

Economic Development Fund	\$17,091,000.00
Higher Education Improvement Fund	\$13,500,000.00
WV Infrastructure Council Fund	\$28,867,000.00
Higher Education Improvement Fund	\$29,000,000.00
Refundable Credit	\$6,052,000.00
WV Development Office	0.00
Department of Education	0.00
State Park Improvement Fund	\$3,138,000.00
School Building Authority	\$17,093,000.00
Excess Lottery Surplus	0.00
Total State Excess Lottery Revenue Fund	<b>\$ 179,741,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	1,729,000.00
State Debt Reduction Fund	513,000.00
Tourism Promotion Fund	81,000.00
Total Historic Hotel	\$2,323,000.00

Veterans Instant Ticket Fund \$278,000.00

Table Games State Debt Reduction Fund \$ 25,818,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$6,289,000.00
Development Office Promo Fund	\$1,715,000.00
Research Challenge Fund .5%	\$2,287,000.00

Capitol Renovation and Improvement Fund .6875%	\$3,145,000.00
Parking Garage Fund .0625%	\$286,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$2,574,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$29,296,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$379,174,000.00</b>

\* CASH BASIS

Total Accrued last FY 2012:	\$ 216,819,000.00
Total Cash Distributions FY 2013:	379,174,000.00
Applied to FY 2012:	216,819,000.00
Applied to FY 2013:	162,355,000.00
Accrued for FY 2013 as of Mar. 31:	249,904,000.00

P.O. BOX 2067  
CHARLESTON, WV 25327



PHONE: 304-558-0500  
1-800-WVA-CASH

Earl Ray Tomblin  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

A handwritten signature in black ink, appearing to read "John C. Musgrave", is written over the printed name.

RE: Monthly Report on Lottery Operations  
Month Ending March 31, 2013

DATE: April 18, 2013

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

Financial statements of the Lottery for the month ending March 31, 2013 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$124,310,442 for the month of March.

Transfers of lottery revenue totaling \$36,342,711 made for the month of March to the designated state agencies per Senate Bill 160, 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 March 31, 2013 was 1,590 and 1,525 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

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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Members of the West Virginia Lottery Commission



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**March 31, 2013**

**WEST VIRGINIA LOTTERY**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>BALANCE SHEETS .....</b>	<b>3</b>
<b>STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS.....</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>6 - 23</b>

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

	March 31, 2013	June 30, 2012
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 262,750	\$ 241,538
Accounts receivable	42,768	36,671
Inventory	545	510
Other assets	2,106	2,275
Total Current Assets	<u>308,169</u>	<u>280,994</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,640	2,373
Capital assets	46,846	46,816
Less accumulated depreciation and amortization	<u>(6,108)</u>	<u>(4,531)</u>
Net Capital Assets	<u>40,738</u>	<u>42,285</u>
Total Noncurrent Assets	<u>42,378</u>	<u>44,658</u>
Total Assets	<u>\$ 350,547</u>	<u>\$ 325,652</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 249,904	\$ 216,819
Deferred LVL permit fees	-	-
Estimated prize claims	14,288	13,372
Accounts payable	1,460	3,238
Other accrued liabilities	32,920	40,248
Total Current Liabilities	<u>298,572</u>	<u>273,677</u>
Total Liabilities	<u>298,572</u>	<u>273,677</u>
Net Assets:		
Invested in capital assets	40,738	42,285
Unrestricted	9,597	8,000
Restricted assets ( see note 12)	1,640	1,690
Total Net Assets	<u>51,975</u>	<u>51,975</u>
Total Liabilities and Net Assets	<u>\$ 350,547</u>	<u>\$ 325,652</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 NINE MONTH PERIOD ENDED MARCH 31, 2013**  
(In Thousands)  
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2013	2012	2013	2012
Lottery revenues				
On-line games	\$ 8,508	\$ 11,386	\$ 63,521	\$ 64,013
Instant games	10,193	10,140	82,409	87,685
Racetrack video lottery	60,842	73,820	490,977	574,082
Limited video lottery	37,391	39,117	299,614	304,209
Table games	6,899	7,213	55,007	58,825
Historic resort	478	572	5,747	5,165
	<u>124,311</u>	<u>142,248</u>	<u>997,275</u>	<u>1,093,979</u>
Less commissions				
On-line games	592	796	4,451	4,476
Instant games	714	710	5,769	6,139
Racetrack video lottery	33,426	40,454	280,933	325,895
Limited video lottery	18,321	19,167	146,811	149,062
Table games	3,012	3,100	24,015	25,279
Historic resort	243	327	2,813	2,666
	<u>56,308</u>	<u>64,554</u>	<u>464,792</u>	<u>513,517</u>
Less on-line prizes	4,062	6,057	31,424	32,422
Less instant prizes	6,765	6,769	54,739	58,504
Less ticket costs	144	160	1,317	1,522
Less vendor fees and costs	956	1,009	6,199	6,449
	<u>11,927</u>	<u>13,995</u>	<u>93,679</u>	<u>98,897</u>
Gross profit	<u>56,076</u>	<u>63,699</u>	<u>438,804</u>	<u>481,565</u>
Administrative expenses				
Advertising and promotions	422	589	3,478	4,579
Wages and related benefits	885	1,010	8,231	9,504
Telecommunications	68	65	795	576
Contractual and professional	397	358	3,294	4,044
Rental	16	16	162	366
Depreciation and amortization	173	101	1,577	624
Other administrative expenses	85	82	1,088	1,567
	<u>2,046</u>	<u>2,221</u>	<u>18,625</u>	<u>21,260</u>
Other Operating Income	<u>172</u>	<u>161</u>	<u>2,839</u>	<u>64,393</u>
Operating Income	<u>54,202</u>	<u>61,639</u>	<u>423,018</u>	<u>524,698</u>
Nonoperating income (expense)				
Investment income	24	17	190	123
Capital contribution from State of WV	-	50	-	8,132
Distributions to municipalities and counties	(733)	(767)	(5,872)	(5,962)
Distributions -capital reinvestment	(1,322)	(1,635)	(5,077)	(7,034)
Distributions to the State of West Virginia	(52,171)	(59,254)	(412,259)	(511,825)
	<u>(54,202)</u>	<u>(61,589)</u>	<u>(423,018)</u>	<u>(516,566)</u>
Net income	<u>-</u>	<u>50</u>	<u>-</u>	<u>8,132</u>
Net assets, beginning of period	51,975	47,154	51,975	39,072
Net assets, end of period	<u>\$ 51,975</u>	<u>\$ 47,204</u>	<u>\$ 51,975</u>	<u>\$ 47,204</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2013**

(In Thousands)

-Unaudited-

	<b>2013</b>	<b>2012</b>
Cash flows from operating activities:		
Cash received from customers and other sources	\$ <b>994,017</b>	\$ <b>1,082,496</b>
Cash payments for:		
Personnel costs	(8,147)	(8,504)
Suppliers	(10,352)	(12,354)
Other operating costs	(555,302)	(614,602)
Cash provided by operating activities	<u><b>420,216</b></u>	<u><b>447,036</b></u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(379,174)	(474,756)
Distributions to municipalities and counties	(5,800)	(5,795)
Distributions to racetrack from racetrack cap. reinv. fund	(14,923)	(15,385)
Cash used in noncapital financing activities	<u><b>(399,897)</b></u>	<u><b>(495,936)</b></u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u><b>(30)</b></u>	<u><b>(12,719)</b></u>
Cash flows from investing activities:		
Investment earnings received	<u><b>190</b></u>	<u><b>123</b></u>
Cash provided by investing activities	<u><b>190</b></u>	<u><b>123</b></u>
Increase (decrease) in cash and cash equivalents	<b>20,479</b>	<b>(61,496)</b>
Cash and cash equivalents - beginning of period	<u><b>243,911</b></u>	<u><b>270,520</b></u>
Cash and cash equivalents - end of period	<u><u><b>\$ 264,390</b></u></u>	<u><u><b>\$ 209,024</b></u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <b>423,018</b>	\$ <b>524,698</b>
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	<b>1,577</b>	<b>624</b>
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	<b>(6,097)</b>	<b>(17,013)</b>
(Increase) decrease in inventory	<b>(35)</b>	<b>108</b>
(Increase) decrease in other assets	<b>169</b>	<b>6</b>
Increase (decrease) in estimated prize claims	<b>916</b>	<b>(76)</b>
Increase (decrease) in accounts payable	<b>(1,778)</b>	<b>(641)</b>
Increase (decrease) in deferred revenue	<b>-</b>	<b>(58,863)</b>
Increase (decrease) in other accrued liabilities	<b>2,446</b>	<b>(1,807)</b>
Cash provided by operating activities	<u><u><b>\$ 420,216</b></u></u>	<u><u><b>\$ 447,036</b></u></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 basic 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 March 31, 2013 the carrying amounts of deposits (overdraft) with financial institutions were \$1,422 thousand with a bank balance (overdraft) of \$1,452 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):

	March 31, 2013	June 30, 2012
Deposits with financial institutions	\$ 1,422	\$ 477
Cash on hand at the Treasurer's Office	47,897	42,350
Investments with BTI reported as cash equivalents	215,071	201,084
	<u>\$ 264,390</u>	<u>\$ 243,911</u>

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 March 31, 2013 is as follows (in thousands):

	Historical Cost At June 30, 2012	Additions	Deletions	Historical Cost At March 31, 2013
Construction in Progress	\$ 519	\$ 30	\$ -	\$ 549
Land	1,434	-	-	1,434
Buildings	38,084	-	-	38,084
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,816</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 46,846</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2012	Additions	Deletions	Historical Cost At March 31, 2013
Buildings	\$ 237	\$ 713	\$ -	\$ 950
Improvements	260	-	-	260
Equipment	4,034	864	-	4,898
	<u>\$ 4,531</u>	<u>\$ 1,577</u>	<u>\$ -</u>	<u>\$ 6,108</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 March 31, 2013 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	\$ 5,231,078	\$ 35,348,932
Hot Lotto	420,979	3,563,142
Mega Millions	710,867	6,659,742
Total	\$ 6,362,924	\$ 45,571,816

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,615,539	\$ 17,674,515
Hot Lotto	210,489	1,781,636
Mega Millions	366,097	3,429,773
Total	\$ 3,192,125	\$ 22,885,924

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 March 31, 2013, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 114,287,693	\$ 2,108,445
Hot Lotto	7,580,441	502,945
Mega Millions	26,005,477	441,384
Total	<u>\$ 147,873,611</u>	<u>\$ 3,052,774</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 \$19,990,848 at March 31, 2013, of which the Lottery's share was \$1,606,742.

**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 March 31, 2013 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	
	2013	2012	2013	2012
Total credits played	\$ 674,702	\$ 804,287	\$ 5,464,653	\$ 6,322,509
Credits (prizes) won	(605,467)	(721,574)	(4,906,194)	(5,678,846)
Promotional credits played	(8,358)	(8,851)	(67,186)	(69,227)
MWAP Contributions	(35)	(42)	(296)	(354)
Gross terminal income	60,842	73,820	490,977	574,082
Administrative costs	(1,140)	(1,357)	(14,636)	(16,017)
Net Terminal Income	59,702	72,463	476,341	558,065
Less distribution to agents	(33,426)	(40,454)	(280,933)	(325,895)
Racetrack video lottery revenues	<u>\$ 26,276</u>	<u>\$ 32,009</u>	<u>\$ 195,408</u>	<u>\$ 232,170</u>

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

	March 31, 2013	Year-to-Date
State Lottery Fund	\$ 8,206	\$ 106,581
State Excess Lottery Revenue Fund	14,554	54,563
Capital Reinvestment Fund	1,304	4,875
Tourism Promotion Fund 1.375%	760	6,321
Development Office Promotion Fund .375 %	207	1,724
Research Challenge Fund .5 %	277	2,299
Capitol Renovation & Improvement Fund .6875 %	380	3,161
Parking Garage Fund .0625 %	35	287
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	553	2,597
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 26,276</u>	<u>\$ 195,408</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 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

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

**NOTE 7 - LIMITED VIDEO LOTTERY (continued)**

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 March 31, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 445,540	\$ 460,600	\$ 3,551,143	\$ 3,584,278
Credits (prizes) won	(408,149)	(421,483)	(3,251,529)	(3,280,069)
Gross terminal income	\$ 37,391	\$ 39,117	\$ 299,614	\$ 304,209
Administrative costs	(748)	(782)	(5,992)	(6,085)
Gross Profit	36,643	38,335	293,622	298,124
Commissions	(18,321)	(19,167)	(146,811)	(149,062)
Municipalities and Counties	(733)	(767)	(5,872)	(5,962)
Limited video lottery revenues	<u>\$ 17,589</u>	<u>\$ 18,401</u>	<u>\$ 140,939</u>	<u>\$ 143,100</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 March 31, 2013 and fiscal year-to-date were \$19,711,501 and \$157,164,260, 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	
	2013	2012	2013	2012
Table Games Privilege Tax	\$ 6,899	\$ 7,213	\$ 55,007	\$ 58,825
Interest on Table Games Fund	-	-	4	3
Administrative costs	(591)	(824)	(4,715)	(6,723)
Total Available for Distribution	<u>6,308</u>	<u>6,389</u>	<u>50,296</u>	<u>52,105</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	493	515	3,929	4,202
Thoroughbred & Greyhound Development Funds	394	412	3,143	3,361
Racing Association Pension Plan	173	173	1,383	1,412
Municipalities/ Counties	<u>1,952</u>	<u>2,000</u>	<u>15,560</u>	<u>16,304</u>
Total Distributions	<u>3,012</u>	<u>3,100</u>	<u>24,015</u>	<u>25,279</u>
State Debt Reduction Fund	<u>\$ 3,296</u>	<u>\$ 3,289</u>	<u>\$ 26,281</u>	<u>\$ 26,826</u>

**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

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

**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended March 31, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 4,613	\$ 5,589	\$ 49,943	\$ 52,937
Credits (prizes) won	(4,222)	(5,072)	(45,781)	(49,003)
Promotional credits played	(65)	(37)	(544)	(339)
MWAP Contributions	(1)	-	(8)	-
Gross terminal income	325	480	3,610	3,595
Capital reinvestment	(15)	(23)	(170)	(169)
Administrative costs	(18)	(26)	(195)	(194)
Modernization Fund	(3)	(4)	(32)	(32)
Hotel commissions	(137)	(203)	(1,527)	(1,521)
Net terminal income	152	224	1,686	1,679
Historic Resort Hotel Fund	97	142	1,072	1,068
Human Resource Benefit Fund	55	82	614	611

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 March 31, 2013 and fiscal year-to-date were \$437,265 and \$6,106,397, 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	
	2013	2012	2013	2012
Table games privilege tax	\$ 153	\$ 92	\$ 2,137	\$ 1,570
Administrative Costs	(20)	(12)	(275)	(202)
Total Available for Distribution	133	80	1,862	1,368
Historic Resort Hotel Fund	111	67	1,558	1,144
Human Resource Benefit Fund	22	13	304	224

**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):

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 97	\$ 1,072
Historic Resort Table Games	111	1,558
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	208	2,630
Municipalities/ Counties	29	368
State General Revenue Fund	133	1,683
State Debt Reduction Fund	40	500
State Tourism Promotion Fund	6	79
Total Distributions	<u>\$ 208</u>	<u>\$ 2,630</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, 2013 the State Legislature budgeted \$145,017,313 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 \$4,800,000 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 funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be

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

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

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 March 31, 2013 the Lottery made such distributions and accrued additional distributions of \$46,483,356. 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 March 31, 2013, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$531,189, \$3,296,131, and \$178,902, 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):

<u>BUDGETARY DISTRIBUTIONS</u>	<u>March 31, 2013</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 4,496
Bureau of Senior Services	-	42,834
Department of Education	-	30,611
Library Commission	-	12,186
Higher Education-Policy Commission	-	7,889
Tourism	-	7,364
Natural Resources	-	3,398
Division of Culture & History	-	5,903
Department of Education & Arts	-	1,840
Economic Development Authority	1,000	9,000
School Building Authority	1,800	16,197
Total State Lottery Fund	<u>\$ 3,300</u>	<u>\$ 141,718</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	\$ 1,899	\$ 17,091
Higher Education Improvement Fund	1,500	13,500
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	1,913	3,138
School Building Authority	1,899	17,093
Refundable Credit	2,819	6,052
WV Racing Commission	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	17,601	28,867
Total State Excess Lottery Revenue Fund	\$ 27,631	\$ 179,741
Total Budgetary distributions:	\$ 30,931	\$ 321,459
Veterans Instant Ticket Fund	\$ 34	\$ 278

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 844	\$ 6,289
Development Office Promotion Fund .375%	230	1,715
Research Challenge Fund .5%	307	2,287
Capitol Renovation & Improvement Fund .6875%	423	3,145
Parking Garage Fund .0625 %	39	286
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	613	2,574
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,456	\$ 29,296
Table Games State Debt Reduction Fund	\$ 2,716	\$ 25,818

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 154	\$ 1,729
State Debt Reduction Fund	45	513
Tourism Promotion Fund	7	81
Total	\$ 206	\$ 2,323
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 36,343	\$ 379,174
Accrued nonoperating distributions, beginning	(234,076)	(216,819)
Accrued nonoperating distributions, end	249,904	249,904
	\$ 52,171	\$ 412,259



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

**NOTE 11 – LEASES**

The Lottery leases, under the terms of a cancellable operating lease, various office spaces for field operations. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended March 31, 2013 and March 31, 2012 approximated \$162,335 and \$365,528 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended March 31, 2013 and March 31, 2012 approximated \$1,047,036 and \$715,467, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2013	\$ 226
2014	923
2015	232
Total	<u>\$ 1,381</u>

**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:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Beginning balance	\$ 2,039	\$ 8,355
Additions		
Legislative appropriations	9,645	
Interest earned on restricted net assets	-	
Deductions		
Asset acquisition	(9,994)	(6,316)
Surplus of excess funds		
Ending balance	<u>\$ 1,690</u>	<u>\$ 2,039</u>

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

**NOTE 13 – COMMITMENTS**

For the year ended June 30, 2011, the Lottery Commission has 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 12.5% 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 March 31, 2013 and fiscal year-to-date are as follows (in thousands):

	March 31, 2013	Year-to-Date
Lottery contributions	\$ 87	\$ 810
Employee contributions	27	260
Total contributions	\$ 114	\$ 1,070

**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 privatized business entity, BrickStreet Mutual Insurance Company (BrickStreet), established January 1, 2006, and named the administrator of former state workers' compensation fund activities. BrickStreet is paid a monthly administrative fee and rated premium to provide compensations for injuries sustained in the course of employment. The monthly administrative fee for the Lottery has been set at levels consistent with prior year payments and any rate or premium increases will be established on an experience rated basis.

The Lottery participates in the BrickStreet experience rated pool, which is rate adjusted on a quarterly basis. The BrickStreet risk pool retains all risk related to the compensation of injured employees under the program in exchange for the premiums paid.

**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 57<sup>th</sup> 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, 2013 and 2012 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.  
Director Budget Division  
Legislative Auditor's Office

Date: May 8, 2013

Re: Status of General Revenue Fund and State Road Fund as of  
April 30, 2013 (tenth month fiscal year 2012-2013)

We have reviewed the cash flow of the West Virginia general revenue fund for April 2013, the tenth month of the fiscal year ending June 30, 2013. The status of the fund collections are as follows:

The net collections were 100.13% of the estimate for the fiscal year. Total collections were \$4.6 million over the estimate.

Personal Income Tax collections were \$ 64.2 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 16.1 million under the estimate for the year.

Business and Occupation tax was \$ 1.8 million over the estimate.

Corporate Income and Business Franchise Tax collections were \$3.4 million under the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were 101.19% of 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 \$ 566,677,682.47 as of April 30, 2013.

Balance July 1, 2012	523,689,608.81
Cash flow loan to General Revenue on July 1, 2012. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Paid back September 2012.	- 62,000,000.00 +62,000,000.00
Shortfall Reserve Fund Transfer per WV Code 11B-2-20 (surplus from fiscal year 2012)	28,178,027.35
Earnings	+14,810,046.31
Balance April 30, 2013	566,677.682.47

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 356,458,949.93 as of April 30, 2013.

Balance July 1, 2012	327,698,976.68
Earnings	27,327,807.25
Statutory Transfer Medical Malpractice WV Code 33-3-14 and 14A; 11B-2-20	1,432,166.00
Balance April 30, 2013	356,458,949.93

The Special Income Tax Reserve Fund had a cash balance of \$26,449,471.52 as of April 30, 2013.

Balance July 1, 2012	45,019,319.21
Transfer out refunds April 2013	-18,569,847.69
Revenues	-0-
Balance April 30, 2013	26,449,471.52

## GENERAL REVENUE FUND FY 2012-2013

FINAL

## By Source and by Month

## Monthly Revenue Estimates

as of April 30, 2013 WV FIMS

	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	260,700,000	337,474,167	76,774,167	1,414,200,000	1,478,439,262	64,239,262
Consumer Sales Tax & Use Tax	103,400,000	100,692,404	-2,707,596	1,015,300,000	999,116,796	-16,183,204
Severance Tax	45,000,000	42,452,880	-2,547,120	377,000,000	340,289,010	-36,710,990
Corp Income /Business Franchise	48,200,000	31,462,309	-16,737,691	194,700,000	191,245,193	-3,454,807
Business and Occupation	13,500,000	12,747,940	-752,060	102,200,000	104,035,200	1,835,200
Insurance Tax	22,200,000	22,738,765	538,765	109,800,000	109,064,868	-735,132
Tobacco Products Tax	8,630,000	9,213,742	583,742	87,530,000	88,824,409	1,294,409
HB 102 - Lottery Transfers	0	0	0	65,000,000	65,000,000	0
Departmental Collections	960,000	1,028,405	68,405	14,850,000	14,281,695	-568,305
Liquor Profit Transfers	1,700,000	1,307,600	-392,400	11,350,000	11,468,475	118,475
Interest Income	1,000,000	188,352	-811,648	10,000,000	3,109,384	-6,890,616
Property Transfer Tax	700,000	655,596	-44,404	6,880,000	7,194,909	314,909
Beer Tax and Licenses	690,000	728,149	38,149	6,610,000	6,508,948	-101,052
Senior Tax Credit Reimbur Lot	3,225,000	2,518,461	-706,539	8,596,000	8,570,400	-25,600
Property Tax	660,000	684,162	24,162	5,710,000	5,782,805	72,805
Miscellaneous Receipts	300,000	373,848	73,848	2,900,000	4,184,551	1,284,551
Miscellaneous Transfers	140,000	0	-140,000	2,210,000	1,271,936	-938,064
Business Fran Registration Fees	20,000	59,661	39,661	360,000	597,204	237,204
Liquor License Renewal	70,000	70,724	724	408,000	409,220	1,220
Charter Tax	0	886	886	0	45,633	45,633
Telecommunications Tax	0	2,565	2,565	0	65,254	65,254
Video Lottery Transfers	0	326,100	326,100	0	724,946	724,946
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	1,823	1,823
Cash Flow Transfer	0	0	0	0	0	0
<b>TOTALS</b>	<b>511,095,000</b>	<b>564,726,716</b>	<b>53,631,716</b>	<b>3,435,604,000</b>	<b>3,440,231,919</b>	<b>4,627,919</b>
Minus Cash Flow Transfer		0			0	
Percent of Estimates		110.49%			100.13%	
<b>TOTALS</b>	<b>511,095,000</b>	<b>564,726,716</b>	<b>53,631,716</b>	<b>3,435,604,000</b>	<b>3,440,231,919</b>	<b>4,627,919</b>
Percent of Estimates		110.49%			100.13%	
Collections this day		63,769,433				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2012-2013  
 By Source and by Month  
 Monthly Revenue Estimates as of  
 April 30, 2013 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	51,000,000	42,567,730	-8,432,270	358,000,000	358,226,424	226,424
Privilege Tax	15,276,000	17,018,724	1,742,724	144,184,000	153,378,483	9,194,483
Licenses & Registration	7,688,000	10,327,675	2,639,675	69,360,000	66,711,004	-2,648,996
Highway Litter Control	145,000	234,360	89,360	1,312,000	1,361,690	49,690
<b>TOTALS</b>	<b>74,109,000</b>	<b>70,148,489</b>	<b>-3,960,511</b>	<b>572,856,000</b>	<b>579,677,601</b>	<b>6,821,601</b>
Percent of Estimates		94.66%			101.19%	
Collections this day		24,911,946				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF April 1, 2013: \$565,429,120.07

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF April 1, 2013: \$352,587,225.49

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF April 1, 2013: \$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.  
Director Budget Division  
Legislative Auditor's Office

Date: May 8, 2013

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the March 31, 2013 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. March is the ninth month of the 2012-2013 fiscal year.

For July 1, 2012 to March 31, 2013 of fiscal year 2012-2013, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2012	\$140,675,916.76
Receipts July 1, 2012 thru June 30, 2013	\$212,429,870.60
Disbursements July 1, 2012 thru June 30, 2013	\$ 291,259,491.52
Balance March 31, 2013	\$ 61,846,295.84

ITEMS OF NOTE:

Regular benefits paid for July 1, 2012 - March 31, 2013 were \$46.1 million more than July 1, 2011 - March 31, 2012.

Federal emergency benefits totaled \$91.7 million for the July 1, 2012 - March 31, 2013. For July 2011 - March 31, 2012, federal emergency benefits totaled \$98.4 million.

Total disbursements were \$ 14.5 million more in July 1, 2012 - March 31, 2013 than the preceding July - March 2012.

Receipts for July - March 31, 2013 were \$ 38.5 million less than in July - March 2012. Overall ending trust fund balance was \$14.3 million lower on March 31, 2013 than on March 31, 2012.

Seasonally adjusted unemployment rates for March 2013 were 7.0 percent for West Virginia and 7.6 percent nationally.

Since March 2012 employment has increased by 1,000. Employment declines were as follows: 900 in construction; 1,200 in manufacturing; 100 in information; 200 in financial activities; and 700 in other services. Employment gains: 400 in mining and logging; 200 in trade, transportation and utilities; 200 in professional and business services; 2,000 in educational and health services; 1,200 in leisure and hospitality, and 100 in government.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING JANUARY 2012 AND JANUARY 2013**

	<u>JANUARY 2012</u>	<u>FEBRUARY 2012</u>	<u>MARCH 2012</u>	<u>JANUARY 2013</u>	<u>FEBRUARY 2013</u>	<u>MARCH 2013</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
<b>Balance Forward</b>	<b><u>\$105,802,079.80</u></b>	<b><u>\$96,402,593.06</u></b>	<b><u>\$93,431,157.91</u></b>	<b><u>\$107,165,882.02</u></b>	<b><u>\$93,005,156.32</u></b>	<b><u>\$85,142,620.20</u></b>	<b><u>(\$10,322,172.23)</u></b>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$12,657,418.35	\$15,468,815.36	\$1,065,216.46	\$11,588,213.11	\$14,704,038.93	\$854,111.34	(\$2,045,086.79)
3. Federal Emergency Benefits (EUC08)	\$11,685,990.24	\$9,765,660.00	\$9,515,674.48	\$11,207,550.88	\$10,491,632.74	\$10,552,247.89	\$1,284,106.79
4. Federal Share Extended Benefits (EB)	\$2,901,754.98	\$2,588,451.33	\$2,148,471.76	\$421.00	\$170.00	\$0.00	(\$7,638,087.07)
5. Temp Federal Additional Comp (FAC)	\$113.97	\$1,327.94	\$680.97	\$562.99	\$0.00	\$383.00	(\$1,176.89)
6. UCFE (Federal Agencies)	\$240,504.67	\$205,871.74	\$177,582.01	\$118,280.58	\$103,218.60	\$78,175.61	(\$324,283.63)
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	\$702,933.90	\$0.00	\$0.00	\$565,403.75	(\$137,530.15)
11. UCX (Military Agencies)	\$690,000.65	\$543,493.38	\$528,772.68	\$373,451.73	\$319,526.84	\$326,882.73	(\$742,405.41)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<b><u>\$28,175,782.86</u></b>	<b><u>\$28,573,619.75</u></b>	<b><u>\$14,139,332.26</u></b>	<b><u>\$23,288,480.29</u></b>	<b><u>\$25,618,587.11</u></b>	<b><u>\$12,377,204.32</u></b>	<b><u>(\$9,604,463.15)</u></b>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$21,838,842.46	\$18,727,719.90	\$19,227,529.22	\$26,122,684.61	\$22,521,736.90	\$23,369,713.91	\$12,220,043.84
Federal Emergency Benefits (EUC08)	\$11,864,901.19	\$9,643,836.03	\$9,440,765.50	\$10,810,719.84	\$10,525,398.74	\$11,853,806.24	\$2,240,422.10
Federal Share Extended Benefits (EB)	\$3,031,350.96	\$2,507,643.57	\$2,078,823.06	(\$1,835.11)	(\$19,204.00)	(\$20,111.00)	(\$7,658,967.70)
Emergency Benefits (TEUC)	(\$340.00)	(\$761.00)	(\$349.00)	(\$30.00)	(\$6,829.00)	(\$4,426.00)	(\$9,835.00)
Temp Federal Additional Comp (FAC)	\$113.97	\$1,377.94	\$668.97	\$520.99	\$0.00	\$425.00	(\$1,214.89)
UCFE (Federal Workers) Benefits	\$222,733.54	\$180,591.24	\$148,730.22	\$113,234.84	\$102,915.17	\$89,246.10	(\$246,658.89)
UCX (Military Workers) Benefits	\$589,850.12	\$473,345.75	\$446,797.48	\$358,330.45	\$314,000.23	\$363,826.61	(\$473,836.06)
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$21,000.00	\$0.00	\$8,000.00	\$29,000.00
Special Administrative Transfer**	\$27,817.36	\$11,301.47	\$58,535.07	\$24,580.37	\$43,105.19	\$13,047.82	(\$16,920.52)
<b>Total Monthly Disbursements</b>	<b><u>\$37,575,269.60</u></b>	<b><u>\$31,545,054.90</u></b>	<b><u>\$31,401,500.52</u></b>	<b><u>\$37,449,205.99</u></b>	<b><u>\$33,481,123.23</u></b>	<b><u>\$35,673,528.68</u></b>	<b><u>\$6,082,032.88</u></b>
<b>Trust Fund Balance</b>	<b><u>\$96,402,593.06</u></b>	<b><u>\$93,431,157.91</u></b>	<b><u>\$76,168,989.65</u></b>	<b><u>\$93,005,156.32</u></b>	<b><u>\$85,142,620.20</u></b>	<b><u>\$61,846,295.84</u></b>	<b><u>(\$26,008,668.26)</u></b>

\* 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 - 2013

May 9, 2013

Month	Revenues	Benefits	Trust Fund Balance
<b><u>2012</u></b>			
Balance 1/1/2012			105,802,000
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	22,333,000	22,458,000	140,483,000
August	30,604,000	19,241,000	151,846,000
September	1,040,000	17,624,000	135,262,000
October	17,637,000	19,899,000	133,000,000
November	16,653,000	19,058,000	130,595,000
December	1,098,000	24,528,000	107,165,000
<b>Totals - 2012</b>	<b>240,080,000</b>	<b>238,717,000</b>	<b>107,165,000</b>
<b><u>2013</u></b>			
January	11,962,000	26,122,000	93,005,000
February	14,658,000	22,521,000	85,142,000
March	854,000	24,150,000	61,846,000
April	41,181,000	21,098,000	81,929,000
May	73,918,000	19,955,000	135,892,000
June	2,203,000	16,686,000	121,409,000
July	22,022,000	22,770,000	120,661,000
August	28,880,000	20,324,000	129,217,000
September	1,040,000	17,624,000	112,633,000
October	16,859,000	20,776,000	108,716,000
November	16,418,000	19,326,000	105,808,000
December	1,082,000	24,864,000	82,026,000
<b>Totals - 2013</b>	<b>231,077,000</b>	<b>256,216,000</b>	<b>82,026,000</b>

The average unemployment rate in West Virginia for CY 2012 was 7.3%

The average projected unemployment rate in West Virginia for CY 2013 is 7.5%

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](http://www.workforcewv.org)



# **Financial Statements**

## **March 2013**

*West Virginia Legislative Interims*  
*May 2013*

**West Virginia Public Employees Insurance Agency**

Statement of Changes in Plan Net Assets

**For the Nine Months Ending March 31, 2013**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

( \$ 0 0 0 's )							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			<b><u>PREMIUM REVENUE</u></b>				
\$360,050	\$361,290	\$345,497	Health Insurance - State Gov. - Employers	(\$1,240)	(0%)	\$14,553	4%
94,654	91,073	91,120	Health Insurance - State Gov. - Employees	3,581	4%	3,534	4%
80,353	78,681	78,686	Health Insurance - Local Gov. - All	1,672	2%	1,667	2%
2,398	3,334	3,183	Life Insurance	(936)	(28%)	(785)	(25%)
	2,625	2,625	Direct Transfer	(2,625)	(100%)	(2,625)	(100%)
13,551	12,926	7,021	Interest and Investment Income	625	5%	6,530	93%
1,624	1,105	1,234	Other Premium Revenue	519	47%	390	32%
3,609	3,453	3,572	Administrative Fees, Net of Refunds	156	5%	37	1%
<b>556,239</b>	<b>554,487</b>	<b>532,938</b>	<b>TOTAL REVENUE</b>	<b>1,752</b>	<b>0%</b>	<b>23,301</b>	<b>4%</b>
			<b><u>OPERATING EXPENSES</u></b>				
262,897	294,197	270,744	Claims Expense - Medical	31,300	11%	7,847	3%
86,388	93,438	91,053	Claims Expense - Drugs	7,050	8%	4,665	5%
29,274	30,729	28,858	Payments to Managed Care Org.	1,455	5%	(416)	(1%)
10,191	10,859	10,705	Administrative Service Fees	668	6%	514	5%
2,402	3,334	3,189	Life Insurance Expense	932	28%	787	25%
2,035	1,109	1,705	Wellness and Disease Management	(926)	(83%)	(330)	(19%)
68			ACA Comparative Effectiveness Fee	(68)		(68)	
4,225	4,550	4,085	Other Operating Expenses	325	7%	(140)	(3%)
122,334	121,500	114,044	WV RHBT Pay Go Premiums	(834)	(1%)	(8,290)	(7%)
<b>519,814</b>	<b>559,716</b>	<b>524,383</b>	<b>TOTAL EXPENSES</b>	<b>39,902</b>	<b>7%</b>	<b>4,569</b>	<b>1%</b>
<b>36,425</b>	<b>(5,229)</b>	<b>8,555</b>	<b>YTD SURPLUS (DEFICIT)</b>	<b>41,654</b>	<b>797%</b>	<b>27,870</b>	<b>326%</b>
159,243	159,243	168,327	Total Net Assets, Beginning of Period			(9,084)	(5%)
<b>\$195,668</b>	<b>\$154,014</b>	<b>\$176,882</b>	<b>TOTAL NET ASSETS, END OF PERIOD</b>	<b>\$41,654</b>	<b>27%</b>	<b>\$18,786</b>	<b>11%</b>

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
For the Nine Months Ending March 31, 2013

(\$ 000's)						
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
<b>ADDITIONS</b>						
Employer Premiums:						
\$ 2,426	\$ 2,402	\$ 2,448	\$ 24	1.0%	\$ (22)	-0.9%
101,648	101,331	94,711	317	0.3%	6,936	7.3%
329	-	876	329	0.0%	(547)	-62.4%
104,404	103,733	98,035	670	0.6%	6,368	6.5%
Member Premiums:						
56,690	56,817	52,916	(127)	-0.2%	3,774	7.1%
20,655	20,169	19,324	486	2.4%	1,332	6.9%
16,316	15,987	12,794	329	2.1%	3,522	27.5%
93,661	92,973	85,034	688	0.7%	8,627	10.1%
198,065	196,706	183,069	1,358	0.7%	14,996	8.2%
Other Additions:						
1,000	1,125	838	(125)	-11.1%	162	19.3%
2,935	2,925	-	10	0.3%	2,935	0.0%
53,892	23,627	12,194	30,265	128.1%	41,698	342.0%
<b>255,892</b>	<b>224,383</b>	<b>196,101</b>	<b>31,509</b>	<b>14.0%</b>	<b>59,791</b>	<b>30.5%</b>
<b>DEDUCTIONS</b>						
83,251	98,790	38,343	15,540	15.7%	(44,908)	-117.1%
16,387	15,987	12,855	(400)	-2.5%	(3,533)	-27.5%
46,838	58,335	45,950	11,497	19.7%	(888)	-1.9%
18,213	22,938	78,270	4,725	20.6%	60,057	76.7%
23	-	-	(23)	0.0%	(23)	0.0%
1,361	7,387	6,593	6,025	81.6%	5,231	79.4%
2,217	2,474	2,637	257	10.4%	421	16.0%
<b>168,290</b>	<b>205,912</b>	<b>184,648</b>	<b>37,622</b>	<b>18.3%</b>	<b>16,358</b>	<b>8.9%</b>
<b>87,602</b>	<b>18,471</b>	<b>11,453</b>	<b>69,131</b>	<b>374.3%</b>	<b>76,149</b>	<b>664.9%</b>
<b>Net Assets Held in Trust for Post Employment Benefits</b>						
<b>492,779</b>	<b>492,779</b>	<b>472,079</b>	-	0.0%	20,700	4.4%
<b>\$ 580,381</b>	<b>\$ 511,250</b>	<b>\$ 483,532</b>	<b>\$ 69,131</b>	<b>13.5%</b>	<b>\$ 96,849</b>	<b>20.0%</b>



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



	<u>2013</u>		<u>2012</u>
(in thousands)			
<b>ASSETS</b>			
Short Term Assets			
Cash and Equivalents	\$ 19,749	\$	22,156
Advance Deposit with Carrier/Trustee	208,806		204,192
Receivables - Net	1,465		1,111
Prepaid Insurance	1,463		1,385
<b>Total Short Term Assets</b>	<b>231,483</b>		<b>228,844</b>
Long Term Assets			
Investments	141,545		138,794
<b>Total Long Term Assets</b>	<b>141,545</b>		<b>138,794</b>
<b>TOTAL ASSETS</b>	<b>373,028</b>		<b>367,638</b>
<b>LIABILITIES</b>			
Short Term Liabilities			
Accounts payable	1,754		1,983
Claims Payable	200		392
OPEB Liability	374		182
Agents Commissions Payable	770		880
Unearned Revenue	5,737		6,649
Current Estimated Claim Reserve	50,751		49,438
<b>Total Short Term Liabilities</b>	<b>59,586</b>		<b>59,524</b>
Long Term Liabilities			
Compensated Absences	67		75
Estimated Noncurrent Claim Reserve	94,502		84,157
<b>Total Long Term Liabilities</b>	<b>94,569</b>		<b>84,232</b>
<b>TOTAL LIABILITIES</b>	<b>154,155</b>		<b>143,756</b>
Prior Year Net Assets			
Restricted - HB601 and Mine Subsidence	45,599		43,061
Unrestricted	175,916		176,767
<b>Total Prior Year Net Assets</b>	<b>221,515</b>		<b>219,828</b>
Current Year Earnings (Deficiency)			
Restricted - HB601 and Mine Subsidence	4,126		2,543
Unrestricted	(6,768)		1,511
<b>Total Current Year Earnings (Deficiency)</b>	<b>(2,642)</b>		<b>4,054</b>
<b>Total Net Assets</b>			
Restricted - HB601 and Mine Subsidence	49,725		45,604
Unrestricted	169,148		178,278
<b>TOTAL NET ASSETS</b>	<b>218,873</b>		<b>223,882</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 373,028</b>	<b>\$</b>	<b>367,638</b>

DRAFT - Unaudited - Management Purposes Only



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



	March 31	
	2013	2012
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 36,473	\$ 38,624
Less - Excess Insurance	(4,369)	(4,088)
Total Operating Revenues	32,104	34,536
Operating Expenses		
Claims Expense	39,428	35,283
Property & MS Claims Expense	4,960	3,443
Personal Services	972	1,043
General & Administrative Expense	1,709	1,852
Total Operating Expenses	47,069	41,621
Operating Income (Loss)	(14,965)	(7,085)
Nonoperating Revenues		
Investment Income	12,323	11,139
Total Nonoperating Revenues	12,323	11,139
Net Income (Loss)	\$ (2,642)	\$ 4,054

DRAFT - Unaudited - Management Purposes Only

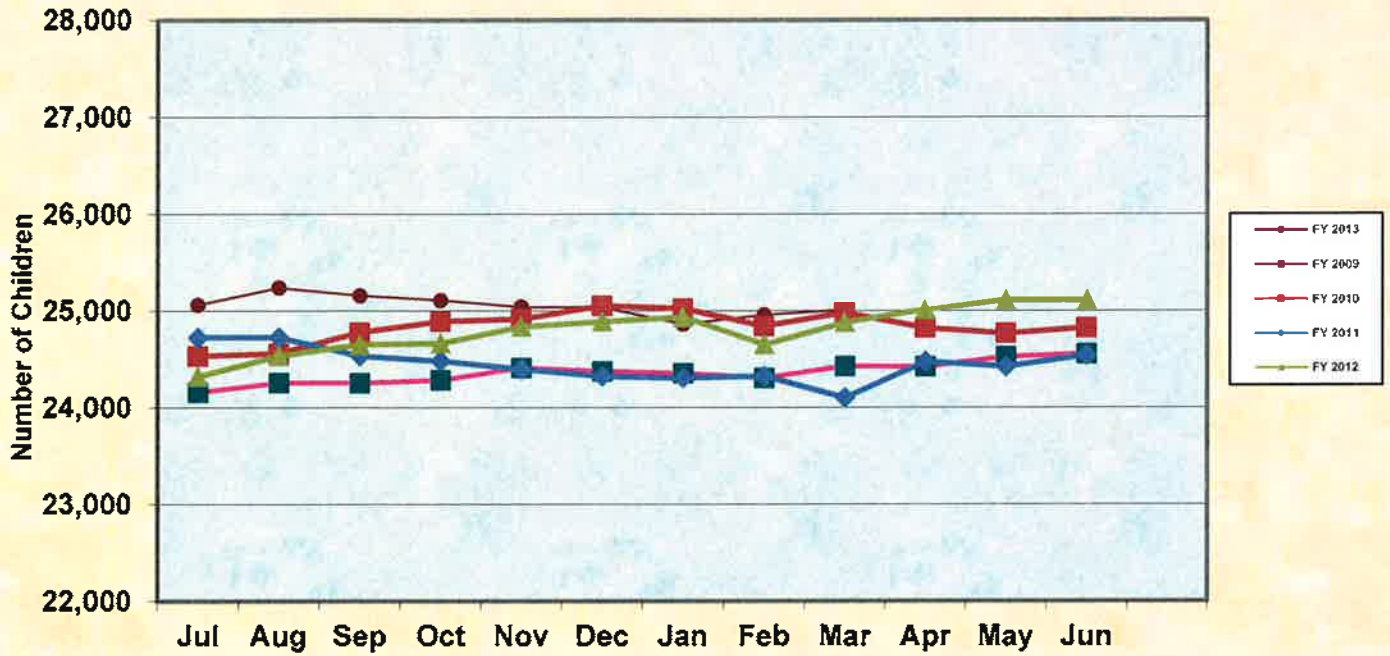


West Virginia Children's Health Insurance Program  
2 Hale Street  
Suite 101  
Charleston, WV 25301  
304-558-2732 voice / 304-558-2741 fax  
Helpline 877-982-2447  
[www.chip.wv.gov](http://www.chip.wv.gov)

## **Joint Committee on Government and Finance Report**

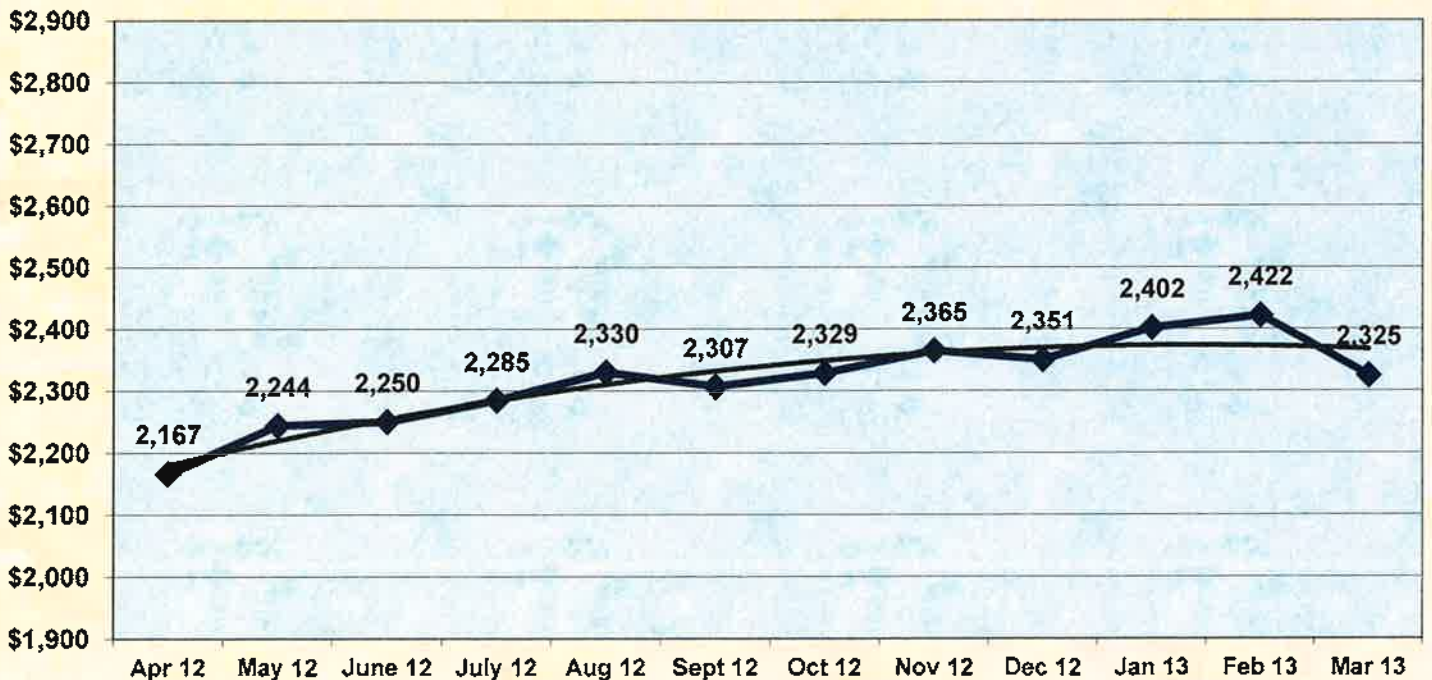
**May 2013**

## WV CHIP Enrollment



March 31st Enrollment 25,010

## Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
March 2013 and 2012  
(Accrual Basis)**

	March 31, 2013	March 31, 2012	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$12,934,826	\$13,081,625	(\$146,798)	-1%
Due From Federal Government	\$4,448,576	\$5,271,508	(\$822,931)	-16%
Due From Other Funds	\$1,080,203	\$1,022,061	\$58,141	6%
Accrued Interest Receivable	\$9,009	\$5,139	\$3,870	75%
Fixed Assets, at Historical Cost	<u>\$95,345</u>	<u>\$93,787</u>	<u>\$1,559</u>	<u>2%</u>
<b>Total Assets</b>	<u>\$18,567,960</u>	<u>\$19,474,119</u>	<u>(\$906,160)</u>	<u>-5%</u>
<b>Liabilities:</b>				
Accounts Payable	\$1,080,991	\$252,714	\$828,277	328%
Deferred Revenue	\$65,976	\$1,800,701	(\$1,734,726)	-96%
Unpaid Insurance Claims Liability	<u>\$4,450,000</u>	<u>\$5,090,000</u>	<u>(\$640,000)</u>	<u>-13%</u>
<b>Total Liabilities</b>	<u>\$5,596,967</u>	<u>\$7,143,415</u>	<u>(\$1,546,449)</u>	<u>-22%</u>
Fund Equity	<u>\$12,970,993</u>	<u>\$12,330,704</u>	<u>\$640,289</u>	<u>5%</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$18,567,960</u>	<u>\$19,474,119</u>	<u>(\$906,160)</u>	<u>-5%</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 Nine Months Ending March 31, 2013 and March 31, 2012**  
**(Modified Accrual Basis)**

	March 31, 2013	March 31, 2012	Variance	
<b>Revenues</b>				
Federal Grants	35,076,376	33,576,986	1,499,390	4%
State Appropriations	7,320,138	7,320,095	43	0%
Premium Revenues	645,926	530,174	115,752	22%
Investment Income:				
Investment Earnings	<u>55,760</u>	<u>96,130</u>	<u>(40,370)</u>	<u>-42%</u>
<b>Total Revenues</b>	<b><u>43,098,200</u></b>	<b><u>41,523,385</u></b>	<b><u>1,574,814</u></b>	<b><u>4%</u></b>
<b>Expenditures:</b>				
Claims:				
Outpatient Services	10,818,765	10,357,972	460,793	4%
Physicians & Surgical	9,301,511	8,149,074	1,152,437	14%
Prescribed Drugs	6,547,752	8,011,263	(1,463,511)	-18%
Dental	6,148,045	5,877,934	270,111	5%
Inpatient Hospital Services	3,204,765	3,637,040	(432,275)	-12%
Outpatient Mental Health	1,147,571	1,129,834	17,737	2%
Durable & Disposable Med. Equip.	887,860	1,040,203	(152,343)	-15%
Inpatient Mental Health	759,461	727,488	31,973	4%
Vision	627,187	637,541	(10,354)	-2%
Therapy	536,649	464,147	72,502	16%
Medical Transportation	341,464	321,024	20,440	6%
Other Services	114,477	148,914	(34,437)	-23%
Less: Collections**	<u>(364,167)</u>	<u>(466,036)</u>	<u>101,869</u>	<u>-22%</u>
Total Claims	<u>40,071,340</u>	<u>40,036,398</u>	<u>34,942</u>	<u>0%</u>
General and Admin Expenses:				
Salaries and Benefits	418,410	369,051	49,359	13%
Program Administration	1,904,629	1,425,774	478,855	34%
Eligibility	253,981	301,403	(47,422)	-16%
Outreach & Health Promotion	764,978	812,083	(47,105)	-6%
Current	115,751	175,721	(59,970)	-34%
Total Administrative	<u>3,457,749</u>	<u>3,084,032</u>	<u>373,717</u>	<u>12%</u>
<b>Total Expenditures</b>	<b><u>43,529,089</u></b>	<b><u>43,120,430</u></b>	<b><u>408,659</u></b>	<b><u>1%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(430,889)</b>	<b>(1,597,044)</b>	<b>1,166,155</b>	<b>-73%</b>
Unrealized Gain(loss) On Investments*	55,443	(10,396)	65,839	633%
<b>Fund Equity, Beginning</b>	<b><u>13,346,439</u></b>	<b><u>13,938,145</u></b>	<b><u>(591,705)</u></b>	<b><u>-4%</u></b>
<b>Fund Equity, Ending</b>	<b><u>12,970,993</u></b>	<b><u>12,330,704</u></b>	<b><u>640,289</u></b>	<b><u>5%</u></b>

\* 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 2013  
 For the Nine Months Ended March 31, 2013

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Mar-13	Actual Amt Feb-13	Actual Amt Jan-13
Projected Cost	\$58,620,048	\$43,965,036	\$41,304,227	\$2,660,809	6%	\$4,885,004	\$4,830,469	\$3,086,489	\$5,074,639
Premiums	1,166,599	874,949	\$645,926	(\$229,023)	-26%	97,217	75,112	74,869	72,687
Subrogation & Rebates	575,990	431,993	\$364,167	(67,825)	-16%	47,999	41,983	16,467	229
Net Benefit Cost	56,877,459	42,658,094	\$40,294,134	\$2,363,960	6%	4,783,787	4,713,374	2,995,152	5,001,722
Salaries & Benefits	\$580,500	\$435,375	\$418,411	\$16,964	4%	\$48,375	\$45,993	\$45,588	\$45,146
Program Administration	4,223,273	3,167,455	\$1,905,031	1,262,424	40%	351,939	166,828	178,705	568,536
Eligibility	420,000	315,000	\$195,464	119,536	38%	35,000	4,165	0	81,771
Outreach & Health Prom.	1,000,000	750,000	\$751,159	(1,159)	0%	83,333	3,186	207,024	13,637
Current Expense	250,000	187,500	\$123,084	64,416	34%	20,833	10,681	15,000	15,669
Total Admin Cost	56,473,773	\$4,855,330	\$3,393,149	\$1,462,181	30%	\$539,481	\$230,853	\$446,317	\$724,759
Total Program Cost	\$63,351,232	\$47,513,424	\$43,687,283	\$3,826,141	8%	\$5,323,269	\$4,944,227	\$3,441,469	\$5,726,481
Federal Share 80.43%	51,206,801	38,215,047	\$35,195,015	3,020,032	8%	4,302,798	3,976,642	2,767,974	4,605,809
State Share 19.57%	12,144,431	9,298,377	\$8,492,268	806,109	9%	1,020,471	967,585	673,496	1,120,672
Total Program Cost **	\$63,351,232	\$47,513,424	\$43,687,283	\$3,826,141	8%	\$5,323,269	\$4,944,227	\$3,441,469	\$5,726,481

\* Positive percentages indicate favorable variances

\*\* Budgeted Year Based on CCRC Actuary 6/30/2012 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 6/30/12 Final worksheet Net Paid Program Costs.
- 2/. Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2013 (10/1/12 - 9/30/13) is set at 80.43%.

## Department of Administration Real Estate Division Leasing Report

For the period of April 1, 2013 through April 30, 2013

There were a total of 10 leasing changes for the period of April 1, 2013 through April 30, 2013 and they are as follows:

- 4 – Straight Renewal
- 2 – Renewal with Increase in Rent
- 4 – Cancellations



**Department of Administration Real Estate Division Leasing Report**  
**For the period of April 1, 2013 through April 30, 2013**

**STRAIGHT RENEWAL**

**SMALL BUSINESS DEVELOPMENT CENTER**

**SBD-003** Renewal for 1 year consisting of 646 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$8,398.00, full service, 1050 Fourth Avenue, in the City of Huntington, Cabell County, West Virginia.

**WEST VIRGINIA DEVELOPMENT OFFICE**

**CID-010** Renewal for 1 years consisting of 375 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 891 Auto Parts Place Room 221, in the City of Martinsburg, Berkeley County, West Virginia.

**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-159** Renewal for 2 years consisting of 150 square feet of storage space at the current annual per square foot rate of \$4.80, annual cost \$720.00, Cherry Ridge Road, in the City of Mt. Storm, Grant County, West Virginia.

**WORKFORCE WEST VIRGINIA**

**WWV-027** New Contract of Lease for 1 year consisting of 4,012 square feet of storage space at the current annual per square foot rate of \$2.88, annual cost \$11,555.56, 2155 Greenbrier Street, in the City of Charleston, Kanawha County, West Virginia.

**RENEWAL WITH INCREASE IN RENT**

**DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING**

**MHS-032** Renewal for 5 years consisting of 826 square feet of garage space with an increase in the annual per square foot rate from \$6.80 to \$7.48, annual cost \$6,178.48, trash and snow removal, 14 Commerce Drive, in the City of Westover, Monongalia County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-201** Renewal for 5 years consisting of 5,972 square feet of office space with an increase in the annual per square foot rate from \$6.57 to \$7.00, annual cost \$3,483.67, Water/Sewer, 4710 Chimney Drive, in the City of Charleston, Kanawha County, West Virginia.



## **CANCELLATION**

### **OFFICES OF THE INSURANCE COMMISSIONER**

**INS-030** Lease cancellation consisting of 1,460 square feet of office space, at the annual per square foot rate of \$9.87 annual cost \$14,410.20, 16 Helena Street in the City of Chapmanville, Logan County, West Virginia

### **STATE TAX DEPARTMENT**

**TAX-028** Lease cancellation consisting of 406 square feet of office space, at the annual per square foot rate of \$7.83 annual cost \$3,178.98, full service, 202 ½ Dingess Street in the City of Logan, Logan County, West Virginia

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-179** Lease cancellation consisting of 1,518 square feet of office/storage space, at the annual per square foot rate of \$3.93 annual cost \$5,965.74, 202 Dingess Street in the City of Logan, Logan County, West Virginia

**HHR-185** Lease cancellation consisting of 14,385 square feet of office space, at the annual per square foot rate of \$6.30 annual cost \$90,625.50, 203 Dingess Street in the City of Logan, Logan County, West Virginia

Real Estate Division  
 Monthly Summary of Lease Activity  
 April 1 - 30, 2013

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Small Business Development Center	SBD-003	Cabell	646	13.00	8,398
2	West Virginia Development Office	CID-010	Berkeley	375	0.00	3,000
3	Department of Environmental Protection	DEP-159	Grant	150	4.80	720
4	WORKFORCE West Virginia	WWV-027	Kanawha	4,012	2.88	11,555
5	Division of Miners' Health, Safety and Training	MHS	Monongalia	826	7.48	6,178
6	Department of Health and Human Resources	HHR-201	Kanawha	5,972	7.00	41,804
					35.16	
				<b>Total Rentable Square Feet</b>	<u>11,981</u>	
				<b>Average Annual Rental Rate</b>	<u>7.03</u>	
				<b>Total Annual Rent</b>		<u>71,655</u>

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
<b>CANCELLATIONS</b>						
1	Offices of the Insurance Commissioner	INS-030	Logan	1,460	9.87	14,410
2	State Tax Department	TAX-028	Logan	406	7.83	3,179
3	Department of Health and Human Resources	HHR-179	Logan	1,518	3.93	5,966
4	Department of Health and Human Resources	HHR-185	Logan	14,385	6.30	90,626
				<b>Total Rentable Square Feet</b>	<u>14,385</u>	
				<b>Total Annual Rent</b>		<u>90,626</u>

## Department of Administration Real Estate Division Leasing Report

For the period of March 1, 2013 through March 31, 2013

There were a total of 24 leasing changes for the period of March 1, 2013 through March 31, 2013 and they are as follows:

- 15 – Straight Renewal
- 5 – Renewal with Increase in Rent
- 1 – Renewal with Increase in Square Feet
- 3 – Cancellations

**Department of Administration Real Estate Division Leasing Report**  
**For the period of March1, 2013 through March31, 2013**

**STRAIGHT RENEWAL**

**ALCOHOL BEVERAGE CONTROL ADMINISTRATION**

**ABC-001**Renewal for 1 yearconsisting of14,949 square feet of office and storage space at the current annual per square foot rate of \$12.00, annual cost \$179,388.00, full service,900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF FINANCIAL INSTITUTIONS**

**FIN-001**Renewal for 1 yearconsisting of 7,308 square feet of office and storage space at the current annual per square foot rate of \$12.00, annual cost \$87,696.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**MUNICIPAL BOND COMMISSION**

**MBC-005**Renewal for 1 yearconsisting of 2,286 square feet of office and storage space at the current annual per square foot rate of \$12.00, annual cost \$27,432.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**RACING COMMISSION**

**RAC-002**Renewal for 1 yearconsisting of 3,842 square feet of office and storage space at the current annual per square foot rate of \$12.00, annual cost \$46,104.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**REAL ESTATE DIVISION**

**RED-002**Renewal for 1 yearconsisting of 7,413 square feet of office and storage space at the current annual per square foot rate of \$12.00, annual cost \$88,956.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF NATURAL RESOURCES**

**NAT-130**Renewal for 3 years consisting of one boat slip at the current monthly rate of \$94.42, annual cost \$1,133.04, 1360 Harris Park Drive, in the City of Huntington, Cabell County, West Virginia.

**WEST VIRGINIA DEPARTMENT OF AGRICULTURE**

**AGR-029**Renewal for 2 years consisting of 206 square feet of office and storage space at the current monthly rate of \$278.96, annual cost \$3,347.52, full service, 201 Scott Avenue, in the City of Morgantown, Monongalia County, West Virginia.

**DIVISION OF JUVENILE SERVICES**

**DJS-012**Renewal for 3 years consisting of 3,024 square feet of office space at the current annual per square foot rate of \$6.33, annual cost \$19,141.92, 3549 1/2 Main Street, in the City of Weirton, Hancock County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT**

**OES-015** Renewal for 6 months consisting of 4,000 square feet of office space at the current annual per square foot rate of \$5.50, annual cost \$22,000, 4510 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**OES-017** Renewal for 6 months consisting of 8,000 square feet of storage space at the current annual per square foot rate of \$5.50, annual cost \$44,000, 4510 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia

### **DIVISION OF CORRECTIONS**

**COR-046** Renewal for 18 months consisting of a jail facility at the current rate of \$15.00 per inmate per day, full service, 1500 Chapline Street, in the City of Wheeling, Ohio County, West Virginia.

**COR-080** Renewal for 3 years consisting of 2,042 square feet of office space at the current annual per square foot rate of \$9.85, annual cost \$20,113.68, full service, 1513 Harrison Avenue, in the City of Elkins, Randolph County, West Virginia.

### **DIVISION OF REHABILITATION SERVICES**

**DRS-081** Month to Month renewal consisting of 3,244 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$42,172.00, full service, 300 North Main Street, in the City of Moorefield, Hardy County, West Virginia.

**DRS-094** Renewal for 2 years consisting of 524 square feet of office space at the current annual per square foot rate of \$12.60, annual cost \$6,600.00, full service, Putnam Village Shopping Center Route 34, in the City of Hurricane, Putnam County, West Virginia.

**DRS-092** Renewal as month-to-month consisting of 6,055 square feet of office space at the current annual per square foot rate of \$15.16, annual cost \$91,793.80, full service, 891 Auto Parts Place, in the City of Martinsburg, Berkeley County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **BOARD OF FUNERAL SERVICE EXAMINERS**

**EMB-001** Renewal for 3 years consisting of 973 square feet of office space with an increase in the annual per square foot rate from \$11.25 to \$11.75, annual cost \$11,432.75, full service, 179 Summers Street, in the City of Charleston, Kanawha County, West Virginia.

### **BOARD OF EXAMINERS OF PSYCHOLOGISTS**

**PSY-001** Renewal for 3 years consisting of 600 square feet of office space with an increase in the annual per square foot rate over three years from \$8.28 to \$8.53 1<sup>st</sup> year, to \$8.79 2<sup>nd</sup> year, to \$9.05 3<sup>rd</sup> year, annual cost \$5,118.00 1<sup>st</sup>, \$5,274.00 2<sup>nd</sup> year, \$5,430.00 3<sup>rd</sup> year, full service, 1205 Quarrier Street, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-087** Renewal for 2 years consisting of 4,000 square feet of office space with an increase in the annual per square foot rate from \$8.32 to \$8.67, annual cost \$34,680.00, full service minus janitorial, 331 Court Street, in the City of Welch, McDowell County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT - CONTINUED**

### **WEST VIRGINIA SUPREME COURT OF APPEALS**

**SCA-005** Renewal for 5 years consisting of 2,760 square feet of office space with an increase in the annual per square foot rate from \$10.50 to \$11.35, annual cost \$31,326.00, 2008 Quarrier Street, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-103** Renewal for 3 years consisting of 200 square feet of storage space with an increase in the monthly rate from \$60.00 to \$65.00, annual cost \$780.00, Lucas Dairy Road, in the City of Grafton, Taylor County, West Virginia.

## **RENEWAL WITH INCREASE INSQUARE FEET**

### **WEST VIRGINIA DEPARTMENT OF AGRICULTURE**

**AGR-032** Renewal for 2 years with an increase of square feet from 156 square feet to 164 square feet of office space at the current monthly rate of \$222.08, annual cost \$2,664.96, full service, 201 Scott Avenue, in the City of Morgantown, Monongalia County, West Virginia.

## **CANCELLATION**

### **DIVISION OF REHABILITATION SERVICES**

**DRS-039** Lease cancellation consisting of 1,750 square feet of office space, at the annual per square foot rate of \$8.69, annual cost \$15,207.50, in the City of Logan, Logan County, West Virginia

**DRS-086** Lease cancellation consisting of 1,375 square feet of office space, at the annual per square foot rate of \$8.75, annual cost \$12,031.25, in the City of Logan, Logan County, West Virginia

### **WORKFORCE WEST VIRGINIA**

**WWV-026** Lease cancellation consisting of 2,400 square feet of office space, at the annual per square foot rate of \$16.70, annual cost \$40,080.00, Lessor provides Water/Sewer, in the City of Logan, Logan County, West Virginia

Real Estate Division  
 Monthly Summary of Lease Activity  
 March 1 - 31, 2013

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Alcohol Beverage Control Administration	ABC-001	Kanawha	14,949	12.00	179,388
2	Division of Financial Institutions	FIN-001	Kanawha	7,308	12.00	87,696
3	Municipal Bond Commission	MBC	Kanawha	2,286	12.00	27,432
4	Racing Commission	RAC-002	Kanawha	3,842	12.00	46,104
5	Real Estate Division	RED-002	Kanawha	7,413	12.00	88,956
6	Division of Natural Resources	NAT-130	Cabell	0	0.00	1,133
7	West Virginia Department of Agriculture	AGR-029	Monongalia	206	0.00	3,348
8	Division of Juvenile Services	DJS-012	Hancock	3,024	6.33	19,142
9	Division of Homeland Security & Emergency Services	OES-015	Kanawha	4,000	5.50	22,000
10	Division of Homeland Security & Emergency Services	OES-017	Kanawha	8,000	5.50	44,000
11	Division of Corrections	COR-046	Ohio	0	0.00	0
12	Division of Corrections	COR-080	Randolph	2,042	9.85	20,114
13	Division of Rehabilitation Services	DRS-081	Hardy	3,244	13.00	42,172
14	Division of Rehabilitation Services	DRS-094	Putnam	524	12.60	6,602
15	Division of Rehabilitation Services	DRS-092	Berkeley	6,055	15.16	91,794
16	Board of Funeral Service Examiners	EMB-001	Kanawha	973	11.75	11,433
17	Board of Examiners of Psychologists	PSY-001	Kanawha	600	9.05	5,430
18	Department of Environmental Protection	DEP-087	McDowell	4,000	8.67	34,680
19	West Virginia Supreme Court of Appeals	SCA-005	Kanawha	2,760	11.35	31,326
20	Department of Health and Human Resources	HHR-103	Taylor	200	0.00	780
21	West Virginia Department of Agriculture	AGR-032	Monongalia	156	0.00	2,665
						168.76
<b>Total Rentable Square Feet</b>				<u>71,582</u>		
<b>Average Annual Rental Rate</b>					<u>10.55</u>	
<b>Total Annual Rent</b>						<u>766,194</u>

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
<b>CANCELLATIONS</b>						
1	Division of Rehabilitation Services	DRS-039	Logan	1,750	8.69	15,208
2	Division of Rehabilitation Services	DRS-086	Logan	1,375	8.75	12,031
3	WORKFORCE West Virginia	WWV-026	Logan	2,400	16.70	40,080
<b>Total Rentable Square Feet</b>				<u>2,400</u>		
<b>Total Annual Rent</b>						<u>40,080</u>

## Department of Administration Real Estate Division Leasing Report

For the period of February 1, 2013 through February 28, 2013

There were a total of 16 leasing changes for the period of February 1, 2013 through February 28, 2013 and they are as follows:

- 1 – New Contract of Lease
- 7 – Straight Renewal
- 4 – Renewal with Increase in Rent
- 1 – Renewal with Decrease in Rent
- 1 – Renewal with Increase in Square Feet
- 1 – Increase in Square Feet
- 1 – Renewal with Decrease in Square Feet



**Department of Administration Real Estate Division Leasing Report**  
**For the period of February 1, 2013 through February28, 2013**

**NEW CONTRACT OF LEASE**

**DIVISION OF CORRECTIONS**

**COR-090** New Contract of Lease for 1 year consisting of 1,351 square feet of office space at the annual per square foot rate of \$10.00, annual cost \$13,512.00, full service, 1200 Harrison Avenue, Suite 2020, in the City of Elkins, Randolph County, West Virginia.

**STRAIGHT RENEWAL**

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-130**Renewal for 3 years consisting of250 square feet of storage space at the current monthly rate of \$75.00, annual cost \$900.00,104 Van Kirk Drive, in the City of Fairmont, Marion County, West Virginia.

**HHR-171**Renewal for 3 years consisting of 1,940 square feet of office space at the current annual per square foot rate of \$8.79, annual cost \$17,052.60, corner of 11<sup>th</sup> and Chapline Streets, in the City of Wheeling, Ohio County, West Virginia.

**PUBLIC EMPLOYEES GRIEVANCE BOARD**

**EGB-012**Renewal for 1 year consisting of use of a conference room at the current monthly rate of \$225.00, annual cost \$2,700.00, 5<sup>th</sup> Street and Railroad Avenue, in the City of Elkins, Randolph County, West Virginia.

**STATE AUDITOR'S OFFICE**

**SAO-008**Renewal for 3 years consisting of 19,443 square feet of office space/data center at the current annual per square foot rate of \$9.50, annual cost \$184,708.50, 200 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

**WEST VIRGINIA BOARD OF PHARMACY**

**PHA-004-SUB**Renewal for 1 year consisting of2,367 square feet of office space at the current annual per square foot rate of \$5.53, annual cost \$13,089.51, full service, 106 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

**COAL HERITAGE HIGHWAY AUTHORITY**

**CHH-005**Renewal for 10 years consisting of 3,500 square feet for a visitor center space at the current annual cost of \$1.00, 100 Simmons Street, in the City of Bramwell, Mercer County, West Virginia.

**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-104** Renewal for 1 years consisting of 160 square feet of office space at the current annual per square foot rate of \$3.75, annual cost \$600.00, full service, 717 Main Street, in the City of Summersville, Nicholas County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **DEPARTMENT OF AGRICULTURE**

**AGR-030** Renewal for 5 years consisting of 247 square feet of office space with an increase in the monthly rate from \$256.26 to \$281.99, annual cost \$3,383.88, full service, 463 Ragland Road, in the City of Skelton, Raleigh County, West Virginia.

### **DIVISION OF FORESTRY**

**FOR-049** Renewal for 5 years consisting of tower monitoring space with an increase in the annual per square foot rate from \$190.00 to \$218.50, annual cost \$2,622.00, off Route 50, near the City of Salem, Harrison County, West Virginia.

**FOR-051** Renewal for 5 years consisting of tower monitoring space with an increase in the annual per square foot rate from \$170.00 to \$195.50, annual cost \$2,346.00, off Route 50, near the City of Parkersburg, Wood County, West Virginia.

### **DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING**

**MHS-029** Renewal for 3 years consisting of 7,125 square feet of office space with an increase in the annual per square foot rate from \$6.60 to \$6.80, \$48,450.00, 425 Lick Creek Road, in the City of Danville, Boone County, West Virginia.

## **RENEWAL WITH DECREASE IN RENT**

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-203** Renewal for 1 year consisting of 400 square feet of office space with a decrease in the monthly rate from \$475.00 to \$450.00, annual cost \$5,400.00, full service, 739 North Fork Highway, in the City of Petersburg, Grant County, West Virginia.

## **RENEWAL WITH INCREASE IN SQUARE FEET**

### **DIVISION OF FORESTRY**

**FOR-040** Renewal for 1 year with an increase of square feet from 168 square feet to 320 square feet of office space at the monthly rate of \$225.00, annual cost \$2,700.00, full service, 221 8<sup>th</sup> Street, in the City of Marlinton, Pocahontas County, West Virginia.

## **INCREASE IN SQUARE FEET**

### **WORKFORCE WEST VIRGINIA**

**WWV-029** Increase of square feet from 5,610 square feet to 6,306 square feet of office space and at current annual per square foot rate of \$15.25, annual cost \$96,166.50, full service, 300 New River City Center, in the City of Beckley, Raleigh County, West Virginia.

## **RENEWAL WITH DECREASE IN SQUARE FEET**

### **DIVISION OF MOTOR VEHICLES**

**DMV-048** Renewal for 10 years with a decrease in square feet from 5,808 square feet to 5,578 square feet of office space at the current annual per square foot rate of \$12.40, annual cost \$69,167.20, full service, 92 McDowell Street, in the City of Welch, McDowellCounty, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 February 1 - 28, 2013

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Corrections	COR-090	Randolph	1,351	10.00	13,510
2	Department of Health and Human Resources	HHR-130	Marion	250	0.00	900
3	Department of Health and Human Resources	HHR-171	Ohio	1,940	8.79	17,053
4	Public Employees Grievance Board	EGB	Randolph	0	0.00	2,700
5	State Auditor's Office	SAO-008	Harrison	19,443	9.50	184,709
6	West Virginia Board of Pharmacy	PHA-004	Kanawha	2,367	5.53	13,090
7	Coal Heritage Highway Authority	CHH-005	Mercer	3,500	0.00	1
8	Department of Environmental Protection	DEP-104	Nicholas	160	3.75	600
9	Department of Agriculture	AGR-030	Raleigh	247	0.00	3,384
10	Division of Forestry	FOR-049	Harrison	0	0.00	2,622
11	Division of Forestry	FOR-051	Wood	0	0.00	2,346
12	Division of Miners' Health, Safety and Training	MHS-029	Boone	7,125	6.80	48,450
13	Department of Health and Human Resources	HHR-203	Grant	400	0.00	5,400
14	Division of Forestry	FOR-040	Pocahontas	320	0.00	2,700
15	Workforce West Virginia	WWV-029	Raleigh	6,306	15.25	96,167
16	Division of Motor Vehicles	DMV-048	McDowell	5,578	12.40	69,167
						72.02
<b>Total Rentable Square Feet</b>				<u>48,987</u>		
<b>Average Annual Rental Rate</b>					<u>9.00</u>	
<b>Total Annual Rent</b>						<u>462,797</u>

**Joint Committee on Government and Finance**

**May 2013**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**March 2013 Data**

**Legislative Oversight Commission on  
Health and Human Resources Accountability**

**May 2013**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**March 2013 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2013

**MONTH OF MARCH 2013**

	ACTUALS	TOTAL	ACTUALS	Estimate	ACTUALS	PROJECTED
	SFY2012	SFY2013	Current Month 3/31/13	Current Month 3/31/13	Year To-Date Thru 3/31/13	4/1/12 Thru 6/30/13
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	164,452,498	158,114,250	11,679,821	12,190,189	113,776,653	44,337,597
Inpatient Hospital - DSH	56,043,409	56,578,800	-	-	42,935,751	13,643,049
Inpatient Hospital - Supplemental Payments	79,086,284	240,087,415	14,157,829	14,708,009	89,534,210	150,553,205
Inpatient Hospital - GME Payments	5,901,754	6,177,477	-	-	4,820,406	1,557,071
Mental Health Facilities	80,313,367	86,890,183	7,456,121	6,715,969	65,321,155	21,569,028
Mental Health Facilities - DSH Adjustment Payments	18,887,389	18,886,800	-	-	14,158,228	4,728,572
Nursing Facility Services - Regular Payments <sup>(1)</sup>	527,623,016	551,320,912	40,077,309	45,972,550	401,696,954	149,623,958
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	65,316,485	67,038,000	5,158,365	5,566,500	51,192,272	15,845,728
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	116,140,541	121,059,846	10,438,850	9,345,425	86,691,178	34,368,676
Physicians Services - Supplemental Payments	26,661,492	27,943,400	-	-	21,639,268	6,304,132
Outpatient Hospital Services - Regular Payments	106,435,299	109,322,282	9,393,245	8,428,768	79,091,650	30,230,632
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	106,432,226	(106,432,226)
Prescribed Drugs	373,946,886	389,826,882	28,211,787	30,468,185	258,506,545	131,320,336
Drug Rebate Offset - National Agreement	(217,354,424)	(218,904,555)	(8,117,218)	(14,414,414)	(151,708,326)	(67,196,229)
Drug Rebate Offset - State Sidebar Agreement	(18,642,310)	(16,380,000)	(1,170,057)	(1,078,589)	(12,662,862)	(3,717,138)
Drug Rebate Offset - MCO National	(431,214)	-	(155,284)	-	(609,675)	609,675
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	-	-
Dental Services	56,047,746	61,762,117	4,874,921	4,766,085	41,305,566	20,456,551
Other Practitioners Services - Regular Payments	12,306,009	13,046,624	950,792	1,072,008	8,699,453	4,347,171
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,530,364	4,931,128	327,989	391,669	3,362,155	1,568,971
Lab & Radiological Services	24,887,789	23,419,950	1,817,491	1,817,735	16,529,500	6,890,450
Home Health Services	51,712,631	48,722,337	3,780,924	3,796,716	34,962,847	13,759,490
Hysterectomies/Sterilizations	191,711	216,100	9,689	16,623	104,658	111,442
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,208,359	1,215,098	103,599	94,169	1,020,605	194,493
Rural Health Clinic Services	7,486,074	8,079,315	660,109	631,946	5,876,865	2,202,450
Medicare Health Insurance Payments - Part A Premiums	17,434,414	18,452,300	1,500,055	-	13,638,830	4,813,470
Medicare Health Insurance Payments - Part B Premiums	85,509,019	93,260,400	6,653,356	-	60,247,190	33,013,210
120% - 134% Of Poverty	6,272,977	6,709,500	449,601	516,115	4,701,821	2,007,679
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	7,381,071	7,785,000	993,025	598,846	6,183,505	1,601,495

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2013

**MONTH OF MARCH 2013**

	ACTUALS	TOTAL	ACTUALS	Estimate	ACTUALS	PROJECTED
	SFY2012	SFY2013	Current Month 3/31/13	Current Month 3/31/13	Year To-Date Thru 3/31/13	4/1/12 Thru 6/30/13
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	343,161,264	349,618,600	31,358,292	29,134,883	276,374,354	73,244,246
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	409,952	457,200	-	35,169	280,870	176,330
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	287,968,353	306,476,800	26,380,044	23,575,138	253,395,516	53,081,284
Home & Community-Based Services (Aged/Disabled)	132,545,813	140,433,800	9,944,952	10,802,600	96,527,823	43,905,977
Home & Community-Based Services (Traumatic Brain Injury)	-	2,720,625	24,394	209,279	25,374	2,695,251
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	-	-	-	-	-
Personal Care Services - Regular Payments	51,680,337	53,872,809	5,138,865	4,167,915	45,097,763	8,775,046
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,166,084	3,427,893	160,864	265,023	1,910,002	1,517,891
Primary Care Case Management Services	219,829	264,800	13,041	20,369	125,718	139,082
Hospice Benefits <sup>(b)</sup>	23,960,255	25,155,100	2,013,421	1,935,008	19,162,499	5,992,601
Emergency Services Undocumented Aliens	301,542	348,500	32,265	26,808	218,918	129,582
Federally Qualified Health Center	18,669,776	21,327,880	1,544,898	1,659,777	13,781,942	7,545,938
Non-Emergency Medical Transportation	25,548,481	26,054,403	1,866,275	2,005,208	18,408,637	7,647,766
Physical Therapy	2,195,303	2,245,596	220,786	173,062	1,499,964	745,632
Occupational Therapy	360,777	371,964	40,195	28,831	255,471	116,493
Services for Speech, Hearing & Language	554,124	567,665	39,278	43,915	298,635	269,030
Prosthetic Devices, Dentures, Eyeglasses	1,871,995	1,876,807	132,729	145,385	1,172,821	703,986
Diagnostic Screening & Preventive Services	539,322	578,315	50,573	44,492	412,639	165,676
Nurse Mid-Wife	224,671	612,100	24,822	47,085	177,956	434,144
Emergency Hospital Services	5,364	(7,500)	-	(577)	(2,247)	(5,253)
Critical Access Hospitals	30,431,181	33,996,660	2,676,418	2,617,554	23,695,859	10,300,801
Nurse Practitioner Services	1,512,698	2,981,049	199,267	229,662	1,389,903	1,591,146
School Based Services	47,384,340	49,082,468	5,768,437	3,779,708	39,933,634	9,148,834
Rehabilitative Services (Non-School Based)	78,431,034	83,291,528	5,589,533	6,482,669	56,545,893	26,745,635
Private Duty Nursing	4,723,035	4,918,769	456,530	386,577	3,941,196	977,573
Other Care Services	21,189,223	21,796,325	1,797,576	1,677,535	16,440,480	5,355,845
Less: Recoupments	-	-	(2,391,440)	-	(2,722,967)	2,722,967
<b>NET EXPENDITURES:</b>	<b>2,736,399,588</b>	<b>3,018,031,716</b>	<b>232,334,334</b>	<b>221,107,579</b>	<b>2,235,595,273</b>	<b>782,436,442</b>



WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2013

**MONTH OF MARCH 2013**

Collections: Third Party Liability (line 9A on CMS-64)  
 Collections: Probate (line 9B on CMS-64)  
 Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)  
 Collections: Other (line 9D on CMS-64)

**NET EXPENDITURES and CMS-64 ADJUSTMENTS:**

Plus: Medicaid Part D Expenditures  
 Plus: State Only Medicaid Expenditures  
 Plus: Money Follow the Person Expenditures

**TOTAL MEDICAID EXPENDITURES**

Plus: Reimbursables <sup>(1)</sup>

**TOTAL EXPENDITURES**

	ACTUALS SFY2012	TOTAL SFY2013	ACTUALS Current Month 3/31/13	Estimate Current Month 3/31/13	ACTUALS Year To-Date Thru 3/31/13	PROJECTED 4/1/12 Thru 6/30/13
	(7,028,830)				(6,526,817)	6,526,817
	(473,182)				(41,261)	41,261
	(1,205)				-	-
	(7,303,907)				(3,220,864)	3,220,864
	<b>2,721,592,464</b>	<b>3,018,031,716</b>	<b>232,334,334</b>	<b>221,107,579</b>	<b>2,225,806,332</b>	<b>792,225,384</b>
	33,965,811	36,577,300	3,043,296	2,813,638	27,111,910	9,465,390
	4,030,062	3,718,920	163,696	285,899	2,442,488	1,276,432
		2,872,499		220,961	-	2,872,499
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 2,759,588,337</b>	<b>\$ 3,061,200,434</b>	<b>\$ 235,541,326</b>	<b>\$ 224,428,077</b>	<b>\$ 2,255,360,730</b>	<b>\$ 805,839,704</b>
Plus: Reimbursables <sup>(1)</sup>	6,590,854	6,927,944	615,274	537,898	5,573,172	1,354,771
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,766,179,191</b>	<b>\$ 3,068,128,378</b>	<b>\$ 236,156,600</b>	<b>\$ 224,965,975</b>	<b>\$ 2,260,933,902</b>	<b>\$ 807,194,476</b>

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$18,603,197 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$13,819,294 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2013

9 Months Actuals      3 Months Remaining

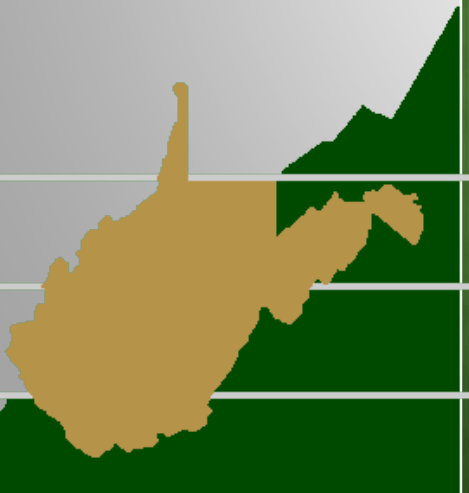
MONTH OF MARCH 2013	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2012	Current Month Ended 3/31/13	Year-To-Date Thru 3/31/13	4/1/2013 Thru 6/30/13	SFY2013
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	\$ 210,933,113	\$ 287,271	\$ 8,645,986	\$ -	\$ 8,645,986
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	218,837,804	18,697,833	124,823,217	90,579,666	215,402,883
MRDD Waiver (0403/466)	85,280,472	7,396,123	59,464,834	29,288,649	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	1,947,000	649,000	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	4,767,000	1,589,000	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,666	536,000	264,000	800,000
Title XIX Waiver for Seniors (0403-533)	9,587,500	992,688	7,981,217	3,931,048	11,912,263
Medical Services Surplus (0403/633)	17,910,667	-	53,920,831	-	53,920,831
Waiver for Senior Citizens Surplus (0403/526)	2,500,000	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	31,222,578	-	24,710,863	8,436,952	33,147,815
Lottery Transfer (5405/871)	8,670,000	-	6,600,000	2,070,000	8,670,000
Excess Lottery (5365/189)	-	-	-	24,503,890	24,503,890
Trust Fund Appropriation (5185/189)	12,076,099	26,200,000	161,153,846	39,730,744	200,884,590
Provider Tax (5090/189)	170,727,592	14,885,118	176,653,230	33,208,650	209,861,880
Certified Match	22,603,205	2,201,697	17,790,032	7,396,336	25,186,368
Reimbursables - Amount Reimbursed	8,012,133	433,948	3,753,466	3,174,478	6,927,944
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	905,058	79,117	3,022,635	(3,022,635)	-
CMS - 64 Adjustments	673,628	-	525,702	(525,702)	-
<b>TOTAL MATCHING FUNDS</b>	\$ 809,691,849	\$ 71,986,461	\$ 656,295,859	\$ 241,274,073	\$ 897,569,932
<b>FEDERAL FUNDS</b>	\$ 2,006,078,366	\$ 173,447,089	\$ 1,638,355,323	\$ 585,816,687	\$ 2,222,172,010
<b>TOTAL REVENUE SOURCES</b>	<b>\$ 2,815,770,215</b>	<b>\$ 245,433,550</b>	<b>\$ 2,292,651,182</b>	<b>\$ 827,090,760</b>	<b>\$ 3,119,741,942</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 2,766,179,191	\$ 236,156,680	\$ 2,260,933,902	\$ 807,194,476	\$ 3,068,128,378
<b>TOTAL</b>	<b>\$ 49,591,024</b>	<b>\$ 9,276,950</b>	<b>\$ 31,717,280</b>		<b>\$ 51,613,564</b>

Note: FMAP (72.62% applicable Jul. - Sep. 2012) (72.04% applicable Oct. 2012 - Jun. 2013)

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

March 31, 2013



**West Virginia Investment Management Board**

Participant Plans Allocation & Performance Net of Fees

As of March 31, 2013

	6/30/2012		3/31/2013		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>13,170,110</b>	<b>100.0</b>	<b>14,561,882</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>10,300,026</b>	<b>78.2</b>	<b>11,442,243</b>	<b>78.6</b>							
Public Employees' Retirement System	4,353,124	33.1	4,869,433	33.4	1.8	5.2	13.2	10.8	9.8	6.0	8.9
Teachers' Retirement System	4,969,706	37.6	5,619,442	38.6	1.8	5.2	13.2	10.8	9.7	5.4	8.5
Teachers' Employers Cont. Collection A/C	142,994	1.1	26,744	0.2	0.0	0.0	0.0	0.0	0.1	0.4	
EMS Retirement System	35,161	0.3	42,005	0.3	1.7	5.1	13.1	10.8	9.6	5.5	
Public Safety Retirement System	477,497	3.6	514,085	3.5	1.8	5.2	13.3	11.0	9.9	6.0	8.9
Judges' Retirement System	126,294	1.0	142,003	1.0	1.8	5.2	13.2	10.8	9.8	5.9	8.8
State Police Retirement System	78,753	0.6	94,234	0.7	1.8	5.2	13.1	10.8	9.7	5.9	8.8
Deputy Sheriffs' Retirement System	116,308	0.9	133,878	0.9	1.7	5.2	13.2	10.8	9.8	6.0	8.8
Municipal Police & Firefighter Retirement System	189	0.0	419	0.0	1.6	4.8	12.2	9.6			
<b>Insurance Assets</b>	<b>1,991,081</b>	<b>15.1</b>	<b>2,167,747</b>	<b>14.9</b>							
Workers' Compensation Old Fund	946,854	7.1	1,037,389	7.1	0.7	2.0	6.8	6.8	6.7	4.5	
Workers' Comp. Self-Insured Guaranty Risk Pool	10,878	0.1	14,697	0.1	0.9	2.6	7.9	7.4	5.6	3.7	
Workers' Comp. Uninsured Employers Fund	9,148	0.1	9,857	0.1	0.9	2.6	7.8	7.2	5.0	3.4	
Pneumoconiosis	257,121	2.0	268,010	1.8	0.9	2.7	8.0	7.5	7.0	5.2	6.2
Board of Risk & Insurance Mgmt.	138,164	1.1	141,545	1.0	0.9	2.7	8.1	7.6	7.2	6.2	
Public Employees' Insurance Agency	183,321	1.4	196,769	1.4	0.9	2.6	7.3	8.0	7.0	5.6	
WV Retiree Health Benefit Trust Fund	443,144	3.3	496,943	3.4	1.7	5.1	12.1	10.5	8.9	7.8	
AccessWV	2,451	0.0	2,537	0.0	0.3	0.2	3.5	5.8	7.0		
<b>Endowment Assets</b>	<b>879,003</b>	<b>6.7</b>	<b>951,892</b>	<b>6.5</b>							
Wildlife Fund	40,057	0.3	45,764	0.3	1.7	5.2	13.2	10.8	9.7	6.0	8.9
Prepaid Tuition Trust	77,822	0.6	77,307	0.5	1.5	4.3	10.1	8.6	8.9	6.3	9.0
Revenue Shortfall Reserve Fund	423,261	3.2	466,335	3.2	0.3	0.1	3.4	5.8	6.7	2.9	
Revenue Shortfall Reserve Fund - Part B	331,325	2.5	355,027	2.4	0.7	2.0	7.2	7.4	7.4	3.6	
WV DEP Trust	6,538	0.1	7,459	0.1	1.8	5.7	14.1	10.9			

**West Virginia Investment Management Board**  
Composite Asset Allocation & Performance Net of Fees  
As of March 31, 2013

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	14,569,745	100.00							
Total Equity Composite	6,703,120	46.01	2.39	8.14	20.00	13.32	10.67	5.20	10.62
<i>Total Equity Policy Index</i>			<u>2.08</u>	<u>7.13</u>	<u>17.96</u>	<u>11.78</u>	<u>8.94</u>	<u>3.26</u>	<u>9.66</u>
Excess Return			0.31	1.01	2.04	1.54	1.73	1.94	0.96
US Equity Composite	3,314,626	22.75	4.09	11.42	19.32	15.27	13.95	6.70	10.11
<i>Russell 3000 Index</i>			<u>3.92</u>	<u>11.07</u>	<u>18.29</u>	<u>14.56</u>	<u>12.97</u>	<u>6.32</u>	<u>9.15</u>
Excess Return			0.17	0.35	1.03	0.71	0.98	0.38	0.96
Large Cap Composite	2,440,562	16.75	4.09	10.67	17.09	14.37	13.16	5.97	8.71
<i>S&amp;P 500 Index</i>			<u>3.75</u>	<u>10.61</u>	<u>17.19</u>	<u>13.96</u>	<u>12.67</u>	<u>5.81</u>	<u>8.53</u>
Excess Return			0.34	0.06	-0.10	0.41	0.49	0.16	0.18
Non-Large Cap Composite	874,064	6.00	4.12	13.52	25.82	17.70	16.92	9.51	12.95
<i>Russell 2500 Index</i>			<u>4.43</u>	<u>12.85</u>	<u>22.82</u>	<u>17.74</u>	<u>14.59</u>	<u>9.02</u>	<u>12.30</u>
Excess Return			-0.31	0.67	3.00	-0.04	2.33	0.49	0.65
International Equity Composite	3,388,494	23.26	0.79	5.11	20.50	11.23	7.23	3.34	12.20
<i>MSCI AC World ex US Index</i>			<u>0.25</u>	<u>3.27</u>	<u>17.55</u>	<u>8.87</u>	<u>4.87</u>	<u>0.07</u>	<u>11.41</u>
Excess Return			0.54	1.84	2.95	2.36	2.36	3.27	0.79
Fixed Income Composite	3,568,723	24.49	0.27	0.69	4.42	5.92	6.27	5.99	5.51
<i>Fixed Income Policy</i>			<u>0.12</u>	<u>0.08</u>	<u>2.67</u>	<u>4.72</u>	<u>6.01</u>	<u>5.86</u>	<u>5.22</u>
Excess Return			0.15	0.61	1.75	1.20	0.26	0.13	0.29
Core Fixed Income	1,276,265	8.76	0.23	0.27	2.63	4.80	6.58		
<i>Barclays Capital Aggregate</i>			<u>0.08</u>	<u>-0.12</u>	<u>1.68</u>	<u>3.77</u>	<u>5.52</u>		
Excess Return			0.15	0.39	0.95	1.03	1.06		
Total Return Fixed Income	2,292,458	15.73	0.30	0.92	5.38	6.54	5.90	6.60	6.11
<i>Barclays Capital US Universal</i>			<u>0.12</u>	<u>0.08</u>	<u>2.67</u>	<u>4.72</u>	<u>6.01</u>	<u>5.86</u>	<u>5.41</u>
Excess Return			0.18	0.84	2.71	1.82	-0.11	0.74	0.70
TIPS Composite	743,410	5.10	0.28	-0.37	2.47	5.67	8.57		
<i>Barclays Capital U.S. TIPS</i>			<u>0.28</u>	<u>-0.36</u>	<u>2.45</u>	<u>5.68</u>	<u>8.57</u>		
Excess Return			0.00	-0.01	0.02	-0.01	0.00		
TRS Annuity	54,873	0.38	0.37	1.09	3.35	4.47	4.49		
Cash Composite	187,016	1.28	0.01	0.02	0.07	0.10	0.11	0.43	1.86
<i>Citigroup 90 Day T-Bill + 0.15%</i>			<u>0.02</u>	<u>0.07</u>	<u>0.19</u>	<u>0.25</u>	<u>0.26</u>	<u>0.50</u>	<u>1.91</u>
Excess Return			-0.01	-0.05	-0.12	-0.15	-0.15	-0.07	-0.05
Private Equity Composite	1,151,984	7.91	2.43	2.55	8.29	11.66	15.01	6.02	
Real Estate Composite	878,063	6.03	1.51	3.89	7.60	10.84	11.00	1.51	
Hedge Funds Composite	1,282,556	8.80	1.35	3.64	9.12	7.69	5.31		
<i>LIBOR + 4%</i>			<u>0.34</u>	<u>1.03</u>	<u>3.21</u>	<u>4.36</u>	<u>4.37</u>		
Excess Return			1.01	2.61	5.91	3.33	0.94		

**West Virginia Investment Management Board**

Participant Plans Allocation vs. Strategy

As of March 31, 2013

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

**Pension Assets**

Public Employees' Retirement System	25.7	25.0	26.4	25.0	21.0	20.0	9.7	10.0	7.3	10.0	9.7	10.0	0.2	0.0
Teachers' Retirement System	25.8	25.0	26.4	25.0	21.0	20.0	9.6	10.0	7.4	10.0	9.8	10.0	0.0	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	25.6	25.0	25.9	25.0	21.4	20.0	9.5	10.0	7.0	10.0	9.3	10.0	1.3	0.0
Public Safety Retirement System	25.5	25.0	26.6	25.0	20.6	20.0	9.9	10.0	7.3	10.0	10.0	10.0	0.1	0.0
Judges' Retirement System	25.7	25.0	26.3	25.0	20.7	20.0	9.7	10.0	7.2	10.0	9.5	10.0	0.9	0.0
State Police Retirement System	26.3	25.0	25.6	25.0	21.2	20.0	9.5	10.0	7.0	10.0	9.2	10.0	1.2	0.0
Deputy Sheriffs' Retirement System	25.6	25.0	26.2	25.0	21.3	20.0	9.6	10.0	7.1	10.0	9.5	10.0	0.7	0.0
Municipal Police & Firefighter Retirement System	22.5	25.0	23.5	25.0	17.7	20.0	8.9	10.0	6.7	10.0	8.8	10.0	11.9	0.0

**Insurance Assets**

Workers' Compensation Old Fund	10.2	10.0	10.6	10.0	68.5	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.7	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.4	10.0	10.5	10.0	54.5	55.0	0.0	0.0	0.0	0.0	19.9	20.0	4.7	5.0
Workers' Comp. Uninsured Employers Fund	10.4	10.0	10.7	10.0	49.3	50.0	0.0	0.0	0.0	0.0	19.7	20.0	9.9	10.0
Pneumoconiosis	10.5	10.0	10.8	10.0	54.9	55.0	0.0	0.0	0.0	0.0	19.3	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.4	10.0	10.7	10.0	54.3	55.0	0.0	0.0	0.0	0.0	19.7	20.0	4.9	5.0
Public Employees' Insurance Agency	10.4	10.0	10.0	10.0	59.7	60.0	0.0	0.0	0.0	0.0	19.6	20.0	0.3	0.0
WV Retiree Health Benefit Trust Fund	26.0	25.0	26.2	25.0	21.5	20.0	8.6	10.0	7.4	10.0	9.1	10.0	1.2	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	25.5	25.0	26.2	25.0	21.4	20.0	9.7	10.0	7.1	10.0	9.5	10.0	0.6	0.0
Prepaid Tuition Trust	31.3	30.0	16.0	16.0	51.1	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	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	10.3	10.0	10.6	10.0	78.9	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
WV DEP Trust	37.1	35.0	28.6	30.0	34.1	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	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 March 31, 2013

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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 Agggregate.

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.



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**Status Report:**  
**Workers' Compensation**

Joint Committee on Government & Finance

May 2013

*Provided by the West Virginia Offices of the Insurance Commissioner*





## Table of Contents:

<b>Introduction</b> .....	3
<b>Definitions</b> .....	4-6
<b>Monthly Claims Count and Reserve Charts</b> .....	7-10
<b>Old Fund Cash Statements</b> .....	11-12
<b>Coal Workers Pneumoconiosis Fund Cash Statement</b> .....	13
<b>Self-Insured Guaranty Fund Cash Statement</b> .....	14
<b>Self-Insured Security Fund Cash Statement</b> .....	15
<b>Uninsured Employers' Fund Cash Statement</b> .....	16
<b>Office of Judges' Monthly Report to the Industrial Council</b> .....	17-30
<b>Workers' Compensation Board of Review Monthly Report</b> .....	31-40
<b>Workers' Compensation Revenue Recovery Monthly Report</b> .....	41

## **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.

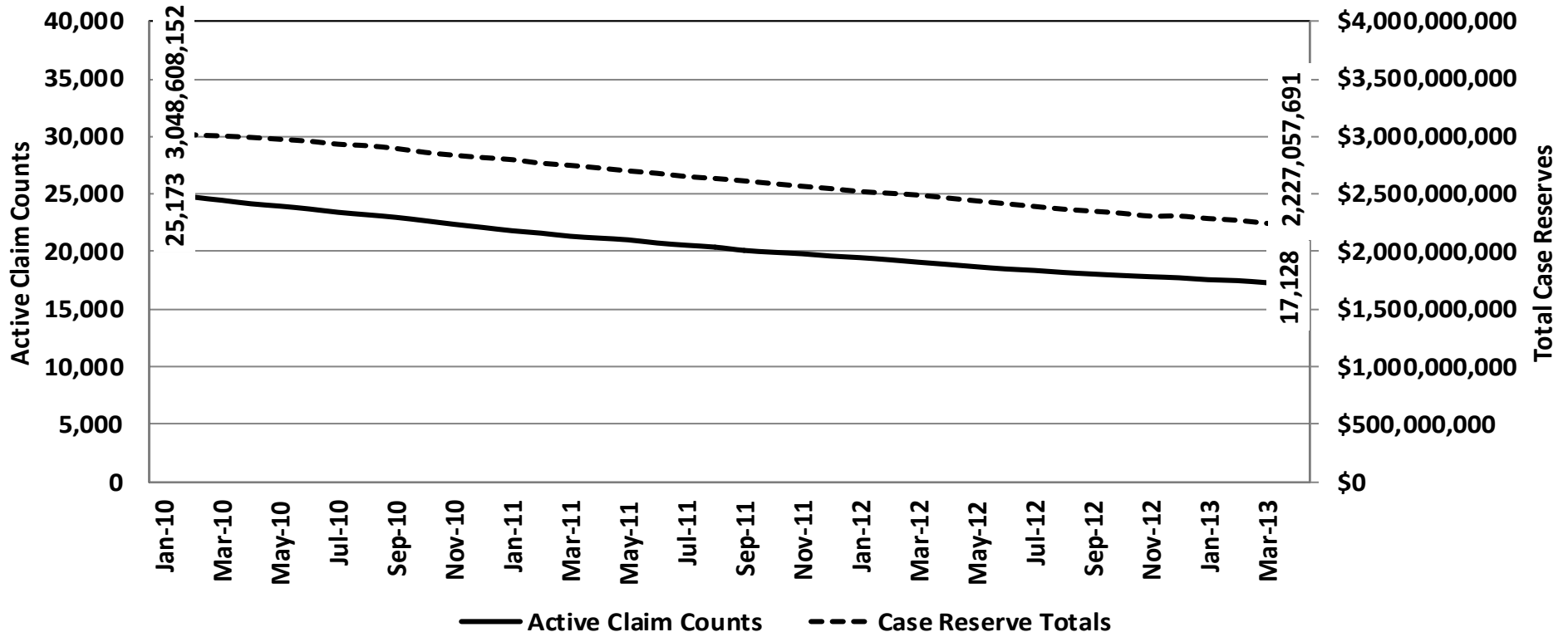
**Self-Insured Security Fund:** State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited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

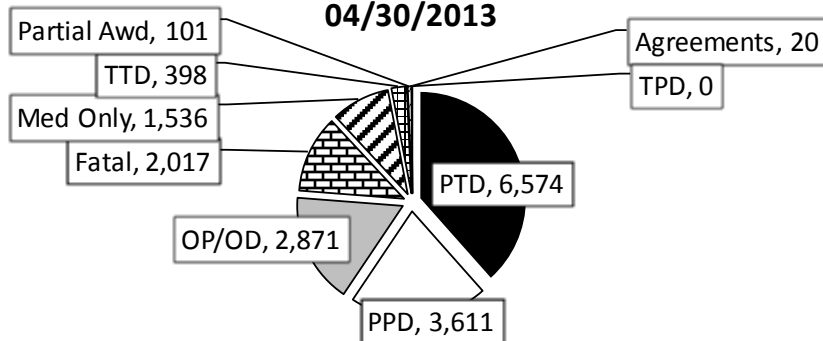
**TTD:** (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified 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 04/30/2013



### Old Fund Active Claim Counts 04/30/2013



**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

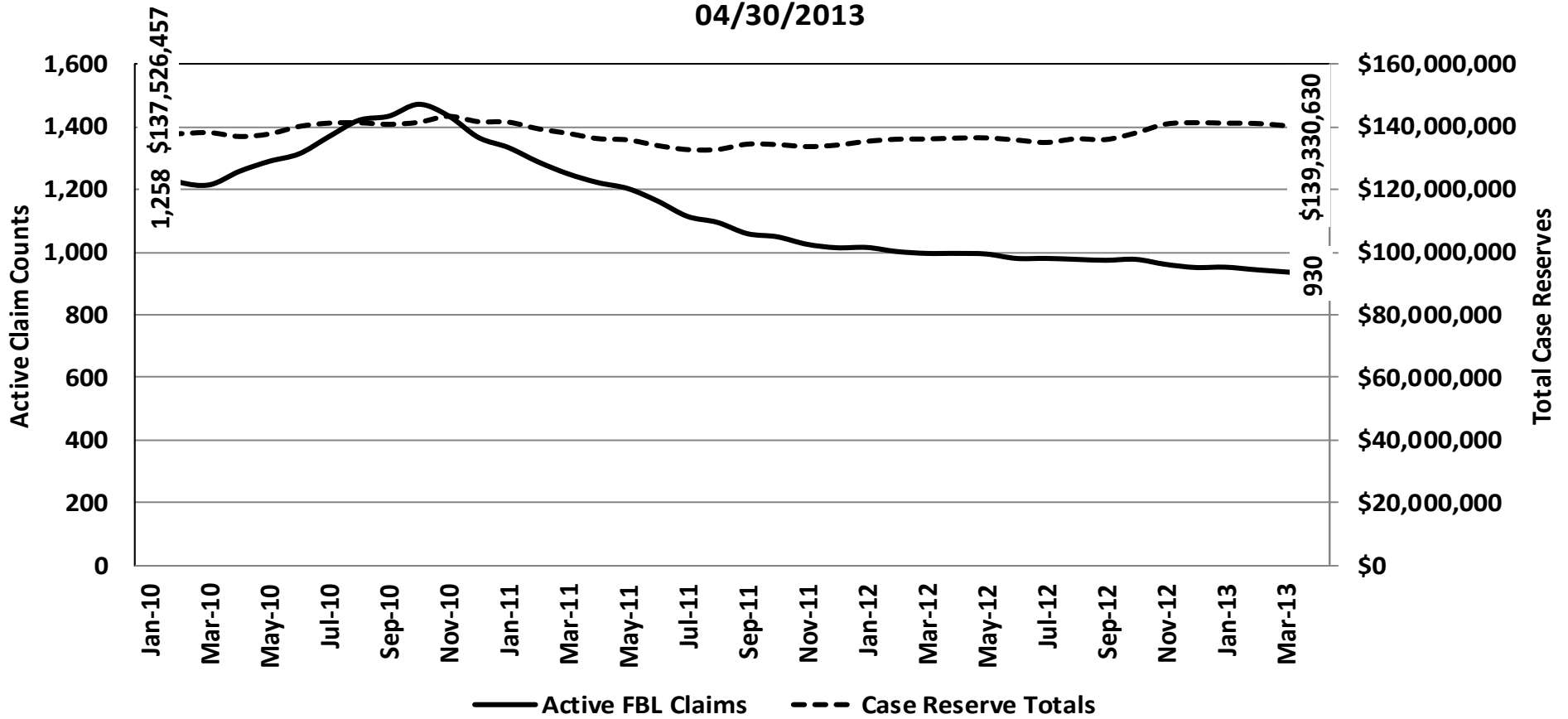
**PPD** - Permanent Partial Disability; unlikely to improve with treatment

**PTD** - Permanent Total Disability; unable to engage in employment

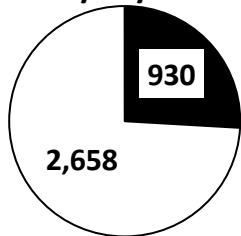
**TPD** - Temporary Partial Disability released to work with restrictions

**TTD** - Temporary Total Disability; unable to engage in employment

**CWP Fund (FBL)  
Active Claim Counts and Case Reserves  
04/30/2013**



**CWP Fund (FBL)  
Active and Inactive Claims  
04/30/2013**



■ Active □ Inactive

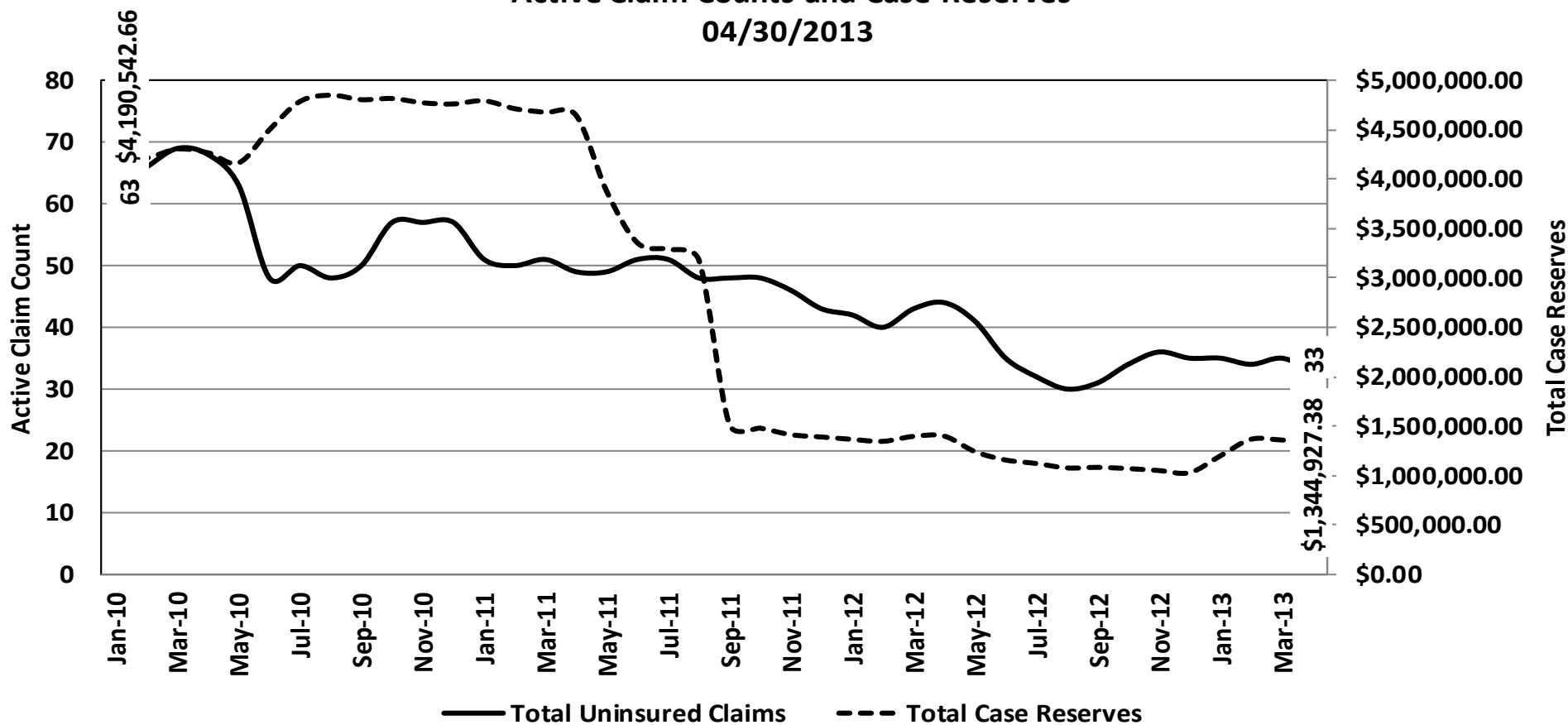
**Active** – Benefits being paid to claimant/beneficiary

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

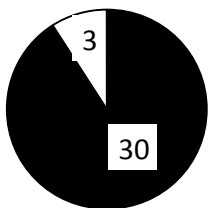
**FBL** - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

**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 04/30/2013



### Uninsured Fund Active Claim Counts 04/30/2013



■ Indemnity   □ Med Only

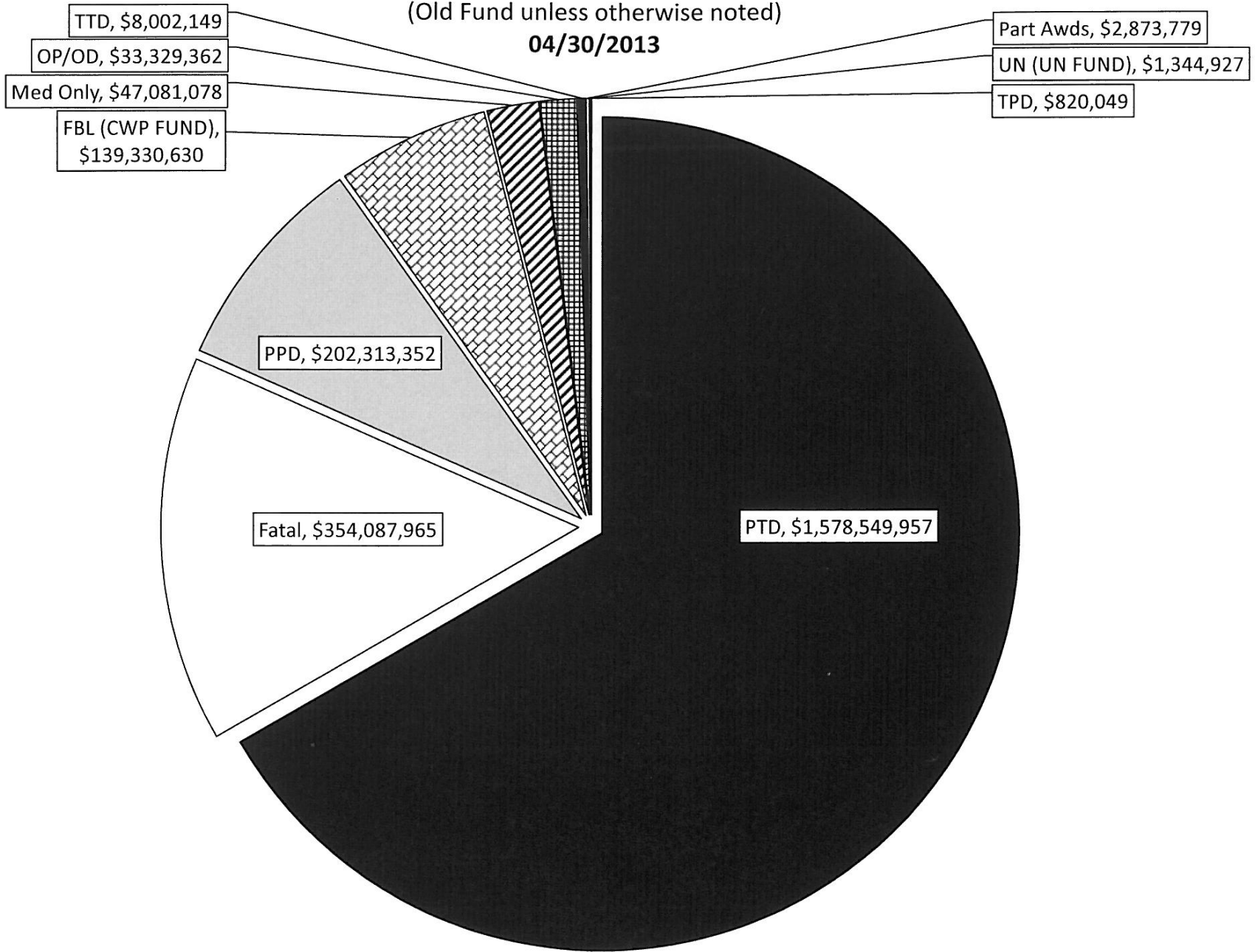
**Indemnity** – statutory wage replacement and medical benefits awarded

**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)  
**04/30/2013**



OLD FUND CASH STATEMENT

April 30, 2013

	Three Year History for years ended:					
	YTD FY2013	YTD FY2012	Change	FY2012	FY2011	FY2010
<b>Cash Beginning Balances</b>	<b>942,505,408</b>	<b>943,172,539</b>	<b>(667,132)</b>	<b>943,172,539</b>	<b>888,535,954</b>	<b>795,869,972</b>
<b>Revenues</b>						
Personal Income Tax	74,200,000	74,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	77,375,036	77,214,740	160,296	93,947,355	93,112,747	91,573,307
Debt Reduction Surcharge	36,509,898	34,113,758	2,396,140	39,758,082	41,096,360	39,594,122
Self-Insured Debt Reduction Surcharge	8,017,637	8,865,000	(847,363)	9,620,197	8,058,590	6,562,051
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	284,550	493,526	(208,976)	575,167	3,120,389	1,783,840
Other Income - Return of Unclaimed Property	46,707	165,789	(119,082)	202,103	191,860	95,620
<b>Operating Revenues</b>	<b>207,433,827</b>	<b>206,052,813</b>	<b>1,381,014</b>	<b>250,502,904</b>	<b>251,979,946</b>	<b>246,008,940</b>
Surplus Note Principal Payments	-	-	-	-	-	43,500,000
Investment / Interest Earnings (Losses)	75,339,096	28,572,815	46,766,281	18,284,929	88,270,887	102,218,697
<b>Total Revenues</b>	<b>282,772,923</b>	<b>234,625,628</b>	<b>48,147,295</b>	<b>268,787,833</b>	<b>340,250,833</b>	<b>391,727,637</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	28,017,208	32,416,025	(4,398,817)	39,226,318	41,972,430	55,134,617
Permanent Total Disability	98,944,298	104,767,414	(5,823,116)	124,963,432	136,800,060	152,789,051
Permanent Partial Disability	919,026	1,590,747	(671,721)	1,822,571	2,513,255	4,890,325
Temporary Disability	53,894	173,810	(119,916)	188,666	384,571	1,322,403
Fatals	22,480,124	23,591,603	(1,111,479)	28,139,830	29,994,599	34,822,223
104 weeks death benefit	5,689,345	5,618,696	70,649	6,729,656	6,321,554	6,394,618
Settlements	7,867,416	47,261,517	(39,394,100)	56,164,626	50,628,569	24,145,535
Loss Adjustment Expenses	728,239	1,823,597	(1,095,357)	2,333,885	4,514,323	3,794,198
<b>Total</b>	<b>164,699,550</b>	<b>217,243,408</b>	<b>(52,543,857)</b>	<b>259,568,984</b>	<b>273,129,360</b>	<b>283,292,970</b>

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
Less: Claims credits and overpayments	4,011,441	7,604,972	(3,593,531)	8,161,625	7,666,404	4,327,846
Total Benefits Paid	160,688,109	209,638,436	(48,950,327)	251,407,359	265,462,956	278,965,124
Administrative Expenses	10,911,324	15,081,694	(4,170,370)	18,047,605	20,151,292	20,096,531
<b>Total Expenditures</b>	<b>171,599,433</b>	<b>224,720,130</b>	<b>(53,120,696)</b>	<b>269,454,964</b>	<b>285,614,248</b>	<b>299,061,655</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>111,173,490</b>	<b>9,905,498</b>	<b>101,267,991</b>	<b>(667,131)</b>	<b>54,636,585</b>	<b>92,665,982</b>
<b>Cash Ending Balances</b>	<b>1,053,678,897</b>	<b>953,078,037</b>	<b>100,600,860</b>	<b>942,505,408</b>	<b>943,172,539</b>	<b>888,535,954</b>

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  
April 30, 2013

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
<b>Cash Beginning Balances</b>	<b>254,523,752</b>	<b>262,926,105</b>	<b>(8,402,353)</b>	<b>262,926,105</b>	<b>244,074,613</b>	<b>221,866,212</b>
<b>Revenues</b>						
Investment Earnings (Losses)	22,881,103	6,609,142	16,271,961	2,745,783	29,283,335	32,224,147
Other Income - Return of Unclaimed Property	-	-	-	-	-	899
<b>Total Revenues</b>	<b>22,881,103</b>	<b>6,609,142</b>	<b>16,271,961</b>	<b>2,745,783</b>	<b>29,283,335</b>	<b>32,225,046</b>
<b>Expenditures</b>						
Payment of Claims	10,467,967	9,256,838	1,211,129	11,131,012	10,415,160	9,978,121
Contractual / Professional	53,287	16,970	36,317	17,124	16,683	38,524
Legal	932	-	932	-	-	-
<b>Total Expenditures</b>	<b>10,522,185</b>	<b>9,273,807</b>	<b>1,247,446</b>	<b>11,148,136</b>	<b>10,431,843</b>	<b>10,016,645</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>12,358,918</b>	<b>(2,664,665)</b>	<b>15,024,515</b>	<b>(8,402,353)</b>	<b>18,851,492</b>	<b>22,208,401</b>
<b>Cash Ending Balances</b>	<b>266,882,670</b>	<b>260,261,440</b>	<b>6,621,230</b>	<b>254,523,752</b>	<b>262,926,105</b>	<b>244,074,613</b>

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

April 30, 2013

				Three Year History for years ended:		
	YTD FY2013	YTD FY2012	Change	FY2012	FY2011	FY2010
<b>Cash Beginning Balances</b>	<b>10,829,975</b>	<b>9,744,809</b>	<b>1,085,166</b>	<b>9,744,809</b>	<b>8,112,918</b>	<b>6,969,307</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	847,660	1,073,396	(225,736)	1,093,066	1,119,674	1,283,687
Collateral Proceeds	2,399,380	-	2,399,380			
Investment Earnings (Losses)	1,082,292	282,356	799,936	125,813	592,165	9,237
<b>Total Revenues</b>	<b>4,329,332</b>	<b>1,355,752</b>	<b>2,973,580</b>	<b>1,218,879</b>	<b>1,711,839</b>	<b>1,292,924</b>
<b>Expenditures</b>						
Payment of Claims	299,863	24,519	275,345	28,466	28,707	104,821
Contractual / Professional	75,500	79,668	(4,168)	105,247	51,241	44,492
Legal	25,990	-	25,990			
<b>Total Expenditures</b>	<b>401,354</b>	<b>104,187</b>	<b>297,167</b>	<b>133,713</b>	<b>79,948</b>	<b>149,313</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>3,927,978</b>	<b>1,251,565</b>	<b>2,676,413</b>	<b>1,085,166</b>	<b>1,631,891</b>	<b>1,143,611</b>
<b>Cash Ending Balances</b>	<b>14,757,953</b>	<b>10,996,374</b>	<b>3,761,579</b>	<b>10,829,975</b>	<b>9,744,809</b>	<b>8,112,918</b>

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  
April 30, 2013

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
<b>Cash Beginning Balances</b>	203,518	205,705	(2,187)	205,705	173,041	-
<b>Revenues</b>						
Security Risk Pool Assessments	531,432	-	531,432	-	115,568	173,041
Collateral Proceeds	4,657,620	-	4,657,620	-	-	-
<b>Total Revenues</b>	<b>5,189,052</b>	<b>-</b>	<b>5,189,052</b>	<b>-</b>	<b>115,568</b>	<b>173,041</b>
<b>Expenditures</b>						
Payment of Claims	449,144	2,007	447,137	2,187	73,649	-
Contractual / Professional	56,212	-	56,212	-	9,255	-
Legal	88,627	-	88,627	-	-	-
<b>Total Expenditures</b>	<b>593,984</b>	<b>2,007</b>	<b>591,977</b>	<b>2,187</b>	<b>82,904</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>4,595,068</b>	<b>(2,007)</b>	<b>4,597,075</b>	<b>(2,187)</b>	<b>32,664</b>	<b>173,041</b>
<b>Cash Ending Balances</b>	<b>4,798,586</b>	<b>203,698</b>	<b>4,594,888</b>	<b>203,518</b>	<b>205,705</b>	<b>173,041</b>

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  
April 30, 2013

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
<b>Cash Beginning Balances</b>	<b>9,574,065</b>	<b>9,086,330</b>	<b>487,735</b>	<b>9,086,330</b>	<b>8,905,444</b>	<b>8,588,268</b>
<b>Revenues</b>						
Fines and Penalties	636,008	803,115	(167,107)	948,896	939,626	892,806
Investment Earnings (Losses)	800,445	235,835	564,609	99,906	474,728	10,923
<b>Total Revenues</b>	<b>1,436,453</b>	<b>1,038,951</b>	<b>397,502</b>	<b>1,048,802</b>	<b>1,414,354</b>	<b>903,729</b>
<b>Expenditures</b>						
Payment of Claims	241,724	507,927	(266,203)	553,676	1,224,982	577,819
Contractual/Professional	3,919	7,237	(3,318)	7,392	8,486	8,734
General and Administrative	30	-	30			
<b>Total Expenditures</b>	<b>245,673</b>	<b>515,165</b>	<b>(269,491)</b>	<b>561,067</b>	<b>1,233,468</b>	<b>586,553</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,190,780</b>	<b>523,786</b>	<b>666,994</b>	<b>487,735</b>	<b>180,886</b>	<b>317,176</b>
<b>Cash Ending Balances</b>	<b>10,764,845</b>	<b>9,610,116</b>	<b>1,154,729</b>	<b>9,574,065</b>	<b>9,086,330</b>	<b>8,905,444</b>

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 Commission**

# **OFFICE OF JUDGES' REPORT**

**TO INDUSTRIAL COUNCIL – MAY 3, 2013**

**Rebecca A. Roush, Chief Administrative Law Judge**

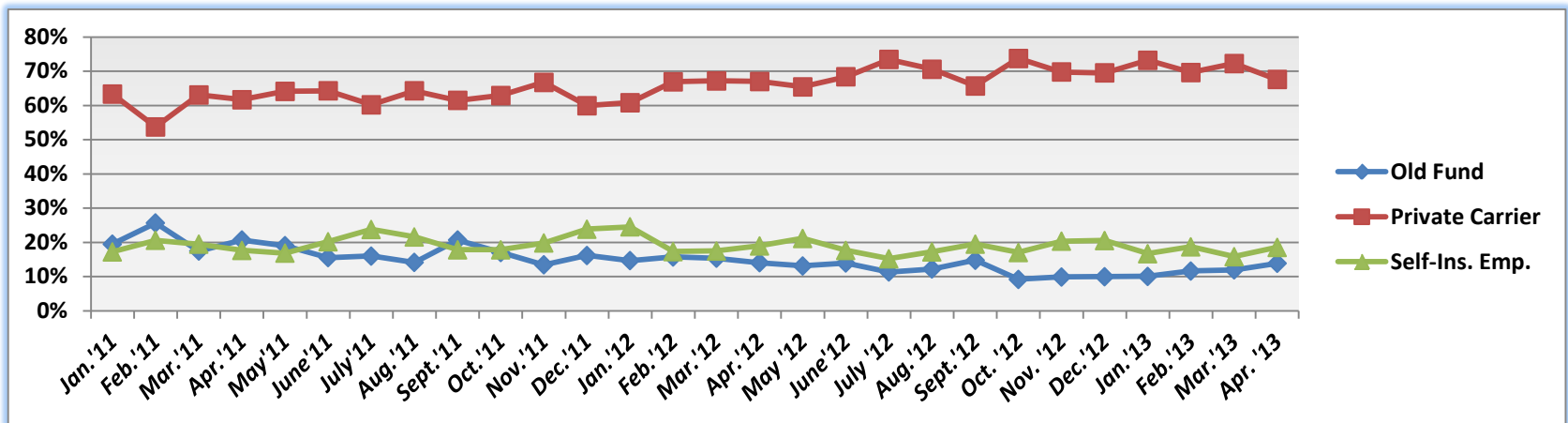


# Statistical Analysis

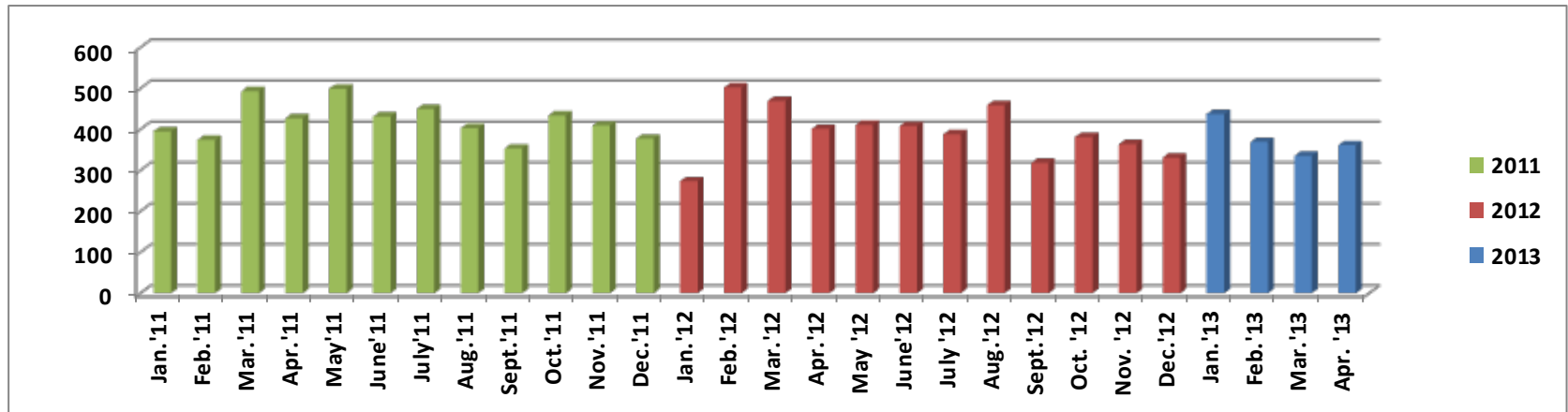
A. Protests Acknowledged:                      2012                      Apr.                      2013  
    4705                      361                      1502

**Fund Involved:**

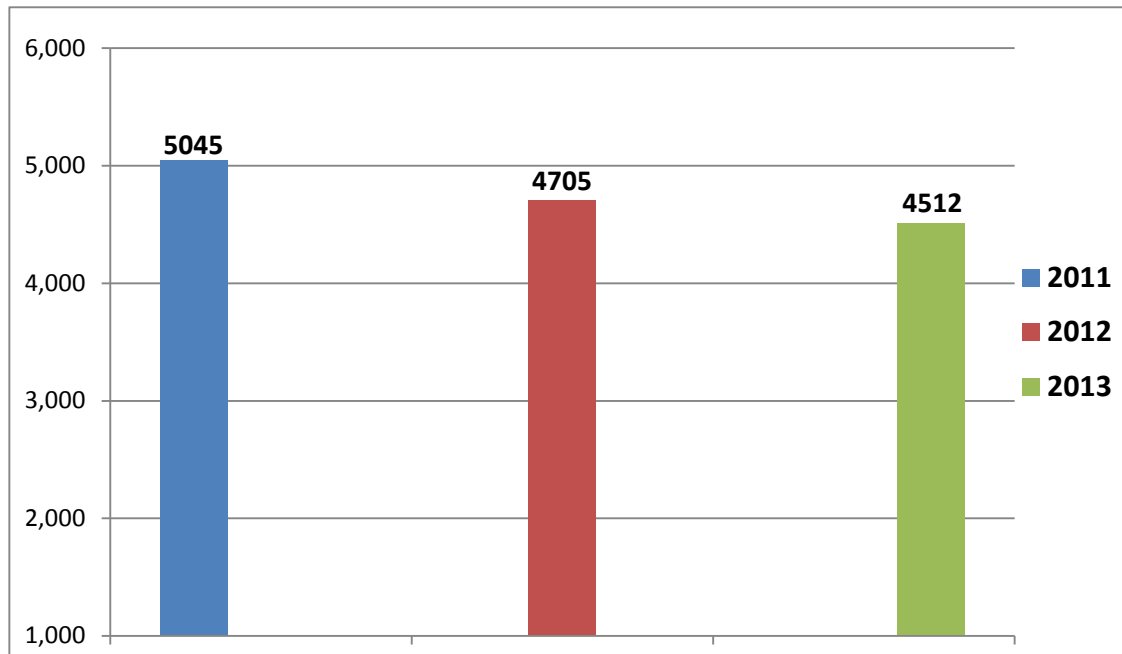
FUND	2012	% of protests	Apr. '13	% of protests	2013	% of protests
Old Fund	593	12.60%	50	13.85%	177	11.79%
Private Carrier	3233	68.72%	244	67.59%	1063	70.77%
Self-Insured	879	18.68%	67	18.56%	262	17.44%
Subtotal	4705		361		1502	
Temporary	708		40		175	
Total	5413		401		1677	



Protests Acknowledged by Carrier Type



Protests Acknowledged by Month



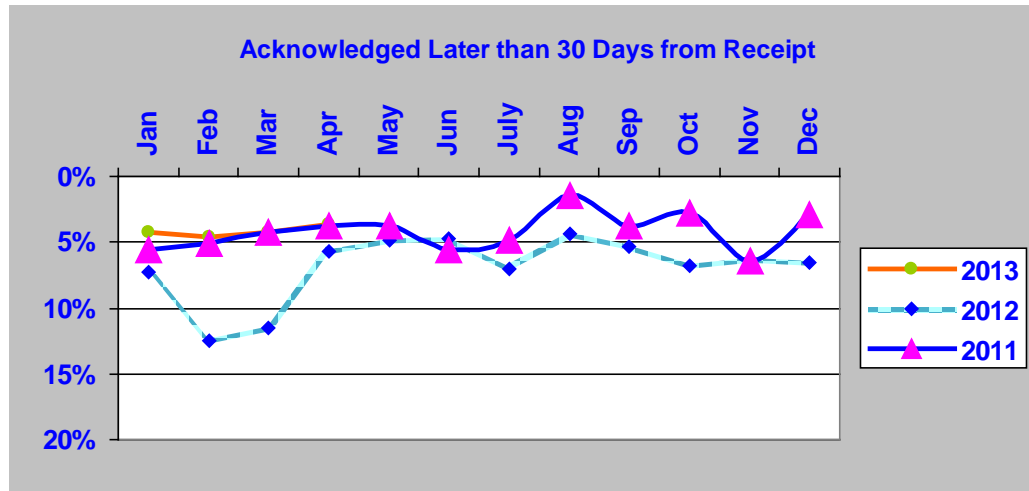
Protests Acknowledged by Year

B. Issues Resolved:                      2012                      Apr.                      2013  
    4773                      376                      1609

C. Pending Caseload Report

PENDING AS OF May 1, 2013	3140
PENDING 1 MONTH BEFORE	3100
PENDING 2 MONTHS BEFORE	3251
PENDING 3 MONTHS BEFORE	3223
PENDING 6 MONTHS BEFORE	3255
PENDING 12 MONTHS BEFORE	3520

<b>D. Acknowledgment Timeliness:</b>	<u>2012</u>	<u>Apr.</u>	<u>2013</u>
Protest Ackn. >30 days	7.0%	3.6%	4.1%
Protest Ackn. 24-30 days	3.1%	3.0%	3.4%
Protest Ackn. 11-23 days	24.4%	14.1%	17.1%
Protest Ackn. <11 days	65.5%	79.3%	75.4%



Apr.'13

2013

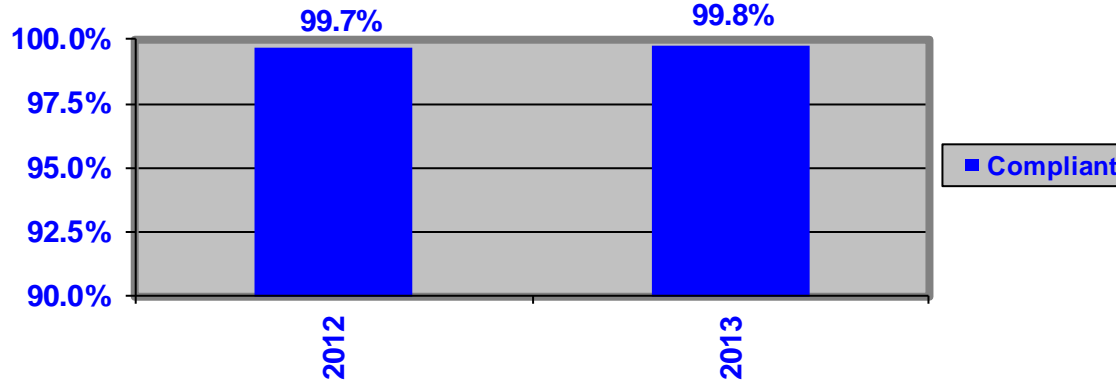
**E. Protests Resolved:**

1. Protests decided:	255	1011
2. Withdrawals:	69	290
3. "No Evidence" Dismissals:	41	156

**F. Final Decision Timeliness**

	<u>2012</u>	<u>Apr.'13</u>	<u>2013</u>
1. <30 days:	46.5%	42.7%	39.3%
2. 30-60 days:	50.3%	55.3%	56.9%
3. 60-90 days:	2.9%	1.6%	3.6%
4. +90 days:	0.3%	0.4%	0.2%

### Decision Within Rule's Time Limits



**G. Time Standard Compliance**

<u>2012</u>	<u>Apr.</u>	<u>2013</u>
92.5%	93.9%	94.0%

Wednesday, May 01, 2013

### Time Standard Compliance

Report Dates: From 4/1/2013 thru 4/30/2013

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	1	1	100%	0	0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	1	100%	0	0%
TTD	8	7	87.50%	1	12.50%
COMPENSABILITY	19	18	94.70%	1	5.30%
PPD	39	39	100%	0	0%
REHABILITATION	1	1	100%	0	0%
OPBD	5	4	80%	1	20%
REOPENING	3	3	100%	0	0%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
DEP BEN FATAL	1	0	0%	1	100%
TRMT/EQUIP CL	35	32	91.40%	3	8.60%
<b>Total</b>	<b>114</b>	<b>107</b>	<b>93.9%</b>	<b>7</b>	<b>6.1%</b>

### Final Decision Compliance

Report Dates: From 4/1/2013 thru 4/30/2013

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%
FAILURE TO ACT 30 DAY	3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
PTD ENTITLEMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
COMPENSABILITY	64	25	39.1%	39	60.9%	0	0.0%	0	0.0%
DEP BEN FATAL	6	3	50.0%	3	50.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
TRMT/EQUIP CL	79	38	48.1%	41	51.9%	0	0.0%	0	0.0%
PPD	57	23	40.4%	33	57.9%	1	1.8%	0	0.0%
OP NON-MED	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
OPBD	10	6	60.0%	4	40.0%	0	0.0%	0	0.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
REOPENING	8	4	50.0%	4	50.0%	0	0.0%	0	0.0%
TTD	14	6	42.9%	8	57.1%	0	0.0%	0	0.0%
SPECIAL CATEGORY	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
<b>Totals</b>	253	108	42.7%	140	55.3%	4	1.6%	1	0.4%

## Motion Resolution Compliance

Report Dates: From 4/1/2013 thru 4/30/2013

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	3	3	100%	0	0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	3	3	100%	0	0%
TTD	64	62	96.90%	2	3.10%
BENEFIT RATE	2	2	100%	0	0%
FAILURE TO ACT 15 DAY	1	1	100%	0	0%
FAILURE TO ACT 30 DAY	1	1	100%	0	0%
PPD	140	138	98.60%	2	1.40%
DEP BEN FATAL	12	12	100%	0	0%
OP NON-MED	6	6	100%	0	0%
OPBD	14	14	100%	0	0%
REOPENING	21	21	100%	0	0%
APPLICATION THRESHOLD	2	2	100%	0	0%
COMPENSABILITY	153	149	97.40%	4	2.60%
PTD ENTITLEMENT	6	6	100%	0	0%
SPECIAL CATEGORY	11	11	100%	0	0%
TEMP	1	1	100%	0	0%
TRMT/EQUIP CL	224	223	99.60%	1	0.40%
FAILURE TO ACT 10 DAY	1	1	100%	0	0%
<b>Total</b>	<b>665</b>	<b>656</b>	<b>98.6%</b>	<b>9</b>	<b>1.4%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

### Acknowledgement Goal

Report Dates: From 4/1/2013 thru 4/30/2013

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>BENEFIT OVERPAYMENT</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>
CBO-CL BEN. OVERPAYMENT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>BENEFIT RATE</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>
CBR-CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>COMPENSABILITY</b>	<b>Total: 63</b>	<b>3</b>	<b>4.8%</b>	<b>3</b>	<b>4.8%</b>	<b>9</b>	<b>14.3%</b>	<b>48</b>	<b>76.2%</b>
CCS-CL SEC.CONDITION	11	0	0.0%	0	0.0%	0	0.0%	11	100.0%
CHC-CL COMPENSABILITY	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIM-CL SI COMPENSABLE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIS-CL SI SEC.CONDITION	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CPI-CL SI REJECT CLAIM	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
CPJ-CL REJECT CLAIM	33	2	6.1%	3	9.1%	6	18.2%	22	66.7%
CRZ-CL REJ OCC DISEASE	8	0	0.0%	0	0.0%	2	25.0%	6	75.0%
<b>DEP BEN FATAL</b>	<b>Total: 4</b>	<b>1</b>	<b>25.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>75.0%</b>
CDF-CL DENY/GRNT DTH BEN	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
CIF-CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>FAILURE TO ACT 10 DAY</b>	<b>Total: 2</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>
C5N-CL FTA NOT COVERED	2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
<b>FAILURE TO ACT 15 DAY</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
FTA Multiple Issues-FTA MULTIPLE ISSUES	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%



Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>FAILURE TO ACT 30 DAY</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>
C7E-CL FTA CPLY OJ/BR/SC	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>OP NON-MED</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>100.0%</b>
CNR-CL NON-MED ORDER	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
<b>OPBD</b>	<b>Total: 16</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>6.3%</b>	<b>2</b>	<b>12.5%</b>	<b>13</b>	<b>81.3%</b>
CAO-CL ADD BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBF-CL % BOARD FINDING	9	0	0.0%	1	11.1%	2	22.2%	6	66.7%
CSF-CL% SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF-EM % BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
ESF-EM% SI BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>PPD</b>	<b>Total: 83</b>	<b>2</b>	<b>2.4%</b>	<b>1</b>	<b>1.2%</b>	<b>12</b>	<b>14.5%</b>	<b>68</b>	<b>81.9%</b>
CAA-CL ADDL % AWARD D/G	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CAD-CL % AWARD DENY/GRNT	67	2	3.0%	1	1.5%	10	14.9%	54	80.6%
CIG-CL SI %AWARD DNY/GNT	13	0	0.0%	0	0.0%	2	15.4%	11	84.6%
<b>PTD ENTITLEMENT</b>	<b>Total: 2</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>
CIT-CL SI DENY/GRANT PTD	2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
<b>PTD REVIEWING BODY IMPAIRMENT DETERMINATION</b>	<b>Total: 2</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>	<b>1</b>	<b>50.0%</b>
CEB-CL PTD REV. BODY DETERMINATION	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>REOPENING</b>	<b>Total: 13</b>	<b>1</b>	<b>7.7%</b>	<b>0</b>	<b>0.0%</b>	<b>2</b>	<b>15.4%</b>	<b>10</b>	<b>76.9%</b>
CIY-CL SI DY/GNT R/O TTD	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CJV-CL DNY/GRNT R/O PPD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CRD-CL DENY/GRNT R/O TTD	5	1	20.0%	0	0.0%	1	20.0%	3	60.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>SPECIAL CATEGORY</b>	<b>Total: 7</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>4</b>	<b>57.1%</b>	<b>3</b>	<b>42.9%</b>
C1I-CL SI SL CATEGORY	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNW-CL SPL CATEGORY	6	0	0.0%	0	0.0%	4	66.7%	2	33.3%
<b>TRMT/EQUIP CL</b>	<b>Total: 120</b>	<b>5</b>	<b>4.2%</b>	<b>1</b>	<b>0.8%</b>	<b>13</b>	<b>10.8%</b>	<b>101</b>	<b>84.2%</b>
CBX-CL TRMT DENY	96	5	5.2%	1	1.0%	10	10.4%	80	83.3%
CSX-CL SI TRMT DENY	23	0	0.0%	0	0.0%	3	13.0%	20	87.0%
CYY-CL TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>TTD</b>	<b>Total: 40</b>	<b>1</b>	<b>2.5%</b>	<b>3</b>	<b>7.5%</b>	<b>5</b>	<b>12.5%</b>	<b>31</b>	<b>77.5%</b>
CCC-CL CLOSING THE CLAIM	24	1	4.2%	1	4.2%	4	16.7%	18	75.0%
CIC-CL SI CLSING THE CLM	6	0	0.0%	2	33.3%	0	0.0%	4	66.7%
CIJ-CL SI TTD	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CJS-CL TTD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CPX-CL INITIAL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
Totals: Claims 300	361	13	3.6%	11	3.0%	51	14.1%	286	79.2%

## Resolution of Issues

Report Dates: Decision Date from 4/1/2013 thru 4/30/2013

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
<b>BENEFIT OVERPAYMENT</b>	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
<b>COMPENSABILITY</b>	78	31	39.70	29	37.20	4	5.10	8	10.30	3	3.80	1	1.30	2	2.60	0	0
<b>FAILURE TO ACT 30 DAY</b>	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
<b>OPBD</b>	19	7	36.80	3	15.80	0	0	9	47.40	0	0	0	0	0	0	0	0
<b>PTD REVIEWING BODY IMPAIRMENT</b>	3	0	0	2	66.70	1	33.30	0	0	0	0	0	0	0	0	0	0

<b>DETERMINATION</b>																	
<b>OP NON-MED</b>	5	1	20	1	20	1	20	2	40	0	0	0	0	0	0	0	0
<b>PTD ENTITLEMENT</b>	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
<b>REHABILITATION</b>	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
<b>REOPENING</b>	10	4	40	4	40	0	0	1	10	0	0	1	10	0	0	0	0
<b>SPECIAL CATEGORY</b>	6	0	0	3	50	2	33.30	1	16.70	0	0	0	0	0	0	0	0
<b>DEP BEN FATAL</b>	7	1	14.30	4	57.10	0	0	2	28.60	0	0	0	0	0	0	0	0
<b>PPD</b>	108	32	29.60	21	19.40	19	17.60	35	32.40	1	0.90	0	0	0	0	0	0
<b>APPLICATION THRESHOLD</b>	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
<b>TRMT/EQUIP CL</b>	108	33	30.60	44	40.70	8	7.40	17	15.70	3	2.80	1	0.90	2	1.90	0	0
<b>TTD</b>	26	7	26.90	8	30.80	6	23.10	5	19.20	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>376</b>	<b>116</b>	<b>30.9</b>	<b>122</b>	<b>32.4</b>	<b>41</b>	<b>10.9</b>	<b>83</b>	<b>22.1</b>	<b>7</b>	<b>1.9</b>	<b>3</b>	<b>0.8</b>	<b>4</b>	<b>1.1</b>	<b>0</b>	<b>0</b>

### OOJ – Petition for Attorney Fees for Unreasonable Denial

#### Petitions received 1/1/2013 through 4/30/2013

	<b>3</b>
Petitions denied on face:	0
Petitions denied by ALJ Decision:	0
Petitions granted:	0
Petitions withdrawn through settlement:	0
Petitions currently pending:	8*

*\*Includes 5 petitions pending from 201*

#### Failure to Timely Act Process

#### Petitions filed 1/1/2013 through 4/30/2013

Filed:	<b>33</b>
Denied/dismissed:	23
Withdrawn:	0
Reports to OIC:	22
Pending	32

*\*Resolutions of FTA include petitions filed prior to 2013*

### Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2011</b>	10	16	11	15	21	16	11	13	9	8	12	10	<b>152</b>
<b>2012</b>	14	2	18	12	13	5	7	3	2	11	16	10	<b>113</b>
<b>2013</b>	14	10	11	22									<b>57</b>

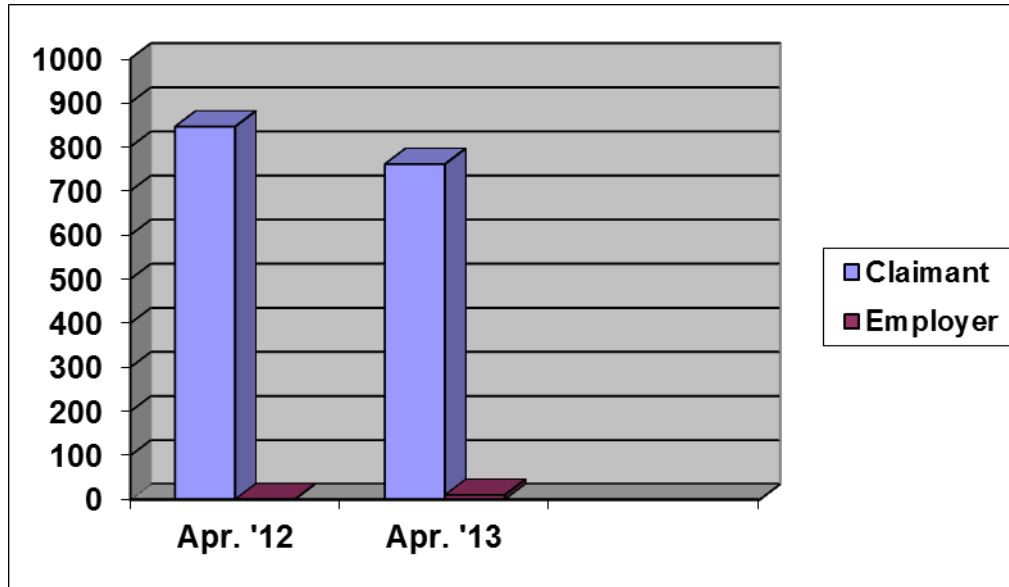
### Pro Se Claimant Information as of May 1, 2013

Pending Protests Involving Pro Se Claimants: 450

### OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year		
Party	Month	% Protests	Month	% Protests	
	Apr. '13		Apr. '12		
Claimant	761	24.24%	846	24.74%	
Employer	11	0.03%	0	0.00%	
<b>Total</b>	<b>772</b>		<b>846</b>		

### Pending Treatment Issues

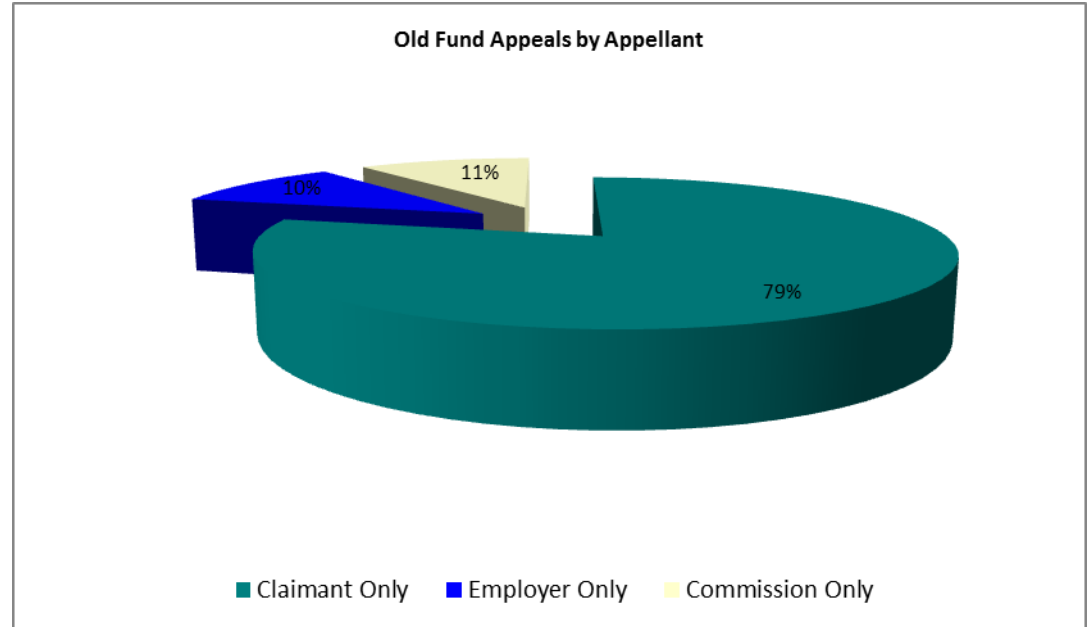


# Workers' Compensation Board of Review

Appeals Received  
From April 1, 2013 Thru April 30, 2013

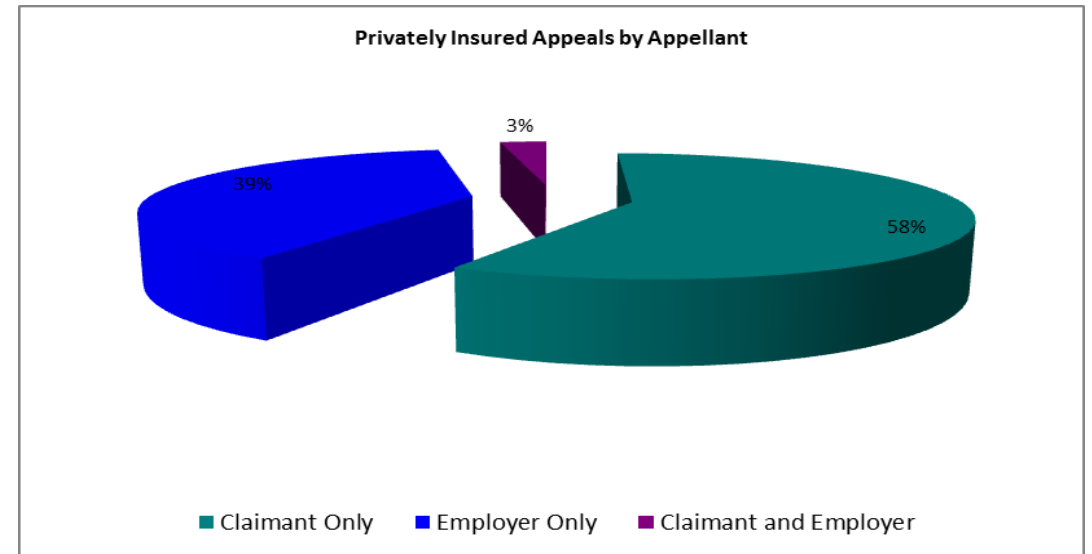
## Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	15
Employer Only	2
Commission Only	2
Old Fund Total	19



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

Appellant	Count
Claimant Only	40
Employer Only	27
Claimant and Employer	2
Privately Insured Total	69
Total Appeals	88

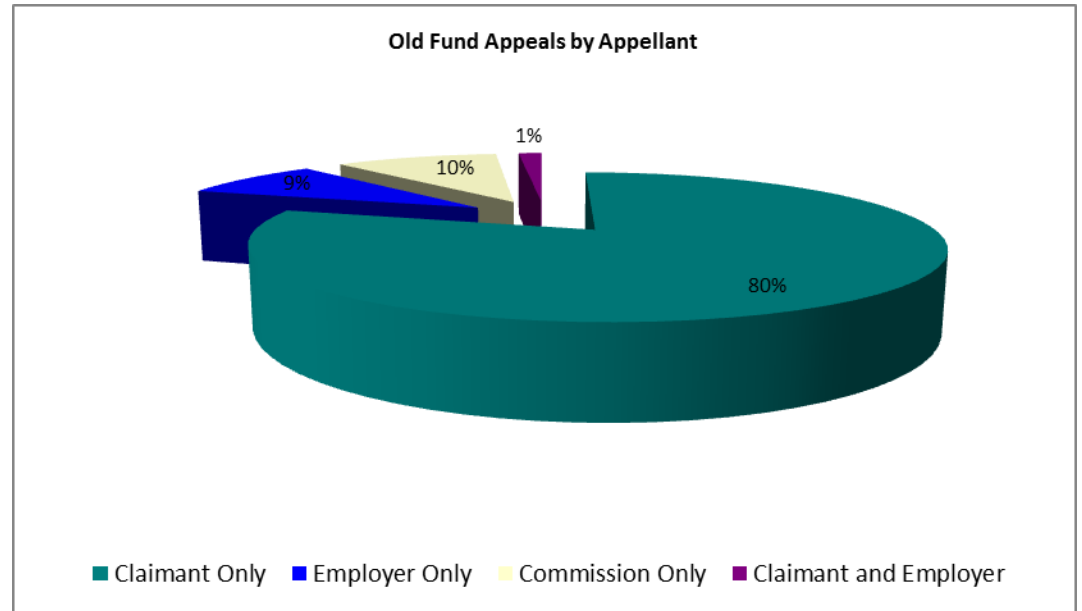


Appeals counted more than once:

Appeals Received  
From January 1, 2013 Thru April 30, 2013

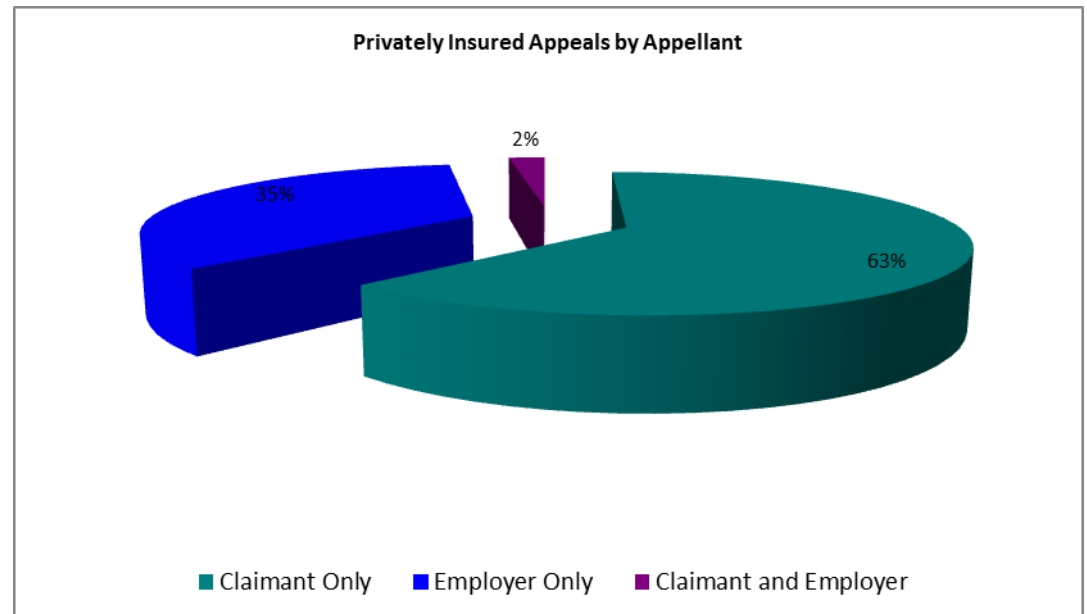
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	55
Employer Only	6
Commission Only	7
Claimant and Employer	1
Old Fund Total	69



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

Appellant	Count
Claimant Only	168
Employer Only	95
Claimant and Employer	6
Privately Insured Total	269
Total Appeals	338



Appeals counted more than once:

Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)  
 From April 1, 2013 thru April 30, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	10	0	0.0	10	100.0
CL % BOARD FINDING	2	0	0.0	2	100.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0
CL APP.THRESHOLD	1	1	100.0	0	0.0
CL CLOSING THE CLAIM	10	1	10.0	9	90.0
CL COMPENSABILITY	3	0	0.0	3	100.0
CL DENY/GRANT PTD	4	4	100.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	1	0	0.0	1	100.0
CL DNY/GRNT R/O PPD	2	1	50.0	1	50.0
CL PTD REV. BODY DETERMINATION	3	3	100.0	0	0.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0
CL REJECT CLAIM	13	0	0.0	13	100.0
CL SEC.CONDITION	8	0	0.0	8	100.0
CL SI %AWARD DNY/GNT	3	0	0.0	3	100.0
CL SI AD.BRD FINDING	1	0	0.0	1	100.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	1	1	100.0	0	0.0
CL SI DY/GNT R/O TTD	1	0	0.0	1	100.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	2	0	0.0	2	100.0
CL SI TRMT DENY	7	4	57.1	3	42.9
CL SPL CATEGORY	2	0	0.0	2	100.0
CL TRMT DENY	16	3	18.8	13	81.3
CL TTD	1	0	0.0	1	100.0
<b>Totals</b>	<b>100</b>	<b>19</b>	<b>19.0</b>	<b>81</b>	<b>81.0</b>



Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)  
 From January 1, 2012 Thru April 30, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	38	2	5.3	36	94.7
CL % BOARD FINDING	3	0	0.0	3	100.0
CL ADD BOARD FINDING	2	1	50.0	1	50.0
CL ADDL % AWARD D/G	6	1	16.7	5	83.3
CL APP.THRESHOLD	3	2	66.7	1	33.3
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	32	1	3.1	31	96.9
CL COMPENSABILITY	8	0	0.0	8	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRANT PTD	9	9	100.0	0	0.0
CL DENY/GRNT DTH BEN	3	3	100.0	0	0.0
CL DENY/GRNT R/O TTD	6	0	0.0	6	100.0
CL DNY/GRNT R/O PPD	4	1	25.0	3	75.0
CL DNY/GRNT R/O PTD	2	2	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL INITIAL TTD	3	0	0.0	3	100.0
CL NON-MED ORDER	1	1	100.0	0	0.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	3	3	100.0	0	0.0
CL REJ OCC DISEASE	7	1	14.3	6	85.7
CL REJECT CLAIM	43	0	0.0	43	100.0
CL SEC.CONDITION	22	0	0.0	22	100.0
CL SI %AWARD DNY/GNT	17	4	23.5	13	76.5
CL SI AD.BRD FINDING	2	0	0.0	2	100.0
CL SI ADD% AWARD D/G	4	2	50.0	2	50.0
CL SI CLSING THE CLM	5	0	0.0	5	100.0
CL SI COMPENSABLE	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	4	3	75.0	1	25.0
CL SI DY/GNT R/O PPD	4	3	75.0	1	25.0
CL SI DY/GNT R/O TTD	5	0	0.0	5	100.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	9	0	0.0	9	100.0
CL SI SEC.CONDITION	6	0	0.0	6	100.0
CL SI SL CATEGORY	1	0	0.0	1	100.0
CL SI TRMT DENY	27	7	25.9	20	74.1
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SPL CATEGORY	4	0	0.0	4	100.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL TRMT DENY	81	21	25.9	60	74.1
CL TTD	2	0	0.0	2	100.0
CL% SI BOARD FINDING	1	0	0.0	1	100.0
NonPrstable Protest	1	0	0.0	1	100.0
<b>Totals</b>	<b>377</b>	<b>69</b>	<b>18.3</b>	<b>308</b>	<b>81.7</b>

Appeals Received By Issue  
From April 1, 2013 Thru April 30, 2013

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	11	5	45.5	6	54.5	0	0.0	0	0.0
CL % BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0	0	0.0	0	0.0
CL APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	10	8	80.0	2	20.0	0	0.0	0	0.0
CL COMPENSABILITY	3	2	66.7	1	33.3	0	0.0	0	0.0
CL DENY/GRANT PTD	4	2	50.0	0	0.0	0	0.0	2	50.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	3	3	100.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	1	50.0	1	50.0	0	0.0	0	0.0
CL REJECT CLAIM	13	5	38.5	8	61.5	0	0.0	0	0.0
CL SEC.CONDITION	8	6	75.0	2	25.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	3	2	66.7	1	33.3	0	0.0	0	0.0
CL SI AD.BRD FINDING	1	1	100.0	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
CL SI CLSING THE CLM	2	1	50.0	1	50.0	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
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI SEC.CONDITION	2	0	0.0	2	100.0	0	0.0	0	0.0
CL SI TRMT DENY	8	4	50.0	4	50.0	0	0.0	0	0.0
CL SPL CATEGORY	2	2	100.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	16	12	75.0	4	25.0	0	0.0	0	0.0
CL TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>103</b>	<b>66</b>	<b>64.1</b>	<b>35</b>	<b>34.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>1.9</b>

Appeals counted more than once:  
2048291: Appellant: CLAIMANT  
2048291: Appellant: EMPLOYER  
2048313: Appellant: EMPLOYER  
2048313: Appellant: CLAIMANT

WORKERS' COMPENSATION BOARD OF REVIEW  
FOR APRIL 2013

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	77	85.6%	64.7%	220	88.7%	62.1%
	DISMISSED	5	5.6%	4.2%	15	6.0%	4.2%
	MODIFY	2	2.2%	1.7%	2	0.8%	0.6%
	REMAND	2	2.2%	1.7%	4	1.6%	1.1%
	REVERSE	4	4.4%	3.4%	7	2.8%	2.0%
	Total Dispositions	90			248		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	2	66.7%	1.7%	5	83.3%	1.4%
	MODIFY	1	33.3%	0.8%	1	16.7%	0.3%
	Total Dispositions	3			6		
<b>EMPLOYER</b>	AFFIRMED	15	60.0%	12.6%	53	62.4%	15.0%
	DISMISSED	4	16.0%	3.4%	12	14.1%	3.4%
	MODIFY	2	8.0%	1.7%	2	2.4%	0.6%
	REMAND				1	1.2%	0.3%
	REVERSE	4	16.0%	3.4%	17	20.0%	4.8%
	Total Dispositions	25			85		
<b>DIVISION/OIC</b>	AFFIRMED				11	73.3%	3.1%
	DISMISSED				1	6.7%	0.3%
	MODIFY				1	6.7%	0.3%
	REVERSE	1	100.0%	0.8%	2	13.3%	0.6%
	Total Dispositions	1			15		
	Grand Totals		119			354	

Dispositions By Issue  
BOR Orders Mailed From April 1, 2013 Thru April 30, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	13	11	84.6	0	0.0	2	15.4	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	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	2	22.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	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	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT 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 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 INITIAL TTD	3	1	33.3	1	33.3	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	18	15	83.3	0	0.0	2	11.1	0	0.0	1	5.6	0	0.0	0	0.0
CL SEC.CONDITION	8	6	75.0	1	12.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	2	50.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	5	4	80.0	0	0.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	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 REJECT CLAIM	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	9	8	88.9	0	0.0	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT GRANT	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	32	27	84.4	4	12.5	1	3.1	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>129</b>	<b>103</b>	<b>79.8</b>	<b>12</b>	<b>9.3</b>	<b>9</b>	<b>7.0</b>	<b>3</b>	<b>2.3</b>	<b>2</b>	<b>1.6</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

Yearly Dispositions By Issue  
BOR Orders Mailed From January 1, 2013 Thru December 31, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%		
CL % AWARD DENY/GRNT	42	37	88.1	2	4.8	3	7.1	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	4	4	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	7	5	71.4	0	0.0	2	28.6	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 CLOSING THE CLAIM	18	15	83.3	3	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	7	4	57.1	1	14.3	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	8	7	87.5	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	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 PTD	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	8	3	37.5	2	25.0	3	37.5	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	2	2	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	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	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	47	34	72.3	6	12.8	6	12.8	0	0.0	1	2.1	0	0.0	0	0.0
CL SEC.CONDITION	28	21	75.0	1	3.6	5	17.9	1	3.6	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	14	10	71.4	2	14.3	1	7.1	0	0.0	1	7.1	0	0.0	0	0.0
CL SI ADD% AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	7	5	71.4	1	14.3	0	0.0	1	14.3	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	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	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 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 SI DY/GNT 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 SI REJ OCCDISEASE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	12	10	83.3	1	8.3	1	8.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	34	31	91.2	2	5.9	1	2.9	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT GRANT	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
<b>CL SPL CATEGORY</b>	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>CL TRMT DENY</b>	86	74	86.0	7	8.1	3	3.5	1	1.2	1	1.2	0	0.0	0	0.0
<b>CL TRMT GRANT</b>	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>CL TTD</b>	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>CL% SI BOARD FINDING</b>	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>EM ADD BOARD FINDING</b>	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>EM SI DENY/GRANT PTD</b>	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>NonPrstable Protest</b>	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
<b>Totals</b>	384	312	81.25	32	8.3333	31	8.0729	4	1.0417	5	1.3021	0	0	0	0

WV Offices of the Insurance Commissioner  
Workers' Compensation – Revenue Recovery  
April 2013

<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund (Employer out of business)	\$ 6,594.33
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 63,634.70
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 11,163.80
# of active accounts uninsured (cumulative)	348
\$ of active accounts uninsured (cumulative)	\$ 1,154,849.60
Telephone contacts	1,245
Walk-ins	7

<b>LIENS</b>	
Liens sent to county clerks for recordation	140
Liens sent to county clerks for release	60
Intent to lien letters sent to employer/owner/officer/member	32

<b>Uninsured Accounts Resolved</b>	215
<b>All Cash Receipts from WC accounts</b>	\$ 81,392.83

<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	5
Hearings attended	1
# of injunction complaints accepted by court	1
# of injunctions granted	1
# of agreed orders entered	0
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	4
Agreements set up	4
Total # of agreements on system (cumulative)	51
Intent to void letters mailed	9
Agreements voided	3

<b>MISCELLANEOUS</b>	
Terminations Processed	53
Rule 11 Letters Mailed	220
Rule 11 hearings	1



# BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTE

Board Meeting  
May 1, 2013

## OPERATING REPORT

### MARCH 2013

#### 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

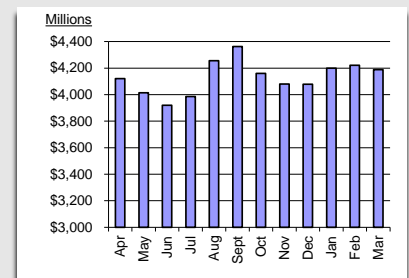
Executive  
Director  
Kara K. Hughes,  
CPA, MBA, CFE  
  
Chief Financial  
Officer  
Karl Shanholtzer,  
CIA, CPA

### Total Net Assets Under Management

**\$4,188,027,000**

Last Month  
**\$4,220,735,000**

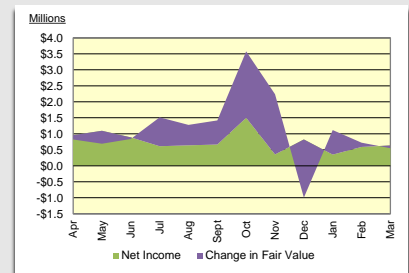
Beginning of Fiscal Year  
**\$3,919,677,000**



Net Assets for the Past 12 Months

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$11,408,000**



Monthly Net Income & Change in Fair Value for the Past 12 Months

### Money Market Pools

As of March 31, 2013

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1210%	.1240%	.1302%	50 Days	\$2.9 Billion
WV Gov't Money Market	.0931%	.0821%	.0837%	54 Days	\$367.0 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

### MARCH 2013

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#### **S&P Ends March On A Record High**

##### **Market Environment**

US stocks surged in March, with the S&P 500 ending the month at a record high, surpassing records set in October 2007. Signs of strengthening US economic activity--particularly in the recovering housing sector--and sustained monetary stimulus encouraged investors to bid up equities, despite federal budget cuts triggered by sequestration and the potential for additional fiscal tightening this year. Non-US equity markets posted more mixed results: Japanese stocks continued to rally on the back of aggressive yen-weakening by the Bank of Japan, while European markets faltered due to the Cypriot banking crisis and unrelenting economic weakness across the continent. Emerging markets traded off during the month in response to uncertainties in the Eurozone and concerns about slowing growth in China. US Treasury rates remained stable in March, while riskier bonds such as high yield issues and banks, took their cues from the US stock market to post gains. Commodity prices rose modestly last month.

The bullish start to the year for US equities appears to be more a result of accommodative monetary policy and the associated incentives to invest in risky assets inherent in the Federal Reserve's policy of financial repression, than a reflection of the somewhat limited improvement in underlying economic fundamentals. In effect, it appears that US stocks are borrowing returns from the future. At the same time, the year-to-date tepid performance of European and emerging market stocks increases the attractiveness of these categories relative to US equities. To this end, we recommend rebalancing overall equity exposures to targets, and within the total equity allocation, adding to non-US, global and emerging markets strategies, while using US stocks as a source of funding. In addition, we suggest building strategic exposure to inflation-hedging strategies because we believe that central bank policy has planted the seeds of inflation, even if they are yet to be watered. Finally, for investors who can lock up capital, our research points to attractive opportunities in direct lending and other private debt strategies.

##### **Equity Market Results**

Broad-based equity market indices provided investors with positive returns during March. The S&P 500 Index rose 3.8%, while the Russell 3000 Index rose 4.6%. International equity markets were mixed during the month. Developed markets, represented by the MSCI EAFE Index rose 0.8%, while their lesser developed counterparts, represented by the MSCI Emerging Markets Index, fell 1.7%.

##### **Bond Market Results**

The US bond market posted muted results during March. Government bonds posted positive results, while their corporate counterparts fell. The Barclays Capital Aggregate Index, a broad measure of the bond market, rose 0.08%. Global bonds, in general, declined. The Citi World Government Bond Index (unhedged) fell 0.3%, while emerging market debt (local currency) declined 0.6%. Short-term investments continued to provide investors with very small returns, as the 3-month Treasury bills and LIBOR posted returns of 0.01% and 0.03%, respectively.

# West Virginia Board of Treasury Investments

## Financial Highlights as of March 31, 2013

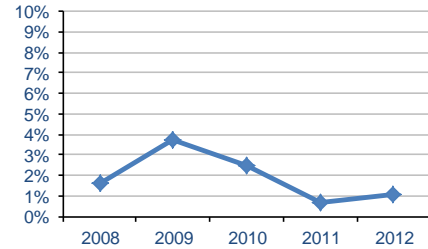
### WV Short Term Bond Pool

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

<u>April 1 - March 31</u>	<u>Return</u>	<u>Net Assets At Mar 31 (In Millions)</u>
2013	1.1%	\$ 502.0
2012	0.7%	\$ 503.7
2011	2.5%	\$ 477.2
2010	3.8%	\$ 447.9
2009	1.6%	\$ 285.2

#### WV Short Term Bond Pool Rates of Return

*Past 12 Months  
April 1 - March 31*

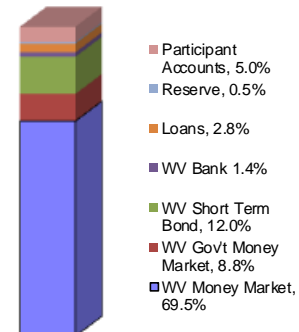


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

### Summary of Value and Earnings (In Thousands)

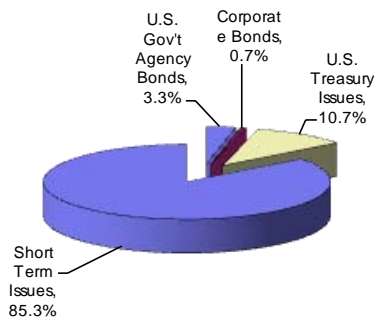
<u>Pool</u>	<u>Net Asset Value</u>	<u>Mar Net Income</u>	<u>Fiscal YTD Net Income</u>
WV Money Market	\$ 2,910,921	\$ 332	\$ 3,081
WV Gov't Money Market	366,969	26	252
WV Short Term Bond	502,002	112	5,035
WV Bank	60,037	7	96
Loans	118,951	14	(645)
Reserve	18,888	4	36
Participant Accounts	210,259	54	3,553
	<u>\$ 4,188,027</u>	<u>\$ 549</u>	<u>\$ 11,408</u>

#### Percent of Total Net Asset Value

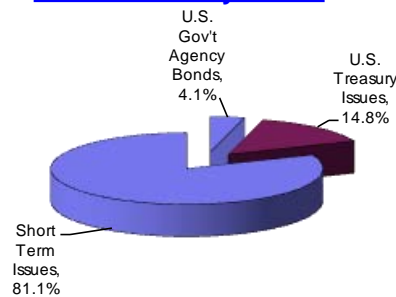


### Securities by Type for Operating Pools (Percentage of Asset Value)

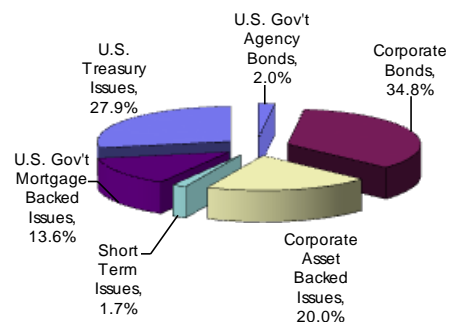
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED

**MARCH 31, 2013**

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>
<b>Assets</b>						
Investments:						
At amortized cost	\$ 2,909,522	\$ 366,729		\$ 60,016	\$ 137,822	\$ 206,305
At fair value	-	-	\$ 503,196	-	-	3,298
Cash	-	-	-	-	-	-
Other assets	1,642	278	1,251	22	20	656
Total assets	<u>2,911,164</u>	<u>367,007</u>	<u>504,447</u>	<u>60,038</u>	<u>137,842</u>	<u>210,259</u>
<b>Liabilities</b>						
Accrued expenses, dividends payable & payable for investments purchased	243	38	2,445	1	3	-
Total liabilities	<u>243</u>	<u>38</u>	<u>2,445</u>	<u>1</u>	<u>3</u>	<u>-</u>
<b>Net Assets</b>	<u>\$ 2,910,921</u>	<u>\$ 366,969</u>	<u>\$ 502,002</u>	<u>\$ 60,037</u>	<u>\$ 137,839</u>	<u>\$ 210,259</u>
<b>Investment income</b>						
Interest and dividends	\$ 506	\$ 80	\$ 522	\$ 8	\$ 20	\$ 137
Net accretion (amortization)	(60)	(35)	(283)	-	-	(84)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>446</u>	<u>45</u>	<u>239</u>	<u>8</u>	<u>20</u>	<u>53</u>
<b>Expenses</b>						
Fees	114	19	39	1	3	-
Total expenses	<u>114</u>	<u>19</u>	<u>39</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net investment income	332	26	200	7	17	53
Net realized gain (loss) from investments	-	-	131	-	-	-
Net increase (decrease) in fair value of investments	-	-	(219)	-	-	1
Net gain (loss) from investments	<u>-</u>	<u>-</u>	<u>(88)</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Net increase (decrease) in net assets from operations</b>	332	26	112	7	17	54
<b>Distributions to participants</b>	332	26	331	7	17	-
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	728,972	84,448	702	15,013	21	65
Redemptions and withdrawals	787,906	68,582	250	5,021	5	-
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
<b>Net increase (decrease) in net assets from participant activity</b>	<u>(58,934)</u>	<u>15,866</u>	<u>452</u>	<u>9,992</u>	<u>16</u>	<u>65</u>
Increase (decrease) in net assets	(58,934)	15,866	233	9,992	16	119
Net assets at beginning of period	2,969,855	351,103	501,769	50,045	137,823	210,140
<b>Net assets at end of period</b>	<u>\$ 2,910,921</u>	<u>\$ 366,969</u>	<u>\$ 502,002</u>	<u>\$ 60,037</u>	<u>\$ 137,839</u>	<u>\$ 210,259</u>