

The Honorable Jeffrey V. Kessler, Chair

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

August 21, 2013

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Joint Committee on Government and Finance Attendance

21 August 2013 - 12:00 PM

Attended:

- Delegate White
- Delegate Manchin
- Delegate Cowles
- Delegate Caputo
- Delegate Boggs
- Delegate Armstead
- Speaker Miley
- Senator Unger
- Senator Prezioso
- Senator Palumbo
- Senator Hall
- President Kessler

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(President Kessler presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
August 21, 2013

12:00 - 1:00 pm

Senate Finance Room

1. **Approval of July 24, 2013, minutes**
2. **Committee Reports/Requests**
3. **Monthly/Quarterly Reports Distribution:**
Status Reports on Lottery and the General Revenue Fund.
4. **Workforce WV Unemployment Compensation Trust Fund Distribution:**
5. **Monthly/Quarterly Reports Distribution:**
PEIA.
BRIM
CHIP
Real Estate Report
6. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**

Medicaid Report
7. **Investment Management Board Distribution:**
8. **Workers' Compensation:**
9. **Board of Treasury Report Distribution**
10. **Other Business**
11. **Adjournment**

Joint Committee on Government and Finance

July 24, 2013

1:00pm - 2:00pm

Senate

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

House

Miley, Chair
Boggs
Caputo
White (Absent)
Armstead
Cowles

Speaker Miley presides:

Speaker Miley: "The committee will come to order. The first item on the agenda is the approval of the minutes of May 22nd. President Kessler moves the approval of the minutes from the June meeting. Is there discussion, if not, all in favor say aye, all those opposed, the ayes appear to have the ayes do have it. I declare the motion adopted."

Speaker Miley: "Next item on the Agenda are Committee reports. The first report is from the Lottery and General Revenue Fund. They are in your packets. "

Speaker Miley: "Next is Workforce WV by Director Fry."

Russell Fry, Acting Executive Director of Workforce WV: "Mr. President, Mr. Speaker, and Committee members, thank you for having me over today. Its always good to be here. Our projections at this time, at the end of this year would be for a balance of \$94,760,000 in the trust fund. Benefits projected to pay out are \$248,401,000. Revenues would be \$235,996,000. As of today we have \$111,642,823 in trust fund."

Speaker Miley: "Any questions?"

Delegate Armstead: "Thank you Mr. Fry. I am curious as to looking at the numbers, I think it's the March number, if I am correct, that's the relevant number, maybe February or March area. What would that number have to be for us to roll back the additional assessment that we put on about 3 to 4 years ago?"

Mr. Fry: "The number that we put in law would be \$220M when it reaches that point. Based on what we are looking at right now, the trust fund is not out of the woods. We are at a lower level than we were last year, but we are at a better level than we were 2 and 3 years."

Delegate Armstead: "So really, is it the March number that would have to do that?"

Mr. Fry: "I think it was the March number but I don't have that bill."

Delegate Armstead: "That's always the lowest number, is that right?"

Mr. Fry: "Yes usually."

Delegate Armstead: "Thank you very much."

Mr. Fry: "Yes sir."

Speaker Miley: "Any further questions?"

Delegate Cowles: "Thank you Mr. Speaker. Mr. Fry, it talks about our unemployment rate is 6.2% and the national average is 7.6%. Sounds great and says we increased employment by 4100 workers but the trust fund is still paying out more money than it is bringing in. To follow up on my colleague's questions, we set that trigger. We raised \$75M worth of new taxes to go into this fund. We put that trigger on it and we raised the base from 8,000 to 12,000 and when we hit that trigger it is supposed to go from 12 back down to 9. You said it was 220M is the trigger point."

Mr. Fry: "I do not have that. That is from memory."

Delegate Cowles: "We are way off that pace but our unemployment rate is down to 6.2. What I'm wondering is what the rate, the unemployment rate, and the number of workers or the time that rate would have to stay there for us to hit that trigger?"

Mr. Fry: "I probably don't have an exact answer for you."

Delegate Cowles: "Is that a calculation that you could get for me?"

Mr. Fry: "I can attempt. I have someone that could work on that. The trust fund pays out different amounts based on different folks that are unemployed."

We had a major hit in the first quarter where the trust fund took quite a drop in the first three months of the year. Now all of that was higher paying jobs. I think in the coal industry. I think when I look at the trends, which I look at every week, even every day. Our trends are showing that we have less new claims which we call our initial claims. They have reversed from the beginning of the year to now to where we are back to almost even to a year ago. So they went from worse back to even. So the initial claims is trending in a positive way. The total payouts each week is trending in a positive way and revenue is starting to trend back in a positive way. If you look at the back last 3 times that I have been here we have ended the year at \$82M, the next projection was \$86M, this projection is \$94M. Actually it is trending back in a positive direction. I can't project the reason. The reason I can't project is when I have 2 or 300 people laid off, that carries over for several months. I can attempt to come up with some number. I don't know. Again it's still like all looking into a crystal ball based on revenue, unemployment doesn't tie directly into revenue. It is based on the first 12,000 not the total. I will see if I can come up with something."

Delegate Cowles: "That would be great. What I am looking for, is it even possible, is it even attainable for us to hit that trigger any time in the near future?"

Mr. Fry: "Well, you know if I go back and look at \$220M. It's been close to that in the last 10 years without the \$12,000 back when it was \$8,000. If I look at it historically, I would say yes it is attainable but I can't say when. The prediction part is what is hard. I come every month and the numbers are different every month because they update this for me every week. I update it to you every month. I would like to be able to come over and say we are out of the woods. I try to let you know every month where we are at on it. So if we do get in a situation like we were in year before last, we can act on it. State's are still—one of the great things about it, even though we are still not out of the water, all the states that borrowed money are now selling bonds and putting the cost of these bonds on the employers and the state. They are charging additional money for each employee that employers have. West Virginia hasn't done any of that. I think that is important that we continue to look at that. I will keep you very informed to the best of my ability every month on this. I will look into your specific question and see what I can possibly come up with that getting that goal."

Delegate Cowles: "Thank you. Thank you Mr. Speaker."

Speaker Miley: "Any further questions. Thank you Mr. Fry."

Mr. Fry: "Thank you."

Speaker Miley: "Next on the agenda are Quarterly Reports from Mr. Ross Taylor, Secretary of Finance and Administration."

Mr. Ross Taylor: "Good afternoon, I believe you have been provided with some information so I am just going to hit some high points and then if you have questions, please feel free to ask. PEIA is as you note the financial are through May, 2013 and actually happy to report that we are having a very good year. Our expenses are lower than we anticipated and also interest revenue is much higher than we anticipated. PEIA is definitely having a good financial year this year. CHIP - just about everything is status quo compared to last year, the previous years. Real Estate - there is nothing of importance that I believe in my opinion that needs to be discussed. There is one issue that I would like to mention about BRIM. Back in, I think it was March of 2004, the Legislature passed a bill HB4740. It essentially created a patient injury compensation fund. The purpose of that fund was to provide relief to claimants whose damages were limited because of caps for trauma care as a result of joint and several liabilities. We received \$4.9M at that time. For a long time we really didn't receive many claims. Our current balance in that account is \$3.4M, however, we been kind of inundated with claims and we have now approximately \$4.9M worth of claims that need to be paid from that fund. We anticipate next week sending out letters to the attorneys that presented those claims just letting them know that unless something happens, there are going to have to get a pro-rated portion of their claim instead of full payment because we just don't have the monies available to make full payment."

Speaker Miley: "Any questions?"

President Kessler: "That \$4.2 or something that was set aside initially."

Mr. Taylor: "\$4.9 sir."

President Kessler: "\$4.9 and that is what you have in outstanding claims to date?"

Mr. Taylor: "Yes, but we have paid down. We started with \$4.9, we paid \$1.6. We are now at \$3.3 but we received \$4.9 worth of claims so we are about \$1.5M short of what we need to actually everybody whole."

President Kessler: "So that was just a one-time infusion of money but it wasn't replenish in any way by court costs or anything else?"

Mr. Taylor: "No. I believe actually it was anticipated we would receive three payments totally about \$6M. We only actually received \$4.9 of that. I don't know the history really about why we didn't get what originally was planned but that is my understanding."

Speaker Miley: "Delegate Manchin."

Delegate Manchin: "Thank you Mr. Speaker. I don't quite remember actually on the details of how folks qualify for that fund. Do they actually have to go to verdict and then have a uncollectible verdict because of the caps?"

Mr. Taylor: "If you don't care sir I would like to bring Chuck Jones, Executive Director of BRIM here. He is much more versed in it than I."

Mr. Chuck Jones: "Chuck Jones, Director of BRIM. The question was do they have to go to court to get a verdict. That is not necessary. We are allowed to view settlements as well as verdicts. We take both of those situations before a claim is determined it is meritorious and adjudicating in that way."

Delegate Manchin: "How do you treat the cases where \$1M state's immunity cap comes into play as opposed to the standard MPLA caps."

Mr. Jones: "You are asking about the underlying claim of \$1M. If there is a claim, lets say there is economic damages are \$2M as an example and the amount of coverage available is \$1M. All things being equal that claim would be one that someone would apply to us to get the remainder of the economic damages that were unable to get because of either coverage or cancellation or anything else on the underlying claim. They would apply to us and then we would review it for several different scenarios, an application review committee, then an executive committee and if we determine that the claim is meritorious then we would make an award based on how much money we would have in the fund."

Delegate Manchin: "Do you issue any kind of report on the claims that you are considering or that you decided to make awards on?"

Mr. Jones: "It is part of our Annual Report but there is no specific report for the PICF that we have been issuing."

Delegate Manchin: "Is there anything within your report today that reflects the excess claims that we have discussed here, just a minute ago?"

Mr. Jones: "No, it is not in the report that the Secretary has presented."

Delegate Manchin: "Thank you sir."

Mr. Jones: "Thank you."

Mr. Taylor: "We could provide that, get additional information if you want?"

Delegate Manchin: "Sure."

Speaker Miley: "Any further questions of Mr. Jones? Delegate Armstead."

Delegate Armstead: "Thank you Mr. Speaker. Mr. Jones, just trying to recall and I may not recall this correctly. It has been several years since we passed that bill. As I recall, that fund was set up as somewhat, then again I may be wrong, but a discretionary fund for any one who could show that they were basically would suffer hardship of some sort because of the cap. As I recall that fund was and maybe it is in the bill that there was language that you basically didn't obligate the state to continue put money in but that money, that funding would be the amount that would be put in to deal with hardships up front. Is that correct? There is not a statutory right of any one to receive money from that fund, right?"

Mr. Jones: "That is correct. It is pretty much a market of last resort. There was no obligation on the state to replenish that fund. If you look at it since 2004 and with the appropriation of \$4.9M and this being fiscal year 2014 now. It has actually, we've done very well with regard to the monies we did receive. My recollection is that we receive 10 claims in this time frame. None in the first two or three fiscal years but in the last three or four fiscal years we have been somewhat inundated with claims. Those are the claims that are very large. There are claims that are any where from \$200,000 up to a \$1M. The monies we took we invested it and we probably had somewhere in the neighborhood of \$5.7M from the \$4.9M we were initially appropriated. From those monies we have paid all the claims that we have gotten, we have five claims now that are pending. Four of them are in fiscal year 2013 and one is in fiscal year 2014. That was the basis of my report to the Secretary in that if we resolve all the four claims that we have in 2013, we will not have enough funds to pay 100% of the claims that are meritorious. The claim in 2014 right now there's obviously no funds in there for it."

Delegate Armstead: "You mentioned that you were going to tell the attorneys for the claimants that there will be a pro-ration of some sort. Has there ever

been any review of the claims to determine within the amount of money you have which ones are the most meritorious in terms of receiving money or do they just happen to meet a certain threshold? I am just wondering how that process works."

Mr. Jones: "There is a review to determine the value of the claims and what economic damages have been presented, have not been able to be collected by them. There is a review to determine. That is done by a committee consisting of myself, my claim manager and counsel. There is a review of them to determine the merits of the claim. Yes."

Delegate Armstead: "I guess what I anticipated when we first talked about doing this years ago is you would have a certain amount of money there. You would kind of determine based on the amount you had, which claimants were most entitled to that, up to that point. That's where I guess I didn't understand there would ever be a time when you would you have more claimants than you had funds because I thought that fund was for like you said, the last resort. I guess that is the reason I would be concerned whether anyone would be able to say they're entitled to funding from that if the funding isn't there. I think the funding is only entitled to the point that there is funding there."

Mr. Jones: "That is the way the statute reads and the rules that were approved read that way. Of the ten claims, again this is memory, I know there was at least one claim that was denied. The fact that someone submits a claim does not automatically mean that they will get paid regardless if there are funds in there or not. But they are reviewed and there are reports that are issued per claim. Those are available, the amount of funds and how much is paid is definitely available. I can provide that to you."

Delegate Armstead: "Thank you."

Mr. Taylor: "Sir you are correct in the code it does specifically say we will pay claims until there is no more money. It is not exactly written like that."

Delegate Armstead: "I remember some of that discussion back when we did this."

Speaker Miley: "Any further questions of either Mr. Jones or Secretary Taylor? Thank you sir."

Speaker Miley: "Next on the agenda are the reports from the DHHR presented by Ms. Bailes, Deputy Commissioner, Finance for the WV Bureau of Medical

Service."

Ms. Tina Bailes: "Good afternoon Mr. Speaker, Mr. President and Committee members. The medicaid report is in your packet and I would be happy to take any questions that you may have."

Speaker Miley: "Any questions of Ms. Bailes? Delegate Cowles."

Delegate Cowles: "Thank you Mr. Speaker. The Governor recently wrote a letter I saw in the press that the Governor wrote a letter about the expansion of Medicaid again outlining some concerns, flexibility and some other things to DHS. As we talked before, he had written a letter a year or two ago and didn't get a response from the administration or DHS and he decided to partner with Obama administration in creation of the exchanges and expand Medicaid. Do you expect a response from this current letter from last week? And depending on that response, are we considering changes to the expansion of Medicaid?"

Ms. Bailes: "I cannot anticipate whether or not that there will be a response received but as of right now we are moving forward preparing for the expansion to occur with early enrollment beginning on October 1st."

Delegate Cowles: "The letter and the results of that letter won't impact that or you just don't know if it will impact it?"

Ms. Bailes: "I personally do not know. I mean it potentially could but at this point with the information that we have available we are moving forward and preparing the eligibility systems and getting ready for the expansion population."

Delegate Cowles: "In your report there is a long list of actuals for 2012, 2013 and current month and expenses all the way up through some estimates and projected for the next year. In that long list there is a line item in there for pregnancy terminations that has a dash through it and all those different columns. I am wondering why it has a dash through it and does it enumerate the cost if there were any in that month?"

Ms. Bailes: "There were actually costs. The reason that the report reflects that dash is that the report is prepared based on the information that is submitted to CMS, the federal cognizant group. There is no federal match for any of those types of services. What happens is those expenditures as they're paid for they are moved down into - if you would look at your report - they are included in the total for those state only funded services. If you look, it should be on page

three. You will see net expenditures and the CMS 64 adjustments. There is Medicaid Part D expenditures which are state only monies and then you have your state only medicaid expenditures. Any of those types of services would be included in there as well as other state only funded services. You can't actually see those amounts if you are interested in those amounts we can certainly provide you with a report."

Delegate Cowles: "So in that state only medicaid expenditures for the current month it says \$233,333 that's not all for pregnancy terminations in that month?"

Ms. Bailes: "No sir its not. There are other state funded services that are included in that number as well."

Delegate Cowles: "But the taxpayer funded abortions are in that number?"

Ms. Bailes: "They would be included in there if there were expenditures incurred for the period."

Delegate Cowles: "Ok. Thank you. Thank you Mr. Speaker."

Speaker Miley: "Chairman Boggs."

Delegate Boggs: "Thank you. Ms. Bailes how are you?"

Ms. Bailes: "Good, how are you?"

Delegate Boggs: "I wanted to ask you what is the waiting list number for the in-home care."

Ms. Bailes: "Yes, I do have that. This is as of May. There were 2249 individuals who had met the medical eligibility standard for the waiver service."

Delegate Boggs: "So they're PAS form has been processed and medically now they are eligible to go to a nursing home or they are waiting for in-home care."

Ms. Bailes: "Let me qualify that. Those individuals have met the medical eligibility standard based on their PAS. They would still have to go the financial eligibility in order to be determined eligible. That would also be applicable to nursing home level of care as well if they are not already currently medicaid eligible."

Delegate Boggs: "Ok. Just refresh my memory. If someone would go on the program today and pass away next week. It's a calendar year before that slot can be refilled."

Ms. Bailes: "Its actually a state fiscal year so our waiver period for that waiver runs from July 1, to June 30 but in essence if that individual was eligible today and then would be removed from the waiver tomorrow as long as they accessed a service, then that slot would be considered gone or not available until the next July 1."

Delegate Boggs: "But the money is actually planned for the same as someone would be receiving services for that entire fiscal year, correct?"

Ms. Bailes: "No. Actually when I budget for the expenditures, we take into consideration how many individuals would be added during the month versus how many individuals who would be terminating from the month based on historical information. It is a prorated expense that's allocated in determining how much money is available and how many slots that can be served. It's a not a full year assumed that the individual would be receiving services."

Delegate Boggs: "But it still can't be filled until the beginning of the next fiscal year?"

Ms. Bailes: "That is correct."

Delegate Boggs: "On July 1 of this year, the beginning of the new fiscal year, how many new folks were served?"

Ms. Bailes: "At the end of June based on the information that we received it would like look or appear to me that there would be an opportunity to add 490+ individuals to the waiver beginning services. So they should be getting letters or preparing letters notifying those individuals that they need to go and determine their financial eligibility. I think the number is 493 but I would want to verify that number is completely accurate. Based on the information I have today, it does appear that we do have the ability to move at least 490 individuals."

Delegate Boggs: "One last question. Approximately how many people are on the waiting list? How much is that growing monthly?"

Ms. Bailes: "Right now we are adding about 154 individuals per month but also what I would like to explain to is that historically of those individuals who had

medical eligibility only 60% of those individuals would move on and meet the financial component as well. In terms of the overall additions, we are averaging about 154."

Delegate Boggs: "If there is 154 on the waiting list growing per month just ball park there still is going to be probably 80 to 90 people that would be financially eligible at the end of the entire process. Really we are going to be well over 3000 on the waiting list unless something changes between now and the end of the next fiscal year."

Ms. Bailes: "Yes. In terms of just those individuals who could potentially meet the medical component and assuming that this trend continues. What I did was I kind of looked at it in terms of estimating what June numbers would like because I haven't seen those yet. If you apply that 60% approximately 1470 of those individuals would be eligible of which 493 of those individuals would be presented with an opportunity to demonstrate financial eligibility and then move into a slot."

Delegate Boggs: "Would you agree that for individuals that do meet the financial eligibility having already met the medical eligibility, if they are able to be served at home versus being a nursing home, and I realize there are times that in-home is not feasible because of different conditions. But would you agree that its much less expensive for those people to be served at home versus in a facility?"

Ms. Bailes: "I can confirm yes that the actual cost of the waiver in terms and comparison to a nursing home level of care definitely is less expensive or cost less to maintain that individual. So we do that comparison in terms of that is one of the requirements with our waiver is that those services can not be more expensive than the equivalent level of care which in this case would be the nursing home."

Delegate Boggs: "Thank you. Thank you very much."

Ms. Bailes: "Thank you."

Speaker Miley: "The next item on the agenda is Investment Management Board Distribution."

Ms. Watson: "Good afternoon. Kristy Watson, Chief Investment Officer of the Investment Management Board, standing in for Craig Slaughter who is on vacation. The report and your materials indicates the performance returns for

all of the assets we manage. The bulk of which are defined benefit pension plans of the state through May 31st of this year. The fiscal year to date number is as you can see for the pension plans is about 15.3%. I do have an estimate for June. June was a negative month for the markets. The plans were negative 2.3% for June which would bring the fiscal year to date number for the plans around 13%, about 13% even for the fiscal year. The only other noteworthy return I would bring to your attention is the ten year number. Most of these defined benefit plans have achieved their longer term actuary return objective exceeding 7½% so the board is obviously very pleased with that. That is our paramount objective to exceed the actuary return of 7½% on these plans over a longer term time periods. Our definition of that is general ten years so in the last ten years on average these plans have achieved that return and obviously that includes the crisis in those years of 07 and 08. So the board is pleased with that number and confident that we can continue to deliver that. With that I will take any questions."

Speaker Miley: "Questions of Ms. Watson? There appears to be none. Thank you ma'am."

Speaker Miley: "The next item of the agenda is a report from the Workers Compensation by Mr. Riley, the Insurance Commissioner."

Mike Riley: "Good afternoon Mr. Speaker, Mr. President, Mike Riley the Insurance Commissioner. You should have a copy of our report. Everything is progressing as normal but I will just highlight a couple numbers. If you turn on page, as of June 30th the number of active old fund claims is 16,951 so that is net reduction of 1,550 for the year, 90 for the month of June. The Coal Workers Pneumoconiosis Fund, the Black Lung Fund, has 923 active claims and that changed for fiscal year of 57 and the next page is the uninsured fund which is the fund for injured workers who employers did not have mandatory workers compensation coverage and it is a very manageable 31 claims. Turn to the cash flow statement on page 11, we end the year with \$1,061,000,000 in cash. Total revenue is \$55M higher than last year and total expenditures as would be expected be trending down on this book. Nothing really jumps out but I would be happy to answer questions."

Speaker Miley: "Questions of Mr. Riley? There appears to be none. Thank you sir."

Mr. Riley: "Thank you."

Speaker Miley: "You have the Board of Treasury report distribution in your

packets. Another business we have Mr. Melvin Jones from the West Virginia State University Board of Governors. Is he here?"

Mr. Jones: "I believe you have our Notice of our upcoming bond issues to build a dormitory on the campus of West Virginia State University."

Speaker Miley: "Does everyone have the Notice in their packets in front of them? Are there any questions or Mr. Jones? You got off easy today. Thank you sir."

Mr. Jones: "Thank you."

Speaker Miley: "Delegate Cowles."

Delegate Cowles: "I don't have a question but we skipped over No. 3, the General Revenue Fund. I have a couple of things that I don't understand on their report. If I could ask a couple of questions."

Speaker Miley: "I don't think there is a representative here for that. We may have someone here. Ellen Clark is she here?"

Ms. Clark: "I'm Ellen Clark of the Legislative Budget Office."

Speaker Miley: "Delegate Cowles?"

Delegate Cowles: "Thank you Mr. Speaker. Actually on page 2 of the your letter and report. The earnings for Rainy Day A are 6M and some dollars and that is out of Rainy Day A which has a balance of 550M and some odd dollars. When I look at Rainy Day B which has a smaller balance of 300M and some dollars, it has earnings of over \$27M and I don't understand what the difference is. Why Rainy Day A is only earning \$6M in interest and Rainy Day B is earning \$27M in interest. Could you help me understand what the difference between those two and how they are invested?"

Ms. Clark: "One is basically, the second is a trust fund account so it gets a higher return."

Delegate Cowles: "Its clearly a higher return. I don't understand why though."

Ms. Clark: "I would have to ask Craig Slaughter about that and get back with you."

Delegate Cowles: "I would love to know that answer, that's a huge difference."

Ms. Clark: "Ok."

Speaker Miley: "You might have the answer over here from your colleague in the Senate. Senator Hall."

Senator Hall: "There's more liquidity needs in the one fund than the other so its probably without looking at the reports. Its probably got more fixed income in it which is going to give you a less rate of return. Its really not interest, its growth and the other is probably invested in more the equity market, long term which that's what long term means. The equity market has been strong in the past year."

Delegate Cowles: "That is a huge difference."

Senator Hall: "Well it would be. I mean it would be like a person who has money in a CD or a person who has money in the market. Because if you have an liquidity need or anticipation you have to get to the money you can't put it in a long term investment."

Ms. Clark: "Yes, the Rainy Day A would have to get to the money within a day or two if we needed it."

Senator Hall: "When you have a liquidity need, you just have to put in things that make 2% to 3%. I mean otherwise if you are going to put it in something that goes up 20%, it might go down 15%. Right now you might come in one day and see this report and that's going to be a negative number on the trust fund and the other one would be a slightly positive number. That's what it is."

Ms. Clark: "Rainy Day A, we always borrow like \$62M the first day of the fiscal year to help meet the bills."

Delegate Cowles: "Ok. My other question Mr. Speaker is the Governor took \$17M to \$20M out of Medicaid Trust Fund to balance the budget on the report. I seem to struggle with how the Governor by executive order would take \$17M out of the trust fund and spend it through general revenue without an appropriation. Is there some way I can get an explanation from someone for that question?"

Speaker Miley: "Someone from the Governor's Office? Is any one here from the Governor's Office here that would care to explain that? Senator Prezioso

can explain it."

Senator Prezioso: "He can't do it."

Delegate Cowles: "Well he did it."

Senator Prezioso: "No."

Delegate Cowles: "What did he do?"

Senator Prezioso: "Basically what he could do is to go to the agency and say there is going to be there a \$17.7M deficiency for them to hold back money. If you look at the Auditor's report, you will see that number. Amount of expenditures that we had during the session is still the same. The budget has not been reduced. He can go to his agencies and say look we're anticipating a shortfall and actually what is going to happen is they are going to use some of the medicaid money within DHHR that will, it is based upon a time factor, and that will balance out in the end."

Delegate Cowles: "I still don't understand the trust, how they can hold back that money that is supposed to be held in trust."

Senator Prezioso: "I personally think and maybe the Governor's Office, I'm sure will disagree with me. I don't think he can do that without legislative approval. But he can go to the agency and say look there is going to be a problem, there is going to be a shortfall and just hold back money and then they can balance it out as the year progresses. I think you will see that play out."

Delegate Cowles: "Thank you."

Speaker Miley: "Any further questions Delegate Cowles of anybody?"

Delegate Cowles: "No."

Speaker Miley: "Any further business to come before the Committee? If not, President Kessler moves we adjourn. All of those in favor say aye, all those oppose no. The ayes appear to have it, we are adjourned."

WEST VIRGINIA LEGISLATURE
Parks, Recreation and Natural Resources Subcommittee

**Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610
(304) 347-4800
(304) 347-4819 FAX**



**William Laird, Chair
State Senate**

**Jeff Eldridge, Co-Chair
Danny Wells, Co-Chair
House of Delegates**

DATE: AUGUST 21, 2013

TO: JOINT COMMITTEE ON GOVERNMENT AND FINANCE

FROM: PARKS, RECREATION AND NATURAL RESOURCES SUBCOMMITTEE

RE: SITE VISITATION AUTHORIZATION AND EXPENSE REIMBURSEMENT

The Parks, Recreation and Natural Resources Subcommittee requests authorization and expense reimbursement for members and staff to conduct site visitations to Twin Falls Resort State Park, Panther Wildlife Management Area, R.D. Bailey Lake Wildlife Management Area and Little Beaver State Park on September 10, 11 and 12, 2013.

WEST VIRGINIA LEGISLATURE
Joint Commission on Economic Development

Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610
(304) 347-4800
(304) 347-4819 FAX



Bob Williams, Chair
State Senate

Doug Skaff Jr., Vice Chair
House of Delegates

MEMORANDUM

Date: AUGUST 20, 2013

To: JOINT COMMITTEE ON GOVERNMENT AND FINANCE

From: JOINT COMMISSION ON ECONOMIC DEVELOPMENT

Re: SITE VISITATION AUTHORIZATION AND EXPENSE REIMBURSEMENT

The Joint Commission on Economic Development requests authorization and expense reimbursement for members and staff to conduct site visitation to Alpha Natural Resources Mine Safety Training Facility during the September 2013 Interims.

August 19, 2013

The Honorable Tim Miley, Speaker
West Virginia House of Delegates
Building 1, Room 228-M
Charleston, West Virginia 25305

The Honorable Jeffrey Kessler
President
West Virginia Senate
Building 1, Room 227-M
Charleston, West Virginia 25305

Re: Travel Expenses for guest speaker to Equal Pay Commission

Dear Gentlemen:

On behalf of the Equal Pay Commission, we are requesting that travel expenses be approved for a guest speaker for an upcoming meeting of the Commission in an amount not to exceed \$250.

The Commission is hoping to invite Nichelle Perkins for a presentation. Ms. Perkins is the Deputy Director for Equity in the Division of Diversity, Equity and Inclusion at West Virginia University. She is a former member of the Equal Pay Commission and served on the staff of Governor Wise.

We are requesting up to \$250 to cover Ms. Perkins travel expenses as she will be traveling from Morgantown, WV. We are also requesting that the approval of these funds not expire until the start of the 2014 Regular Session, so as to accommodate the scheduling of Ms. Perkins for an interim meeting.

Should you have any questions or concerns, please do not hesitate to contact us or Commission staff members Jennelle Jones at 304-340-3348 or Daniel Osborne at 304-340-3255.

Thanks so much for your attention to this matter.

Sincerely,

Delegate Charlene Marshall, Chair
Equal Pay Commission

Senator Jack Yost, Chair
Equal Pay Commission

CC: Aaron Allred

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

August 9, 2013

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

- West Virginia Lottery as of June 30, 2013:
Gross profit for July 1, 2012 – June 30, 2013 of fiscal year 2013 is \$ 587 million.
- West Virginia Unemployment Compensation Fund as of June 30, 2013:
Total disbursements were \$11 million more than last fiscal year. Overall ending trust fund balance was \$ 21 million lower on June 30, 2013, than on June 30, 2012.
- General Revenue Fund as of July 31, 2013:
The general revenue collections ended the first month of fiscal year 2013-2014 at 94.32% of the estimate for the year.
- State Road Fund as of July 31, 2013:
The state road fund collections ended the first month of fiscal year 2013-2014 at 112.89% of the estimate for the year.

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: August 8, 2013

Re: Review of West Virginia Lottery Financial Information
As of June 30, 2013

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the fiscal year ending June 30, 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 \$ 1,328,377,000.00 on June 30, 2013. Table games accounted for \$70 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 7.5 million of total gross receipts. Gross lottery revenue has decreased by 8.86% when compared with fiscal year 2011-2012. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for fiscal year 2013 - 2013 was \$ 587 million; for last fiscal year it was \$ 651 million. Expressed as a percentage, gross profit

is 9.86% lower for fiscal year 2013 than for fiscal year 2012.

Operating Transfers to the State of West Virginia:

A total of \$ 545,204,000.00 has been accrued to the state of West Virginia for 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	\$4,995,000.00
Department of Education	\$30,612,000.00
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	\$10,000,000.00
Department of Education and Arts	\$1,840,000.00
School Building Authority	\$17,997,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$145,018,000.00

Excess Lottery Fund

General Purpose Fund	\$ 65,000,000.00
----------------------	------------------

Lottery

Lottery continued

Economic Development Fund	\$18,990,000.00
Higher Education Improvement Fund	\$15,000,000.00
WV Infrastructure Council Fund	\$46,000,000.00
Higher Education Improvement Fund	\$29,000,000.00
Refundable Credit	\$10,000,000.00
WV Development Office	400,000.00
WV Racing Commission	2,000,000.00
DHHR	24,503,000.00
State Park Improvement Fund	\$5,000,000.00
School Building Authority	\$18,993,000.00
Excess Lottery Surplus	55,661,000.00
Total State Excess Lottery Revenue Fund	\$ 290,547,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	2,191,000.00
State Debt Reduction Fund	650,000.00
Tourism Promotion Fund	103,000.00
Total Historic Hotel	\$2,944,000.00

Veterans Instant Ticket Fund \$422,000.00

Table Games State Debt Reduction Fund \$ 34,044,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$8,345,000.00
Development Office Promo Fund	\$2,276,000.00
Research Challenge Fund .5%	\$3,035,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,173,000.00

Lottery continued

Parking Garage Fund .0625%	\$379,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$4,069,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$35,277,000.00
TOTAL TRANSFERS	*\$522,988,000.00

* CASH BASIS

Total Accrued last FY 2012:	\$ 216,819,000.00
Total Cash Distributions FY 2013:	522,988,000.00
Applied to FY 2012:	216,819,000.00
Applied to FY 2013:	306,169,000.00
Accrued for FY 2013 as of June 30:	239,035,000.00



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

RE: Monthly Report on Lottery Operations
Month Ending June 30, 2013

DATE: July 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 June 30, 2013 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$103,768,495 for the month of June.

Transfers of lottery revenue totaling \$37,006,238 made for the month of June 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 June 30, 2013 was 1,565 and 1,526 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
Robert S. Kiss, 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

RE: Monthly Report on Lottery Operations
Month Ending June 30, 2013

DATE: July 18, 2013

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JCM
Attachment

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



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

June 30, 2013

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
STATEMENT OF NET POSITION
(In Thousands)
-Unaudited-

	June 30, 2013	June 30, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 273,418	\$ 241,538
Accounts receivable	35,999	36,671
Inventory	492	510
Other assets	2,123	2,275
Total Current Assets	<u>312,032</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>(6,626)</u>	<u>(4,531)</u>
Net Capital Assets	<u>40,220</u>	<u>42,285</u>
Total Noncurrent Assets	<u>41,860</u>	<u>44,658</u>
Total Assets	<u>\$ 353,892</u>	<u>\$ 325,652</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 239,035	\$ 216,819
Deferred LVL permit fees	-	-
Estimated prize claims	14,144	13,372
Accounts payable	1,828	3,238
Other accrued liabilities	44,019	40,248
Total Current Liabilities	<u>299,026</u>	<u>273,677</u>
Total Liabilities	<u>299,026</u>	<u>273,677</u>
Net Position:		
Restricted by enabling legislation	1,640	1,690
Net investment in capital assets	40,220	42,285
Unrestricted	13,006	8,000
Total Net Position	<u>\$ 54,866</u>	<u>\$ 51,975</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013
(In Thousands)
-**Unaudited**-

	CURRENT MONTH		YEAR TO DATE	
	2013	2012	2013	2012
Lottery revenues				
On-line games	\$ 5,887	\$ 6,684	\$ 86,986	\$ 83,613
Instant games	7,726	8,862	108,635	117,676
Racetrack video lottery	53,551	57,977	655,676	764,898
Limited video lottery	30,992	32,494	399,224	406,108
Table games	4,933	6,212	70,259	78,121
Historic resort	680	650	7,597	7,114
	<u>103,769</u>	<u>112,879</u>	<u>1,328,377</u>	<u>1,457,530</u>
Less commissions				
On-line games	406	459	6,095	5,844
Instant games	541	620	7,604	8,239
Racetrack video lottery	28,858	28,103	370,828	424,049
Limited video lottery	15,186	15,922	195,620	198,993
Table games	2,153	2,669	30,675	33,571
Historic resort	301	334	3,705	3,671
	<u>47,445</u>	<u>48,107</u>	<u>614,527</u>	<u>674,367</u>
Less on-line prizes	4,043	3,228	44,109	42,039
Less instant prizes	5,119	5,908	72,121	78,567
Less ticket costs	111	127	1,804	2,188
Less vendor fees and costs	556	864	8,325	8,611
	<u>9,829</u>	<u>10,127</u>	<u>126,359</u>	<u>131,405</u>
Gross profit	<u>46,495</u>	<u>54,645</u>	<u>587,491</u>	<u>651,758</u>
Administrative expenses				
Advertising and promotions	225	698	4,622	5,680
Wages and related benefits	981	1,172	11,049	12,774
Telecommunications	63	37	983	761
Contractual and professional	259	322	4,421	5,452
Rental	21	18	239	423
Depreciation and amortization	172	180	2,095	1,164
Other administrative expenses	135	88	1,454	1,936
	<u>1,856</u>	<u>2,515</u>	<u>24,863</u>	<u>28,190</u>
Other Operating Income	<u>508</u>	<u>504</u>	<u>11,860</u>	<u>73,351</u>
Operating Income	<u>45,147</u>	<u>52,634</u>	<u>574,488</u>	<u>696,919</u>
Nonoperating income (expense)				
Investment income	19	19	253	181
Capital contribution from State of WV	-	1,513	-	9,645
Distributions to municipalities and counties	(607)	(637)	(7,825)	(7,960)
Distributions -capital reinvestment	(11,310)	(12,222)	(18,821)	(22,900)
Distributions to the State of West Virginia	(30,358)	(36,536)	(545,204)	(662,982)
	<u>(42,256)</u>	<u>(47,863)</u>	<u>(571,597)</u>	<u>(684,016)</u>
Net income	<u>2,891</u>	<u>4,771</u>	<u>2,891</u>	<u>12,903</u>
Net position, beginning of period	51,975	47,204	51,975	39,072
Net position, end of period	<u>\$ 54,866</u>	<u>\$ 51,975</u>	<u>\$ 54,866</u>	<u>\$ 51,975</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

(In Thousands)

-Unaudited-

	2013	2012
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,340,909	\$ 1,465,130
Cash payments for:		
Personnel costs	(10,960)	(11,402)
Suppliers	(12,852)	(16,229)
Other operating costs	(738,824)	(809,710)
Cash provided by operating activities	<u>578,273</u>	<u>627,789</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(522,988)	(614,736)
Distributions to municipalities and counties	(7,855)	(7,927)
Distributions to racetrack from racetrack cap. reinv. fund	(16,506)	(18,888)
Cash used in noncapital financing activities	<u>(547,349)</u>	<u>(641,551)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(30)</u>	<u>(13,028)</u>
Cash flows from investing activities:		
Investment earnings received	<u>253</u>	<u>181</u>
Cash provided by investing activities	<u>253</u>	<u>181</u>
Increase (decrease) in cash and cash equivalents	31,147	(26,609)
Cash and cash equivalents - beginning of period	<u>243,911</u>	<u>270,520</u>
Cash and cash equivalents - end of period	<u>\$ 275,058</u>	<u>\$ 243,911</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 574,488	\$ 696,919
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	2,095	1,164
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	672	(6,888)
(Increase) decrease in inventory	18	(13)
(Increase) decrease in other assets	152	(141)
Increase (decrease) in estimated prize claims	772	1,361
Increase (decrease) in accounts payable	(1,410)	(1,202)
Increase (decrease) in deferred revenue	-	(58,863)
Increase (decrease) in other accrued liabilities	1,486	(4,548)
Cash provided by operating activities	<u>\$ 578,273</u>	<u>\$ 627,789</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$555,325 and \$566,986 of at June 30, 2013 and 2012, 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 POSITION – Net position is presented as restricted, unrestricted and net investment 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 position are available, restricted resources are applied first.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2013 the carrying amounts of deposits (overdraft) with financial institutions were \$1,411 thousand with a bank balance (overdraft) of \$2,282 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):

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Deposits with financial institutions	\$ 1,411	\$ 477
Cash on hand at the Treasurer's Office	53,718	42,350
Investments with BTI reported as cash equivalents	<u>219,929</u>	<u>201,084</u>
	<u>\$ 275,058</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.

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NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended June 30, 2013 is as follows (in thousands):

	Historical Cost At June 30, 2012	Additions	Deletions	Historical Cost At June 30, 2013
Construction in Progress	\$ 519	\$ 30	\$ -	\$ 549
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
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 June 30, 2013
Buildings	\$ 237	\$ 952	\$ -	\$ 1,189
Improvements	260	-	-	260
Equipment	4,034	1,143	-	5,177
	<u>\$ 4,531</u>	<u>\$ 2,095</u>	<u>\$ -</u>	<u>\$ 6,626</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended June 30, 2013 and fiscal year-to-date is as follows:

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,798,414	\$ 48,688,807
Hot Lotto	571,422	5,063,704
Mega Millions	625,766	9,274,409
Total	\$ 3,995,602	\$ 63,026,920

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,399,207	\$ 24,344,477
Hot Lotto	285,711	2,531,917
Mega Millions	318,454	4,760,567
Total	\$ 2,003,372	\$ 31,636,961

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	\$45,000,000

At June 30, 2013, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 113,873,522	\$ 1,996,689
Hot Lotto	7,920,821	532,877
Mega Millions	27,968,381	468,582
Total	<u>\$ 149,762,724</u>	<u>\$ 2,998,148</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
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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 \$16,342,326 at June 30, 2013, of which the Lottery's share was \$1,674,811.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended June 30, 2013 and fiscal year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 590,421	\$ 651,171	\$ 7,293,271	\$ 8,434,745
Credits (prizes) won	(529,167)	(585,170)	(6,546,860)	(7,575,505)
Promotional credits played	(7,672)	(7,987)	(90,346)	(93,869)
MWAP Contributions	(31)	(37)	(389)	(473)
Gross terminal income	53,551	57,977	655,676	764,898
Administrative costs	(793)	-	(17,475)	(17,524)
Net Terminal Income	52,758	57,977	638,201	747,374
Less distribution to agents	(28,858)	(28,103)	(370,828)	(424,049)
Racetrack video lottery revenues	<u>\$ 23,900</u>	<u>\$ 29,874</u>	<u>\$ 267,373</u>	<u>\$ 323,325</u>

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

	June 30, 2013	Year-to-Date
State Lottery Fund	\$ 6,199	\$ 127,728
State Excess Lottery Revenue Fund	14,477	95,727
Capital Reinvestment Fund	1,291	8,555
Tourism Promotion Fund 1.375%	665	8,375
Development Office Promotion Fund .375 %	181	2,284
Research Challenge Fund .5 %	242	3,045
Capitol Renovation & Improvement Fund .6875 %	332	4,187
Parking Garage Fund .0625 %	30	381
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	483	4,091
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 23,900</u>	<u>\$ 267,373</u>

NOTE 7 - LIMITED VIDEO LOTTERY

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended June 30, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 368,972	\$ 377,140	\$ 4,728,660	\$ 4,781,734
Credits (prizes) won	(337,980)	(344,646)	(4,329,436)	(4,375,626)
Gross terminal income	\$ 30,992	\$ 32,494	\$ 399,224	\$ 406,108
Administrative costs	(620)	(650)	(7,984)	(8,122)
Gross Profit	30,372	31,844	391,240	397,986
Commissions	(15,186)	(15,922)	(195,620)	(198,993)
Municipalities and Counties	(607)	(637)	(7,825)	(7,960)
Limited video lottery revenues	<u>\$ 14,579</u>	<u>\$ 15,285</u>	<u>\$ 187,795</u>	<u>\$ 191,033</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
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NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended June 30, 2013 and fiscal year-to-date were \$14,094,609 and \$200,738,953, 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	\$ 4,933	\$ 6,212	\$ 70,259	\$ 78,121
Interest on Table Games Fund	-	-	6	5
Administrative costs	(423)	(710)	(6,022)	(8,928)
Total Available for Distribution	4,510	5,502	64,243	69,198
<u>Less Distributions:</u>				
Racetrack Purse Funds	352	444	5,018	5,580
Thoroughbred & Greyhound Development Funds	282	355	4,015	4,464
Racing Association Pension Plan	124	149	1,767	1,875
Municipalities/ Counties	1,395	1,721	19,875	21,652
Total Distributions	2,153	2,669	30,675	33,571
State Debt Reduction Fund	\$ 2,357	\$ 2,833	\$ 33,568	\$ 35,627

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended June 30, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 4,758	\$ 5,021	\$ 63,594	\$ 68,993
Credits (prizes) won	(4,350)	(4,541)	(58,154)	(63,583)
Promotional credits played	(65)	(31)	(693)	(458)
MWAP Contributions	(1)	(1)	(9)	(1)
Gross terminal income	342	448	4,738	4,951
Capital reinvestment	(16)	(21)	(223)	(233)
Modernization Fund	(3)	(4)	(43)	(45)
Administrative costs	(18)	(24)	(256)	(267)
Hotel commissions	(145)	(189)	(2,004)	(2,094)
Net terminal income	160	210	2,212	2,312
Historic Resort Hotel Fund	102	133	1,407	1,470
Human Resource Benefit Fund	58	77	805	842

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended June 30, 2013 and fiscal year-to-date were \$966,193 and \$8,168,463, 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	\$ 338	\$ 202	\$ 2,859	\$ 2,164
Administrative Costs	(43)	(26)	(368)	(278)
Total Available for Distribution	295	176	2,491	1,886
Historic Resort Hotel Fund	247	147	2,083	1,577
Human Resource Benefit Fund	48	29	408	309

WEST VIRGINIA LOTTERY
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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	\$ 102	\$ 1,407
Historic Resort Table Games	247	2,083
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	349	3,490
Municipalities/ Counties	50	488
State General Revenue Fund	223	2,234
State Debt Reduction Fund	66	663
State Tourism Promotion Fund	10	105
Total Distributions	\$ 349	\$ 3,490

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 \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of

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

funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended June 30, 2013 the Lottery made such distributions and accrued additional distributions of \$38,660,668. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. For the month ended June 30, 2013, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$523,517, \$2,356,869, and \$299,233, 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>June 30, 2013</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund:</u>		
General Revenue Fund	\$ -	\$ 14,736
 <u>State Lottery Fund:</u>		
Community and Technical College	\$ -	\$ 4,995
Bureau of Senior Services	-	42,834
Department of Education	-	30,612
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	-	10,000
School Building Authority	-	17,997
Total State Lottery Fund	<u>\$ -</u>	<u>\$ 145,018</u>

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$		\$	18,990
Higher Education Improvement Fund				15,000
General Purpose Account				65,000
Higher Education Improvement Fund				29,000
State Park Improvement Fund				5,000
School Building Authority				18,993
Refundable Credit		37		10,000
WV Racing Commission				2,000
WV Department of Health and Human Resources		24,503		24,503
WV Development Office		400		400
Excess Lottery Surplus		6,970		55,661
West Va. Infrastructure Council				46,000
Total State Excess Lottery Revenue Fund	\$	31,910	\$	290,547
Total Budgetary distributions:	\$	31,910	\$	450,301
Veterans Instant Ticket Fund	\$	77	\$	422

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$	777	\$	8,345
Development Office Promotion Fund .375%		212		2,276
Research Challenge Fund .5%		283		3,035
Capitol Renovation & Improvement Fund .6875%		389		4,173
Parking Garage Fund .0625 %		35		379
Parking Garage Fund 1 %		-		500
Cultural Facilities & Cap. Resources Fund .5%		-		1,500
Capitol Dome & Cap. Improvements Fund .5%		565		4,069
Workers Compensation Debt Reduction Fund 7%		-		11,000
Total	\$	2,261	\$	35,277
Table Games State Debt Reduction Fund	\$	2,505	\$	34,044

Historic Resort Hotel distributions:

State General Revenue Fund	\$	188	\$	2,191
State Debt Reduction Fund		55		650
Tourism Promotion Fund		9		103
Total	\$	252	\$	2,944
Total nonoperating distributions to the State of West Virginia (cash basis)	\$	37,005	\$	522,988
Accrued nonoperating distributions, beginning		(245,682)		(216,819)
Accrued nonoperating distributions, end		239,035		239,035
	\$	30,358	\$	545,204

WEST VIRGINIA LOTTERY
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NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended June 30, 2013 and June 30, 2012 approximated \$238,674 and \$422,571 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 June 30, 2013 and June 30, 2012 approximated \$1,377,991 and \$984,034 respectively.

. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2014	923
2015	232
Total	\$ 1,155

NOTE 12 – RESTRICTED NET POSITION

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, 2013 and June 30, 2012 were as follows:

	June 30, 2013	June 30, 2012
Beginning balance	\$ 1,690	\$ 2,039
Additions		
Legislative Appropriations		9,645
Deductions		
Asset acquisition	(50)	(9,994)
Surplus of excess funds		
Ending balance	\$ 1,640	\$ 1,690

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – COMMITMENTS

For the years ended June 30, 2013 and 2012 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2013 and 2012, \$2,003,028 and \$3,193,044, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending June 30, 2013 and fiscal year-to-date are as follows (in thousands):

	June 30, 2013	Year-to-Date
Lottery contributions	\$ 85	\$ 1,142
Employee contributions	27	341
Total contributions	\$ 112	\$ 1,483

NOTE 15 - RISK MANAGEMENT

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16– OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Funding Policy

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

The ARC rate is \$257 and \$961 per employee per month for the years ending June 30, 2013 and 2012 respectively. Through June 30, 2013 and 2012, the Lottery has paid premiums of \$332,615 and \$317,694. As of June 30, 2013 and 2012, the Lottery has recorded a liability of \$4,188,445 and \$4,075,581 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: August 6, 2013

Re: Status of General Revenue Fund and State Road Fund as of
July 31, 2013 (First month of fiscal year 2013-2014.)

We have reviewed the cash flow of the West Virginia general revenue fund as of July 31, 2013 which is the first month of the new fiscal year. The status of the fund collections for the month is as follows:

The net collections were 94.32% of the estimate for the fiscal year. Total collections were \$17.8 million under the estimate.

Personal Income Tax collections were \$ 28.8 million below the estimate for the fiscal year. There were \$ 18.9 million in refunds issued in July.

Consumer sales and use tax collections were \$ 784 thousand over the estimate for the year.

Severance Tax was \$ 6.7 million over the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$1.7 million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were 112.89% 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 \$484,444,602.40 as of July 31, 2013.

Balance July 1, 2013	557,992,969.15
Cash flow loan to General Revenue on July 1, 2013. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Paid back September 2013.	- 62,000,000.00
Earnings	-11,548,366.75
Balance July 31, 2013	484,444,602.40

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 348,811,176.32 as of July 31, 2013.

Balance July 1, 2013	356,472,701.67
Earnings	- 7,661,525.35
Balance July 31, 2013	348,811,176.32

The Special Income Tax Reserve Fund had a zero cash balance as of July 31, 2013.

Balance July 1, 2013	-0-
Revenues	-0-
Balance July 31, 2013	-0-

STATE ROAD FUND FY 2013-2014
 By Source and by Month
 Monthly Revenue Estimates as of
 July 31, 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	47,600,000	55,490,199	7,890,199	47,600,000	55,490,199	7,890,199
Privilege Tax	16,040,000	18,730,047	2,690,047	16,040,000	18,730,047	2,690,047
Licenses & Registration	9,877,000	8,837,390	-1,039,610	9,877,000	8,837,390	-1,039,610
Highway Litter Control	185,000	147,756	-37,244	185,000	147,756	-37,244
TOTALS	73,702,000	83,205,392	9,503,392	73,702,000	83,205,392	9,503,392

Percent of Estimates 112.89% 112.89%

Collections this day 24,411,619

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF July 1, 2013: \$557,992,969.15

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF July 1, 2013: \$356,472,701.67

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF July 1, 2013: \$0

Prepared by Legislative Auditor's Office, Budget Division

GENERAL REVENUE FUND FY 2013-2014

FINAL

By Source and by Month

Monthly Revenue Estimates

as of July 31, 2013 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	141,000,000	112,188,656	-28,811,344	141,000,000	112,188,656	-28,811,344
Consumer Sales Tax & Use Tax	105,000,000	105,784,890	784,890	105,000,000	105,784,890	784,890
Insurance Tax	24,100,000	26,815,130	2,715,130	24,100,000	26,815,130	2,715,130
Severance Tax	16,000,000	22,795,776	6,795,776	16,000,000	22,795,776	6,795,776
Business and Occupation	9,300,000	8,931,940	-368,060	9,300,000	8,931,940	-368,060
Tobacco Products Tax	9,000,000	9,859,391	859,391	9,000,000	9,859,391	859,391
Corp Income /Business Franchise	6,100,000	7,807,289	1,707,289	6,100,000	7,807,289	1,707,289
Property Transfer Tax	1,027,000	882,463	-144,537	1,027,000	882,463	-144,537
Liquor Profit Transfers	1,000,000	1,144,348	144,348	1,000,000	1,144,348	144,348
Beer Tax and Licenses	836,000	807,622	-28,378	836,000	807,622	-28,378
Departmental Collections	810,000	1,051,383	241,383	810,000	1,051,383	241,383
Interest Income	500,000	-1,215,786	-1,715,786	500,000	-1,215,786	-1,715,786
Miscellaneous Receipts	155,000	375,594	220,594	155,000	375,594	220,594
Property Tax	95,000	78,175	-16,825	95,000	78,175	-16,825
Liquor License Renewal	71,000	0	-71,000	71,000	0	-71,000
Business Fran Registration Fees	54,000	65,192	11,192	54,000	65,192	11,192
Senior Tax Credit Reimbur Lot	0	0	0	0	0	0
Miscellaneous Transfers	0	0	0	0	0	0
HB 102 - Lottery Transfers	0	0	0	0	0	0
Charter Tax	0	5,001	5,001	0	5,001	5,001
Telecommunications Tax	0	-260,588	-260,588	0	-260,588	-260,588
Video Lottery Transfers	0	52,353	52,353	0	52,353	52,353
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	315,048,000	297,168,829	-17,879,171	315,048,000	297,168,829	-17,879,171
Minus Cash Flow Transfer		0			0	
Percent of Estimates		94.32%			94.32%	
TOTALS	315,048,000	297,168,829	-17,879,171	315,048,000	297,168,829	-17,879,171
Percent of Estimates		94.32%			94.32%	
Collections this day		43,769,836				

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: August 7, 2013

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the June 30, 2013 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. June is the last month of the 2012-2013 fiscal year.

For July 1, 2012 to June 30, 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	\$357,469,698.24
Disbursements July 1, 2012 thru June 30, 2013	\$ 378,684,015.64
Balance June 30, 2013	\$ 119,461,599.36

ITEMS OF NOTE:

Regular benefits paid for July 1, 2012 - June 30, 2013 were \$46 million more than July 1, 2011 - June 30, 2012.

Federal emergency benefits totaled \$121 million for the July 1, 2012 - June 30, 2013. For July 2011 - June 30, 2012, federal emergency benefits totaled \$127 million.

Total disbursements were \$ 11 million more in July 1, 2012 -June 30, 2013 than the preceding July - June 2012.

Receipts for July - June 30, 2013 were \$ 48.7 million less than in July - June 2012. Overall ending trust fund balance was \$21 million lower on June 30, 2013 than on June 30, 2012.

Seasonally adjusted unemployment rates for June 2013 were 6.1 percent for West Virginia and 7.6 percent nationally.

Since June 2012 employment has increased by 3,100. Employment declines were as follows: 800 in construction; 300 in information; 500 in other services; and 200 in government. Employment gains were as follows: 2,600 in mining and logging; 200 in manufacturing 1,400 in leisure and hospitality; 300 in professional and business services; 300 in trade, transportation and utilities; and 100 in financial activities.

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

	APRIL 2012	MAY 2012	JUNE 2012	APRIL 2013	MAY 2013	JUNE 2013	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$76,168,989.65	\$85,531,981.75	\$154,583,262.06	\$61,846,295.84	\$81,929,612.72	\$138,559,021.60	(\$53,949,303.30)
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$30,132,488.97	\$88,327,495.01	\$1,540,732.89	\$39,896,913.54	\$72,393,286.83	\$1,219,017.47	(\$6,491,549.03)
3. Federal Emergency Benefits (EUC09)	\$10,192,804.50	\$9,764,187.07	\$8,955,272.58	\$11,556,624.98	\$9,311,262.72	\$8,703,564.76	\$659,208.31
4. Federal Share Extended Benefits (EB)	\$1,563,035.19	\$1,290,291.41	\$726,987.49	\$0.00	\$25.00	\$424.00	(\$3,599,865.09)
5. Temp Federal Additional Comp (FAC)	\$909.89	\$38.96	\$225.00	\$0.00	\$63.96	\$187.98	(\$921.91)
6. UCFE (Federal Agencies)	\$176,924.63	\$162,000.88	\$124,610.65	\$108,666.79	\$113,301.40	\$124,806.13	(\$116,761.84)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Read 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	\$875,478.44	\$0.00	\$0.00	\$681,562.51	(\$193,916.93)
11. UCX (Military Agencies)	\$487,316.61	\$456,528.29	\$374,581.38	\$378,613.39	\$299,632.93	\$251,903.25	(\$388,276.71)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CNIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	\$42,573,479.79	\$100,000,541.62	\$12,597,888.43	\$51,940,818.70	\$82,117,542.84	\$10,981,466.10	(\$10,132,082.20)
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$20,118,800.27	\$19,758,836.50	\$16,173,940.72	\$21,098,750.52	\$15,621,657.67	\$19,623,212.57	\$292,043.27
Federal Emergency Benefits (EUC09)	\$10,737,515.47	\$9,270,683.09	\$8,910,728.27	\$10,281,105.01	\$9,215,311.79	\$9,907,130.36	\$484,610.33
Federal Share Extended Benefits (EB)	\$1,693,437.89	\$1,190,899.85	\$693,308.15	(\$1,574.00)	(\$3,308.00)	(\$594.00)	(\$3,583,121.89)
Emergency Benefits (TEUC)	(\$537.00)	(\$2,733.00)	(\$1,122.00)	(\$386.00)	(\$130.00)	(\$30.00)	\$3,836.00
Temp Federal Additional Comp (FAC)	\$871.89	\$38.96	\$225.00	(\$33.00)	\$63.96	\$187.98	(\$916.91)
UCFE (Federal Agencies) Benefits	\$159,789.03	\$124,463.15	\$112,983.93	\$88,813.26	\$112,099.84	\$142,242.14	(\$44,080.87)
UCX (Military Workfare) Benefits	\$476,604.80	\$379,010.79	\$355,671.20	\$353,064.95	\$294,458.53	\$282,285.86	(\$282,477.45)
Read Act Funds	\$0.00	\$83,474.13	\$500.00	\$0.00	\$141,000.00	\$40,000.00	\$127,025.87
Special Administrative Transfer**	\$24,005.34	\$174,577.84	\$257,998.45	\$27,771.08	\$106,980.17	\$84,453.43	(\$237,376.96)
Total Monthly Disbursements	\$33,210,487.69	\$30,949,261.31	\$26,505,233.73	\$31,857,501.82	\$25,488,133.95	\$30,078,888.34	(\$3,240,458.61)
Trust Fund Balance	\$85,531,981.75	\$154,583,262.06	\$140,675,916.76	\$61,929,612.72	\$138,559,021.60	\$119,461,599.36	(\$40,840,926.89)

* 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 \$2,289,759 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

August 6, 2013

Month	Revenues	Benefits	Trust Fund Balance
<u>2012</u>			
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
Totals - 2012	240,080,000	238,717,000	107,165,000
<u>2013</u>			
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	72,251,000	15,621,000	138,559,000
June	1,900,000	20,948,000	119,511,000
July	22,957,000	17,341,000	125,127,000
August	31,491,000	18,698,000	137,920,000
September	1,087,000	16,857,000	122,150,000
October	18,451,000	19,021,000	121,580,000
November	17,387,000	18,251,000	120,716,000
December	1,128,000	23,855,000	97,989,000
Totals - 2013	235,307,000	244,483,000	97,989,000

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 7.1%.

Executive Division
112 California Avenue
Charleston, WV 25305

An agency of the Department of Commerce

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

www.workforcewv.org



Financial Statements

May 2013

West Virginia Legislative Interims
August 2013

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

(\$ 000's)						
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
ADDITIONS						
Employer Premiums:						
\$ 2,964	\$ 2,936	\$ 2,982	\$ 28	0.9%	\$ (18)	-0.6%
124,410	123,849	115,914	561	0.5%	8,496	7.3%
336	-	958	336	0.0%	(622)	-64.9%
127,710	126,785	119,853	925	0.7%	7,856	6.6%
Member Premiums:						
68,994	69,443	64,369	(449)	-0.6%	4,625	7.2%
25,273	24,651	23,651	622	2.5%	1,622	6.9%
19,934	19,540	15,642	394	2.0%	4,292	27.4%
114,201	113,634	103,662	567	0.5%	10,539	10.2%
241,911	240,419	223,516	1,492	0.6%	18,395	8.2%
Other Additions:						
1,000	1,375	1,038	(375)	-27.3%	(38)	-3.7%
3,587	3,575	-	12	0.3%	3,587	0.0%
63,073	28,877	(1,512)	34,196	118.4%	64,585	4271.7%
309,571	274,246	223,042	35,325	12.9%	86,529	38.8%
DEDUCTIONS						
101,515	120,744	46,189	19,229	15.9%	(55,327)	-119.8%
20,033	19,540	15,715	(493)	-2.5%	(4,317)	-27.5%
57,403	73,204	55,671	15,802	21.6%	(1,732)	-3.1%
23,231	28,484	98,787	5,253	18.4%	75,556	76.5%
46	-	-	(46)	0.0%	(46)	0.0%
1,672	9,028	8,123	7,356	81.5%	6,451	79.4%
2,707	3,024	3,231	316	10.5%	524	16.2%
206,606	254,024	227,716	47,417	18.7%	21,109	9.3%
102,965	20,223	(4,674)	82,742	409.2%	107,638	2303.0%
Net Assets Held in Trust for Post Employment Benefits						
492,779	492,779	472,079	-	0.0%	20,700	4.4%
\$ 595,743	\$ 513,001	\$ 467,405	\$ 82,742	16.1%	\$ 128,338	27.5%

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

DRAFT

	June 30	
	2013	2012
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 19,723	\$ 25,568
Advance Deposit with Carrier/Trustee	201,538	200,949
Receivables - Net	4,560	953
Prepaid Insurance	7	22
Total Short Term Assets	225,828	227,492
Long Term Assets		
Investments	139,875	138,146
Total Long Term Assets	139,875	138,146
TOTAL ASSETS	365,703	365,638
LIABILITIES		
Short Term Liabilities		
Accounts payable	230	221
Claims Payable	-	8
OPEB Liability	374	182
Agents Commissions Payable	860	1,174
Unearned Revenue	6,307	5,494
Current Estimated Claim Reserve	51,359	49,438
Total Short Term Liabilities	59,130	56,517
Long Term Liabilities		
Compensated Absences	67	75
Estimated Noncurrent Claim Reserve	92,210	84,157
Total Long Term Liabilities	92,277	84,232
TOTAL LIABILITIES	151,407	140,749
Prior Year Net Assets		
Restricted - HB601 and Mine Subsidence	45,599	43,061
Unrestricted	175,916	176,767
Total Prior Year Net Assets	221,515	219,828
Current Year Earnings (Deficiency)		
Restricted - HB601 and Mine Subsidence	11,274	3,175
Unrestricted	(18,493)	1,886
Total Current Year Earnings (Deficiency)	(7,219)	5,061
Total Net Assets		
Restricted - HB601 and Mine Subsidence	56,873	46,236
Unrestricted	157,423	178,653
TOTAL NET ASSETS	214,296	224,889
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 365,703	\$ 365,638

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	June 30	
	2013	2012
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 47,266	\$ 51,045
Less - Excess Insurance	(5,825)	(5,386)
Total Operating Revenues	41,441	45,659
Operating Expenses		
Claims Expense	46,285	45,053
Property & MS Claims Expense	6,841	4,992
Personal Services	1,306	1,379
General & Administrative Expense	1,977	2,471
Total Operating Expenses	56,409	53,895
Operating Income (Loss)	(14,968)	(8,236)
Nonoperating Revenues		
Investment Income	7,749	13,297
Total Nonoperating Revenues	7,749	13,297
Net Income (Loss)	\$ (7,219)	\$ 5,061

DRAFT - Unaudited - Management Purposes Only

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
BOARD OF RISK AND INSURANCE MANAGEMENT



90 MACCORKLE AVENUE SW, Suite 203
SOUTH CHARLESTON, WV 25303

(304) 766-2646 ADMINISTRATION
(304) 744-7120 FAX
(800) 345-4669 TOLL FREE WV
www.state.wv.us/brim

Earl Ray Tomblin
Governor

Ross Taylor
Cabinet Secretary

Charles E. Jones, Jr.
Executive Director
charles.e.jones@wv.gov

August 2, 2013

The Honorable Tim Miley
Speaker of the House of Delegates
State of West Virginia
Room 228M, Building 1
State Capitol Complex
Charleston, West Virginia 25305

The Honorable Jeffrey V. Kessler
President of the Senate
State of West Virginia
Room 227M, Building 1
State Capitol Complex
Charleston, West Virginia 25305

Reference: Patient Injury Compensation Fund

Gentlemen:

In accordance with a request for additional information on the Patient Injury Compensation Fund (PICF) during the July 24, 2013 Joint Committee on Government and Finance interim meeting, I submit the following for your review.

The West Virginia Legislature created the West Virginia PICF in 2004 for the purpose of providing fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of limitations on economic damage awards for trauma care, or as a result of the operation of the joint and several liability principles and standards, set forth in article seven-b [§§ 55-7B-1], chapter fifty-five of [the West Virginia] code. W.Va. Code §29-12D-1(a) The PICF shall be administered by the Board of Risk and Insurance Management (BRIM). W.Va. Code §29-12D-2

Any qualified claimant seeking payment from the fund must establish to the satisfaction of the board [BRIM] that he or she has exhausted all reasonable means to recover from all applicable liability insurance an award of economic damages, following procedures prescribed by the board by legislative rule. W.Va. Code §29-12D-3(c) The economic damages must have been awarded but be uncollectible after the exhaustion of all reasonable means of recovery of applicable insurance proceeds. W.Va. Code §29-12D-3(d)

In its discretion, the board may make a payment or payments out of the fund to a qualified claimant in connection with the settlement of claims arising under article seven-b [§§ 55-7B-1 et seq.] chapter fifty-five of [the West Virginia] code, all according to rules promulgated by the board. W.Va. Code §29-12D-3(f) The agency [BRIM] may, but is not required to, consider, approve or disapprove any settlement petition. W.Va. Code of State Rules (CSR) §115-7-8.2

The fund shall be operated as a fund of last resort. Payment by the fund to a qualified claimant for uncollectible economic damages may be made only when all insurance coverages have been exhausted. W. Va. CSR §115-7-4 Funding for the PICF was provided for through W.Va. Code §29-12D-1(b).

Initial funding for the fund shall be provided as follows: During fiscal year two thousand five, two million two hundred thousand dollars of the revenues that would otherwise be transferred to the tobacco account established in subsection (b), section two, article eleven-a, chapter four of this code pursuant to the provisions of section fourteen, article three, chapter thirty-three of this code shall be transferred to the fund; during fiscal year two thousand six, two million two hundred thousand dollars of the revenues that would otherwise be transferred to the tobacco account established in subsection (b), section two, article eleven-a, chapter four of this code pursuant to the provisions of section fourteen, article three, chapter thirty-three of this code, shall be transferred to the fund; and during fiscal year two thousand seven, two million two hundred thousand dollars of the revenues that would otherwise be transferred to the tobacco account established in subsection (b), section two, article eleven-a, chapter four of this code pursuant to the provisions of section fourteen, article three, chapter thirty-three of this code shall be transferred to the fund. Beginning fiscal year two thousand eight, if and to the extent additional funding for the fund is required from time to time to maintain the actuarial soundness of the fund, the additional funding may be provided by further act of the Legislature, either from the revenue stream identified in this subsection or otherwise. Payments to the tobacco fund shall be extended until the tobacco fund is repaid in full.

In actuality, funding for the PICF amounted to a total of \$4,914,412.01 which consisted of payments of \$1,667,000, \$1,667,000, and \$1,580,412.01 in fiscal years 2005, 2006, and 2007, respectively.

At the present time, there are five outstanding claims being addressed by BRIM; four for the fiscal year running from July 1, 2012 to June 30, 2013, and one for the fiscal year running from July 1, 2013 to June 30, 2014. It is clear that

the balance remaining in the Patient Injury Compensation Fund is insufficient to fully satisfy the awards which are and will be made with regard to the five aforementioned claims. W.V. CSR §§ 115-7-6.4 and 6.5 address what is to be done in such circumstances:

6.4 If, after the payment of all expenses incurred for the administration of the fund during the fiscal year, the available cash and invested assets remaining in the fund are insufficient to pay in full all claims for uncollectible economic damages that have become final during the fiscal year, the amount paid to each qualified claimant shall be prorated in a manner so that each qualified claimant with a final claim receives the same percentage of compensation as his or her amount of approved and outstanding compensation at the end of the fiscal year relates to the total amount of all approved and outstanding compensation at the end of the fiscal year.

6.5 Any uncollectible economic damages unpaid to qualified claimants after the proration, shall be carried forward to the next fiscal year as a final claim. Unpaid claims are not a debt of the state of West Virginia or a charge against the general revenue fund, and payments in future years shall be entirely dependent on the contributions, revenues or moneys paid into the fund by the state or from any other source.

BRIM is in the process of reconciling final expenses for FY 2013. Upon reconciliation of those final expenses which are anticipated to approximate \$40,000, the PICF as of June 30, 2013 will have a balance of approximately \$3,454,611.06.

Attached is a summary of all PICF deposits and disbursements as of June 30, 2013. Included in the summary are the projected disbursements (claim payments) for the five pending claims. As is illustrated in the PICF summary, for the four FY 2013 claims, the projected payment is \$3,651,159.10 which exceeds the June 30, 2013 PICF fund balance. Additionally, the FY 2014 claim has a projected potential payment of \$943,912.85 which further adds to the deficiency. In conclusion, the PICF does not have enough funds to fully pay the FY 2013 claims, or any funds to pay any part of the FY 2014 claim. The estimated shortfall is \$1,140,460.89.

I sincerely hope this communication is responsive to the inquiries of the Committee. Should there be any questions, I am available to provide additional information.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "C. E. Jones, Jr.", with a stylized flourish at the end.

Charles E. Jones, Jr.
Executive Director

CEJ:lld

c: Ross Taylor, Cabinet Secretary,
Department of Administration
Robert Fisher, BRIM Deputy Director/Claim
Manager
Steve Schumacher, CPA, BRIM CFO
BRIM Board

Attachment

PICF Summary (Actual Thru 6-30-13):

Type of Activity	Description	Amount
Funding of PICF	Statutory transfers per 33-14 (A) (B); 33-3-14A, 29-12 D-1 and 11B22 0 (F) in FY05, '06 & '07	4,914,412.01
Interest Income	Interest earned on funds invested with the BTI since inception of fund	535,190.13
Claims Payments	Four separate claims paid. One each in FY'10, '11, '12 & '13	(1,904,579.67)
Contractual and Professional	Legal (\$39,398.26) and actuarial services (\$6,816.25) paid since inception of fund	(50,411.41)
		<u>3,494,611.06</u>

PICF Activity (Including Projected Thru FY'14):

Fiscal Year	Doc ID	Type of Activity	Description	Amount
2005	E588396	Funds Transferred - 6/1/05	STATUTORY TRANSFER PER 33-14 (A) (B); 33-3-14A AND 29-12 D-1	1,667,000.00
2006	E647118	Funds Transferred - 5/26/05	STATUTORY TRANSFER PER 33-14 (A) (B); 33-3-14A AND 29-12 D-1	1,667,000.00
2006	Various	Monthly Earnings - FY'06	Interest Earned on Funds	62,466.84
2006	(See below)	Fund Disbursements	(See detail below)	(6,816.25)
2007	E647118	Funds Transferred - 6/19/06	STATUTORY TRANSFER PER 33-14 (A) (B); 33-3-14A AND 11B22 0 (F)	1,580,412.01
2007	Various	Monthly Earnings - FY'07	Interest Earned on Funds	178,855.65
2008	Various	Monthly Earnings - FY'08	Interest Earned on Funds	207,436.20
2009	Various	Monthly Earnings - FY'09	Interest Earned on Funds	63,044.38
2010	Various	Monthly Earnings - FY'10	Interest Earned on Funds	6,898.58
2010	(See below)	Fund Disbursements	(See detail below)	(903,025.75)
2011	Various	Monthly Earnings - FY'11	Interest Earned on Funds	7,746.97
2011	(See below)	Fund Disbursements	(See detail below)	(498,762.51)
2012	Various	Monthly Earnings - FY'12	Interest Earned on Funds	4,115.06
2012	(See below)	Fund Disbursements	(See detail below)	(263,176.86)
2013	Various	Monthly Earnings - FY'13	Interest Earned on Funds	4,626.45
2013	(See below)	Fund Disbursements	(See detail below)	(283,209.71)
			Fund Balance Available 6-30-13	<u>3,494,611.06</u>

Projected FY'14:

2014	Projected	Claim Payment - Ralph Camp Estate (claim filed in FY 2013)	809,905.10
2014	Projected	Claim Payment - Timothy Umberger (claim filed in FY 2013)	1,000,000.00
2014	Projected	Claim Payment - Lora McCarty Estate (claim filed in FY 2013)	841,254.00
2014	Projected	Claim Payment - Nathan Brown (claim filed in FY 2013)	1,000,000.00
2014	Projected	Claim Payment - Debra Terry (claim filed in FY 2014)	943,912.85
2014	Projected	Estimated legal & other expenses	40,000.00
		Projected FY'14 Payments	<u>4,635,071.95</u>

Current FY'14 Estimated Shortfall (1,140,460.89)

PICF Disbursements:

Date	Doc ID	Payee	Description	Warrant #	Amount
12/8/2005	I007167646	ADVANCED RISK MANAGEMENT TECHNIK	IH-RIM070205 WV CODE 29-12-8 PROF SERVICES FOR PATIENT COMPENSATION FUND	1001250606	(6,816.25)
			Total FY'06		<u>(6,816.25)</u>
11/24/2009	I010235761	JANET JENNER & SUGGS LLC	SIZEMORE PATIENT INJURY COMPENSATION FUND CIVIL ACTION NO:07-C-728	1007648715	(900,000.00)
1/7/2010	I010302466	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1007777626	(2,836.75)
2/8/2010	I010392617	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 ATTORNEY SERVICES	1007931685	(40.50)
3/26/2010	I010720876	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1008188442	(27.00)
3/11/2010	I010654149	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1008106333	(121.50)
			Total FY'10		<u>(903,025.75)</u>
8/11/2010	I011198945	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICE	1008715033	(2,249.23)
9/8/2010	I011238911	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICE	1008802375	(992.00)
11/9/2010	I011336933	PULLIN FOWLER FLANAGAN BROWN & P	IH-050109-2 WV CODE 29-12 LEGAL SERVICES	1009080227	(217.00)
11/9/2010	I011336940	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1009080227	(294.50)
12/27/2010	I011418073	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1009241035	(4,359.30)
2/28/2011	I011692420	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109 WV CODE 29-12-8 LEGAL SERVICES	1009534109	(480.50)
2/8/2011	I011603296	DRUCKMAN WILLIAM S AS ATTORNEY FC	PATIENT INJURY COMPENSATION FUND ESTATE OF ANNA GOLDSMITH	1009413318	(470,000.00)
4/25/2011	I012000517	BAILEY & WYANT PLLC	IN-RIM033009-2 WV CODE 29-12-8 LEGAL SERVICE	1009809234	(20,169.98)
			Total FY'11		<u>(498,762.51)</u>
7/26/2011	I012325894	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109-2	1010134148	(695.50)
11/17/2011	I012580214	PAULEY CURRY PLLC AS ATTY FOR REBI	PICF CLAIM ESTATE OF SHAYLA JOI MULLINS	1010506656	(261,726.36)
11/3/2011	I012530600	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109-3 WV CODE 29-12-8 LEGAL SERVICES	1010454355	(93.00)
1/24/2012	I012663422	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM050109-3 WV CODE 29		(662.00)
			Total FY'12		<u>(263,176.86)</u>
12/4/2012	I013755109	BAILEY & WYANT PLLC	IN-RIM123009 WV CODE 29-12-8 LEGAL SERVICES	1011880383	(1,764.60)
12/4/2012	I013755110	BAILEY & WYANT PLLC	IN-RIM123009	1011880383	(2,785.30)
2/7/2013	I013872572	BAILEY & WYANT PLLC	IH-RIM123009 WV CODE 29-12-8 LEGAL SERVICES	1012089951	(1,439.60)
3/14/2013	I014197839	PAULEY CURRY PLLC	PICF CLAIM FOR DONNA BECKETT ADMINISTRATRIX	1012275704	(272,853.31)
4/23/2013	I014422628	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM120109 WV CODE 29-12-8 LEGAL FEES	1012459917	(170.00)
5/7/2013	I014487777	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM120109 WV CODE 29-12-8 LEGAL SERVICES	1012510699	(651.00)
5/29/2013	I014557293	PULLIN FOWLER FLANAGAN BROWN & P	IH-RIM120109 WV CODE 29-12-8 LEGAL SERVICES	1012595492	(34.00)
6/21/2013	I014622512	BAILEY & WYANT PLLC	IH-RIM123009 WV CODE 29-12-8 LEGAL SERVICE	1012667025	(1,141.80)
6/21/2013	I014622517	BAILEY & WYANT PLLC	IH-RIM123009 WV CODE 29-12-8 LEGAL SERVICES	1012667025	(1,314.80)
6/21/2013	I014622523	BAILEY & WYANT PLLC	IH-RIM123009 WV CODE 29-12-8 LEGAL SERVICES	1012667025	(1,055.30)
			Total FY'13		<u>(283,209.71)</u>
			Total Disbursements		<u>(1,954,991.08)</u>

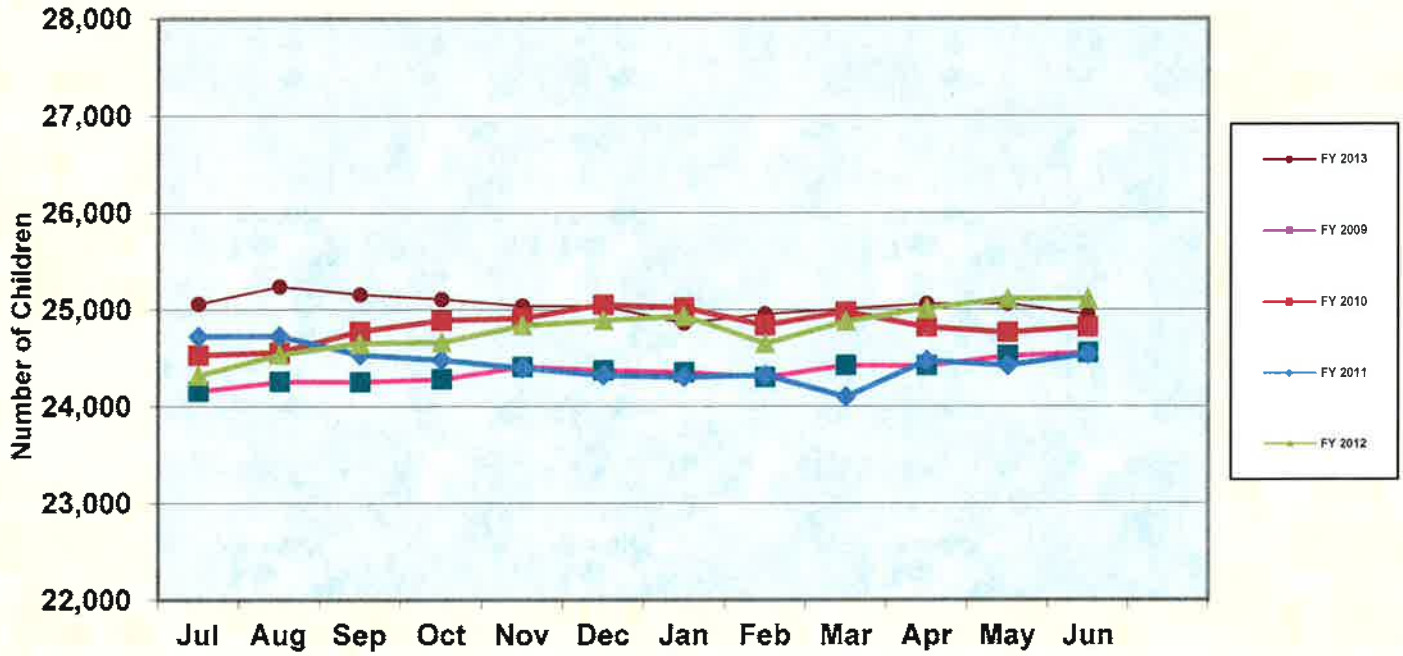


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

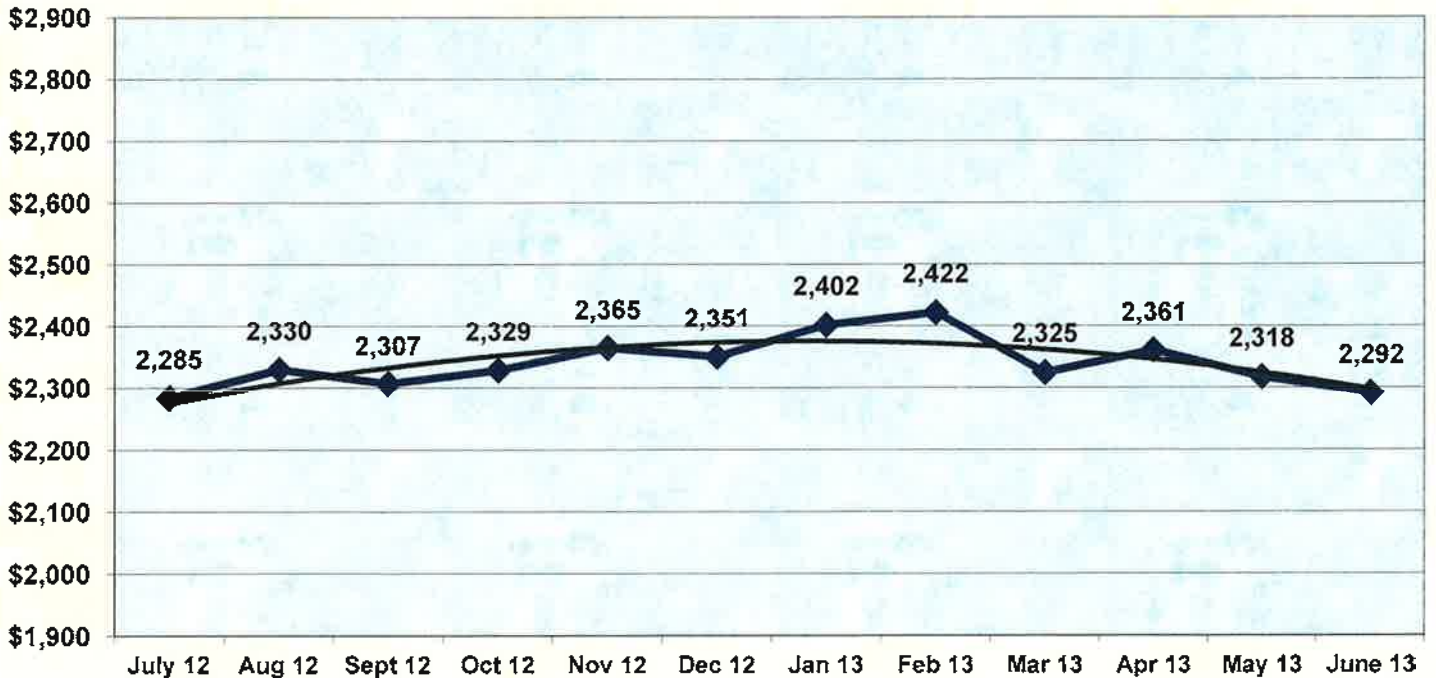
August 2013

WV CHIP Enrollment



June 30th Enrollment 24,950

Annualized Health Care Expenditures (Cost per Child)



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

	June 30, 2013	June 30, 2012	Variance	
Assets:				
Cash & Cash Equivalents	\$14,321,126	\$13,698,457	\$622,669	5%
Due From Federal Government	\$3,865,594	\$3,946,228	(\$80,634)	-2%
Due From Other Funds	\$940,566	\$728,597	\$211,969	29%
Accrued Interest Receivable	\$6,823	\$10,149	(\$3,326)	-33%
Fixed Assets, at Historical Cost	<u>\$95,744</u>	<u>\$94,332</u>	<u>\$1,412</u>	<u>1%</u>
Total Assets	<u>\$19,229,853</u>	<u>\$18,477,763</u>	<u>\$752,090</u>	<u>4%</u>
Liabilities:				
Accounts Payable	\$186,160	\$198,370	(\$12,210)	-6%
Deferred Revenue	\$1,417,439	\$1,330,608	\$86,831	7%
Unpaid Insurance Claims Liability	<u>\$4,620,000</u>	<u>\$3,602,347</u>	<u>\$1,017,653</u>	<u>28%</u>
Total Liabilities	<u>\$6,223,599</u>	<u>\$5,131,325</u>	<u>\$1,092,274</u>	<u>21%</u>
Fund Equity	<u>\$13,006,254</u>	<u>\$13,346,439</u>	<u>(\$340,184)</u>	<u>-3%</u>
Total Liabilities and Fund Equity	<u>\$19,229,853</u>	<u>\$18,477,763</u>	<u>\$752,090</u>	<u>4%</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 Twelve Months Ending June 30, 2013 and June 30, 2012
(Modified Accrual Basis)

	June 30, 2013	June 30, 2012	Variance	
Revenues				
Federal Grants	46,989,642	45,410,962	1,578,680	3%
State Appropriations	10,925,578	10,925,514	64	0%
Premium Revenues	862,043	738,516	123,527	17%
Investment Income:				
Investment Earnings	<u>78,432</u>	<u>128,890</u>	<u>(50,458)</u>	<u>-39%</u>
Total Revenues	<u>58,855,695</u>	<u>57,203,882</u>	<u>1,651,813</u>	<u>3%</u>
Expenditures:				
Claims:				
Outpatient Services	14,870,460	14,585,881	284,579	2%
Physicians & Surgical	12,071,051	10,738,855	1,332,196	12%
Prescribed Drugs	9,634,700	10,584,175	(949,475)	-9%
Dental	8,367,388	7,825,136	542,252	7%
Inpatient Hospital Services	4,123,018	4,725,123	(602,105)	-13%
Outpatient Mental Health	1,614,619	1,550,096	64,523	4%
Durable & Disposable Med. Equip.	1,182,125	1,345,606	(163,481)	-12%
Inpatient Mental Health	994,456	938,927	55,529	6%
Vision	823,403	806,448	16,955	2%
Therapy	741,955	650,288	91,667	14%
Medical Transportation	425,863	468,565	(42,702)	-9%
Other Services	143,110	170,702	(27,592)	-16%
Less: Collections**	<u>(439,783)</u>	<u>(650,537)</u>	<u>210,755</u>	<u>-32%</u>
Total Claims	<u>54,552,365</u>	<u>53,739,265</u>	<u>813,101</u>	<u>2%</u>
General and Admin Expenses:				
Salaries and Benefits	562,452	497,454	64,998	13%
Program Administration	2,562,568	1,872,099	690,469	37%
Eligibility	392,340	387,310	5,030	1%
Outreach & Health Promotion	982,223	1,044,839	(62,616)	-6%
Current	<u>160,013</u>	<u>228,851</u>	<u>(68,838)</u>	<u>-30%</u>
Total Administrative	<u>4,659,596</u>	<u>4,030,553</u>	<u>629,043</u>	<u>16%</u>
Total Expenditures	<u>59,211,961</u>	<u>57,769,818</u>	<u>1,442,144</u>	<u>2%</u>
Excess of Revenues				
Over (Under) Expenditures	(356,266)	(565,935)	209,669	-37%
Unrealized Gain(loss) On Investments*	16,081	(25,770)	41,851	-162%
Fund Equity, Beginning	<u>13,346,439</u>	<u>13,938,145</u>	<u>(591,705)</u>	<u>-4%</u>
Fund Equity, Ending	<u>13,006,254</u>	<u>13,346,439</u>	<u>(340,185)</u>	<u>-3%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2013
 For the Twelve Months Ended June 30, 2013

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*	Monthly Budgeted Amt	Actual Amt Jun-13	Actual Amt May-13	Actual Amt Apr-13
Projected Cost	\$58,620,048	\$58,620,048	\$55,932,811	\$2,687,237	\$4,885,004	\$4,025,776	\$5,222,950	\$5,379,857
Premiums	1,166,599	1,166,599	\$862,043	(\$304,556)	97,217	68,764	71,981	75,372
Subrogation & Rebates	575,990	575,990	\$439,783	(136,207)	47,999	62,749	12,867	0
Net Benefit Cost	56,877,459	56,877,459	\$54,630,985	\$2,246,474	4,783,787	3,894,263	5,138,102	5,304,485
Salaries & Benefits	\$580,500	\$580,500	\$562,452	\$18,048	\$48,375	\$50,169	\$47,879	\$45,993
Program Administration	4,223,273	4,223,273	\$2,570,101	1,653,172	351,939	237,982	185,456	241,632
Eligibility	420,000	420,000	\$396,541	23,459	35,000	105,234	2,125	93,718
Outreach & Health Prom.	1,000,000	1,000,000	\$976,615	23,385	83,333	0	195,994	29,462
Current Expense	250,000	250,000	\$166,097	83,903	20,833	14,865	18,001	10,147
Total Admin Cost	\$6,473,773	\$6,473,773	\$4,671,806	\$1,801,967	\$539,481	\$408,250	\$449,455	\$420,952
Total Program Cost	\$63,351,232	\$63,351,232	\$59,302,791	\$4,048,441	\$5,323,269	\$4,302,513	\$5,587,557	\$5,725,437
Federal Share 80.43%	51,206,801	51,206,801	\$47,754,567	3,452,234	4,302,798	3,460,511	4,494,072	4,604,969
State Share 19.57%	12,144,431	12,144,431	\$11,548,223	596,208	1,020,471	842,002	1,093,485	1,120,468
Total Program Cost **	\$63,351,232	\$63,351,232	\$59,302,791	\$4,048,441	\$5,323,269	\$4,302,513	\$5,587,557	\$5,725,437

* 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%.

WVCHIP Enrollment Report

ATTACHMENT 1

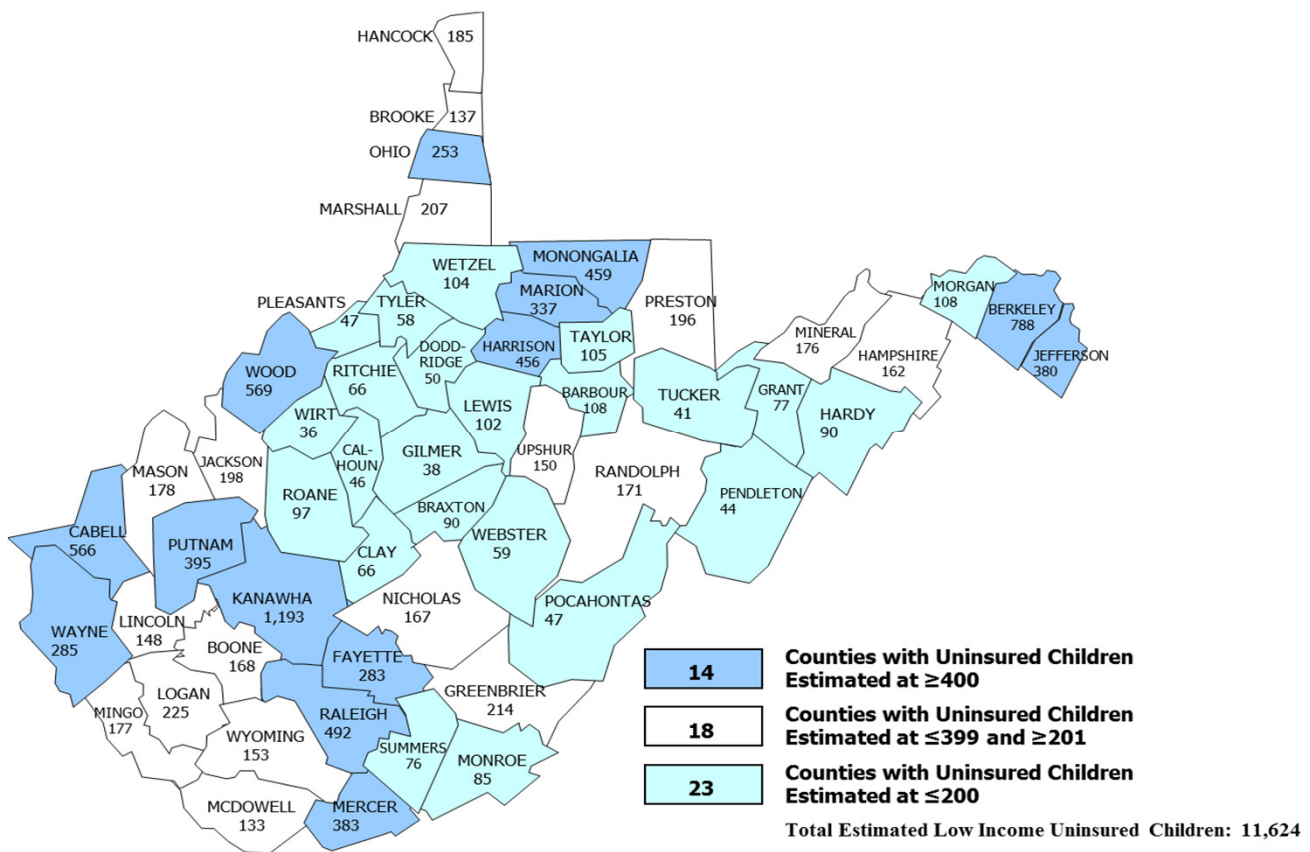
July 2013

County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment Jul-13	Enrollment Jul-13	CHIP/Medicaid Enrollment	Enrollment % of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	268	1,495	1,763	49.0%	108	33
Berkeley	26,251	1,405	8,395	9,800	37.3%	788	2
Boone	5,615	321	2,501	2,822	50.3%	168	25
Braxton	3,006	220	1,447	1,667	55.5%	90	40
Brooke	4,573	273	1,517	1,790	39.1%	137	31
Cabell	18,879	990	7,985	8,975	47.5%	566	4
Calhoun	1,518	132	740	872	57.5%	46	51
Clay	2,215	195	1,354	1,549	69.9%	66	44
Doddridge	1,673	144	595	739	44.2%	50	48
Fayette	9,438	768	4,400	5,168	54.8%	283	13
Gilmer	1,260	74	517	591	46.9%	38	54
Grant	2,555	200	889	1,089	42.6%	77	42
Greenbrier	7,131	594	2,859	3,453	48.4%	214	16
Hampshire	5,392	278	2,002	2,280	42.3%	162	27
Hancock	6,166	375	2,341	2,716	44.0%	185	20
Hardy	3,015	191	1,246	1,437	47.7%	90	39
Harrison	15,202	934	5,415	6,349	41.8%	456	7
Jackson	6,602	441	2,669	3,110	47.1%	198	18
Jefferson	12,679	569	3,128	3,697	29.2%	380	10
Kanawha	39,771	2,376	16,762	19,138	48.1%	1,193	1
Lewis	3,389	238	1,570	1,808	53.3%	102	37
Lincoln	4,930	371	2,661	3,032	61.5%	148	30
Logan	7,496	501	3,728	4,229	56.4%	225	15
Marion	11,227	697	4,275	4,972	44.3%	337	11
Marshall	6,886	354	2,687	3,041	44.2%	207	17
Mason	5,929	279	2,630	2,909	49.1%	178	21
McDowell	4,423	279	3,072	3,351	75.8%	133	32
Mercer	12,764	1,093	6,683	7,776	60.9%	383	9
Mineral	5,868	288	1,919	2,207	37.6%	176	23
Mingo	5,905	385	3,130	3,515	59.5%	177	22
Monongalia	15,294	784	4,385	5,169	33.8%	459	6
Monroe	2,835	225	1,022	1,247	44.0%	85	41
Morgan	3,596	258	1,365	1,623	45.1%	108	34
Nicholas	5,561	400	2,448	2,848	51.2%	167	26
Ohio	8,444	494	2,874	3,368	39.9%	253	14
Pendleton	1,462	121	502	623	42.6%	44	52
Pleasants	1,551	122	535	657	42.3%	47	50
Pocahontas	1,561	149	678	827	53.0%	47	49
Preston	6,536	457	2,389	2,846	43.5%	196	19
Putnam	13,150	802	3,444	4,246	32.3%	395	8
Raleigh	16,403	1,262	7,503	8,765	53.4%	492	5
Randolph	5,705	515	2,494	3,009	52.7%	171	24
Ritchie	2,205	126	920	1,046	47.4%	66	45
Roane	3,239	317	1,631	1,948	60.1%	97	38
Summers	2,521	188	1,245	1,433	56.8%	76	43
Taylor	3,514	224	1,277	1,501	42.7%	105	35
Tucker	1,371	137	462	599	43.7%	41	53
Tyler	1,924	103	749	852	44.3%	58	47

WVCHIP Enrollment Report

July 2013

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-13	Total Medicaid Enrollment Jul-13	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Upshur	4,996	395	2,367	2,762	55.3%	150	29
Wayne	9,516	509	4,109	4,618	48.5%	285	12
Webster	1,977	154	1,133	1,287	65.1%	59	46
Wetzel	3,466	232	1,499	1,731	49.9%	104	36
Wirt	1,201	85	650	735	61.2%	36	55
Wood	18,956	1,138	8,174	9,312	49.1%	569	3
Wyoming	5,116	419	2,445	2,864	56.0%	153	28
Totals	387,459	24,849	156,912	181,761	46.9%	11,624	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 3%. It should be noted that even this three percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 3% uninsured estimate as a target number for outreach.

Department of Administration Real Estate Division Leasing Report

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

There were a total of 22 leasing changes for the period of July 1, 2013 through July 31, 2013 and they are as follows:

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

Department of Administration Real Estate Division Leasing Report
For the period of July 1, 2013 through July 31, 2013

NEW CONTRACT OF LEASE – DOA OWNED

DIVISION OF REHABILITATION SERVICES

DRS-120 New Contract of Lease for 3 years consisting of 4,285 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$51,420.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

GENERAL SERVICES DIVISION

GSD-007 New Contract of Lease for 3 years consisting of 459 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$5,508.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-034 New Contract of Lease for 3 years consisting of 6,842 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$82,104.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

STATE TAX DEPARTMENT

TAX-057 New Contract of Lease for 3 years consisting of 375 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$4,500.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

OFFICES OF THE INSURANCE COMMISSION

INS-032 New Contract of Lease for 3 years consisting of 878 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$10,536.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

SOUTH WESTERN WEST VIRGINIA REGION 2 WORKFORCE INVESTMENT BOARD, INC.

WB2-005 New Contract of Lease for 3 years consisting of 948 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$11,376, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-226 New Contract of Lease for 3 years consisting of 30,200 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$362,400.00, full service, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

NEW CONTRACT OF LEASE

WORKFORCE WEST VIRGINIA

WWV-033 New Contract of Lease for 10 years consisting of 3,000 square feet of office space at the annual per square foot rate of \$16.25, annual cost \$48,750.00, 151 Robert C. Byrd Industrial Park Drive, in the City of Moorefield, Hardy County, West Virginia.

WWV-035 New Contract of Lease for 5 years consisting of 2,640 square feet of storage space at the annual per square foot rate of \$5.00, annual cost \$13,200.00, full service, 1339 B Lewis Street, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL – DOA OWNED

OFFICES OF THE INSURANCE COMMISSIONER

INS-021 Renewal for 3 years consisting of 853 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$11,089.00, full service, 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF FORESTRY

FOR-062 Renewal for 1 year consisting of 550 square feet of office space at the current annual per square foot rate of \$4.58, annual cost \$2,519.00, 110 Main Street, in the City of Webster Springs, Webster County, West Virginia.

FOR-066 Renewal for 3 years consisting of 364 square feet of office space at the current monthly rate of \$225.00, annual cost \$2,700.00, full service, 116 East Main Street, in the City of Harrisville, Ritchie County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-070 Renewal for 5 years consisting of tower monitoring at the current monthly rate of \$125.00, annual cost \$1,500.00, Tenant to pay utilities, Morton Hill, in the Cross Creek District, Brooke County, West Virginia.

PSA-078 Renewal for 1 year consisting of 2,670 square feet of office space at the current annual per square foot rate of \$3.00, annual cost \$8,010.00, full service, Lick Creek Road, in the City of Danville, Boone County, West Virginia.

RENEWAL WITH INCREASE IN RENT

STATE TREASURER'S OFFICE

STO-014 Renewal for 3 years consisting of 872 square feet of office space with an increase in the annual per square foot rate from \$13.07 to \$13.40, annual cost \$11,684.73, full service, 2001 Main Street, in the City of Wheeling, Ohio County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-012 Renewal for 2 years consisting of tower space with an increase in the yearly rate from \$1,000.0 to \$1,200.00, Millers Fork in Stonewall District, Wayne County, West Virginia.

RENEWAL WITH INCREASE IN RENT - CONTINUED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-225 Renewal for 15 years consisting of 13,068 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$14.25, annual cost \$186,219.00, full service, 2139 Cedar Lake Road, in the City of Ripley, Jackson County, West Virginia.

EDUCATIONAL BROADCASTING AUTHORITY

EBA-008 Renewal for 3 years consisting of tower monitoring space with an increase in the monthly rate from \$250.00 to \$275.00, annual cost \$3,300.00, Smith Mountain, in Lincoln District, Marion County, West Virginia.

RENEWAL WITH DECREASE IN RENT

REGION VI WORKFORCE INVESTMENT BOARD, INC.

WIB-002 Renewal for 1 year consisting of 1 cubicle of office space with a decrease in the monthly rate from \$450.00 to \$225.00, annual cost \$2,700.00, full service, 16 Sterling Drive, in the City of Bridgeport, Harrison County, West Virginia.

INCREASE IN SQUARE FEET

DIVISION OF FORESTRY

FOR-077-000 Increase of square feet from 144 square feet to 288 square feet of office space at the current monthly rate of \$350.00, annual cost \$4,200.00, full service, 717 North Jefferson Street, in the City of Lewisburg, Greenbrier County, West Virginia.

CANCELLATION

WORKFORCE WEST VIRGINIA

WWV-011 Lease cancellation consisting of 137 square feet of office space, at the annual per square foot rate of \$13.00, annual cost \$1,779.60, full service minus custodial, in the City of Moorefield, Hardy County, West Virginia

WWV-031 Lease cancellation consisting of 2,797 square feet of office space, at the annual per square foot rate of \$12.00, annual cost \$33,564.00, full service, in the City of Moorefield, Hardy County, West Virginia

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Rehabilitation Services	DRS-120	Logan	4,285	12.00	51,420
2	General Services Division	GSD-007	Logan	459	12.00	5,508
3	Workforce West Virginia	WWV-034	Logan	6,842	12.00	82,104
4	State Tax Department	TAX-057	Logan	375	12.00	4,500
5	Offices of the Insurance Commission	INS-032	Logan	878	12.00	10,536
6	South Western West Virginia Region 2 WIB Board, Inc	WB2-005	Logan	948	12.00	11,376
7	Offices of the Insurance Commission	INS-021	Cabell	853	13.00	11,089
8	Department of Health and Human Resources	HHR-226	Logan	30,200	12.00	362,400
9	Department of Health and Human Resources	HHR-225	Jackson	13,068	14.25	186,219
10	Workforce West Virginia	WWV-033	Hardy	3,000	16.25	48,750
11	Workforce West Virginia	WWV-035	Kanawha	2,640	5.00	13,200
12	Division of Forestry	FOR-062	Webster	550	4.58	2,519
13	Division of Forestry	FOR-066	Ritchie	364	0.00	2,700
14	West Virginia State Police	PSA-070	Brooke	0	0.00	1,500
15	West Virginia State Police	PSA-078	Boone	2,670	3.00	8,010
16	State Treasurer's Office	STO-014	Ohio	872	13.40	11,685
17	West Virginia State Police	STO-012	Wayne	0	0.00	1,200
18	Educational Broadcasting Authority	EBA-008	Marion	0	0.00	3,300
19	Region VI Workforce Investment Board, Inc	WIB-002	Harrison	0	0.00	2,700
20	Division of Forestry	FOR-077	Greenbrier	288	0.00	4,200

		153.48
Total Rentable Square Feet	<u>68,292</u>	
Average Annual Rental Rate	<u>11.81</u>	
Total Annual Rent		<u>824,916</u>

CANCELLATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Workforce West Virginia	WWV-031	Hardy	2,797	12.00	33,564
2	Workforce West Virginia	WWV-011	Hardy	137	13.00	1,781

		25.00
Total Rentable Square Feet	<u>2,934</u>	
Average Annual Rental Rate	<u>12.50</u>	
Total Annual Rent		<u>35,345</u>

Joint Committee on Government and Finance

August 2013

Department of Health and Human Resources

MEDICAID REPORT

June 2013 Data

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

MONTH OF JUNE 2013

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
	SFY2012	SFY2013	Current Month 6/30/13	Current Month 6/30/13	Year To-Date Thru 6/30/13	Budget vs Actual
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,452,498	158,114,250	10,935,327	12,190,189	153,422,055	4,692,195
Inpatient Hospital - DSH	56,043,409	56,576,800	-	-	56,816,481	(237,681)
Inpatient Hospital - Supplemental Payments	79,066,284	240,087,415	14,094,287	14,708,009	114,105,226	125,982,189
Inpatient Hospital - GME Payments	5,901,754	6,177,477	-	-	6,164,764	12,713
Mental Health Facilities	80,313,367	86,890,183	6,452,012	6,715,969	87,234,170	(343,987)
Mental Health Facilities - DSH Adjustment Payments	18,887,389	18,886,800	-	-	18,880,975	5,825
Nursing Facility Services - Regular Payments ⁽¹⁾	527,623,016	551,320,912	46,302,941	45,972,550	537,408,946	13,911,966
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	65,316,485	67,038,000	5,654,761	5,586,500	68,163,593	(1,125,593)
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	116,140,541	121,059,846	9,031,048	9,345,425	117,123,727	3,936,120
Physicians Services - Supplemental Payments	26,661,492	27,943,400	-	-	28,092,471	(149,071)
Outpatient Hospital Services - Regular Payments	106,435,299	109,322,282	7,749,971	8,428,768	102,884,393	6,437,889
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	124,121,376	(124,121,376)
Prescribed Drugs	373,946,886	389,626,882	21,078,504	30,468,185	331,286,064	58,540,817
Drug Rebate Offset - National Agreement	(217,354,424)	(218,904,555)	(7,931,092)	(10,862,661)	(202,338,441)	(16,566,114)
Drug Rebate Offset - State Sidebar Agreement	(18,642,310)	(16,380,000)	(452,376)	(612,622)	(16,178,699)	(201,301)
Drug Rebate Offset - MCO National	(431,214)	-	(110,858)	-	(799,537)	799,537
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	-	-
Dental Services	56,047,746	61,762,117	3,966,593	4,766,085	55,859,822	5,902,295
Other Practitioners Services - Regular Payments	12,306,009	13,046,624	878,789	1,072,008	11,561,364	1,485,260
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,530,364	4,931,126	328,750	391,669	4,555,682	375,444
Lab & Radiological Services	24,887,789	23,419,950	1,970,276	1,817,735	22,569,242	850,708
Home Health Services	51,712,631	48,722,337	4,863,891	3,796,716	47,278,386	1,443,951
Hysterectomies/Sterilizations	191,711	216,100	8,749	16,623	133,155	82,945
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,206,359	1,215,088	100,765	94,169	1,363,840	(148,742)
Rural Health Clinic Services	7,486,074	8,079,315	530,981	631,946	7,884,824	194,491
Medicare Health Insurance Payments - Part A Premiums	17,434,414	18,452,300	1,552,130	3,075,383	18,215,881	236,419
Medicare Health Insurance Payments - Part B Premiums	85,509,019	93,260,400	7,389,445	15,543,400	81,258,370	12,002,030
120% - 134% Of Poverty	6,272,977	6,709,500	518,206	516,115	6,160,455	549,045
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	7,381,071	7,785,000	657,652	598,846	8,417,028	(632,028)

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

	MONTH OF JUNE 2013		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
	SFY2012	SFY2013	Current Month 6/30/13	SFY2013	Current Month 6/30/13	Current Month 6/30/13	Year To-Date Thru 6/30/13	Budget vs Actual
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	343,161,264	349,518,600	40,442,325		29,134,883		397,197,343	(47,578,743)
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		375,282	81,918
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	287,968,353	306,476,600	28,160,487		23,575,138		342,034,759	(35,557,959)
Home & Community-Based Services (Aged/Disabled)	132,545,813	140,433,800	8,980,082		10,802,600		125,323,416	15,110,384
Home & Community-Based Services (Traumatic Brain Injury)	-	2,720,625	52,557		209,279		156,502	2,564,123
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	5,224,946		4,157,915		61,692,285	(7,819,476)
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	248,894		265,023		2,668,659	759,234
Primary Care Case Management Services	219,829	264,800	12,195		20,369		163,137	101,663
Hospice Benefits ⁽¹⁾	23,960,255	25,155,100	1,587,656		1,935,008		24,909,406	245,694
Emergency Services Undocumented Aliens	301,542	348,500	8,107		26,808		285,046	63,454
Federally Qualified Health Center	18,669,776	21,327,880	1,213,422		1,659,777		18,233,346	3,094,534
Non-Emergency Medical Transportation	25,549,481	26,054,403	1,798,929		2,005,208		25,112,179	942,223
Physical Therapy	2,195,303	2,245,596	177,707		173,062		2,102,592	143,004
Occupational Therapy	368,777	371,964	28,813		28,831		370,520	1,444
Services for Speech, Hearing & Language	554,124	567,665	30,140		43,915		408,119	159,546
Prosthetic Devices, Dentures, Eyeglasses	1,871,995	1,876,807	126,268		145,386		1,550,757	326,050
Diagnostic Screening & Preventive Services	539,322	578,315	45,817		44,492		553,321	24,994
Nurse Mid-Wife	224,671	812,100	19,244		47,085		230,458	381,642
Emergency Hospital Services	5,364	(7,500)	-		(577)		(2,247)	(5,253)
Critical Access Hospitals	30,431,181	33,996,660	2,440,929		2,617,554		31,393,172	2,603,488
Nurse Practitioner Services	1,512,698	2,981,049	161,218		229,662		2,006,168	974,881
School Based Services	47,384,340	49,082,468	5,573,719		3,779,708		53,906,841	(4,824,373)
Rehabilitative Services (Non-School Based)	78,431,034	83,291,528	6,376,837		6,482,669		76,071,281	7,220,247
Private Duty Nursing	4,723,035	4,918,769	541,082		385,577		5,286,896	(368,128)
Other Care Services	21,169,223	21,796,325	1,614,519		1,677,535		21,997,458	(201,133)
Less: Recoupments	-	-	(97,574)		-		(1,375,471)	1,375,471
NET EXPENDITURES:	2,736,399,588	3,018,031,716	240,339,071		243,543,882		2,984,296,840	33,734,875

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

MONTH OF JUNE 2013

	ACTUALS SFY2012	TOTAL SFY2013	ACTUALS Current Month 6/30/13	ESTIMATE Current Month 6/30/13	ACTUALS Year To-Date Thru 6/30/13	Difference Budget vs Actual
Collections: Third Party Liability (line 9A on CMS-64)	(7,028,830)	-	-	-	(8,733,524)	8,733,524
Collections: Probate (line 9B on CMS-64)	(473,182)	-	-	-	(250,737)	250,737
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(1,205)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(7,303,907)	-	-	-	(8,025,324)	8,025,324
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,721,592,454	3,018,031,716	240,339,071	243,543,682	2,967,287,256	50,744,460
Plus: Medicaid Part D Expenditures	33,965,611	36,577,300	3,033,282	2,813,638	36,222,591	354,709
Plus: State Only Medicaid Expenditures	4,030,062	3,718,920	150,794	285,899	2,996,112	722,808
Plus: Money Follow the Person Expenditures	-	2,872,499	18,482	220,961	30,838	2,841,661
TOTAL MEDICAID EXPENDITURES	\$ 2,759,588,337	\$ 3,061,200,434	\$ 243,541,628	\$ 246,864,380	\$ 3,006,536,797	\$ 54,653,638
Plus: Reimbursables ⁽¹⁾	6,590,854	6,927,944	619,425	537,898	7,513,510	(585,566)
TOTAL EXPENDITURES	\$ 2,766,179,191	\$ 3,068,128,378	\$ 244,161,053	\$ 247,402,278	\$ 3,014,050,307	\$ 54,078,071

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$23,852,016 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$18,123,267 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

12 Months Actuals 0 Months Remaining

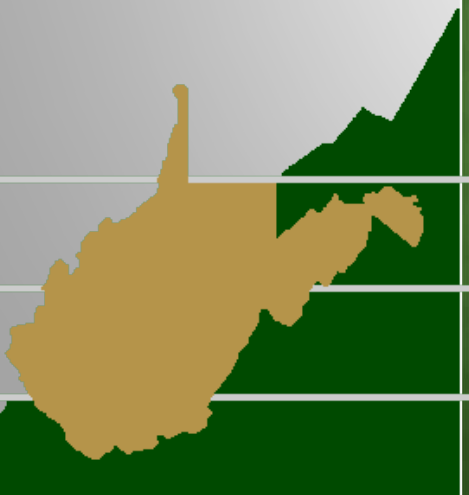
MONTH OF JUNE 2013	ACTUALS	ACTUALS	ACTUALS	Difference	TOTAL
	SFY2012	Current Month Ended 6/30/13	Year-To-Date Thru 6/30/13	Budget vs Actual	SFY2013
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 210,933,113	\$ 1,132,006	\$ 8,645,986	\$ -	\$ 8,645,986
MATCHING FUNDS					
General Revenue (0403/189)	218,837,804	7,998,304	193,207,966	22,194,917	215,402,863
MRDD Waiver (0403/466)	85,280,472	9,762,883	86,753,483	-	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	2,596,000	-	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	6,356,000	-	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	800,000	-	800,000
Title XIX Waiver for Seniors (0403-533)	9,587,500	1,310,348	11,912,263	-	11,912,263
Medical Services Surplus (0403/633)	17,910,667	34,384,273	86,305,104	(34,384,273)	53,920,831
Waiver for Senior Citizens Surplus (0403/526)	2,500,000	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	31,222,578	-	33,147,815	-	33,147,815
Lottery Transfer (5405/871)	8,670,000	-	8,670,000	-	8,670,000
Excess Lottery (5385/189)	-	24,503,890	24,503,890	-	24,503,890
Trust Fund Appropriation (5185/189)	12,076,099	-	173,603,846	27,280,744	200,684,590
Provider Tax (5090/189)	170,727,592	13,900,000	225,902,461	(16,040,581)	209,661,880
Certified Match	22,603,205	2,259,182	23,733,008	1,453,359	25,186,368
Reimbursables - Amount Reimbursed	8,012,133	1,774,071	7,235,570	(307,827)	6,927,944
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	905,058	87,998	3,648,128	(3,648,128)	-
CMS - 64 Adjustments	673,628	-	627,999	(627,999)	-
TOTAL MATCHING FUNDS	\$ 809,691,849	\$ 97,946,955	\$ 901,649,520	\$ (4,079,588)	\$ 897,569,932
FEDERAL FUNDS	\$ 2,006,078,366	\$ 175,050,379	\$ 2,171,195,579	\$ 50,976,431	\$ 2,222,172,010
TOTAL REVENUE SOURCES	\$ 2,815,770,215	\$ 272,997,334	\$ 3,072,845,099	\$ 46,896,843	\$ 3,119,741,942
TOTAL EXPENDITURES:					
Provider Payments	\$ 2,766,179,191	\$ 244,161,053	\$ 3,014,050,307	\$ 54,078,071	\$ 3,068,128,378
TOTAL	\$ 49,591,024	\$ 28,836,281	\$ 58,794,792		\$ 51,613,564

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

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

June 30, 2013



West Virginia Investment Management Board

Participant Plans Allocation & Performance Net of Fees

As of June 30, 2013

	6/30/2012		6/30/2013		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	13,170,110	100.0	14,548,551	100.0							
Pension Assets	10,300,026	78.2	11,470,612	78.8							
Public Employees' Retirement System	4,353,124	33.1	4,835,239	33.2	-2.3	-0.4	12.8	12.8	11.2	6.1	7.5
Teachers' Retirement System	4,969,706	37.6	5,702,486	39.2	-2.2	-0.4	12.7	12.7	11.1	5.8	7.2
Teachers' Employers Cont. Collection A/C	142,994	1.1	0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	
EMS Retirement System	35,161	0.3	42,490	0.3	-2.2	-0.4	12.7	12.7	11.2	6.2	
Public Safety Retirement System	477,497	3.6	518,912	3.6	-2.3	-0.4	12.8	12.8	11.3	6.2	7.5
Judges' Retirement System	126,294	1.0	141,091	1.0	-2.3	-0.4	12.7	12.7	11.2	6.1	7.5
State Police Retirement System	78,753	0.6	95,841	0.6	-2.2	-0.4	12.7	12.7	11.1	6.1	7.5
Deputy Sheriffs' Retirement System	116,308	0.9	134,050	0.9	-2.3	-0.4	12.7	12.7	11.2	6.2	7.5
Municipal Police & Firefighter Retirement System	189	0.0	503	0.0	-2.2	-0.5	11.6	11.6	5.0		
Insurance Assets	1,991,081	15.1	2,153,257	14.8							
Workers' Compensation Old Fund	946,854	7.1	1,036,241	7.1	-1.9	-1.7	5.0	5.0	5.9	4.3	
Workers' Comp. Self-Insured Guaranty Risk Pool	10,878	0.1	14,487	0.1	-1.9	-1.2	6.6	6.6	5.2	3.3	
Workers' Comp. Uninsured Employers Fund	9,148	0.1	9,749	0.1	-1.8	-1.1	6.6	6.6	4.6	3.0	
Pneumoconiosis	257,121	2.0	261,636	1.8	-1.9	-1.2	6.7	6.7	6.9	5.1	5.4
Board of Risk & Insurance Mgmt.	138,164	1.1	139,875	1.0	-1.9	-1.2	6.8	6.8	7.1	6.1	
Public Employees' Insurance Agency	183,321	1.4	194,215	1.3	-2.0	-1.3	5.9	5.9	6.6	5.4	
WV Retiree Health Benefit Trust Fund	443,144	3.3	494,620	3.4	-2.3	-0.5	11.6	11.6	8.2	7.8	
AccessWV	2,451	0.0	2,434	0.0	-2.4	-4.1	-0.7	-0.7	7.4		
Endowment Assets	879,003	6.7	924,682	6.4							
Wildlife Fund	40,057	0.3	45,715	0.3	-2.3	-0.4	12.7	12.7	11.1	6.1	7.5
Prepaid Tuition Trust	77,822	0.6	76,701	0.5	-2.0	-0.8	9.3	9.3	10.2	6.4	7.7
Revenue Shortfall Reserve Fund	423,261	3.2	446,072	3.1	-2.5	-4.4	-1.1	-1.1	4.5	2.2	
Revenue Shortfall Reserve Fund - Part B	331,325	2.5	348,811	2.4	-2.2	-2.1	4.9	4.9	7.3	3.4	
WV DEP Trust	6,538	0.1	7,383	0.1	-2.7	-1.0	12.9	12.9			

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of June 30, 2013

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	14,556,493	100.00							
Total Equity Composite	6,540,410	44.93	-3.13	-0.17	19.79	19.79	14.64	5.61	8.74
<i>Total Equity Policy Index</i>			<i>-2.80</i>	<i>-0.10</i>	<i>17.84</i>	<i>17.84</i>	<i>13.54</i>	<i>3.51</i>	<i>7.78</i>
Excess Return			-0.33	-0.07	1.95	1.95	1.10	2.10	0.96
US Equity Composite	3,248,680	22.32	-1.71	2.12	21.85	21.85	19.26	7.24	8.51
<i>Russell 3000 Index</i>			<i>-1.30</i>	<i>2.69</i>	<i>21.46</i>	<i>21.46</i>	<i>18.63</i>	<i>7.25</i>	<i>7.81</i>
Excess Return			-0.41	-0.57	0.39	0.39	0.63	-0.01	0.70
Large Cap Composite	2,403,737	16.51	-1.55	2.54	20.06	20.06	18.65	6.90	7.47
<i>S&P 500 Index</i>			<i>-1.34</i>	<i>2.91</i>	<i>20.60</i>	<i>20.60</i>	<i>18.45</i>	<i>7.01</i>	<i>7.30</i>
Excess Return			-0.21	-0.37	-0.54	-0.54	0.20	-0.11	0.17
Non-Large Cap Composite	844,943	5.81	-2.16	0.95	27.02	27.02	21.60	8.96	10.77
<i>Russell 2500 Index</i>			<i>-1.10</i>	<i>2.27</i>	<i>25.61</i>	<i>25.61</i>	<i>19.57</i>	<i>9.21</i>	<i>10.34</i>
Excess Return			-1.06	-1.32	1.41	1.41	2.03	-0.25	0.43
International Equity Composite	3,291,730	22.61	-4.49	-2.30	17.73	17.73	10.02	3.67	9.99
<i>MSCI AC World ex US Index</i>			<i>-4.30</i>	<i>-2.90</i>	<i>14.14</i>	<i>14.14</i>	<i>8.48</i>	<i>-0.34</i>	<i>9.09</i>
Excess Return			-0.19	0.60	3.59	3.59	1.54	4.01	0.90
Fixed Income Composite	3,597,026	24.71	-1.46	-1.61	2.73	2.73	4.95	5.73	4.88
<i>Fixed Income Policy</i>			<i>-1.76</i>	<i>-2.37</i>	<i>0.24</i>	<i>0.24</i>	<i>4.09</i>	<i>5.53</i>	<i>4.71</i>
Excess Return			0.30	0.76	2.49	2.49	0.86	0.20	0.17
Core Fixed Income	1,280,495	8.80	-1.42	-2.05	0.52	0.52	4.57		
<i>Barclays Capital Aggregate</i>			<i>-1.55</i>	<i>-2.32</i>	<i>-0.69</i>	<i>-0.69</i>	<i>3.51</i>		
Excess Return			0.13	0.27	1.21	1.21	1.06		
Total Return Fixed Income	2,316,531	15.91	-1.48	-1.36	3.95	3.95	5.13	6.32	5.49
<i>Barclays Capital US Universal</i>			<i>-1.76</i>	<i>-2.37</i>	<i>0.24</i>	<i>0.24</i>	<i>4.09</i>	<i>5.53</i>	<i>4.84</i>
Excess Return			0.28	1.01	3.71	3.71	1.04	0.79	0.65
TIPS Composite	657,180	4.51	-3.58	-7.05	-4.75	-4.75	4.56		
<i>Barclays Capital U.S.TIPS</i>			<i>-3.58</i>	<i>-7.05</i>	<i>-4.78</i>	<i>-4.78</i>	<i>4.63</i>		
Excess Return			0.00	0.00	0.03	0.03	-0.07		
Cash Composite	319,265	2.19	0.01	0.08	0.16	0.16	0.12	0.33	1.84
<i>Citigroup 90 Day T-Bill + 0.15%</i>			<i>0.03</i>	<i>0.05</i>	<i>0.24</i>	<i>0.24</i>	<i>0.25</i>	<i>0.44</i>	<i>1.88</i>
Excess Return			-0.02	0.03	-0.08	-0.08	-0.13	-0.11	-0.04
Private Equity Composite	1,131,280	7.78	-2.40	-1.80	6.35	6.35	12.76	5.82	
Real Estate Composite	971,081	6.67	0.76	1.89	9.64	9.64	10.41	2.65	
Hedge Funds Composite	1,340,251	9.21	-1.02	1.46	10.72	10.72	5.99	4.00	
<i>LIBOR + 4%</i>			<i>0.35</i>	<i>1.07</i>	<i>4.32</i>	<i>4.32</i>	<i>4.36</i>	<i>4.65</i>	
Excess Return			-1.37	0.39	6.40	6.40	1.63	-0.65	

West Virginia Investment Management Board

Participant Plans Allocation vs. Strategy

As of June 30, 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	25.3	25.0	25.8	25.0	20.6	20.0	9.6	10.0	8.2	10.0	10.2	10.0	0.3	0.0
Teachers' Retirement System	24.9	25.0	25.3	25.0	19.5	20.0	9.3	10.0	8.0	10.0	10.0	10.0	3.0	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	25.1	25.0	25.5	25.0	21.3	20.0	9.3	10.0	8.0	10.0	10.1	10.0	0.7	0.0
Public Safety Retirement System	25.7	25.0	25.6	25.0	20.8	20.0	9.6	10.0	8.0	10.0	10.0	10.0	0.3	0.0
Judges' Retirement System	25.3	25.0	25.8	25.0	20.7	20.0	9.6	10.0	8.2	10.0	10.2	10.0	0.2	0.0
State Police Retirement System	25.0	25.0	25.3	25.0	21.5	20.0	9.2	10.0	8.0	10.0	10.0	10.0	1.0	0.0
Deputy Sheriffs' Retirement System	25.2	25.0	25.6	25.0	21.1	20.0	9.4	10.0	8.1	10.0	10.2	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	23.9	25.0	24.4	25.0	19.9	20.0	8.8	10.0	6.9	10.0	9.2	10.0	6.9	0.0

Insurance Assets

Workers' Compensation Old Fund	10.1	10.0	10.3	10.0	69.1	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.5	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.2	10.0	10.3	10.0	54.1	55.0	0.0	0.0	0.0	0.0	20.5	20.0	4.9	5.0
Workers' Comp. Uninsured Employers Fund	10.1	10.0	10.4	10.0	48.8	50.0	0.0	0.0	0.0	0.0	20.5	20.0	10.2	10.0
Pneumoconiosis	10.2	10.0	10.5	10.0	54.2	55.0	0.0	0.0	0.0	0.0	20.6	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.1	10.0	10.4	10.0	53.9	55.0	0.0	0.0	0.0	0.0	20.5	20.0	5.1	5.0
Public Employees' Insurance Agency	10.2	10.0	10.0	10.0	59.3	60.0	0.0	0.0	0.0	0.0	20.5	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	25.3	25.0	25.5	25.0	21.6	20.0	9.2	10.0	8.2	10.0	10.2	10.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

Endowment Assets

Wildlife Fund	25.2	25.0	25.6	25.0	21.1	20.0	9.5	10.0	8.1	10.0	10.2	10.0	0.3	0.0
Prepaid Tuition Trust	30.8	30.0	15.6	16.0	52.3	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.2	10.0	10.4	10.0	79.4	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	37.0	35.0	28.4	30.0	34.5	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	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 June 30, 2013

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.



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

August 2013

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

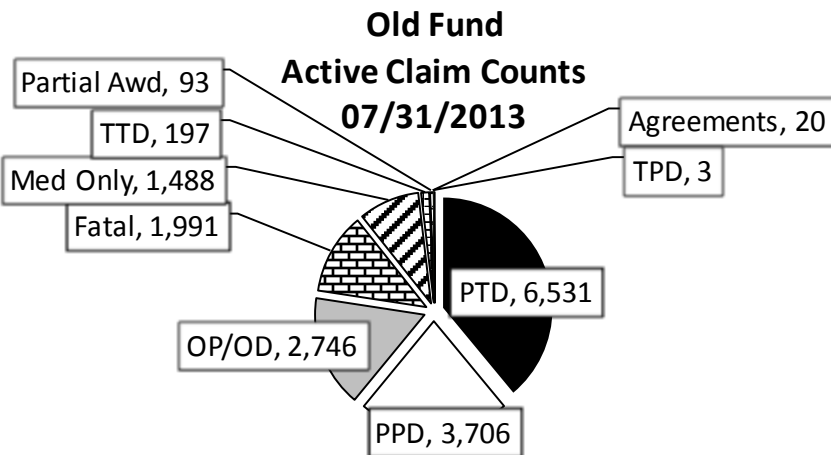
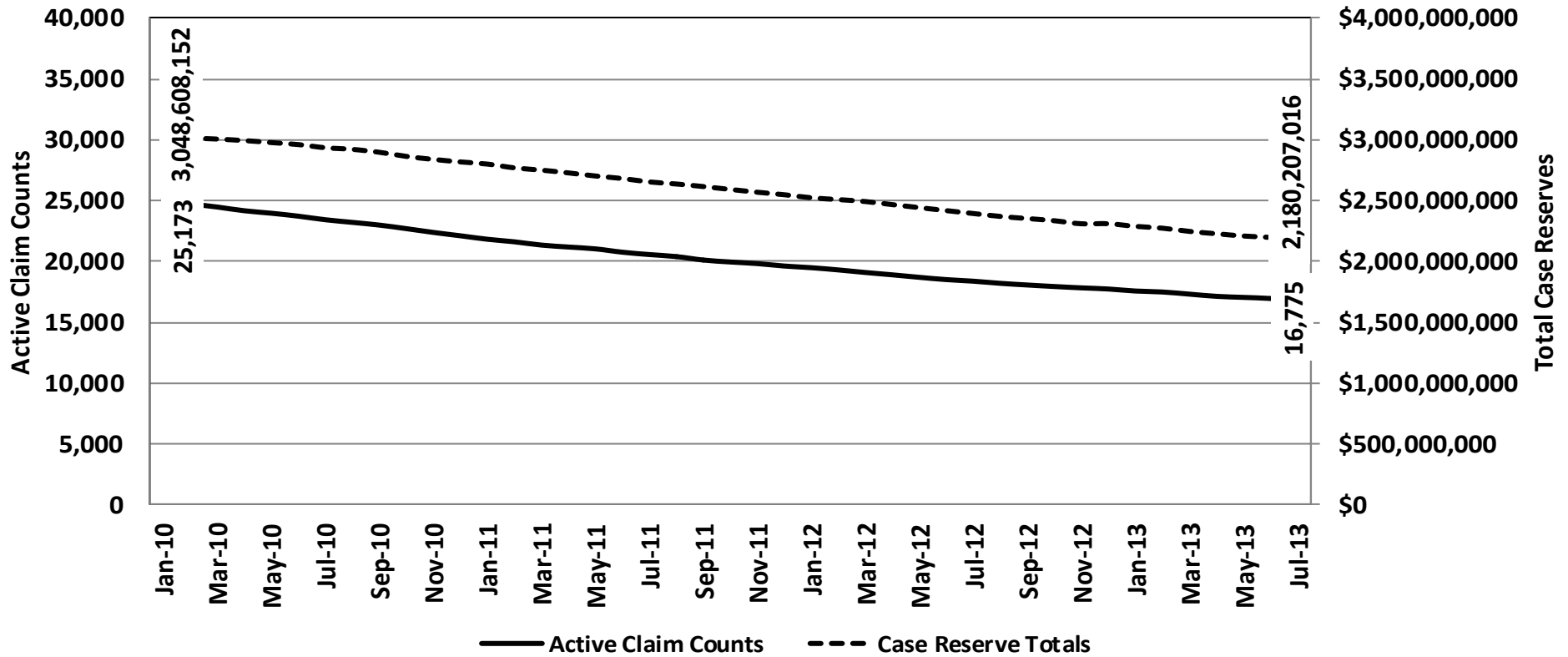
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to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

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

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

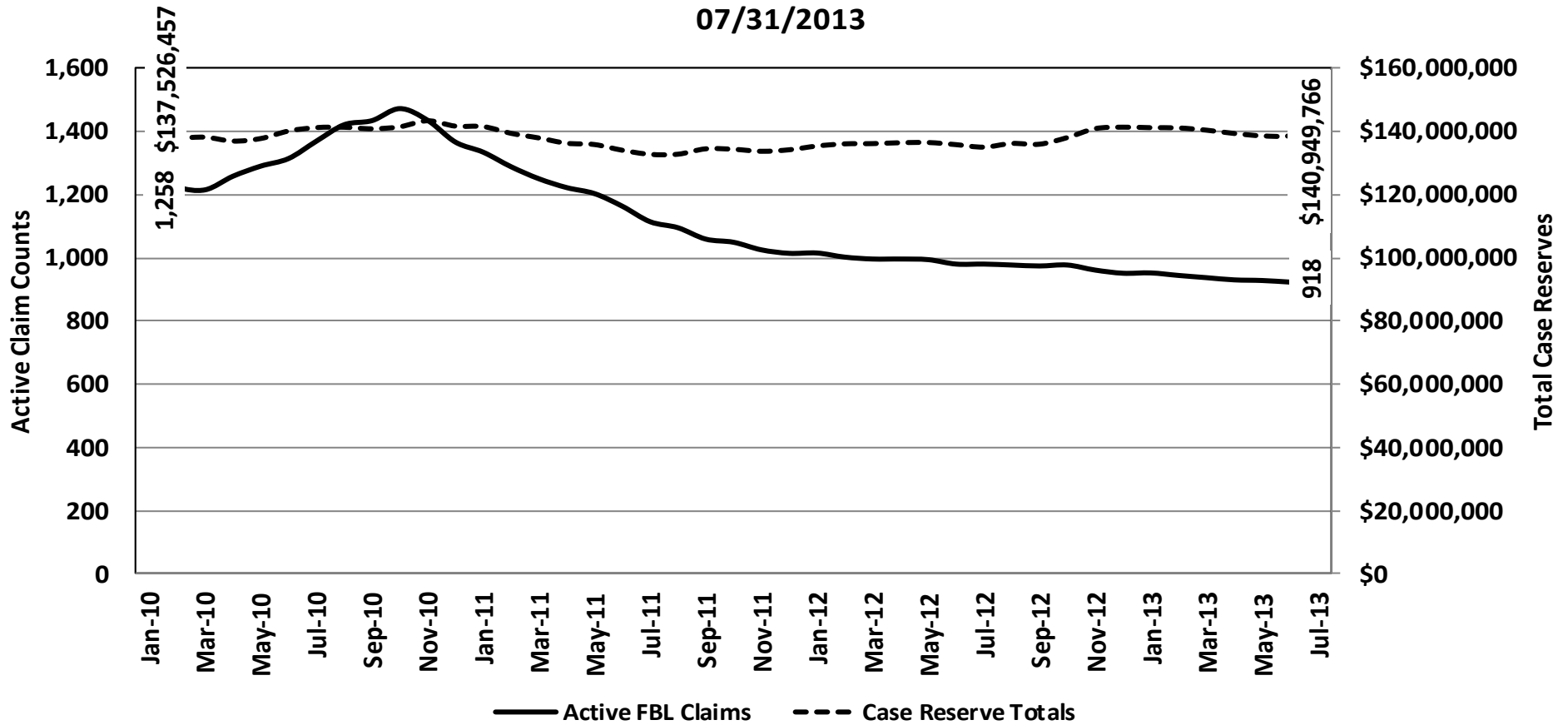
Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

Old Fund Active Claim Counts and Case Reserves 07/31/2013

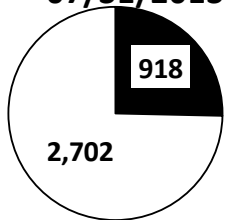


- Agreements** – a legal agreement to settle a payment issue
- Fatal** – worker died due to injury or illness
- Med Only** – payment of medical benefits without wage replacement
- OP/OD** - Occupational Pneumoconiosis or Occupational Disease
- Partial Awd** – benefits being paid without official awards
- 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
07/31/2013**



**CWP Fund (FBL)
Active and Inactive Claims
07/31/2013**



■ Active □ Inactive

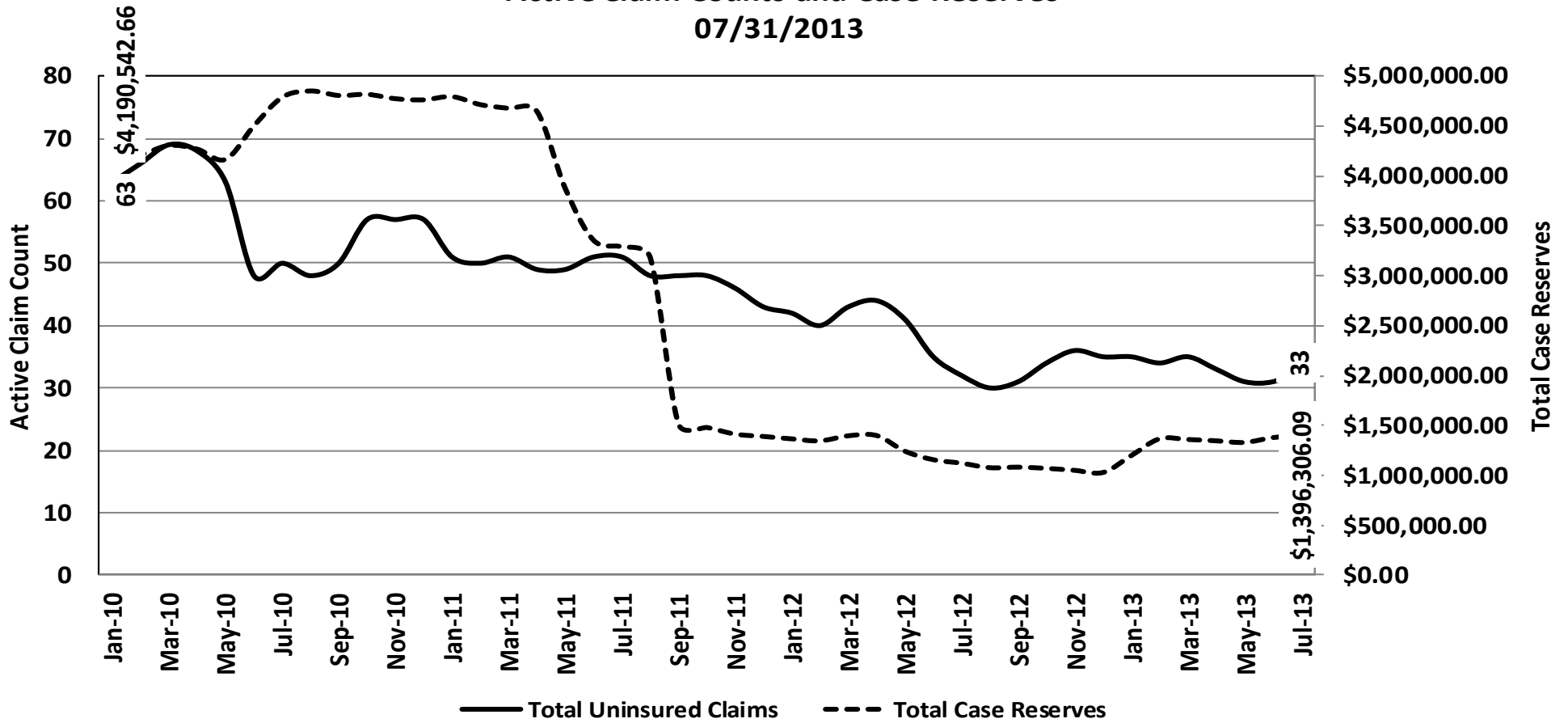
Active – Benefits being paid to claimant/beneficiary

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

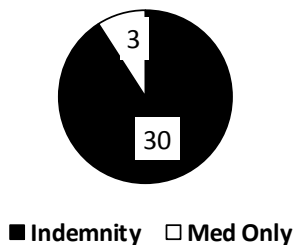
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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 07/31/2013



Uninsured Fund Active Claim Counts 07/31/2013

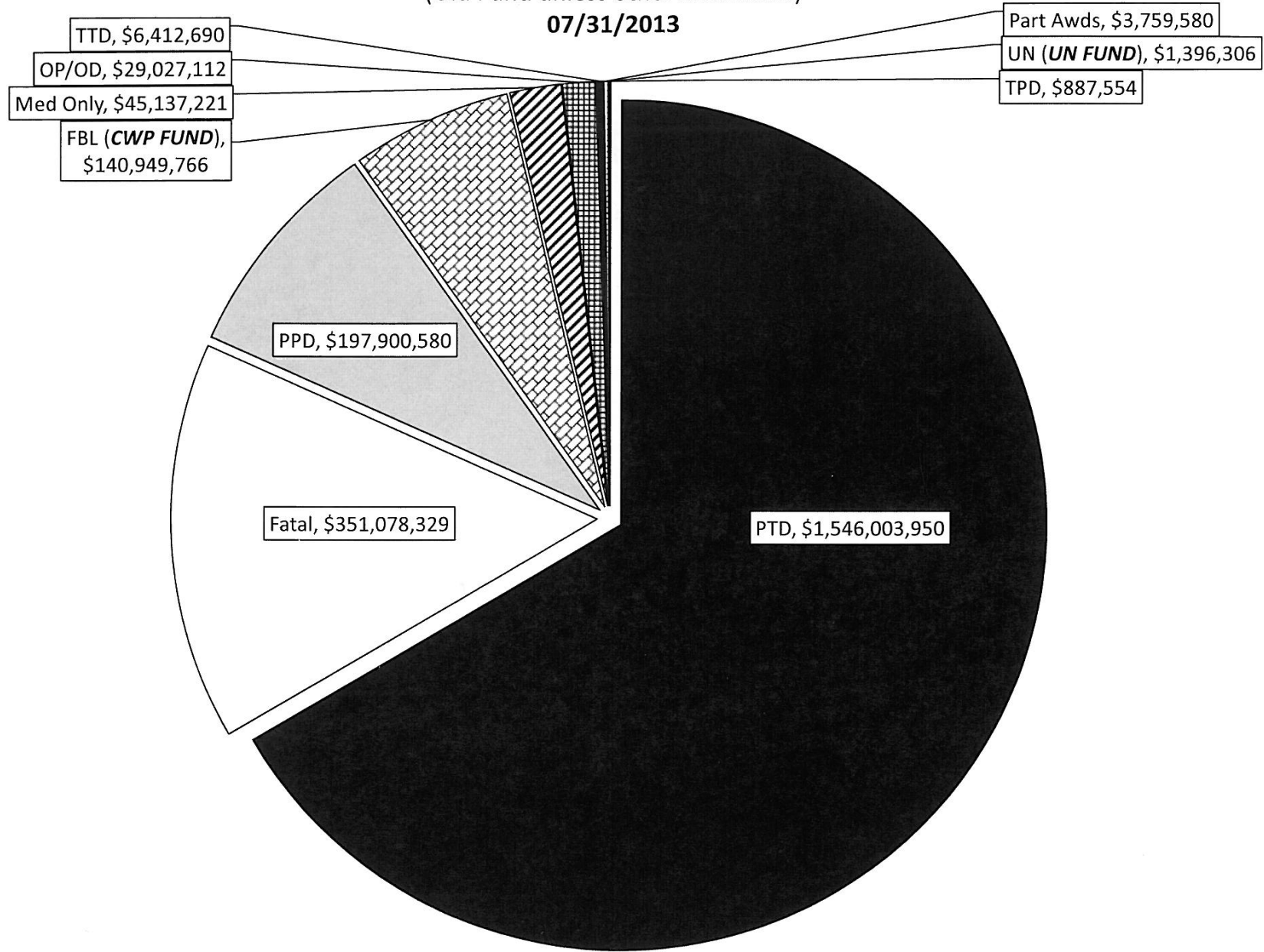


Indemnity – statutory wage replacement and medical benefits awarded

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)
07/31/2013



OLD FUND CASH STATEMENT

July 31, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				YTD FY2013	FY2012	FY2011
Cash Beginning Balances	1,061,595,681	942,505,407	119,090,274	942,505,408	943,172,539	888,535,954
Revenues						
Personal Income Tax	-	-	-	95,400,000	95,400,000	95,400,000
Severance Tax	9,072,868	7,846,131	1,226,737	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	7,295,854	9,266,457	(1,970,603)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	1,615,837	832,987	782,850	8,733,494	9,620,197	8,058,590
Video Lottery	3,254,820	2,856,758	398,061	11,000,000	11,000,000	11,000,000
Employer Premium	23,442	34,372	(10,930)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	72,331	-	72,331	48,332	202,103	191,860
Operating Revenues	21,335,152	20,836,705	498,447	246,933,837	250,502,904	251,979,946
Investment / Interest Earnings (Losses)	(19,978,089)	10,486,949	(30,465,038)	77,380,803	18,284,929	88,270,887
Total Revenues	1,357,063	31,323,655	(29,966,591)	324,314,640	268,787,833	340,250,833
Expenditures						
Claims Benefits Paid:						
Medical	2,434,352	2,522,363	(88,011)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	9,616,507	10,000,807	(384,300)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	69,682	112,806	(43,124)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	27,330	(27,330)	59,227	188,666	384,571
Fatafs	2,163,678	2,238,099	(74,421)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	560,191	556,888	3,303	6,670,578	6,729,656	6,321,554
Settlements	764,038	2,310,455	(1,546,417)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	73,314	107,091	(33,777)	998,774	2,333,885	4,514,323
Total	15,681,763	17,875,839	(2,194,076)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	1,105,862	808,137	297,725	4,617,178	8,161,625	7,666,404
Total Benefits Paid	14,575,901	17,067,702	(2,491,802)	192,137,323	251,407,359	265,462,956
Administrative Expenses	1,748,202	1,460,720	287,482	13,087,043	18,047,605	20,151,292
Total Expenditures	16,324,103	18,528,422	(2,204,319)	205,224,366	269,454,964	285,614,248
Excess (Deficiency) of Revenues over Expenditures	(14,967,040)	12,795,233	(27,762,272)	119,090,274	(667,131)	54,636,585
Cash Ending Balances	1,046,628,642	955,300,640	91,328,002	1,061,595,681	942,505,408	943,172,539

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

July 31, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	266,720,430	254,523,752	12,196,678	254,523,752	262,926,105	244,074,613
Revenues						
Investment Earnings (Losses)	(5,033,410)	2,613,583	(7,646,993)	24,801,113	2,745,783	29,283,335
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	(5,033,410)	2,613,583	(7,646,993)	24,801,113	2,745,783	29,283,335
Expenditures						
Payment of Claims	1,441,550	811,539	630,011	12,550,216	11,131,012	10,415,160
Contractual / Professional	-	-	-	53,287	17,124	16,683
Legal	-	-	-	932	-	-
Miscellaneous	45	-	45	-	-	-
Prior Year Expiring Funds	(4,315)	-	(4,315)	-	-	-
Total Expenditures	1,437,279	811,539	625,740	12,604,435	11,148,136	10,431,843
Excess (Deficiency) of Revenues over Expenditures	(6,470,689)	1,802,044	(8,272,733)	12,196,678	(8,402,353)	18,851,492
Cash Ending Balances	260,249,741	256,325,796	3,923,945	266,720,430	254,523,752	262,926,105

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

July 31, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	14,815,338	10,829,975	3,985,363	10,829,975	9,744,809	8,112,918
Revenues						
Guaranty Risk Pool Assessments	29,568	26,286	3,282	851,410	1,093,066	1,119,674
Collateral Proceeds	-	-	(0)	2,399,380		
Investment Earnings (Losses)	(278,153)	109,592	(387,745)	1,186,338	125,813	592,165
Total Revenues	(248,585)	135,878	(384,463)	4,437,128	1,218,879	1,711,839
Expenditures						
Payment of Claims	19,076	1,958	17,118	332,894	28,466	28,707
Contractual / Professional	1,587	-	1,587	92,122	105,247	51,241
Legal	49	-	49	26,750	-	-
Total Expenditures	20,712	1,958	18,753	451,765	133,713	79,948
Excess (Deficiency) of Revenues over Expenditures	(269,297)	133,920	(403,217)	3,985,363	1,085,166	1,631,891
Cash Ending Balances	14,546,040	10,963,895	3,582,146	14,815,338	10,829,975	9,744,809

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
July 31, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	6,754,601	203,518	6,551,083	203,518	205,705	173,041
Revenues						
Security Risk Pool Assessments	-	-	-	2,575,705	-	115,568
Collateral Proceeds	-	-	-	4,657,620	-	-
Total Revenues	-	-	-	7,233,325	-	115,568
Expenditures						
Payment of Claims	154,247	7,727	146,521	530,804	2,187	73,649
Contractual / Professional	3,659	-	3,659	60,413	-	9,255
Legal	146	-	146	91,025	-	-
Total Expenditures	158,053	7,727	150,326	682,242	2,187	82,904
Excess (Deficiency) of Revenues over Expenditures	(158,053)	(7,727)	(150,326)	6,551,083	(2,187)	32,664
Cash Ending Balances	6,596,548	195,791	6,400,757	6,754,601	203,518	205,705

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

July 31, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
Cash Beginning Balances	10,801,353	9,574,065	1,227,288	9,574,065	9,086,330	8,905,444
Revenues						
Fines and Penalties	59,300	69,827	(10,527)	747,771	948,896	939,626
Investment Earnings (Losses)	(178,722)	90,426	(269,148)	871,603	99,906	474,728
Total Revenues	(119,423)	160,253	(279,675)	1,619,374	1,048,802	1,414,354
Expenditures						
Payment of Claims	16,343	12,336	4,007	262,002	553,676	1,224,982
Contractual/Professional	50	-	50	15,024	7,392	8,486
General and Administrative	15	-	15	60	-	-
Insurance	-	-	-	115,000	-	-
Total Expenditures	16,408	12,336	4,072	392,086	561,067	1,233,468
Excess (Deficiency) of Revenues over Expenditures	(135,830)	147,917	(283,747)	1,227,288	487,735	180,886
Cash Ending Balances	10,665,523	9,721,982	943,541	10,801,353	9,574,065	9,086,330

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 – August 1, 2013

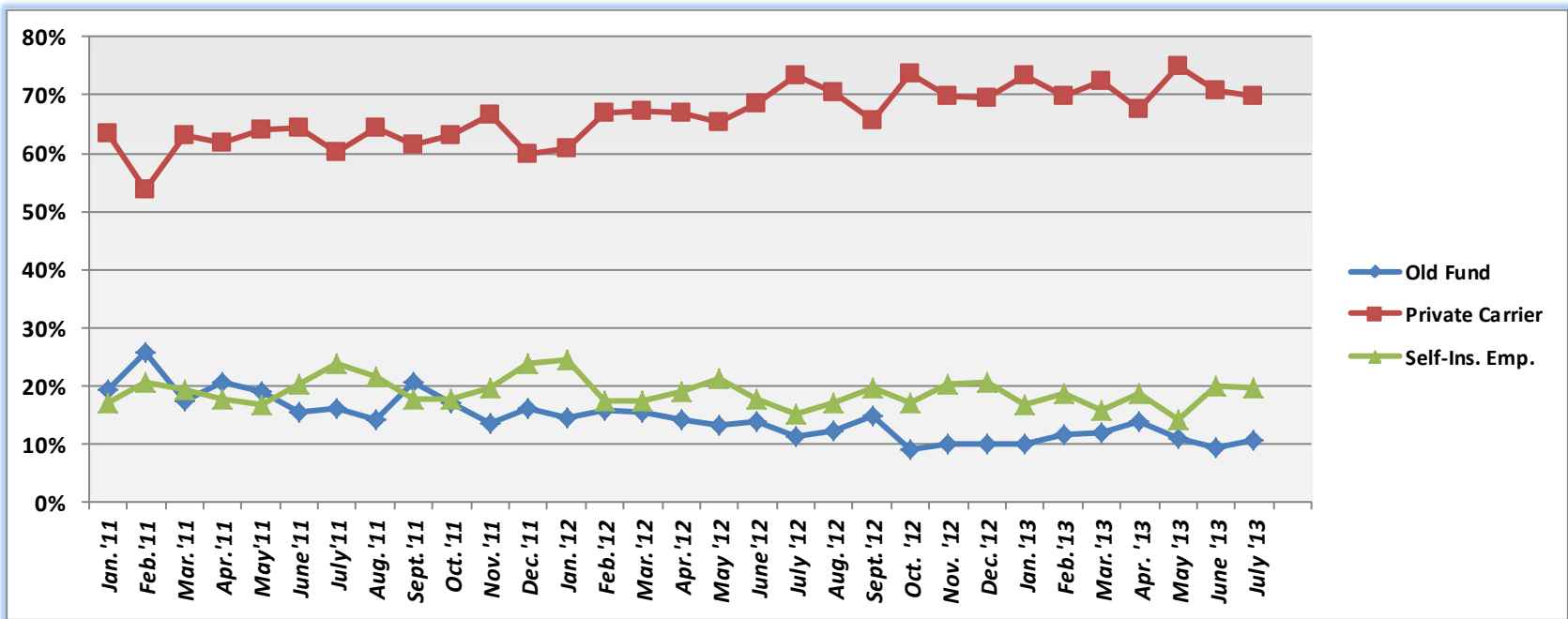
Rebecca A. Roush, Chief Administrative Law Judge

Statistical Analysis

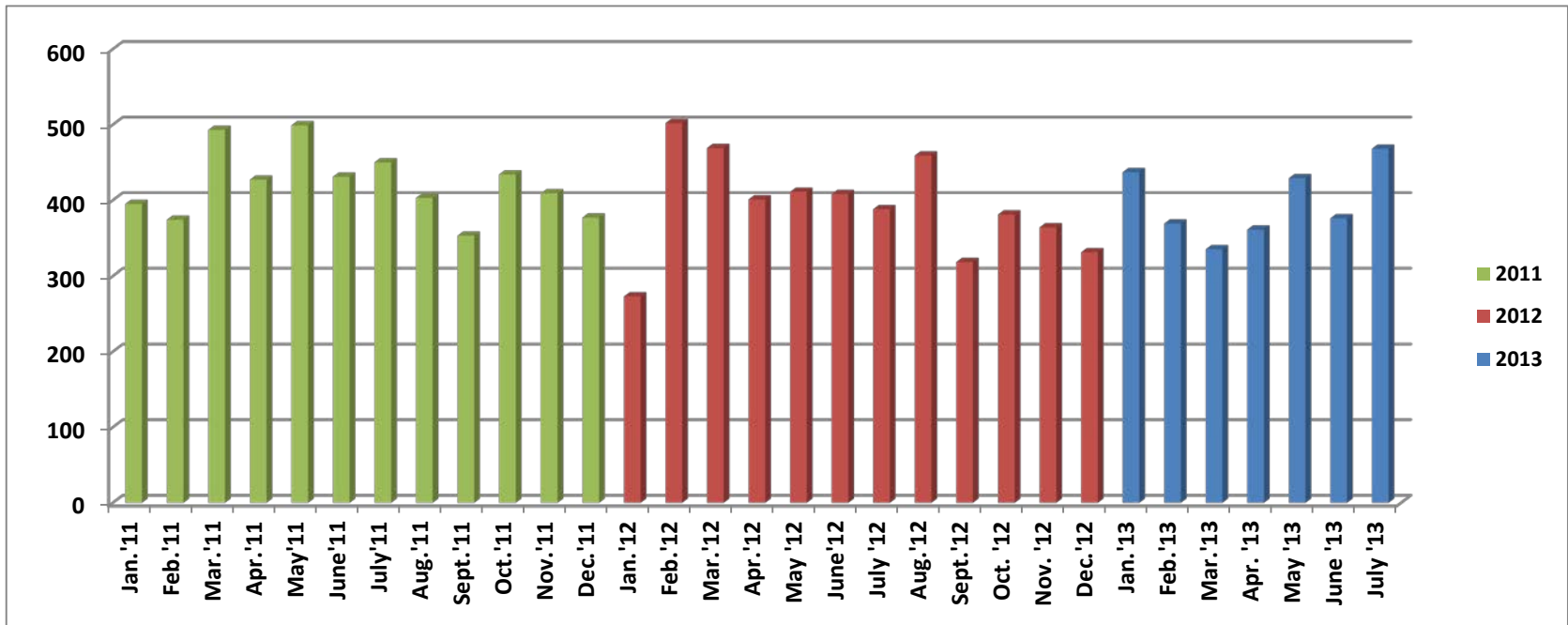
A. Protests Acknowledged: 2012 July 2013
 4705 468 2775

Fund Involved:

FUND	2012	% of protests	July '13	% of protests	2013	% of protests
Old Fund	593	12.60%	50	10.68%	309	11.14%
Private Carrier	3233	68.72%	326	69.66%	1976	71.21%
Self-Insured	879	18.68%	92	19.66%	490	17.65%
Subtotal	4705		468		2775	
Temporary	708		46		291	
Total	5413		514		3066	

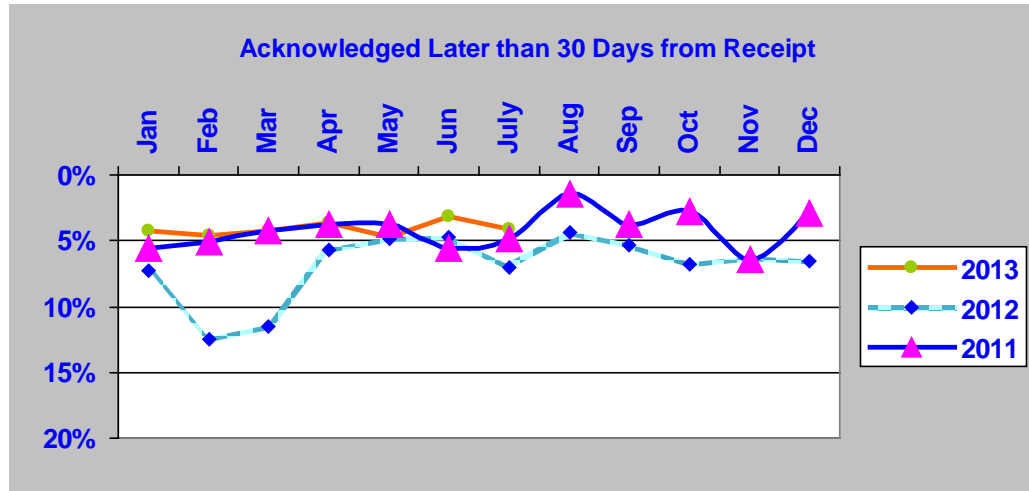


Protests Acknowledged by Carrier Type



Protests Acknowledged by Month

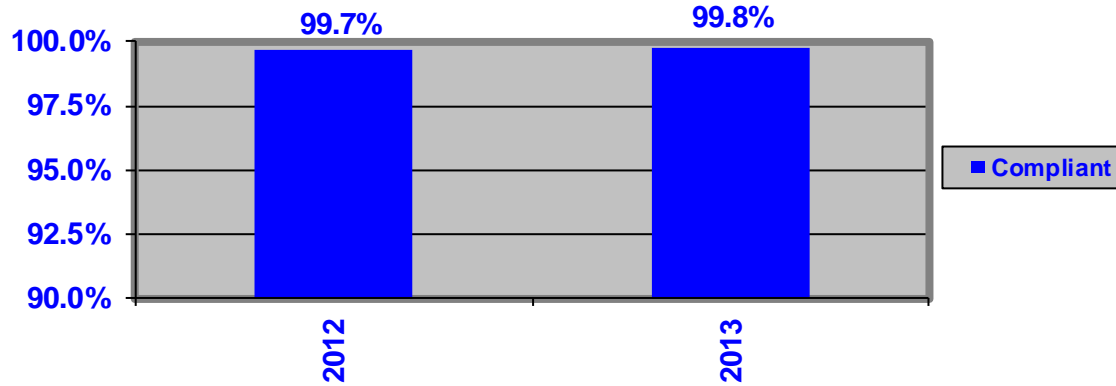
D. Acknowledgment Timeliness:	<u>2012</u>	<u>July</u>	<u>2013</u>
Protest Ackn. >30 days	7.0%	4.1%	4.1%
Protest Ackn. 24-30 days	3.1%	1.7%	2.6%
Protest Ackn. 11-23 days	24.4%	13.9%	16.9%
Protest Ackn. <11 days	65.5%	80.3%	76.5%



E. Protests Resolved:	<u>July '13</u>	<u>2013</u>
1. Protests decided:	242	1782
2. Withdrawals:	85	514
3. "No Evidence" Dismissals:	51	272

F. Final Decision Timeliness	<u>2012</u>	<u>July '13</u>	<u>2013</u>
1. <30 days:	46.5%	30.4%	39.9%
2. 30-60 days:	50.3%	63.4%	56.0%
3. 60-90 days:	2.9%	5.8%	3.9%
4. +90 days:	0.3%	0.4%	0.2%

Decision Within Rule's Time Limits



G. Time Standard Compliance

2012 July 2013
 92.5% 92.0% 94.1%

Thursday, August 01, 2013

Time Standard Compliance

Report Dates: From 7/1/2013 thru 7/31/2013

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	18	16	88.90%	2	11.10%
DEP BEN FATAL	2	1	50%	1	50%
TTD	12	11	91.70%	1	8.30%
OPBD	4	4	100%	0	0%
PPD	28	28	100%	0	0%
REOPENING	3	3	100%	0	0%
TRMT/EQUIP CL	46	41	89.10%	5	10.90%
Total	113	104	92%	9	8%

Thursday, August 01, 2013

Final Decision Compliance

Report Dates: From 7/1/2013 thru 7/31/2013

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
DEP BEN 104	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
OPBD	9	4	44.4%	4	44.4%	0	0.0%	1	11.1%
REOPENING	7	1	14.3%	5	71.4%	1	14.3%	0	0.0%
BENEFIT OVERPAYMENT	0	0	NaN	0	NaN	0	NaN	0	NaN
COMPENSABILITY	55	18	32.7%	32	58.2%	5	9.1%	0	0.0%
DEP BEN FATAL	10	0	0.0%	10	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
PPD	51	15	29.4%	36	70.6%	0	0.0%	0	0.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
SPECIAL CATEGORY	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	101	35	34.7%	60	59.4%	6	5.9%	0	0.0%
TTD	17	4	23.5%	12	70.6%	1	5.9%	0	0.0%
Totals	257	78	30.4%	163	63.4%	15	5.8%	1	0.4%

Thursday, August 01, 2013

Motion Resolution Compliance

Report Dates: From 7/1/2013 thru 7/31/2013

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
DEP BEN FATAL	19	19	100%	0	0%
REHABILITATION	3	3	100%	0	0%
BENEFIT OVERPAYMENT	2	2	100%	0	0%
BENEFIT RATE	2	2	100%	0	0%
OP NON-MED	4	4	100%	0	0%
PTD ENTITLEMENT	1	1	100%	0	0%
TTD	75	75	100%	0	0%
COMPENSABILITY	195	190	97.40%	5	2.60%
PPD	194	190	97.90%	4	2.10%
REOPENING	38	37	97.40%	1	2.60%
FAILURE TO ACT 15 DAY	4	4	100%	0	0%
SPECIAL CATEGORY	24	24	100%	0	0%
TEMP	1	1	100%	0	0%
TRMT/EQUIP CL	326	325	99.70%	1	0.30%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	7	7	100%	0	0%
OPBD	30	30	100%	0	0%
Total	925	914	98.8%	11	1.2%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 7/1/2013 thru 7/31/2013

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CFA-CL APP.THRESHOLD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
BENEFIT OVERPAYMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBO-CL BEN. OVERPAYMENT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
BENEFIT RATE	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBR-CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
COMPENSABILITY	Total: 78	5	6.4%	2	2.6%	17	21.8%	54	69.2%
CCS-CL SEC.CONDITION	27	1	3.7%	0	0.0%	4	14.8%	22	81.5%
CHC-CL COMPENSABILITY	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIS-CL SI SEC.CONDITION	6	1	16.7%	0	0.0%	0	0.0%	5	83.3%
CLB-CL COMP ON LIMITED BASIS	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPI-CL SI REJECT CLAIM	6	1	16.7%	0	0.0%	1	16.7%	4	66.7%
CPJ-CL REJECT CLAIM	25	2	8.0%	2	8.0%	7	28.0%	14	56.0%
CRZ-CL REJ OCC DISEASE	9	0	0.0%	0	0.0%	4	44.4%	5	55.6%
DEP BEN FATAL	Total: 7	0	0.0%	0	0.0%	2	28.6%	5	71.4%
CDF-CL DENY/GRNT DTH BEN	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CIF-CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EIF-EM SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 4	0	0.0%	2	50.0%	1	25.0%	1	25.0%
FTA Multiple Issues-FTA MULTIPLE ISSUES	4	0	0.0%	2	50.0%	1	25.0%	1	25.0%
FAILURE TO ACT 30 DAY	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
C7D-CL FTA REF FOR EXAM	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7E-CL FTA CPLY OJ/BR/SC	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OP NON-MED	Total: 6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CNR-CL NON-MED ORDER	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
OPBD	Total: 29	0	0.0%	0	0.0%	7	24.1%	22	75.9%
CAO-CL ADD BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBF-CL % BOARD FINDING	15	0	0.0%	0	0.0%	5	33.3%	10	66.7%
CSF-CL% SI BOARD FINDING	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CSO-CL SI AD.BRD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EBF-EM % BOARD FINDING	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
ESO-EM SI AD.BRD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
PPD	Total: 120	4	3.3%	3	2.5%	14	11.7%	99	82.5%
CAA-CL ADDL % AWARD D/G	7	0	0.0%	0	0.0%	1	14.3%	6	85.7%
CAD-CL % AWARD DENY/GRNT	84	2	2.4%	3	3.6%	8	9.5%	71	84.5%
CIE-CL SI ADD% AWARD D/G	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CIG-CL SI %AWARD DNY/GNT	23	2	8.7%	0	0.0%	4	17.4%	17	73.9%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKC-CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIB-CL SI G/D VOC REHAB	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPV-CL DY/GRNT REHAB PLN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REOPENING	Total: 28	1	3.6%	0	0.0%	0	0.0%	27	96.4%
CIQ-CL SI DY/GNT R/O PPD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
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	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CLH-CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD-CL DENY/GRNT R/O TTD	14	1	7.1%	0	0.0%	0	0.0%	13	92.9%
SPECIAL CATEGORY	Total: 12	0	0.0%	0	0.0%	0	0.0%	12	100.0%
C1I-CL SI SL CATEGORY	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CNW-CL SPL CATEGORY	7	0	0.0%	0	0.0%	0	0.0%	7	100.0%
E2D-EM OIC SPL CATEGORY	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
TRMT/EQUIP CL	Total: 147	7	4.8%	1	0.7%	17	11.6%	122	83.0%
CBX-CL TRMT DENY	123	7	5.7%	0	0.0%	17	13.8%	99	80.5%
CSX-CL SI TRMT DENY	21	0	0.0%	0	0.0%	0	0.0%	21	100.0%
CYY-CL TRMT GRANT	3	0	0.0%	1	33.3%	0	0.0%	2	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
TTD	Total: 28	2	7.1%	0	0.0%	4	14.3%	22	78.6%
CCC-CL CLOSING THE CLAIM	18	2	11.1%	0	0.0%	3	16.7%	13	72.2%
CIC-CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CIJ-CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPX-CL INITIAL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CSG-CL SI INITIAL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
Totals: Claims 386	468	19	4.1%	8	1.7%	65	13.9%	376	80.3%

Thursday, August 01, 2013

Resolution of Issues

Report Dates: Decision Date from 7/1/2013 thru 7/31/2013

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
TTD	35	8	22.90	9	25.70	6	17.10	12	34.30	0	0	0	0	0	0	0	0
OPBD	23	2	8.70	6	26.10	4	17.40	11	47.80	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	9	1	11.10	0	0	1	11.10	5	55.60	0	0	0	0	0	0	0	0
DEP BEN FATAL	11	3	27.30	7	63.60	0	0	1	9.10	0	0	0	0	0	0	0	0
COMPENSABILITY	75	25	33.30	25	33.30	8	10.70	15	20	1	1.30	0	0	1	1.30	0	0
DEP BEN 104	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OP NON-MED	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PPD	100	19	19	24	24	18	18	37	37	1	1	0	0	0	0	1	1
REHABILITATION	3	0	0	0	0	0	0	3	100	0	0	0	0	0	0	0	0
BENEFIT OVERPAYMENT	2	1	50	0	0	0	0	1	50	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	11	1	9.10	5	45.50	0	0	4	36.40	1	9.10	0	0	0	0	0	0
TRMT/EQUIP CL	133	32	24.10	52	39.10	14	10.50	24	18	7	5.30	2	1.50	0	0	0	0
Totals	407	94	23.1	129	31.7	51	12.5	115	28.3	10	2.5	2	0.5	1	0.2	1	0.2

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 1/1/2013 through 7/31/2013

	10
Petitions denied on face:	0
Petitions denied by ALJ Decision:	0
Petitions granted:	1
Petitions withdrawn through settlement:	2
Petitions currently pending:	10*

**Includes 3 petitions pending from 2012*

Failure to Timely Act Process

Petitions filed 1/1/2013 through 6/30/2013

Filed:	55
Denied/dismissed:	33
Withdrawn:	0
Reports to OIC:	27
Pending	25

**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
2011	10	16	11	15	21	16	11	13	9	8	12	10	152
2012	14	2	18	12	13	5	7	3	2	11	16	10	113
2013	14	10	11	22	12	15	19						103

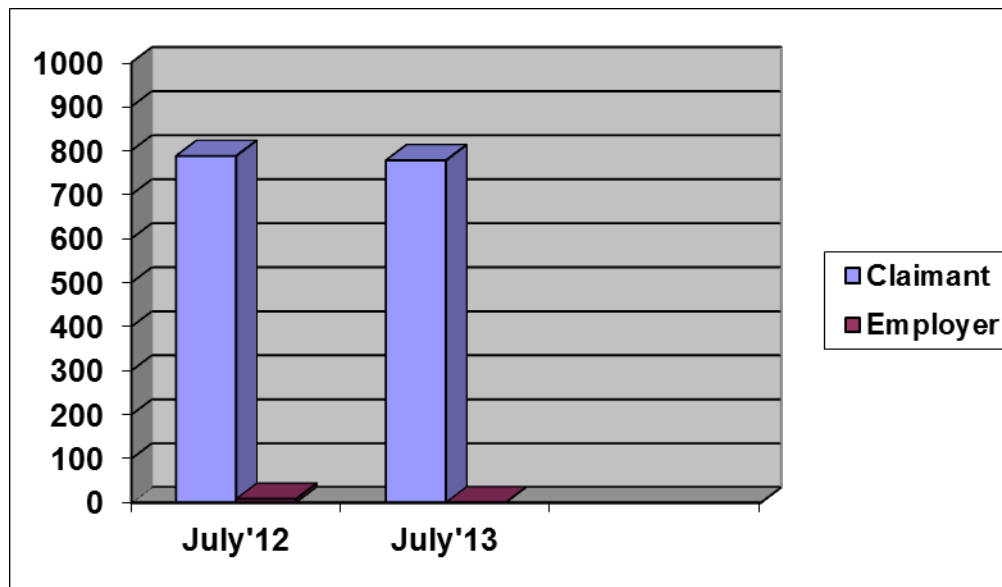
Pro Se Claimant Information as of August 1, 2013

Pending Protests Involving Pro Se Claimants: 450

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year		
Party	Month	% Protests	Month	% Protests	
	July'13		July '12		
Claimant	778	24.71%	788	22.98%	
Employer	0	0%	9	0.02%	
Total	778		797		

Pending Treatment Issues

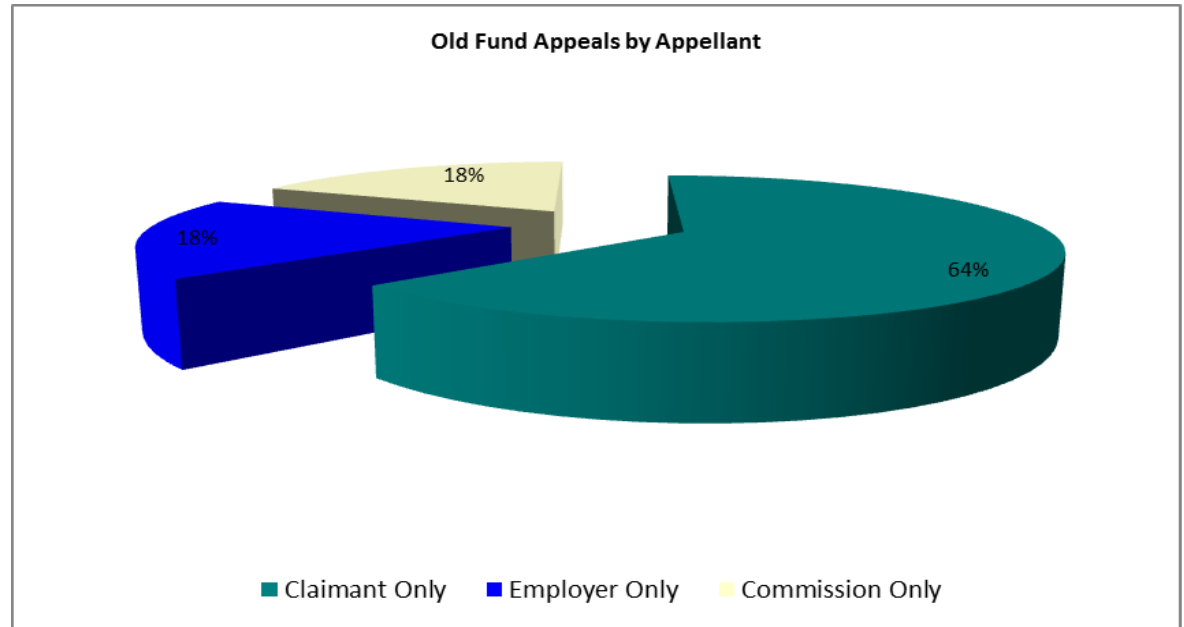


WORKERS' COMPENSATION BOARD OF REVIEW

Appeals Received
From July 1, 2013 Thru July 31, 2013

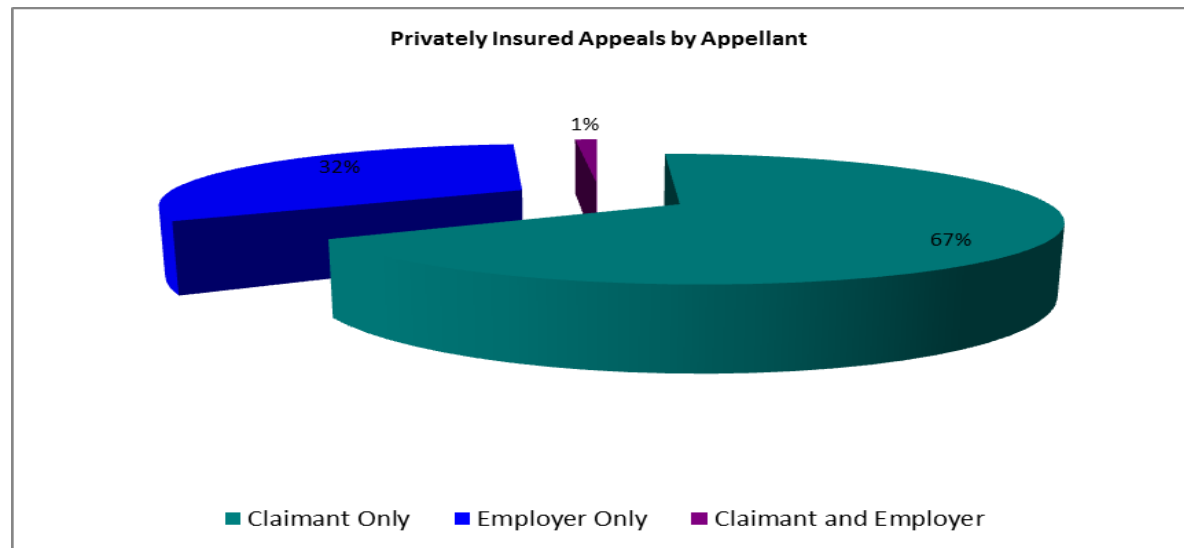
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	14
Employer Only	4
Commission Only	4
Old Fund Total	22



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

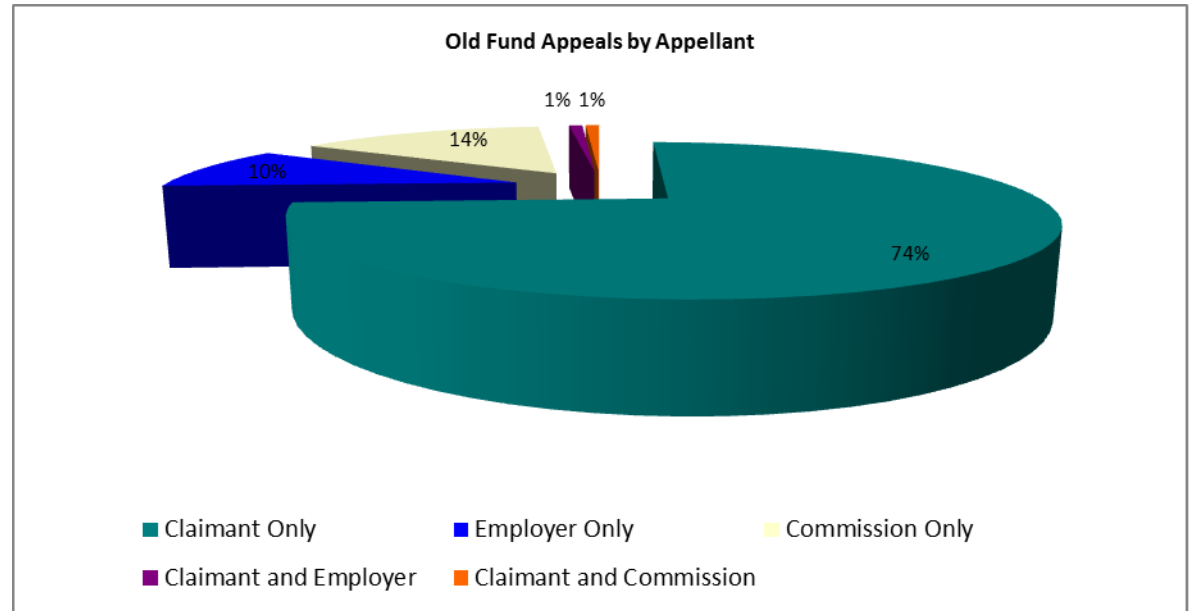
Appellant	Count
Claimant Only	54
Employer Only	26
Claimant and Employer	1
Privately Insured Total	81
Total Appeals	103



Yearly Appeals Received
From January 1, 2013 Thru July 31, 2013

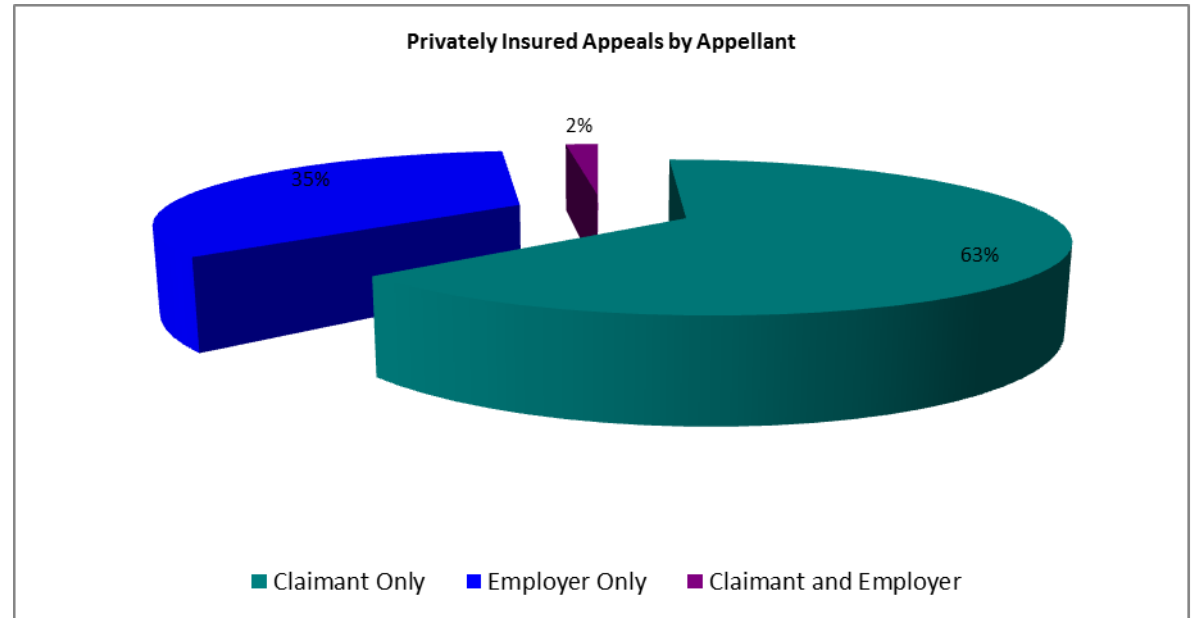
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	92
Employer Only	12
Commission Only	18
Claimant and Employer	1
Claimant and Commission	1
Old Fund Total	124



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

Appellant	Count
Claimant Only	306
Employer Only	167
Claimant and Employer	9
Privately Insured Total	482
Total Appeals	606



Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From July 1, 2013 thru July 31, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	18	0	0.0	18	100.0
CL ADDL % AWARD D/G	1	1	100.0	0	0.0
CL CLOSING THE CLAIM	5	0	0.0	5	100.0
CL COMPENSABILITY	2	0	0.0	2	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	4	0	0.0	4	100.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0
CL INITIAL TTD	1	0	0.0	1	100.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0
CL REJ OCC DISEASE	1	0	0.0	1	100.0
CL REJECT CLAIM	6	0	0.0	6	100.0
CL SEC.CONDITION	3	1	33.3	2	66.7
CL SI %AWARD DNY/GNT	7	0	0.0	7	100.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0
CL SI AUT/RPR HA D/G	1	1	100.0	0	0.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0
CL SI COMPENSABLE	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	2	2	100.0	0	0.0
CL SI DY/GNT R/O PPD	1	0	0.0	1	100.0
CL SI DY/GNT R/O TTD	2	0	0.0	2	100.0
CL SI REJECT CLAIM	4	0	0.0	4	100.0
CL SI SEC.CONDITION	2	0	0.0	2	100.0
CL SI TRMT DENY	13	6	46.2	7	53.8
CL TRMT DENY	31	8	25.8	23	74.2
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	3	0	0.0	3	100.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0
EM ADD BOARD FINDING	1	0	0.0	1	100.0
NonPrstable Protest	1	0	0.0	1	100.0
Not All Parties cc'd	1	0	0.0	1	100.0
Totals	120	25	20.8	95	79.2

Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From January 1, 2013 Thru July 31, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	75	3	4.0	72	96.0
CL % BOARD FINDING	4	0	0.0	4	100.0
CL ADD BOARD FINDING	4	2	50.0	2	50.0
CL ADDL % AWARD D/G	10	3	30.0	7	70.0
CL APP.THRESHOLD	4	3	75.0	1	25.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	47	1	2.1	46	97.9
CL COMPENSABILITY	13	0	0.0	13	100.0
CL D/G PROV CHNG	2	0	0.0	2	100.0
CL DENY/GRANT PTD	9	9	100.0	0	0.0
CL DENY/GRNT DTH BEN	8	8	100.0	0	0.0
CL DENY/GRNT R/O TTD	21	0	0.0	21	100.0
CL DNY/GRNT R/O PPD	6	2	33.3	4	66.7
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 EXTRA WKS D/G	1	0	0.0	1	100.0
CL INITIAL TTD	4	0	0.0	4	100.0
CL NON-MED ORDER	3	2	66.7	1	33.3
CL OIC %AWRD DNY/GNT	1	0	0.0	1	100.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0
CL PRSTS BEN RATE	2	0	0.0	2	100.0
CL PTD REV. BODY DETERMINATION	6	6	100.0	0	0.0
CL REJ OCC DISEASE	10	2	20.0	8	80.0
CL REJECT CLAIM	76	0	0.0	76	100.0
CL SEC.CONDITION	41	1	2.4	40	97.6
CL SI %AWARD DNY/GNT	30	5	16.7	25	83.3
CL SI AD.BRD FINDING	2	0	0.0	2	100.0
CL SI ADD% AWARD D/G	7	4	57.1	3	42.9
CL SI APP.THRESHOLD	1	0	0.0	1	100.0
CL SI AUT/RPR HA D/G	1	1	100.0	0	0.0
CL SI CLSING THE CLM	9	0	0.0	9	100.0
CL SI COMPENSABLE	5	0	0.0	5	100.0
CL SI DY/GNT DTH BEN	7	5	71.4	2	28.6

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI DY/GNT R/O PPD	5	3	60.0	2	40.0
CL SI DY/GNT R/O TTD	8	0	0.0	8	100.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	18	0	0.0	18	100.0
CL SI SEC.CONDITION	10	0	0.0	10	100.0
CL SI SL CATEGORY	1	0	0.0	1	100.0
CL SI TRMT DENY	50	15	30.0	35	70.0
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SPL CATEGORY	5	0	0.0	5	100.0
CL TRMT DENY	155	41	26.5	114	73.5
CL TRMT GRANT	2	1	50.0	1	50.0
CL TTD	7	0	0.0	7	100.0
CL% SI BOARD FINDING	3	1	33.3	2	66.7
EM ADD BOARD FINDING	1	0	0.0	1	100.0
EM OIC SPL CATEGORY	1	0	0.0	1	100.0
EM SI DENY/GRANT PTD	1	1	100.0	0	0.0
NonPrstable Protest	2	0	0.0	2	100.0
Not All Parties cc'd	3	1	33.3	2	66.7
Totals	691	126	18.2	565	81.8

Appeals Received By Issue
From July 1, 2013 Thru July 31, 2013

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	18	13	72.2	5	27.8	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	0	0.0	0	0.0	0	0.0	1	100.0
CL CLOSING THE CLAIM	5	2	40.0	3	60.0	0	0.0	0	0.0
CL COMPENSABILITY	2	1	50.0	1	50.0	0	0.0	0	0.0
CL D/G PROV CHNG	1	0	0.0	1	100.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	4	1	25.0	3	75.0	0	0.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0	0	0.0	0	0.0
CL INITIAL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL OIC ADD% AWRD D/G	1	0	0.0	0	0.0	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	1	0	0.0	0	0.0	0	0.0	1	100.0
CL REJ OCC DISEASE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL REJECT CLAIM	6	4	66.7	2	33.3	0	0.0	0	0.0
CL SEC.CONDITION	3	2	66.7	1	33.3	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	7	5	71.4	2	28.6	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 AUT/RPR HA D/G	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI CLSING THE CLM	1	1	100.0	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
CL SI DY/GNT DTH BEN	2	2	100.0	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
CL SI DY/GNT R/O TTD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	4	3	75.0	1	25.0	0	0.0	0	0.0
CL SI SEC.CONDITION	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	13	9	69.2	4	30.8	0	0.0	0	0.0
CL TRMT DENY	31	23	74.2	7	22.6	0	0.0	1	3.2
CL TRMT GRANT	1	0	0.0	0	0.0	0	0.0	1	100.0
CL TTD	3	1	33.3	2	66.7	0	0.0	0	0.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
EM ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
NonPrstable Protest	1	1	100.0	0	0.0	0	0.0	0	0.0
Not All Parties cc'd	1	1	100.0	0	0.0	0	0.0	0	0.0
Totals	121	80	66.1	36	29.8	0	0.0	5	4.1

**WORKER COMPENSATION BOARD OF REVIEW
FOR JULY 2013**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	55	85.9%	58.5%	350	88.6%	60.2%
	DISMISSED	3	4.7%	3.2%	20	5.1%	3.4%
	MODIFY				2	0.5%	0.3%
	REMAND	2	3.1%	2.1%	10	2.5%	1.7%
	REVERSE	4	6.3%	4.3%	13	3.3%	2.2%
	Total Dispositions	64			395		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	1.1%	7	87.5%	1.2%
	MODIFY				1	12.5%	0.2%
	Total Dispositions	1			8		
EMPLOYER	AFFIRMED	24	82.8%	25.5%	111	69.4%	19.1%
	DISMISSED	2	6.9%	2.1%	19	11.9%	3.3%
	MODIFY				4	2.5%	0.7%
	REMAND				2	1.3%	0.3%
	REVERSE	3	10.3%	3.2%	24	15.0%	4.1%
	Total Dispositions	29			160		
DIVISION/OIC	AFFIRMED				11	61.1%	1.9%
	DISMISSED				3	16.7%	0.5%
	MODIFY				1	5.6%	0.2%
	REVERSE				3	16.7%	0.5%
	Total Dispositions				18		
	Grand Totals	94			581		

Dispositions By Issue
BOR Orders Mailed From July 1, 2013 Thru July 31, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	19	14	73.7	3	15.8	1	5.3	0	0.0	1	5.3	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL 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	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	8	7	87.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL D/G PROV CHNG	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	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	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	1	1	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	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0	0	0.0	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	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	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	2	50.0	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	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 PPD	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 TTD	2	2	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	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	4	3	75.0	1	25.0	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	20	18	90.0	1	5.0	0	0.0	0	0.0	1	5.0	0	0.0	0	0.0
CL TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Not All Parties cc'd	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	103	89	86.4	7	6.8	5	4.9	0	0.0	2	1.9	0	0.0	0	0.0

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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	74	63	85.1	5	6.8	5	6.8	0	0.0	1	1.4	0	0.0	0	0.0
CL % BOARD FINDING	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	5	5	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	11	9	81.8	0	0.0	2	18.2	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	41	34	82.9	5	12.2	2	4.9	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	12	6	50.0	1	8.3	3	25.0	1	8.3	1	8.3	0	0.0	0	0.0
CL D/G PROV CHNG	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	8	6	75.0	1	12.5	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	8	8	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	11	8	72.7	2	18.2	1	9.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	11	5	45.5	2	18.2	3	27.3	0	0.0	1	9.1	0	0.0	0	0.0
CL NON-MED ORDER	4	0	0.0	1	25.0	3	75.0	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 PRSTS BEN RATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	4	2	50.0	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	72	56	77.8	6	8.3	8	11.1	0	0.0	2	2.8	0	0.0	0	0.0
CL SEC.CONDITION	43	36	83.7	1	2.3	5	11.6	1	2.3	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	21	17	81.0	2	9.5	1	4.8	0	0.0	1	4.8	0	0.0	0	0.0
CL SI AD.BRD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	3	3	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	11	8	72.7	1	9.1	0	0.0	2	18.2	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT 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 SI DY/GNT R/O PPD	4	4	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	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

CL SI REJECT CLAIM	17	14	82.4	1	5.9	2	11.8	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	3	2	66.7	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	50	43	86.0	5	10.0	1	2.0	0	0.0	1	2.0	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	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	134	116	86.6	8	6.0	5	3.7	1	0.7	4	3.0	0	0.0	0	0.0
CL TRMT GRANT	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	7	7	100	0	0	0	0	0	0	0	0	0	0	0	0
CL% SI BOARD FINDING	3	3	100	0	0	0	0	0	0	0	0	0	0	0	0
EM ADD BOARD FINDING	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DENY/GRANT PTD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DY/GNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
NonPrstable Protest	1	0	0	0	0	0	0	0	0	1	100	0	0	0	0
Not All Parties cc'd	3	2	66.667	1	33.333	0	0	0	0	0	0	0	0	0	0
Totals	630	518	82.222	46	7.3016	47	7.4603	6	0.9524	13	2.0635	0	0	0	0

WORKERS' COMPENSATION – REVENUE RECOVERY

July 2013

COLLECTION ACTIVITY		INJUNCTIONS	
Receipts - Old Fund (Employer out of business)	\$ 7,341.14	Affidavits for injunction submitted to legal	0
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 55,769.02	Hearings attended	2
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 11,705.21	# of injunction complaints accepted by court	0
		# of injunctions granted	2
# of active accounts uninsured (cumulative)	367	# of agreed orders entered	0
\$ of active accounts uninsured (cumulative)	\$ 1,274,993.20	PAYMENT AGREEMENTS	
Telephone contacts	1,155	# of repayment agreements applications	4
Walk-ins	7	Agreements set up	2
		Total # of agreements on system (cumulative)	49
LIENS		Intent to void letters mailed	1
Liens sent to county clerks for recordation	65	Agreements voided	1
Liens sent to county clerks for release	20		
Intent to lien letters sent to employer/owner/officer/member	25	MISCELLANEOUS	
		Terminations Processed	53
Uninsured Accounts Resolved	206	Rule 11 Letters Mailed	224
All Cash Receipts from WC accounts	\$ 74,815.37	Rule 11 hearings	0

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
August 6, 2013

OPERATING REPORT

JUNE 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

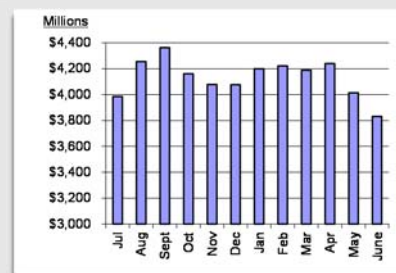
Chief Financial
Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,831,714,000

Last Month
\$4,013,978,000

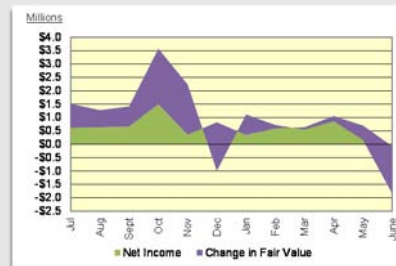
Beginning of Fiscal Year
\$3,919,677,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$10,589,000



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

Money Market Pools

As of June 30, 2013

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1223%	.1098%	.1212%	48 Days	\$2.5 Billion
WV Gov't Money Market	.0625%	.0359%	.0329%	50 Days	\$287.3 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JUNE 2013

Markets Turn in Fear of Federal Reserve Tapering

Market Environment

There was no refuge for investors in June, other than in cash, as global stocks sold off, Treasury interest rates rose, credit spreads widened, and commodity prices fell. The turn in markets was fueled by indications from the Federal Reserve that it could begin tapering its accommodative monetary policy as early as September. Emerging country stocks and bonds were particularly hard hit as the broad sell-off in risky assets was exacerbated by reports of slowing growth in these economies, in addition to an apparent liquidity crunch among Chinese banks and political turmoil in Brazil and Turkey. Furthermore, a dramatic rise in interest rates took the shine off certain sectors such as Treasuries and TIPS, which otherwise have done well in a risk averse environment. Collectively, market reaction to the Fed's plan created a tightening of money and an increase in real rates, which set off a round of risk re-pricing across financial markets. Notably, Risk Parity, with risk balanced exposure across many asset classes, performed poorly amid the surprising increase in rates.

While the market reaction to slower growth and a less accommodative Fed has been quick and is likely already incorporated into asset prices, we expect market volatility to remain elevated in the near term, especially as trading activity slows over the summer. Additional negative headlines are possible and so is the potential for ripple effects in areas such as peripheral Europe or other emerging economies. At this time, however, we do not see imminent danger of systemic-level contagion similar to the fall of 2008. That said, we continue to be vigilant as we track market movements.

It is important to reflect that the strong performance across most asset classes leading into this period of volatility provides somewhat of a cushion; for example US equity markets remain up over 13% so far this year. To be sure, the market unrest has also created opportunities. We believe clients can invest in attractively valued risky assets, such as emerging markets, on the back of the sell-offs. The premium for illiquid assets continues to appear attractive for strategies such as direct lending, which seeks to benefit from the withdrawal of banks from making loans to certain market segments. For corporate defined benefit programs, the dramatic backup in interest rates along with gains in equities so far this year, may represent an opportunity to capture funded status improvement by shifting from growth-oriented to liability-hedging assets. That said, we believe any such changes in allocation can be made gradually over the coming months given the currently elevated level of volatility.

Equity Market Results

Equity markets sold off in June. Broad US stock market indices including the S&P 500 and Russell 3000 Index were down in June 1.34% and 1.30%, respectively. In one surprising move, US small cap stocks held up better than their larger brethren – something generally not seen during periods of market stress. The Russell 2000 Index declined 0.51%, while the Russell 1000 Index fell 1.36%.

On a relative basis, the equity US markets posted stronger results than did their international counterparts. Developed markets, represented by the MSCI EAFE Index, fell 3.55%, while their lesser developed counterparts, represented by the MSCI Emerging Markets Index, dropped 6.79%.

Bond Market Results

The only segment of the bond market which provided positive results during June was short-term investments. The Citigroup 3-month T-bill generated a 0.01% return, while 3-month Libor was up 0.02%. Intermediate and longer duration segments of the bond markets suffered declines. The Barclays Capital Aggregate Index, a broad measure of the US bond market, fell 1.55%. Global bonds fared slightly better, as the JP Morgan Non-US WGBI (unhedged) and JP Morgan EMLI declined 0.32% and 1.11%, respectively.

West Virginia Board of Treasury Investments

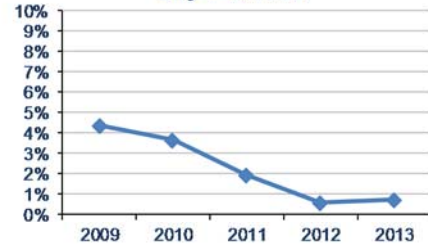
Financial Highlights as of June 30, 2013

WV Short Term Bond Pool

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

<u>July 1 - June 30</u>	<u>Return</u>	<u>Net Assets At June 30 (In Millions)</u>
2013	0.8%	\$ 617.3
2012	0.6%	\$ 504.3
2011	2.0%	\$ 476.2
2010	3.7%	\$ 455.7
2009	4.4%	\$ 327.0

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

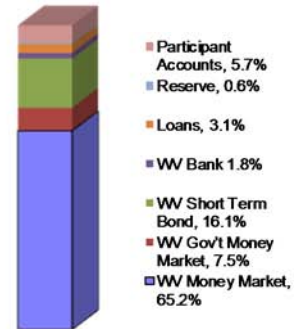


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

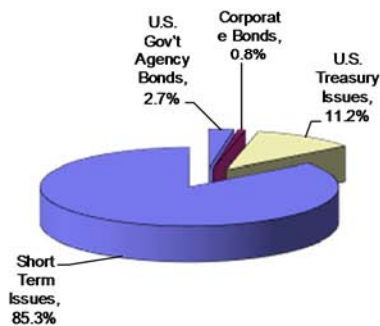
<u>Pool</u>	<u>Net Asset Value</u>	<u>June Net Income</u>	<u>Fiscal YTD Net Income</u>
WV Money Market	\$ 2,496,857	\$ 239	\$ 3,894
WV Gov't Money Market	287,253	7	291
WV Short Term Bond	617,251	(1,422)	3,840
WV Bank	70,042	7	118
Loans	118,365	(672)	(1,202)
Reserve	21,919	5	50
Participant Accounts	220,027	(7)	3,598
	\$ 3,831,714	\$ (1,843)	\$ 10,589

Percent of Total Net Asset Value

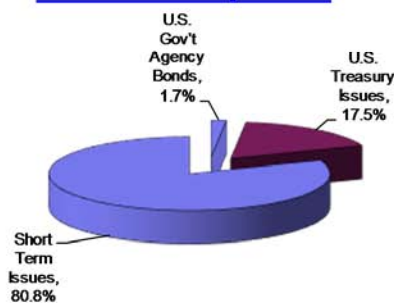


Securities by Type for Operating Pools (Percentage of Asset Value)

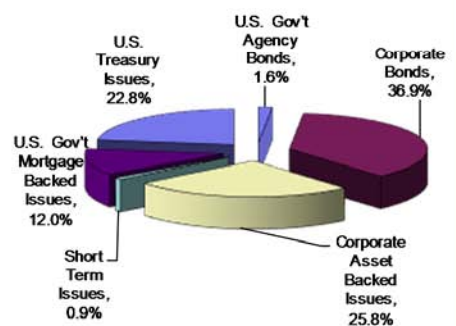
WV Money Market



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

JUNE 30, 2013

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,495,868	\$ 287,184		\$ 70,012	\$ 140,266	\$ 216,467
At fair value	-	-	\$ 615,807	-	-	3,266
Cash	-	-	-	-	-	-
Other assets	1,217	104	1,867	31	20	295
Total assets	<u>2,497,085</u>	<u>287,288</u>	<u>617,674</u>	<u>70,043</u>	<u>140,286</u>	<u>220,028</u>
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	228	35	423	1	2	1
Total liabilities	<u>228</u>	<u>35</u>	<u>423</u>	<u>1</u>	<u>2</u>	<u>1</u>
Net Assets	<u>\$ 2,496,857</u>	<u>\$ 287,253</u>	<u>\$ 617,251</u>	<u>\$ 70,042</u>	<u>\$ 140,284</u>	<u>\$ 220,027</u>
Investment income						
Interest and dividends	\$ 383	\$ 43	\$ 680	\$ 9	\$ 110	\$ 127
Net accretion (amortization)	(46)	(20)	(339)	-	-	(79)
Provision for uncollectible loans	-	-	-	-	(775)	-
Total investment income	<u>337</u>	<u>23</u>	<u>341</u>	<u>9</u>	<u>(665)</u>	<u>48</u>
Expenses						
Fees	98	16	48	2	2	-
Total expenses	<u>98</u>	<u>16</u>	<u>48</u>	<u>2</u>	<u>2</u>	<u>-</u>
Net investment income	<u>239</u>	<u>7</u>	<u>293</u>	<u>7</u>	<u>(667)</u>	<u>48</u>
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(1,715)	-	-	(55)
Net gain (loss) from investments	-	-	(1,715)	-	-	(55)
Net increase (decrease) in net assets from operations	<u>239</u>	<u>7</u>	<u>(1,422)</u>	<u>7</u>	<u>(667)</u>	<u>(7)</u>
Distributions to participants	<u>239</u>	<u>7</u>	<u>293</u>	<u>7</u>	<u>(667)</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	767,715	18,749	66,783	15,015	4,109	40
Redemptions and withdrawals	996,351	44,695	-	10,016	691	1,200
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	<u>(228,636)</u>	<u>(25,946)</u>	<u>66,783</u>	<u>4,999</u>	<u>3,418</u>	<u>(1,160)</u>
Increase (decrease) in net assets	(228,636)	(25,946)	65,068	4,999	3,418	(1,167)
Net assets at beginning of period	2,725,493	313,199	552,183	65,043	136,866	221,194
Net assets at end of period	<u>\$ 2,496,857</u>	<u>\$ 287,253</u>	<u>\$ 617,251</u>	<u>\$ 70,042</u>	<u>\$ 140,284</u>	<u>\$ 220,027</u>