

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

April 21, 2014



West Virginia Legislature
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Interim Committee Attendance - Results

Monday, April 21, 2014 - 02:00 PM

Joint Committee on Government and Finance

Attended:

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

Submitter:

Marlene Elliott

Phone:

347-4802

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(President Kessler presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
April 21, 2014

2:00 - 3:00pm

Senate Finance Room

1. **Approval of January 7, 2014 minutes**
2. **2014 Interim Studies**
3. **Committee Reports/Requests**
4. **Monthly/Quarterly Reports Distribution:**
Status Reports on Lottery and the General Revenue Fund.
5. **Workforce WV Unemployment Compensation Trust Fund Distribution:**
6. **Monthly/Quarterly Reports Distribution:**
PEIA.
BRIM
CHIP
Real Estate Report
7. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**

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

Joint Committee on Government and Finance

January 7, 2014

1:00pm - 2:00pm

Senate

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

House

Miley, Chair
Boggs
Caputo
Manchin (Absent)
White
Armstead
Cowles

Speaker Miley presides:

Speaker Miley: "The committee will come to order. The clerk will take a silent roll call. President Kessler moves the approval of the December 11, 2013 minutes. All those in favor say aye, all those opposed, the ayes appear to have it. The minutes will be approved."

Speaker Miley: "Committee Reports. President Kessler:"

President Kessler: "I hereby move that the Resolution Supporting the Complete College America College Completion and Outcomes-Based Funding Initiative from the Select Committee on Outcomes-Based Funding Models in Higher Education be accepted."

Speaker Miley: "President Kessler moves as stated. Is there other questions or discussions? If not, all those in favor say aye, all those opposed, the ayes appear to have it, the ayes do have it, I declare the Motion adopted."

Speaker Miley: "Move on to Committee Reports. First on is Workforce WV presented by Valerie Comer, Deputy Executive Director."

Valerie Comer, Deputy Executive Director, Workforce WV: "Good afternoon Mr. Speaker, Mr. President and Committee members. I am here to present the Trust Fund for our Director Russell Fry. Our Trust fund balance as of yesterday was \$98,086,564. We are projecting Revenue by the end of the year of \$232,531,000. Projecting Benefits paid at the end of the year \$229,386,000. Projected a balance by the end of this year of \$104,771,000."

Speaker Miley: "Are there any questions of Ms. Comer? Senator Hall."

Senator Hall: "The discussion going on in Washington about Employment Benefits, can you explain how that is funded or can you go over what happens?"

Ms. Comer: "The extended benefits that they are trying to propose a three-month extension on. No, it does not affect our Trust Fund. Those are paid by the Federal Government."

Senator Hall: "Paid by the Federal Government, ok thanks."

Speaker Miley: "Any further discussions? Thank you ma'am."

Speaker Miley: "Next item on the agenda are the monthly reports presentation by Ross Taylor or designee from the Secretary of Administration."

Ross Taylor: "Good Afternoon. You all have my report. PEIA and BRIM they're basically having good years or start of a good year any way. CHIP, one comment I would like to make is it indicates that the end of December there were 25,011 members. Right now we are showing that that count has dropped by about 800 members and we believe but not 100% sure but it is attributable to the folks transitioning from CHIP to Medicaid. As far as Real Estate Leasing goes, there really isn't any thing to report at this time. I will entertain any questions."

Speaker Miley: "Any questions of Mr. Taylor? There does not appear to be any. Thank you."

Speaker Miley: "Next matter is the report from the Department of Health and Human Resources by Tina Bailes, Deputy Commissioner."

Ms. Tina Bailes: "Good afternoon Mr. Speaker, Mr. President and Committee members. I'm Tina Bailes, the Deputy Commissioner for Medicaid. I believe you should have the Medicaid Report in your packet of information and I would be happy to take any questions that you may have."

Speaker Miley: "Are there any questions of Ms. Bailes? Delegate Armstead."

Delegate Armstead: "Thank you Mr. Speaker. I am just following up on some of the discussions we had last month on the non-emergency transfer. Can you give us an update on where we are on that process. There was a letter I think it was sent from the Department to some of the EMS services that seem to

indicate that that was moving forward just as it had originally been planned and yet I was kind of lead to believe we might still have some discussions on that. I was wondering what the status of that is."

Ms. Bailes: "The current status of that is that the cost bids were received and they were opened last Friday so right now those evaluations are taking place and then at that point a recommendation by the Review Committee would be made. We're still somewhere probably within a four to six week period of time in which a formal award could be made. That's the current status of this solicitation."

Delegate Armstead: "Ok. My understanding was that the ones that were bidding on those were making an effort a head of time to try and go out and solicit whether they would have the support of ambulances services throughout the state. What was the result of that in terms of the bids that your got. Did they have ambulance service support for their bids and commitments to work with them or how did that come out."

Ms. Bailes: "In terms of that, I also had heard that these things had occurred although the Bureau has no knowledge of that. There would be a network component of that solicitation in which they would try to demonstrate they have network adequacy. At that point, that would not, those discussions would not occur until an official award was made."

Delegate Armstead: "When I questioned last month I asked about whether and, I am still trying to learn, the process that would be following this. I asked a question about whether EMS Services that currently provide non-emergency medical transport, whether they would have the right basically to enter into agreements with the broker. I think the response was they would be offered a contract. I guess since then I have learned that there is a question as to whether they would, even if they did have a contract. Is it true that the broker would not have to call, the broker would still have the right to call, like if they got a call from transportation services, it would still be up to the broker who they called to fill that service, right? So they could enter into a contract conceivably with an ambulance service but never use those services or never call them?"

Ms. Bailes: "I wouldn't anticipate that they would never use the services but you are correct in terms of the broker would have a responsibility to determine the most efficient means of transportation based on the individual circumstances. But again that is going to be dependent to, a lot of that is going to based on the network."

Delegate Armstead: "Is there any discussions going on with the EMS about their proposal to exempt the stretcher patients basically, that I know it was something that was suggested. Are those discussion on going?"

Ms. Bailes: "I can't confirm. I have not participated personally in those. That would be something I would have to go back and ask."

Delegate Armstead: "Ok. Thank you."

Speaker Miley: "Further questions? President Kessler."

President Kessler: "Thank you Mr. Speaker. As you stated in the Medicaid expansion there were like 65,000 people signed up, how many have been enrolled?"

Ms. Bailes: "Actually for the new adult group as of January 1st there were 70,295 individuals that were enrolled in Medicaid in the New Adult Group. There are probably more individuals as a result of that but in terms of the new expansion population that was the number. Now that number does change because we do update eligibility on a daily basis."

President Kessler: "70,000 and what was the projection?"

Ms. Bailes: "I believe that CCRC the estimate was 63,000 or 65,000."

President Kessler: "So we are seeing ..."

Ms. Bailes: "100% federal match, yes for the first three years."

Speaker Miley: "Any further questions. Delegate Armstead."

Delegate Armstead: "Thank you Mr. Speaker. Do you have an estimate based on the projections now of what the state's burden will be in three years when it comes down to 90% of federal participation. What do we anticipate that number, because I've heard different numbers of what we anticipate the state's responsibility will be after three years."

Ms. Bailes: "Currently we are relying upon the study that was done by the CCRC. I can provide that information that breaks that out for each of the years up through, well we would have it all the way through 2020 at least. I can provide that information if that will be acceptable."

Delegate Armstead: "It would be helpful if we could have that."

Ms. Bailes: "Ok."

Delegate Armstead: "Thank you."

Speaker Miley: "Any further questions? If not, thank you ma'am."

Speaker Miley: "The next item on the agenda will be a report by the Investment Management Board Distribution by Mr. Slaughter."

Mr. Slaughter: "Good morning gentlemen. Craig Slaughter, Executive Director of the West Virginia Investment Management Board. You have the November 30, 2013 Monthly Performance Report in your packet. The fiscal year to date numbers as of November 30th were up. The Pensions Plan are up 9.2% or so. Over ten years it is up around 7.6% which is over the actuarial assumed rate of return. December was another decent month, we had positive performance for that month as well. It is too early in January, of course. Happy to answer any questions."

Speaker Miley: "Any questions of Mr. Slaughter? There don't appear to be any. Thank you sir."

Speaker Miley: "Next item on the Agenda is a report regarding Workers Compensation Fund by Mr. Riley, the Insurance Commissioner."

Mr. Riley: "Good afternoon Mr. Speaker, Mr. President and Committee members, Mike Riley, Insurance Commissioner. You have a copy of our monthly report. I will give you some of the December numbers. 16,332 active claims in the Old Fund, 897 active claims in the Coal Workers Fund and 35 active claims in the Uninsured Fund. Year-to-date Revenues for the first six months \$137M. Year-to-date expenses \$100M. Current Cash Balance in the Old Funds \$1,098,000,000. Be happy to answer any questions."

Speaker Miley: "Any questions of Mr. Riley? Thank you sir."

Speaker Miley: "President Kessler."

President Kessler: "I move the Annual Reports as set forth from this packet be accepted. If anyone is interested in readying these, they are filed on our web site under that particular Interim Committee: They are Education Subcommittee C; Joint Commission on Economic Development; Legislative

Oversight Commission on Health & Human Resources Accountability; Legislative Oversight Committee on Regional Jail and Correctional Facility Authority; Select Committee on PEIA, Seniors and Long Term Care; Select Committee on Veterans' Affairs; Equal Pay Commission; Forest Management Review Commission and Parks, Recreation and National Resources Subcommittee, all those are on the web site."

Speaker Miley: "All those in favor of President Kessler's motion as stated, say aye, all those opposed. The ayes appear, the ayes do have it. I declare the Annual Reports accepted."

Speaker Miley: "Is there any other business to come before the Committee? If not, President Kessler moves we adjourn. All of those in favor say aye, all those oppose. The ayes appear to have it, that ayes do have it, I declare the meeting adjourned."

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

March 14, 2014

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

- West Virginia Lottery as of January 31, 2014:
Gross profit for July - January 2014 was \$304.1 million.
- West Virginia Unemployment Compensation Fund as of February 28, 2014:
Total disbursements were \$ 25 million less than last fiscal year. Overall ending trust fund balance was \$ 7 million lower on February 28, 2014, than on February 28, 2013.
- General Revenue Fund as of February 28, 2014:
The general revenue collections ended the eighth month of fiscal year 2013-2014 at 97.54% of the estimate for the year.
- State Road Fund as of February 28, 2014:
The state road fund collections ended the eighth month of fiscal year 2013-2014 at 104.54% 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: William Spencer, CPA
Acting Director Budget Division
Legislative Auditor's Office

Date: March 13, 2014

Re: Review of West Virginia Lottery Financial Information
As of January 31, 2014

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for January 31, 2014, 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 \$701.9 million for July – January 31, 2014. Table games accounted for \$30.2 million of this total. Historic Resort Hotel video lottery and table games accounted for \$4.5 million of total gross receipts. Gross lottery revenue has decreased by 8.45% when compared with July - January of fiscal year 2012-2013. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July – January 2014 was \$304.1 million; for July - January of last fiscal year it was \$334.6 million. Expressed as a percentage, gross profit is 9.11% lower for fiscal year 2014 than for fiscal year 2013.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$285,958,000.00 has been accrued to the state of West Virginia for fiscal year 2013-2014. 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	\$52,918,000.00
Community and Technical College	\$3,498,000.00
Department of Education	\$27,451,000.00
Library Commission	\$11,467,000.00
Higher Education-Central Office	\$7,582,000.00
Tourism	\$8,922,000.00
Department of Natural Resources	\$3,193,000.00
Division of Culture and History	\$5,228,000.00
Economic Development Authority	\$6,999,000.00
Department of Education and Arts	\$1,813,000.00
School Building Authority	\$12,597,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$141,668,000.00

Excess Lottery Fund

Lottery continued

Economic Development Fund	\$13,291,000.00
Higher Education Improvement Fund	\$10,500,000.00
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	\$29,000,000.00
Refundable Credit	\$1,063,000.00
General Purpose Fund	\$27,743,000.00
DHHR	\$29,111,000.00
State Park Improvement Fund	0
School Building Authority	\$13,295,000.00
Excess Lottery Surplus	0
Total State Excess Lottery Revenue Fund	\$124,003,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	\$1,410,000.00
State Debt Reduction Fund	\$418,000.00
Tourism Promotion Fund	\$66,000.00
Total Historic Hotel	\$1,894,000.00

Veterans Instant Ticket Fund \$241,000.00

Table Games State Debt Reduction Fund \$ 14,907,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$4,546,000.00
Development Office Promo Fund	\$1,240,000.00
Research Challenge Fund .5%	\$1,653,000.00
Capitol Renovation and Improvement Fund .6875%	\$2,273,000.00
Parking Garage Fund .0625%	\$207,000.00

Lottery continued

Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,338,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$1,468,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$24,225,000.00
TOTAL TRANSFERS	*\$306,938,000.00

* CASH BASIS

Total Accrued last FY 2013:	\$239,035,000.00
Total Cash Distributions FY 2014:	\$306,938,000.00
Applied to FY 2013:	\$239,035,000.00
Applied to FY 2014:	\$67,903,000.00
Accrued for FY 2014 as of January 31:	\$218,055,000.00



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1-800-WVA-CASH

Earl Ray Tomblin
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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

RE: Monthly Report on Lottery Operations
Month Ending January 31, 2014

DATE: February 14, 2014

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

Financial statements of the Lottery for the month ending January 31, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$89,452,197 for the month of January.

Transfers of lottery revenue totaling \$23,736,107 made for the month of November 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 January 31, 2014 was 1,553 and 1,470 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

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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-**

January 31, 2014

WEST VIRGINIA LOTTERY

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

	January 31, 2014	June 30, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 244,730	\$ 273,418
Accounts receivable	29,121	35,999
Inventory	478	492
Other assets	1,908	2,123
Total Current Assets	<u>276,237</u>	<u>312,032</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,489	1,640
Capital assets	47,017	46,846
Less accumulated depreciation and amortization	<u>(7,804)</u>	<u>(6,626)</u>
Net Capital Assets	<u>39,213</u>	<u>40,220</u>
Total Noncurrent Assets	<u>40,702</u>	<u>41,860</u>
Total Assets	<u>\$ 316,939</u>	<u>\$ 353,892</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 218,085	\$ 239,035
Estimated prize claims	14,625	14,144
Accounts payable	1,521	1,828
Other accrued liabilities	27,842	44,019
Total Current Liabilities	<u>262,073</u>	<u>299,026</u>
Total Liabilities	<u>262,073</u>	<u>299,026</u>
Net Position:		
Restricted by enabling legislation	1,469	1,640
Net Investment in capital assets	39,213	40,220
Unrestricted	14,184	13,006
Total Net Position	<u>54,866</u>	<u>54,866</u>
Total Net Position	<u>\$ 316,939</u>	<u>\$ 353,892</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 SEVEN MONTH PERIOD ENDED JANUARY 31, 2014

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2014	2013	2014	2013
Lottery revenues				
On-line games	\$ 5,601	\$ 6,104	\$ 49,506	\$ 49,217
Instant games	8,676	8,826	60,901	63,434
Racetrack video lottery	42,229	49,255	341,767	378,380
Limited video lottery	28,559	30,831	215,100	227,811
Table games	3,880	5,949	30,151	42,424
Historic resort	507	504	4,522	4,670
	<u>89,452</u>	<u>101,469</u>	<u>701,947</u>	<u>765,936</u>
Less commissions				
On-line games	392	423	3,474	3,453
Instant games	608	618	4,263	4,441
Racetrack video lottery	23,162	27,098	198,876	219,027
Limited video lottery	13,994	15,107	105,399	111,627
Table games	1,693	2,597	13,164	18,523
Historic resort	239	237	2,187	2,246
	<u>40,088</u>	<u>46,080</u>	<u>327,363</u>	<u>359,317</u>
Less on-line prizes	2,788	2,983	24,637	24,133
Less instant prizes	5,689	5,852	40,182	42,136
Less ticket costs	126	136	1,024	1,022
Less vendor fees and costs	588	511	4,636	4,753
	<u>9,191</u>	<u>9,482</u>	<u>70,479</u>	<u>72,044</u>
Gross profit	<u>40,173</u>	<u>45,907</u>	<u>304,105</u>	<u>334,575</u>
Administrative expenses				
Advertising and promotions	421	97	3,157	2,829
Wages and related benefits	924	899	6,256	6,467
Telecommunications	54	76	434	612
Contractual and professional	419	349	2,704	2,557
Rental	19	18	163	127
Depreciation and amortization	165	173	1,178	1,232
Other administrative expenses	86	134	708	904
	<u>2,088</u>	<u>1,746</u>	<u>14,600</u>	<u>14,728</u>
Other Operating Income	<u>179</u>	<u>141</u>	<u>2,377</u>	<u>2,483</u>
Operating Income	<u>38,264</u>	<u>44,302</u>	<u>291,882</u>	<u>322,330</u>
Nonoperating income (expense)				
Investment income	49	22	174	145
Distributions to municipalities and counties	(560)	(604)	(4,216)	(4,465)
Distributions -capital reinvestment	(931)	(1,062)	(1,852)	(2,633)
Distributions to the State of West Virginia	(36,822)	(42,658)	(285,988)	(315,377)
	<u>(38,264)</u>	<u>(44,302)</u>	<u>(291,882)</u>	<u>(322,330)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>54,866</u>	<u>51,975</u>	<u>54,866</u>	<u>51,975</u>
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 SEVEN MONTH PERIOD ENDED JANUARY 31, 2014

(In Thousands)

-Unaudited-

	2014	2013
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 711,202	\$ 775,932
Cash payments for:		
Personnel costs	(6,180)	(6,402)
Suppliers	(7,097)	(8,701)
Other operating costs	(401,653)	(427,998)
Cash provided by operating activities	<u>296,272</u>	<u>332,831</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(306,938)	(310,231)
Distributions to municipalities and counties	(4,263)	(4,498)
Distributions to racetrack from racetrack cap. reinv. fund	(13,883)	(14,799)
Cash used in noncapital financing activities	<u>(325,084)</u>	<u>(329,528)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(171)</u>	<u>(30)</u>
Cash flows from investing activities:		
Investment earnings received	<u>144</u>	<u>145</u>
Cash provided by investing activities	<u>144</u>	<u>145</u>
Increase (decrease) in cash and cash equivalents	(28,839)	3,418
Cash and cash equivalents - beginning of period	<u>275,058</u>	<u>243,911</u>
Cash and cash equivalents - end of period	<u>\$ 246,219</u>	<u>\$ 247,329</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 291,882	\$ 322,330
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,178	1,232
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,878	7,513
(Increase) decrease in inventory	14	124
(Increase) decrease in other assets	245	130
Increase (decrease) in estimated prize claims	481	261
Increase (decrease) in accounts payable	(307)	(1,937)
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in other accrued liabilities	(4,099)	3,178
Cash provided by operating activities	<u>\$ 296,272</u>	<u>\$ 332,831</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 January 31, 2014 the carrying amounts of deposits (overdraft) with financial institutions were \$1,430 thousand with a bank balance (overdraft) of \$1,457 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):

	January 31, 2014	June 30, 2013
Deposits with financial institutions	\$ 1,430	\$ 1,411
Cash on hand at the Treasurer's Office	17,593	53,718
Investments with BTI reported as cash equivalents	227,196	219,929
	\$ 246,219	\$ 275,058

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended January 31, 2014 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At January 31, 2014
Construction in Progress	\$ 549	\$ 171	\$ -	\$ 720
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,846</u>	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 47,017</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At January 31, 2014
Buildings	\$ 1,189	\$ 555	\$ -	\$ 1,744
Improvements	260	-	-	260
Equipment	5,177	623	-	5,800
	<u>\$ 6,626</u>	<u>\$ 1,178</u>	<u>\$ -</u>	<u>\$ 7,804</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 January 31, 2014 and fiscal year-to-date is as follows:

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

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,483,656	\$ 24,049,386
Hot Lotto	401,906	2,902,254
Mega Millions	795,615	8,859,322
Total	\$ 3,681,177	\$ 35,810,962

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,241,828	\$ 12,024,693
Hot Lotto	200,953	1,451,127
Mega Millions	404,904	4,510,331
Total	\$ 1,847,685	\$ 17,986,151

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 January 31, 2014, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 110,135,501	\$ 1,900,689
Hot Lotto	7,022,046	503,349
Mega Millions	34,235,215	553,849
Total	<u>\$ 151,392,762</u>	<u>\$ 2,957,887</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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

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.

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 \$16,220,701 at January 31, 2014, of which the Lottery's share was \$1,599,422.

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 Ohio, 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 January 31, 2014 and fiscal year-to-date follows (in thousands):

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

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 461,638	\$ 553,099	\$ 3,813,839	\$ 4,223,261
Credits (prizes) won	(413,571)	(496,633)	(3,422,177)	(3,792,586)
Promotional credits played	(5,816)	(7,182)	(49,718)	(52,061)
MWAP Contributions	(22)	(29)	(177)	(234)
Gross terminal income	42,229	49,255	341,767	378,380
Administrative costs	(782)	(932)	(11,820)	(12,514)
Net Terminal Income	41,447	48,323	329,947	365,866
Less distribution to agents	(23,162)	(27,098)	(198,876)	(219,027)
Racetrack video lottery revenues	<u>\$ 18,285</u>	<u>\$ 21,225</u>	<u>\$ 131,071</u>	<u>\$ 146,839</u>

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

	January 31, 2014	Year-to-Date
State Lottery Fund	\$ 5,628	\$ 86,307
State Excess Lottery Revenue Fund	10,208	19,105
Capital Reinvestment Fund	915	1,697
Tourism Promotion Fund 1.375%	527	4,456
Development Office Promotion Fund .375 %	144	1,215
Research Challenge Fund .5 %	192	1,620
Capitol Renovation & Improvement Fund .6875 %	263	2,228
Parking Garage Fund .0625 %	24	203
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	192	1,370
Capitol Dome & Capitol Improvements Fund .5 %	192	1,370
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 18,285</u>	<u>\$ 131,071</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 January 31, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 340,782	\$ 369,563	\$ 2,556,698	\$ 2,699,552
Credits (prizes) won	(312,223)	(338,732)	(2,341,598)	(2,471,741)
Gross terminal income	\$ 28,559	\$ 30,831	\$ 215,100	\$ 227,811
Administrative costs	(571)	(617)	(4,302)	(4,556)
Gross Profit	27,988	30,214	210,798	223,255
Commissions	(13,994)	(15,107)	(105,399)	(111,627)
Municipalities and Counties	(560)	(604)	(4,216)	(4,465)
Limited video lottery revenues	<u>\$ 13,434</u>	<u>\$ 14,503</u>	<u>\$ 101,183</u>	<u>\$ 107,163</u>

NOTE 8 – TABLE GAMES

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

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

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

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

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended January 31, 2014 and fiscal year-to-date were \$11,085,446 and \$86,146,168, 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	
	2014	2013	2014	2013
Table Games Privilege Tax	\$ 3,880	\$ 5,949	\$ 30,151	\$ 42,424
Interest on Table Games Fund	-	-	2	4
Administrative costs	(333)	(510)	(2,584)	(3,636)
Total Available for Distribution	<u>3,547</u>	<u>5,439</u>	<u>27,569</u>	<u>38,792</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	277	425	2,154	3,030
Thoroughbred & Greyhound Development Funds	222	340	1,723	2,425
Racing Association Pension Plan	97	150	758	1,067
Municipalities/ Counties	<u>1,097</u>	<u>1,682</u>	<u>8,529</u>	<u>12,001</u>
Total Distributions	<u>1,693</u>	<u>2,597</u>	<u>13,164</u>	<u>18,523</u>
State Debt Reduction Fund	<u>\$ 1,854</u>	<u>\$ 2,842</u>	<u>\$ 14,405</u>	<u>\$ 20,269</u>

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the 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 Ohio, 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 January 31, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 3,959	\$ 4,396	\$ 38,282	\$ 39,706
Credits (prizes) won	(3,573)	(4,054)	(34,994)	(36,479)
Promotional credits played	(94)	(51)	(513)	(391)
MWAP Contributions	-	(1)	(2)	(6)
Gross terminal income	292	290	2,773	2,830
Capital reinvestment	(14)	(14)	(130)	(133)
Modernization Fund	(2)	(2)	(25)	(25)
Administrative costs	(16)	(16)	(150)	(154)
Hotel commissions	(124)	(123)	(1,173)	(1,197)
Net terminal income	136	135	1,295	1,321
Historic Resort Hotel Fund	86	86	824	840
Human Resource Benefit Fund	50	49	471	481

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 January 31, 2014 and fiscal year-to-date were \$613,931 and \$4,996,682, 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:

	2014	2013	2014	2013
Table games privilege tax	\$ 215	\$ 214	\$ 1,749	\$ 1,840
Administrative Costs	(27)	(27)	(225)	(237)
Total Available for Distribution	188	187	1,524	1,603
Historic Resort Hotel Fund	157	156	1,274	1,340
Human Resource Benefit Fund	31	31	250	263

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Hotel Fund

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

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

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 86	\$ 824
Historic Resort Table Games	157	1,274
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	243	2,098
Municipalities/ Counties	34	293
State General Revenue Fund	156	1,343
State Debt Reduction Fund	46	399
State Tourism Promotion Fund	7	63
Total Distributions	\$ 243	\$ 2,098

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, 2014 the State Legislature budgeted \$151,565,243 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

**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. For the month ended January 31, 2014 the Lottery has accrued additional distributions of \$215,759,817. 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 January 31, 2014, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$262,102, \$1,853,726, and \$209,348, 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>January 31, 2014</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 3,498
Bureau of Senior Services	-	52,918
Department of Education	-	27,451
Library Commission	-	11,467
Higher Education-Policy Commission	-	7,582
Tourism	-	8,922
Natural Resources	-	3,193
Division of Culture & History	-	5,228
Department of Education & Arts	-	1,813
Economic Development Authority	1,000	6,999
School Building Authority	1,799	12,597
Total State Lottery Fund	\$ 3,299	\$ 141,668

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 13,291
Higher Education Improvement Fund	1,500	10,500
General Purpose Account	10,809	27,743
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	-
School Building Authority	1,899	13,295
Refundable Credit	-	1,063
WV Racing Commission	-	-
WV Department of Health and Human Resources	-	29,111
WV Development Office	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 16,107	\$ 124,003

Total Budgetary distributions:	\$ 19,406	\$ 265,671
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Veterans Instant Ticket Fund	\$ 44	\$ 241
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Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 680	\$ 4,546
Development Office Promotion Fund .375%	185	1,240
Research Challenge Fund .5%	247	1,653
Capitol Renovation & Improvement Fund .6875%	340	2,273
Parking Garage Fund .0625 %	31	207
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	247	1,338
Capitol Dome & Cap. Improvements Fund .5%	247	1,468
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,977	\$ 24,225

Table Games State Debt Reduction Fund	\$ 1,973	\$ 14,907
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 250	\$ 1,410
State Debt Reduction Fund	74	418
Tourism Promotion Fund	12	66
Total	\$ 336	\$ 1,894

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 23,736	\$ 306,938
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Accrued nonoperating distributions, beginning	(204,999)	(239,035)
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Accrued nonoperating distributions, end	218,055	218,055
	\$ 36,792	\$ 285,958

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended January 31, 2014 and January 31, 2013 approximated \$162,614 and \$127,152 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 January 31, 2014 and January 31, 2013 approximated \$818,288 and \$800,467 respectively.

Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2014	387
2015	232
Total	<u>\$ 619</u>

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:

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

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 January 31, 2014 and fiscal year-to-date are as follows (in thousands):

	January 31, 2014	Year-to-Date
Lottery contributions	\$ 92	\$ 639
Employee contributions	28	196
Total contributions	\$ 120	\$ 835

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.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
 LOTTERY FUND AND EXCESS LOTTERY FUND
 FOR THE MONTH ENDED JANUARY 31, 2013
 (In Thousands)**

	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	8,676	8,750	60,902	61,250
On-line games	5,601	5,888	49,506	41,216
Racetrack video lottery	42,229	40,551	341,767	293,618
Limited video lottery	28,560	30,171	215,101	218,713
Total gross revenues	<u>85,066</u>	<u>85,360</u>	<u>667,276</u>	<u>614,797</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,163	956	7,736	6,692
On-line games	1,641	1,618	14,499	11,326
Racetrack Video Lottery	5,631	5,019	86,354	77,247
Total Lottery Fund net revenues	<u>8,435</u>	<u>7,593</u>	<u>108,589</u>	<u>95,265</u>
Excess Lottery Fund				
Racetrack Video Lottery	10,213	10,403	19,115	11,594
Limited Video Lottery	13,475	14,192	102,526	102,883
Limited Video Lottery Fees	-	-	-	-
Total Excess Lottery Fund Net Revenues	<u>23,688</u>	<u>24,595</u>	<u>121,641</u>	<u>114,477</u>
Total Net Revenues	<u>32,123</u>	<u>32,188</u>	<u>230,230</u>	<u>209,742</u>

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: William Spencer, C.P.A.
Acting Director Budget Division
Legislative Auditor's Office

Date: March 12, 2014

Re: Status of General Revenue Fund and State Road Fund as of
February 28, 2014 (FY 2013-2014)

We have reviewed the cash flow of the West Virginia general revenue fund as of February 28, 2014 which is the end of the eight month of the new fiscal year. The status of the fund collections for the month is as follows:

The net collections were 97.54% of the estimate for the fiscal year. Total collections were \$ 64 million under the estimate.

Personal Income Tax collections were \$ 55.6 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 16.4 million below the estimate for the year.

Severance Tax was \$ 7.3 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$6 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 104.54% 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 \$558,903,819.04 as of February 28, 2014.

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 +62,000,000.00
Earnings	-4,830,139.96
In transit	-9,650.39
Surplus transfer FY 2013	5,750,640.24
Balance February 28, 2014	558,903,819.04

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 363,456,538.03 as of February 28, 2014.

Balance July 1, 2013	356,472,701.67
Earnings	6,983,836.36
Balance February 28, 2014	363,456,538.03

The Special Income Tax Reserve Fund had a zero cash balance as of February 28, 2014.

Balance July 1, 2013	-0-
Revenues	-0-
Balance February 28, 2014	-0-

GENERAL REVENUE FUND FY 2013-2014

By Source and by Month

Monthly Revenue Estimates

as of February 28, 2014 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	56,700,000	62,692,154	5,992,154	1,081,950,000	1,026,333,399	-55,616,601
Consumer Sales Tax & Use Tax	84,000,000	81,732,695	-2,267,305	820,800,000	804,352,693	-16,447,307
Severance Tax	39,400,000	34,188,995	-5,211,005	285,700,000	278,380,855	-7,319,145
Corp Income /Business Franchise	400,000	-1,962,770	-2,362,770	117,800,000	123,824,897	6,024,897
Insurance Tax	7,000,000	18,486,145	11,486,145	64,700,000	73,819,166	9,119,166
Tobacco Products Tax	8,000,000	7,065,739	-934,261	70,800,000	68,929,957	-1,870,043
Business and Occupation	12,000,000	14,076,452	2,076,452	66,700,000	71,796,728	5,096,728
Liquor Profit Transfers	1,250,000	1,256,000	6,000	8,650,000	9,125,598	475,598
Departmental Collections	940,000	957,219	17,219	12,480,000	13,266,923	786,923
Property Transfer Tax	715,000	603,157	-111,843	7,242,000	7,642,153	400,153
Property Tax	143,000	188,169	45,169	3,973,000	4,241,543	268,543
Beer Tax and Licenses	550,000	576,282	26,282	5,143,000	5,032,881	-110,119
Miscellaneous Transfers	0	0	0	2,500,000	745,598	-1,754,402
Interest Income	500,000	364,318	-135,682	4,000,000	231,181	-3,768,819
Senior Tax Credit Reimbur Lot	2,200,000	2,464,707	264,707	3,275,000	3,527,671	252,671
HB 102 - Lottery Transfers	16,532,000	16,532,000	0	44,275,000	44,275,000	0
Miscellaneous Receipts	179,000	306,120	127,120	2,895,000	3,192,091	297,091
Business Fran Registration Fees	43,000	57,886	14,886	398,000	437,885	39,885
Liquor License Renewal	21,000	21,054	54	318,000	317,442	-558
Charter Tax	0	3,790	3,790	0	203,394	203,394
Telecommunications Tax	0	0	0	0	-260,588	-260,588
Video Lottery Transfers	0	43,357	43,357	0	179,566	179,566
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	230,573,000	239,653,467	9,080,467	2,603,599,000	2,539,596,031	-64,002,969
Minus Cash Flow Transfer		0			0	
Percent of Estimates		103.94%			97.54%	
TOTALS	230,573,000	239,653,467	9,080,467	2,603,599,000	2,539,596,031	-64,002,969
Percent of Estimates		103.94%			97.54%	
Collections this day		31,746,423				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2013-2014
 By Source and by Month
 Monthly Revenue Estimates
 as of February 28, 2014 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	32,200,000	33,763,461	1,563,461	291,400,000	302,414,745	11,014,745
Privilege Tax	12,788,000	12,234,028	-553,972	113,833,000	123,932,200	10,099,200
Licenses & Registration	4,904,000	6,861,587	1,957,587	52,937,000	52,714,230	-222,770
Highway Litter Control	92,000	76,434	-15,566	993,000	956,579	-36,421
TOTALS	49,984,000	52,935,510	2,951,510	459,163,000	480,017,755	20,854,755

Percent of Estimates

105.90%

104.54%

Collections this day

22,773,231

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF February 1, 2014 : \$552,323,198.69

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF February 1, 2014: \$362,992,567.87

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF February 1, 2014: \$0

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: William Spencer, C.P.A.
Acting Director Budget Division
Legislative Auditor's Office

Date: March 12, 2014

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the February 28, 2014 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of February 28, 2014 of fiscal year 2013-2014, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2013	\$119,511,755.93
Receipts July 1, 2013 thru June 30, 2014	\$ 160,648,564.31
Disbursements July 1, 2013 thru June 30, 2014	\$ 201,745,680.92
Balance February 28, 2014	\$ 78,414,639.32

ITEMS OF NOTE:

Regular benefits paid for July 2013 - February 2014 were \$185 thousand less than July 2012 - February 2013.

Federal emergency benefits totaled \$44.5 million for July 2013 - February 2014. For July 2012 - February 2013, federal emergency benefits totaled \$79.8 million.

Total disbursements were \$ 25 million less in July 2013 - February 2014 than the preceding July 2012 - February 2013.

Receipts as of February 2014 were \$ 25 million less than in July 2012 - February 2013. Overall ending trust fund balance was \$ 7 million lower on February 28, 2014 than on February 28, 2013.

Seasonally adjusted unemployment rates for January 2014 were 5.9 percent for West Virginia and 6.6 percent nationally.

Since January 2013 employment has decreased by 1,300. Employment declines were as follows: 2,600 in the goods-producing sector; 1,900 in construction; 1,100 in Manufacturing; 1,100 in educational and health services; 300 in trade, transportation, and utilities; 700 in government; and 200 in leisure and hospitality. Employment gains were as follows: 2,100 in financial activities; 1,300 in the service-providing sector; 800 in professional and business services; 600 in information; 400 in mining and logging; and 100 in other services.

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

	DECEMBER 2012	JANUARY 2013	FEBRUARY 2013	DECEMBER 2013	JANUARY 2014	FEBRUARY 2014	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$130,595,431.99</u>	<u>\$107,165,882.02</u>	<u>\$93,005,156.32</u>	<u>\$124,180,155.05</u>	<u>\$102,165,787.02</u>	<u>\$88,527,855.70</u>	<u>(\$15,892,672.56)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$744,741.98	\$11,588,213.11	\$14,704,038.93	\$1,216,818.13	\$11,474,320.45	\$13,483,812.12	(\$862,043.32)
3. Federal Emergency Benefits (EUC08)	\$11,482,324.80	\$11,207,550.88	\$10,491,632.74	\$8,014,079.33	\$1,382,601.63	(\$295,523.17)	(\$24,080,350.63)
4. Federal Share Extended Benefits (EB)	\$0.00	\$421.00	\$170.00	\$0.00	\$0.00	\$0.00	(\$591.00)
5. Temp Federal Additional Comp (FAC)	\$0.00	\$562.99	\$0.00	\$0.00	\$0.00	\$0.00	(\$562.99)
6. UCFE (Federal Agencies)	\$104,049.09	\$118,280.58	\$103,218.60	\$132,481.55	\$124,290.62	\$133,068.77	\$64,292.67
7. Special Administrative Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$836,579.65	\$0.00	\$0.00	\$716,168.90	\$0.00	\$0.00	(\$120,410.75)
11. UCX (Military Agencies)	\$355,617.48	\$373,451.73	\$319,526.84	\$302,203.97	\$267,487.22	\$240,674.29	(\$238,230.57)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$13,523,313.00</u>	<u>\$23,288,480.29</u>	<u>\$25,618,587.11</u>	<u>\$10,381,751.88</u>	<u>\$13,248,699.92</u>	<u>\$13,562,032.01</u>	<u>(\$25,237,896.59)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$24,528,072.18	\$26,122,684.61	\$22,521,736.90	\$23,930,396.83	\$25,508,011.03	\$23,548,497.91	(\$185,587.92)
Federal Emergency Benefits (EUC08)	\$11,912,713.77	\$10,810,719.84	\$10,525,398.74	\$8,026,960.41	\$984,015.65	(\$243,456.35)	(\$24,481,312.64)
Federal Share Extended Benefits (EB)	(\$6,158.00)	(\$1,835.11)	(\$19,204.00)	(\$615.00)	(\$440.00)	(\$9,651.00)	\$16,491.11
Emergency Benefits (TEUC)	(\$100.00)	(\$30.00)	(\$6,829.00)	\$0.00	\$0.00	\$0.00	\$6,959.00
Temp Federal Additional Comp (FAC)	\$0.00	\$520.99	\$0.00	\$0.00	\$75.00	(\$12.00)	(\$457.99)
UCFE (Federal Workers) Benefits	\$109,965.65	\$113,234.84	\$102,915.17	\$130,612.77	\$134,193.23	\$145,745.84	\$84,436.18
UCX (Military Workers) Benefits	\$370,635.93	\$358,330.45	\$314,000.23	\$308,764.90	\$260,776.33	\$234,123.99	(\$239,301.39)
Reed Act Funds	\$0.00	\$21,000.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,000.00)
Special Administrative Transfer**	\$37,733.44	\$24,580.37	\$43,105.19	\$0.00	\$0.00	\$0.00	(\$105,419.00)
Total Monthly Disbursements	<u>\$36,952,862.97</u>	<u>\$37,449,205.99</u>	<u>\$33,481,123.23</u>	<u>\$32,396,119.91</u>	<u>\$26,886,631.24</u>	<u>\$23,675,248.39</u>	<u>(\$24,925,192.65)</u>
Trust Fund Balance	<u>\$107,165,882.02</u>	<u>\$93,005,156.32</u>	<u>\$85,142,620.20</u>	<u>\$102,165,787.02</u>	<u>\$88,527,855.70</u>	<u>\$78,414,639.32</u>	<u>(\$16,205,376.50)</u>

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

UC TRUST FUND PROJECTIONS - 2014

April 3, 2014

Month	Revenues	Benefits	Trust Fund Balance
2013			
Balance 1/1/2013			\$ 107,165,000
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	\$ 26,968,000	\$ 16,606,000	\$ 135,489,000
September	\$ 2,329,000	\$ 16,039,000	\$ 121,779,000
October	\$ 14,853,000	\$ 14,764,000	\$ 121,868,000
November	\$ 17,441,000	\$ 15,129,000	\$ 124,180,000
December	\$ 1,932,000	\$ 23,947,000	\$ 102,165,000
Totals - 2013	\$ 229,286,000	\$ 234,286,000	\$ 102,165,000

2014			
January	\$ 11,870,000	\$ 25,508,000	\$ 88,527,000
February	\$ 13,435,000	\$ 23,548,000	\$ 78,414,000
March	\$ 1,966,000	\$ 24,909,000	\$ 55,471,000
April	\$ 39,389,000	\$ 22,057,000	\$ 72,803,000
May	\$ 74,440,000	\$ 13,522,000	\$ 133,721,000
June	\$ 1,955,000	\$ 20,357,000	\$ 115,319,000
July	\$ 24,017,000	\$ 16,576,000	\$ 122,760,000
August	\$ 27,774,000	\$ 16,124,000	\$ 134,410,000
September	\$ 2,439,000	\$ 15,309,000	\$ 121,540,000
October	\$ 15,571,000	\$ 14,081,000	\$ 123,030,000
November	\$ 17,969,000	\$ 14,684,000	\$ 126,315,000
December	\$ 2,017,000	\$ 22,934,000	\$ 105,398,000
Totals - 2014	\$ 232,842,000	\$ 229,609,000	\$ 105,398,000

The average projected unemployment rate in West Virginia for CY 2013 is 7.1%.

The average projected unemployment rate in West Virginia for CY 2014 is 7.0%.

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

April 2014

West Virginia Legislative Interims
February 2014

West Virginia Public Employees Insurance Agency

Statement of Changes in Plan Net Assets

For the Eight Months Ending Friday, February 28, 2014

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

(\$ 0 0 0 's)							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			PREMIUM REVENUE				
\$316,849	\$318,592	\$319,758	Health Insurance - State Gov. - Employers	(\$1,743)	(1%)	(\$2,909)	(1%)
84,430	84,004	84,118	Health Insurance - State Gov. - Employees	426	1%	312	0%
74,095	70,980	71,350	Health Insurance - Local Gov. - All	3,115	4%	2,745	4%
1,419	2,060	2,130	Life Insurance	(641)	(31%)	(711)	(33%)
	5,000		Direct Transfer	(5,000)	(100%)		0%
13,162	8,360	11,799	Interest and Investment Income	4,802	57%	1,363	12%
1,239	1,631	1,086	Other Premium Revenue	(392)	(24%)	153	14%
3,186	3,195	3,188	Administrative Fees, Net of Refunds	(9)	(0%)	(2)	(0%)
494,380	493,822	493,429	TOTAL REVENUE	558	0%	951	0%
			OPERATING EXPENSES				
245,995	263,785	227,590	Claims Expense - Medical	17,790	7%	(18,405)	(8%)
79,816	87,036	76,054	Claims Expense - Drugs	7,220	8%	(3,762)	(5%)
25,465	27,515	26,020	Payments to Managed Care Org.	2,050	7%	555	2%
8,886	9,296	9,072	Administrative Service Fees	410	4%	186	2%
1,419	2,220	2,133	Life Insurance Expense	801	36%	714	33%
1,230	1,996	1,787	Wellness and Disease Management	766	38%	557	31%
228			ACA Comparative Effectiveness Fee	(228)	0%	(228)	0%
3,267			ACA Reinsurance Contribution	(3,267)	0%	(3,267)	0%
3,076	3,854	3,699	Other Operating Expenses	778	20%	623	17%
107,617	107,215	108,633	WV RHBT Pay Go Premiums	(402)	(0%)	1,016	1%
476,999	502,917	454,988	TOTAL EXPENSES	25,918	5%	(22,011)	(5%)
17,381	(9,095)	38,441	YTD SURPLUS (DEFICIT)	26,476	291%	(21,060)	(55%)
198,348	198,348	159,243	Total Net Assets, Beginning of Period			39,105	25%
\$215,729	\$189,253	\$197,684	TOTAL NET ASSETS, END OF PERIOD	\$26,476	14%	\$18,045	9%

West Virginia Retiree Trust
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Eight Months Ending Friday, February 28, 2014

(\$ 000 's)						
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
A D D I T I O N S						
Employer Premiums:						
\$2,182	\$2,139	\$2,153				
89,508	89,417	90,260	\$44	2%	\$29	1%
961	0	326	91	0%	(752)	(1%)
92,652	91,556	92,739	961	0%	636	195%
			1,096	1%	(88)	(0%)
Member Premiums:						
51,785	51,332	50,559	453	1%	1,226	2%
18,068	17,798	18,342	270	2%	(274)	(1%)
14,892	15,034	14,496	(142)	(1%)	395	3%
84,744	84,163	83,398	582	1%	1,347	2%
177,396	175,718	176,137	1,678	1%	1,259	1%
Other Additions:						
640	1,000	1,000	(360)	(36%)	(360)	(36%)
0	0	2,609	0	0%	(2,609)	(100%)
58,672	24,833	45,510	33,839	136%	13,162	29%
236,708	201,551	225,256	35,157	17%	11,452	5%
D E D U C T I O N S						
89,406	88,294	74,076	(1,111)	(1%)	(15,330)	(21%)
14,735	15,034	14,558	298	2%	(177)	(1%)
43,787	48,780	40,692	4,993	10%	(3,095)	(8%)
17,711	18,353	15,981	642	3%	(1,730)	(11%)
24	0	11	(24)	0%	(12)	(109%)
337	0	0	(337)	0%	(337)	0%
1,173	1,431	1,201	258	18%	27	2%
1,798	2,569	1,964	772	30%	166	8%
168,971	174,462	148,484	5,491	3%	(20,488)	(14%)
67,737	27,090	76,772				
			40,647	150%	(9,035)	(12%)
Net Assets Restricted for Post Employment Benefits						
590,230	590,230	492,779				
\$657,967	\$617,320	\$569,551	0	(0%)	97,451	20%
			\$40,647	7%	\$88,416	16%

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

February 28

2014 2013

(in thousands)



	2014	2013
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 23,908	\$ 29,876
Advance Deposit with Carrier/Trustee	206,528	208,924
Receivables - Net	8,746	2,141
Prepaid Insurance	1,971	1,948
Total Short Term Assets	241,153	242,889
Long Term Assets		
Investments	142,692	134,536
Total Long Term Assets	142,692	134,536
TOTAL ASSETS	383,845	377,425
LIABILITIES		
Short Term Liabilities		
Accounts payable	5,898	1,874
Claims Payable	20	530
OPEB Liability	372	374
Agents Commissions Payable	621	684
Unearned Revenue	10,984	9,244
Current Estimated Claim Reserve	49,793	48,718
Total Short Term Liabilities	67,688	61,424
Long Term Liabilities		
Compensated Absences	64	67
Estimated Noncurrent Claim Reserve	102,631	96,164
Total Long Term Liabilities	102,695	96,231
TOTAL LIABILITIES	170,383	157,655
Prior Year Net Assets		
Restricted - HB601 and Mine Subsidence	49,752	45,599
Unrestricted	165,257	175,916
Total Prior Year Net Assets	215,009	221,515
Current Year Earnings (Deficiency)		
Restricted - HB601 and Mine Subsidence	716	1,528
Unrestricted	(2,263)	(3,273)
Total Current Year Earnings (Deficiency)	(1,547)	(1,745)
Total Net Assets		
Restricted - HB601 and Mine Subsidence	50,468	47,127
Unrestricted	162,994	172,643
TOTAL NET ASSETS	213,462	219,770
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 383,845	\$ 377,425

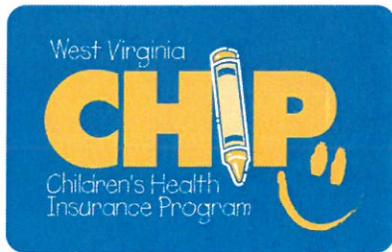
DRAFT - Unaudited - Management Purposes Only

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



	February 28	
	2014	2013
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 35,900	\$ 32,564
Less - Excess Insurance	(4,131)	(3,883)
Total Operating Revenues	31,769	28,681
Operating Expenses		
Claims Expense	39,921	34,255
Property & MS Claims Expense	1,949	4,550
Personal Services	930	863
General & Administrative Expense	1,796	1,562
Total Operating Expenses	44,596	41,230
Operating Income (Loss)	(12,827)	(12,549)
Nonoperating Revenues		
Investment Income	11,280	10,804
Total Nonoperating Revenues	11,280	10,804
Net Income (Loss)	\$ (1,547)	\$ (1,745)

DRAFT - Unaudited - Management Purposes Only

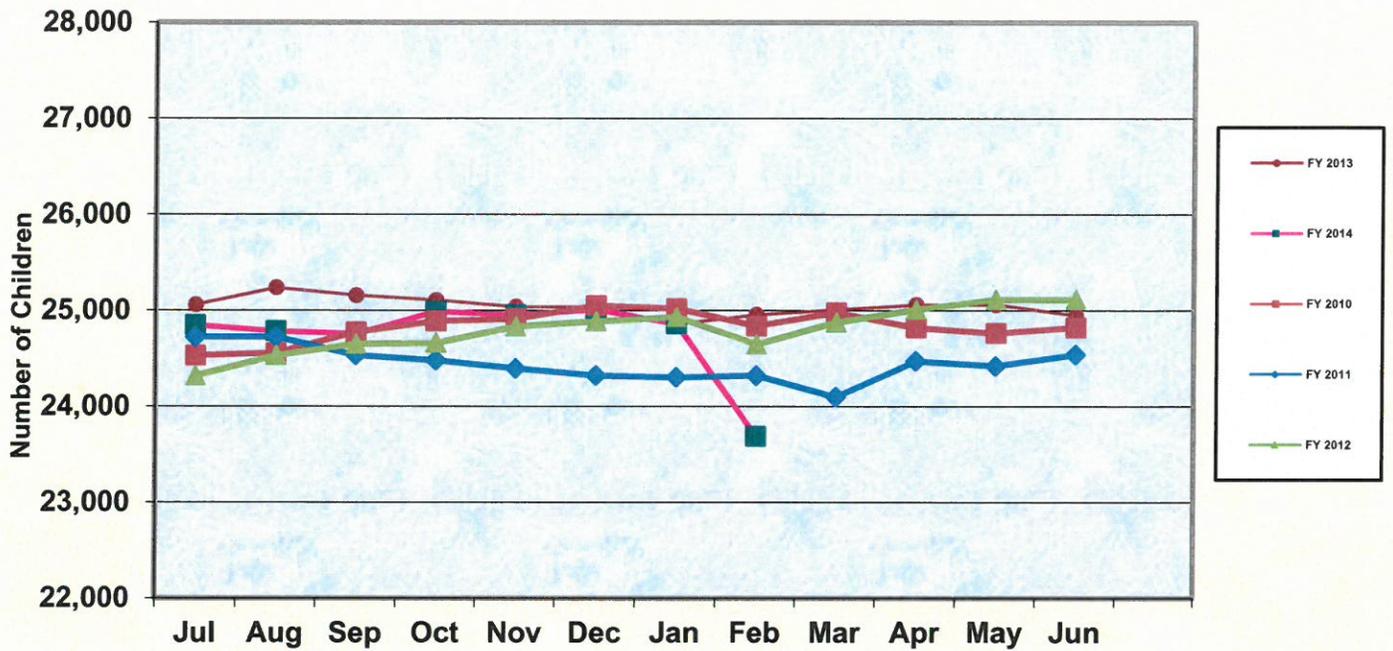


West Virginia Children's Health Insurance Program
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Joint Committee on Government and Finance Report

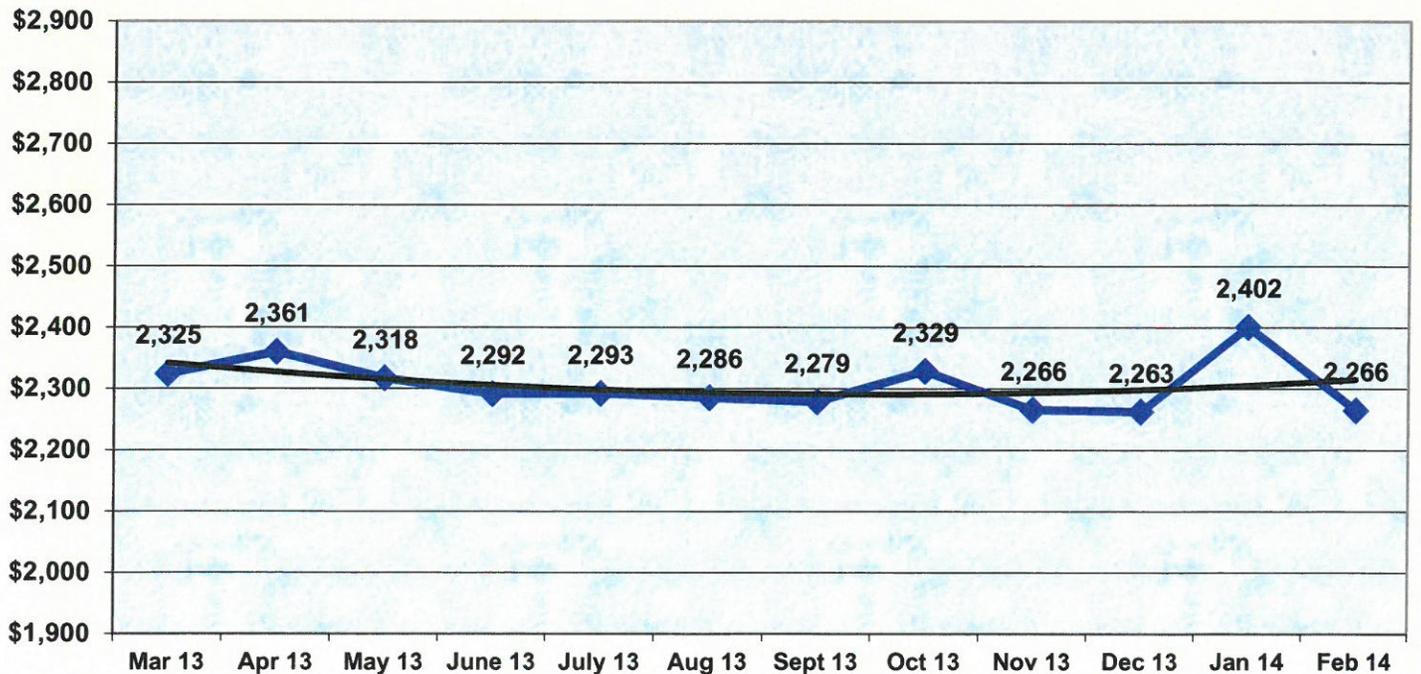
April 2014

WV CHIP Enrollment



February 28th Enrollment 23,690

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
February 2014 and 2013
(Accrual Basis)**

	February 28, 2014	February 28, 2013	Variance	
Assets:				
Cash & Cash Equivalents	\$13,586,260	\$14,131,923	(\$545,663)	-4%
Due From Federal Government	\$4,037,694	\$4,413,319	(\$375,624)	-9%
Due From Other Funds	\$1,024,611	\$930,164	\$94,446	10%
Accrued Interest Receivable	\$4,237	\$473	\$3,764	796%
Fixed Assets, at Historical Cost	<u>\$93,386</u>	<u>\$95,345</u>	<u>(\$1,959)</u>	<u>-2%</u>
Total Assets	<u>\$18,746,189</u>	<u>\$19,571,224</u>	<u>(\$825,035)</u>	<u>-4%</u>
Liabilities:				
Accounts Payable	\$302,305	\$242,745	\$59,560	25%
Deferred Revenue	\$37,098	\$1,909,210	(\$1,872,112)	-98%
Unpaid Insurance Claims Liability	<u>\$4,760,000</u>	<u>\$4,520,000</u>	<u>\$240,000</u>	<u>5%</u>
Total Liabilities	<u>\$5,099,403</u>	<u>\$6,671,955</u>	<u>(\$1,572,552)</u>	<u>-24%</u>
Fund Equity	<u>\$13,646,786</u>	<u>\$12,899,269</u>	<u>\$747,517</u>	<u>6%</u>
Total Liabilities and Fund Equity	<u>\$18,746,189</u>	<u>\$19,571,224</u>	<u>(\$825,035)</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 Eight Months Ending February 28, 2014 and February 28, 2013
(Modified Accrual Basis)

	February 28, 2014	February 28, 2013	Variance	
Revenues				
Federal Grants	30,628,527	31,540,369	(911,842)	-3%
State Appropriations	6,691,790	7,320,138	(628,348)	-9%
Premium Revenues	575,845	570,814	5,031	1%
Investment Income:				
Investment Earnings	<u>49,212</u>	<u>46,751</u>	<u>2,461</u>	<u>5%</u>
Total Revenues	<u>37,945,374</u>	<u>39,478,072</u>	<u>(1,532,698)</u>	<u>-4%</u>
Expenditures:				
Claims:				
Outpatient Services	9,474,965	9,591,647	(116,682)	-1%
Prescribed Drugs	6,589,517	6,447,752	141,765	2%
Physicians & Surgical	6,041,207	8,488,326	(2,447,119)	-29%
Dental	5,352,417	5,495,677	(143,260)	-3%
Inpatient Hospital Services	3,221,126	3,151,240	69,886	2%
Outpatient Mental Health	1,041,970	994,626	47,344	5%
Inpatient Mental Health	931,650	666,225	265,425	40%
Durable & Disposable Med. Equip.	864,079	796,595	67,484	8%
Vision	572,130	563,282	8,848	2%
Therapy	495,411	483,637	11,774	2%
Medical Transportation	269,287	315,493	(46,206)	-15%
Other Services	87,037	106,274	(19,237)	-18%
Less: Collections**	<u>(661,035)</u>	<u>(322,184)</u>	<u>(338,851)</u>	<u>105%</u>
Total Claims	<u>34,279,761</u>	<u>36,778,590</u>	<u>(2,498,829)</u>	<u>-7%</u>
General and Admin Expenses:				
Salaries and Benefits	417,929	372,417	45,512	12%
Program Administration	1,776,536	1,750,547	25,989	1%
Eligibility	258,743	222,263	36,480	16%
Outreach & Health Promotion	408,450	750,267	(341,817)	-46%
Current	<u>122,896</u>	<u>111,175</u>	<u>11,721</u>	<u>11%</u>
Total Administrative	<u>2,984,554</u>	<u>3,206,669</u>	<u>(222,115)</u>	<u>-7%</u>
Total Expenditures	<u>37,264,315</u>	<u>39,985,259</u>	<u>(2,720,944)</u>	<u>-7%</u>
Excess of Revenues				
Over (Under) Expenditures	681,060	(507,187)	1,188,247	-234%
Unrealized Gain(loss) On Investments*	24,402	60,017	(35,615)	-59%
Fund Equity, Beginning	<u>12,941,324</u>	<u>13,346,439</u>	<u>(405,115)</u>	<u>-3%</u>
Fund Equity, Ending	<u>13,646,786</u>	<u>12,899,269</u>	<u>747,516</u>	<u>6%</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 2014
For the Eight Months Ended February 28, 2014**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Actual Amt Feb-14</u>	<u>Actual Amt Jan-14</u>	<u>Actual Amt Dec-13</u>
Projected Cost	\$47,897,012	\$31,931,341	\$36,784,905	(\$4,853,564)	-15%	\$3,991,418	\$4,211,165	\$5,462,814	\$4,230,326
Premiums	969,397	646,265	\$575,845	(\$70,420)	-11%	80,783	71,396	76,473	84,851
Subrogation & Rebates	<u>457,374</u>	<u>304,916</u>	<u>\$661,036</u>	<u>356,120</u>	<u>117%</u>	<u>38,115</u>	<u>0</u>	<u>42,350</u>	<u>182,405</u>
Net Benefit Cost	46,470,241	<u>30,980,161</u>	\$35,548,025	(\$4,567,864)	-15%	3,907,458	4,139,769	5,343,990	3,963,070
Salaries & Benefits	\$710,522	\$473,681.33	\$417,931	\$55,751	12%	\$59,210	\$51,037	\$51,847	\$50,842
Program Administration	3,024,544	2,016,363	\$1,691,871	324,491	16%	252,045	129,798	377,592	241,015
Eligibility	400,000	266,667	\$227,744	38,923	15%	33,333	2,380	8,713	4,803
Outreach & Health Prom.	1,000,000	666,667	\$407,738	258,928	39%	83,333	5,966	11,636	129,460
Current Expense	<u>170,000</u>	<u>113,333</u>	<u>\$123,125</u>	<u>(9,791)</u>	<u>-9%</u>	<u>14,167</u>	<u>22,188</u>	<u>21,367</u>	<u>10,500</u>
Total Admin Cost	\$5,305,066	\$3,536,711	\$2,868,409	\$668,302	19%	\$442,089	\$211,369	\$471,155	\$436,620
Total Program Cost	<u>\$51,775,307</u>	<u>\$34,516,871</u>	<u>\$38,416,433</u>	<u>(\$3,899,562)</u>	<u>-11%</u>	<u>\$4,349,547</u>	<u>\$4,351,138</u>	<u>\$5,815,145</u>	<u>\$4,399,690</u>
Federal Share 79.76%	41,642,879	27,530,657	\$30,730,964	(3,200,307)	-12%	3,469,199	3,470,468	4,638,160	3,509,193
State Share 20.24%	<u>10,132,428</u>	<u>6,986,215</u>	<u>\$7,685,470</u>	<u>(699,255)</u>	<u>-10%</u>	<u>880,348</u>	<u>880,670</u>	<u>1,176,985</u>	<u>890,497</u>
Total Program Cost **	<u>\$51,775,307</u>	<u>\$34,516,871</u>	<u>\$38,416,433</u>	<u>(\$3,899,562)</u>	<u>-11%</u>	<u>\$4,349,547</u>	<u>\$4,351,138</u>	<u>\$5,815,145</u>	<u>\$4,399,690</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2013 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 6/30/13 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2014 is 79.76%. Federal Share for FFY 2013 (10/1/12 - 9/30/13) is set at 80.43%.

WVCHIP Enrollment Report

ATTACHMENT 1

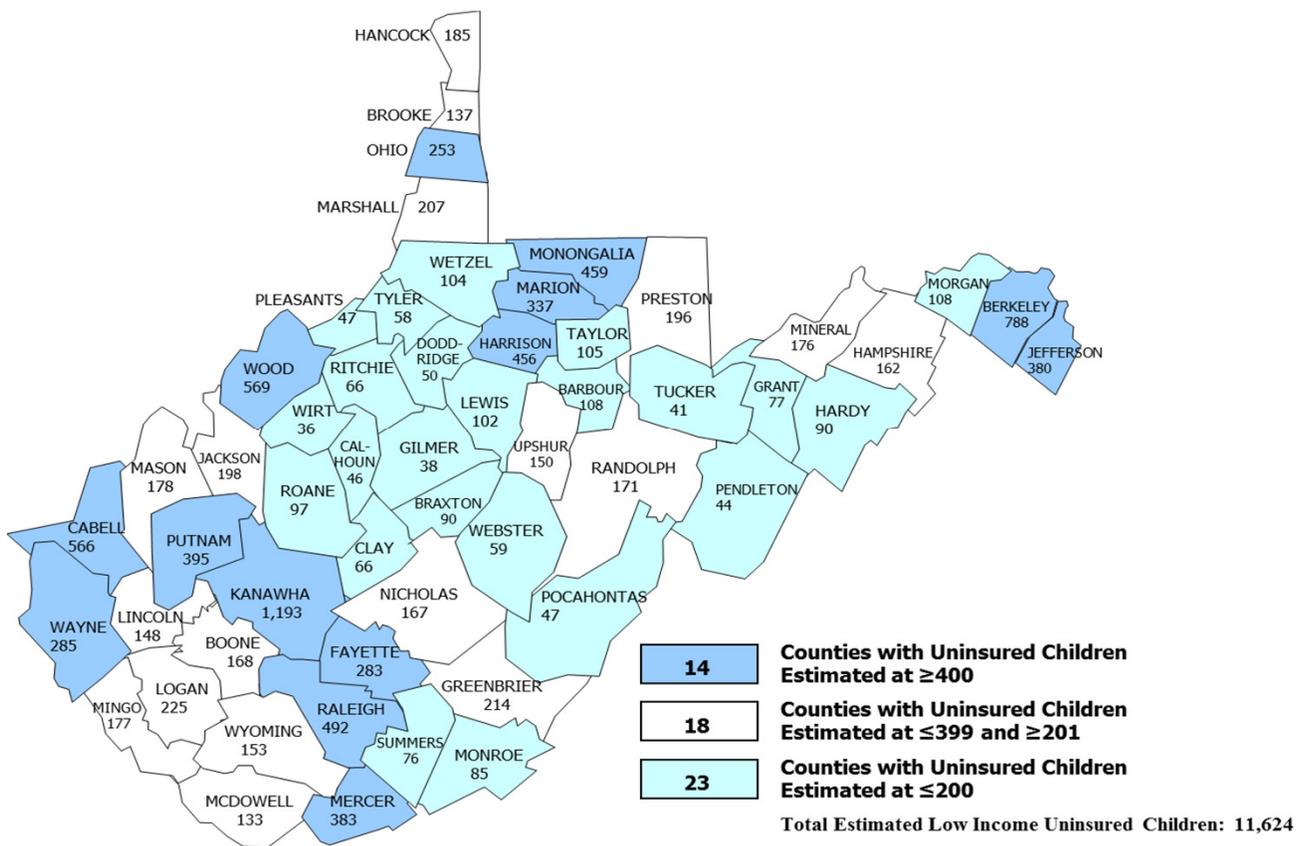
March 2014

County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment Mar-14	Enrollment Mar-14	CHIP/Medicaid Enrollment	% of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	266	1,697	1,963	54.5%	108	33
Berkeley	26,251	1,392	9,770	11,162	42.5%	788	2
Boone	5,615	300	2,971	3,271	58.3%	168	25
Braxton	3,006	203	1,600	1,803	60.0%	90	40
Brooke	4,573	274	1,702	1,976	43.2%	137	31
Cabell	18,879	998	9,275	10,273	54.4%	566	4
Calhoun	1,518	108	834	942	62.1%	46	51
Clay	2,215	164	1,446	1,610	72.7%	66	44
Doddridge	1,673	146	663	809	48.4%	50	48
Fayette	9,438	760	5,185	5,945	63.0%	283	13
Gilmer	1,260	65	580	645	51.2%	38	54
Grant	2,555	169	1,008	1,177	46.1%	77	42
Greenbrier	7,131	571	3,336	3,907	54.8%	214	16
Hampshire	5,392	276	2,247	2,523	46.8%	162	27
Hancock	6,166	376	2,606	2,982	48.4%	185	20
Hardy	3,015	154	1,474	1,628	54.0%	90	39
Harrison	15,202	975	6,138	7,113	46.8%	456	7
Jackson	6,602	410	3,030	3,440	52.1%	198	18
Jefferson	12,679	565	3,548	4,113	32.4%	380	10
Kanawha	39,771	2,295	18,921	21,216	53.3%	1,193	1
Lewis	3,389	240	1,751	1,991	58.7%	102	37
Lincoln	4,930	344	3,040	3,384	68.6%	148	30
Logan	7,496	475	4,394	4,869	65.0%	225	15
Marion	11,227	667	4,819	5,486	48.9%	337	11
Marshall	6,886	320	2,921	3,241	47.1%	207	17
Mason	5,929	258	2,920	3,178	53.6%	178	21
McDowell	4,423	239	3,241	3,480	78.7%	133	32
Mercer	12,764	1,003	7,496	8,499	66.6%	383	9
Mineral	5,868	278	2,276	2,554	43.5%	176	23
Mingo	5,905	358	3,618	3,976	67.3%	177	22
Monongalia	15,294	786	4,903	5,689	37.2%	459	6
Monroe	2,835	233	1,168	1,401	49.4%	85	41
Morgan	3,596	253	1,533	1,786	49.7%	108	34
Nicholas	5,561	368	2,869	3,237	58.2%	167	26
Ohio	8,444	497	3,269	3,766	44.6%	253	14
Pendleton	1,462	105	579	684	46.8%	44	52
Pleasants	1,551	126	599	725	46.7%	47	50
Pocahontas	1,561	157	740	897	57.5%	47	49
Preston	6,536	421	2,782	3,203	49.0%	196	19
Putnam	13,150	746	4,007	4,753	36.1%	395	8
Raleigh	16,403	1,250	8,511	9,761	59.5%	492	5
Randolph	5,705	479	2,839	3,318	58.2%	171	24
Ritchie	2,205	142	1,008	1,150	52.2%	66	45
Roane	3,239	287	1,853	2,140	66.1%	97	38
Summers	2,521	184	1,311	1,495	59.3%	76	43
Taylor	3,514	217	1,420	1,637	46.6%	105	35
Tucker	1,371	114	551	665	48.5%	41	53
Tyler	1,924	101	819	920	47.8%	58	47

WVCHIP Enrollment Report

March 2014

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Mar-14	Total Medicaid Enrollment Mar-14	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2010	2010
						Est. Uninsured 3%	# Children Uninsured Ranking*
Upshur	4,996	360	2,598	2,958	59.2%	150	29
Wayne	9,516	481	4,756	5,237	55.0%	285	12
Webster	1,977	127	1,264	1,391	70.3%	59	46
Wetzel	3,466	226	1,760	1,986	57.3%	104	36
Wirt	1,201	86	711	797	66.4%	36	55
Wood	18,956	1,103	9,014	10,117	53.4%	569	3
Wyoming	5,116	389	2,776	3,165	61.9%	153	28
Totals	387,459	23,887	178,147	202,034	52.1%	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 March 1, 2014 through March 31, 2014

STRAIGHT RENEWAL

WEST VIRGINIA BOARD OF VETERINARY MEDICINE

VMB-003 Renewal for 1 years consisting of 800 square feet of office space at the current annual per square foot rate of \$8.44, annual cost \$6,752.04, Full Service minus electric and janitorial service and supplies, 5509 Big Tyler Road, in the City of Cross Lanes, Kanawha County, West Virginia

WEST VIRGINIA BOARD OF CHIROPRACTIC EXAMINERS

BCE-004 Renewal for 1 year consisting of 373 square feet of office space at the current monthly rate of \$300.00, annual cost \$3,600.00, full service, 415 ½ D Street, in the City of South Charleston, Kanawha County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-169 Renewal for 2 years consisting of 300 square feet of storage space at the current monthly rate of \$255.00, annual cost \$3,060.00, full service, 2013 Wilson Street, Lock Six, in the City of Dunbar, Kanawha County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-036 Renewal for 1 year consisting of 300 square feet of storage space at the current monthly rate of \$135.00, annual cost \$1,620.00, 425 Rosebud Plaza, in the City of Clarksburg, Harrison County, West Virginia.

DIVISION OF FORESTRY

FOR-076 Renewal for 1 year consisting of tower/monitoring space at the current monthly rate of \$100.00, annual cost \$1,200.00, Phyllis Carrier property, Mason County, West Virginia.

OFFICE OF ECONOMIC OPPORTUNITY

GCC-008 Renewal for 6 months consisting of 4,970 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$64,610.00, full service, 700 Washington Street East, in the City of Charleston, Kanawha County, West Virginia.

WV EMPLOYEE'S GRIEVANCE BOARD

EGB-012 Renewal for 1 year consisting of unlimited use of a conference room at the current monthly rate of \$225, annual cost \$2,700.00, full service, 5th Street & Railroad Avenue, in the City of Elkins, Randolph County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF MOTOR VEHICLES

DMV-020 Renewal for 5 years consisting of 7,025 square feet of office space with an increase in the annual per square foot rate from \$12.50 to \$14.50, annual cost \$101,862.50 for the first two years, \$15.50 in year 3, annual cost \$108,887.50, \$16.50 in year 4, annual cost \$115,912.50, and \$17.50 in year 5, annual cost \$122,937.50, 1000 Emily Drive, in the City of Bridgeport, Harrison County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-116 Renewal for 5 years consisting of 80 square feet of tower monitoring space with an increase from \$100 annually to \$1000 annually, Wierton Water Plant, 3031 Birch Drive, Wierton, Brooke County, WV

CENTER FOR PROFESSIONAL DEVELOPMENT

CPD-003 Renewal for 3 years consisting of 6,000 square feet of office space with an increase in the annual per square foot rate from \$9.00 to \$9.50, annual cost \$57,000.00, full service, 208 Hale Street, in the City of Charleston, Kanawha County, West Virginia.

CPD-004 Renewal for 3 years consisting of 5,728 square feet of office space with an increase in the annual per square foot rate from \$11.50 to \$12.00, annual cost \$68,736.00, full service, 208 Hale Street, in the City of Charleston, Kanawha County, West Virginia.

STATE TAX DEPARTMENT

STO-004 Renewal for 3 years consisting of 17,000 square feet of office/storage space with an increase in the annual per square foot rate from \$4.25 to \$4.46, annual cost \$75,819.96, 7300 MacCorkle Avenue, Charleston, Kanawha County, West Virginia.

STO-003 Renewal for 1 year consisting of 15,376 square feet of office space with an increase in the annual per square foot rate from \$12.50 to \$12.75, annual cost \$196,044.00, full service, One Players Club Rd., Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN RENT

SMALL BUSINESS DEVELOPMENT CENTER

SBD-001 Renewal for 4 months consisting of one office with a decrease in the monthly rental rate from \$1,070 to \$570, annual cost \$15,400, full service, 142 North Queen Street, in the City of Martinsburg, Berkeley County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 March 1 - 31, 2014

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	WV Board of Veterinary Medicine	VMB-003	Kanawha	800	8.44	6,752	1	6,752.00
2	WV Board of Chiropractic Examiners	BCE-004	Kanawha	373	0.00	3,600	1	3,600.00
3	Department of Health and Human Resources	HHR-169	Kanawha	300	0.00	3,060	2	6,120.00
4	Department of Veterans Assistance	VET-036	Harrison	300	0.00	1,620	1	1,620.00
5	Division of Forestry	FOR-076	Mason	1	0.00	1,200	1	1,200.00
6	Office of Economic Opportunity	GCC-008	Kanawha	4,970	13.00	64,610	0.5	32,305.00
7	WV Employee's Grievance Board	EGB-012	Randolph	1	0.00	2,700	1	2,700.00
8	Division of Motor Vehicles	DMV-020	Harrison	7,025	14.50	101,863	5	509,312.50
9	Department of Environmental Protection	DEP-116	Wierton	80	0.00	1,000	5	5,000.00
10	Center for Professional Development	CPD-003	Kanawha	6,000	9.50	57,000	3	171,000.00
11	Center for Professional Development	CPD-004	Kanawha	5,728	12.00	68,736	3	206,208.00
12	State Tax Department	STO-004	Kanawha	17,000	4.46	75,820	3	227,460.00
13	State Tax Department	STO-003	Kanawha	15,376	12.75	196,044	1	196,044.00
14	Small Business Development Center	SBD-001	Berkeley	1	0.00	15,400	0.33	5,082.00

	74.65
Total Rentable Square Feet	<u>57,955</u>
Average Annual Rental Rate	10.66
Total Annual Rent	<u>599,405</u>

Department of Administration Real Estate Division Leasing Report
For the period of February 1, 2014 through February 28, 2014

STRAIGHT RENEWAL

DIVISION OF ENVIRONMENTAL PROTECTION

DEP-104 Renewal for 2 years consisting of 160 square feet of office space at the current quarterly rate of \$150.00, annual cost \$600.00, full service, Main Street, in the City of Summersville, Nicholas County, West Virginia.

DEP-171 Renewal for 1 year consisting of 416 square feet of storage space at the current monthly rate of \$180.00, annual cost \$2,160.00, 104 Van Kirk Drive, in the City of Fairmont, Marion County, West Virginia.

DEP-175 Renewal for 1 year consisting of 300 square feet of storage space at the current monthly rate of \$115.00, annual cost \$1,380.00, 800 North Side Drive, in the City of Summersville, Nicholas County, West Virginia.

GOVERNOR'S EQUAL EMPLOYMENT OPPORTUNITY OFFICE

EEO-002 Renewal for 3 years consisting of 1,450 square feet of office space at the current annual per square foot rate of \$11.85, annual cost \$17,181.60, full service, One Players Club Drive, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF CORRECTIONS

COR-090 Renewal for 3 years consisting of 1,351 square feet of office space with an increase in the annual per square foot rate from \$10.00 to \$10.50, annual cost \$14,185.56, full service minus janitorial service and supplies, 1200 Harrison Avenue Suite 2020, in the City of Elkins, Randolph County, West Virginia.

INCREASE IN SQUARE FEET

DIVISION OF JUVENILE SERVICES

DJS-015 Increase of square feet from 400 square feet to 600 square feet of storage space at the current annual per square foot rate of \$10.80, annual cost \$6,480.00, full service, 2013 Wilson Street Lock Six, in the City of Dunbar, Kanawha County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 February 1-28, 2014

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term	Total Aggregate
1	Department of Environmental Protection	DEP-104	Nicholas	160	0.00	600	2	1,200.00
2	Department of Environmental Protection	DEP-171	Marion	416	0.00	2,160	1	2,160.00
3	Department of Environmental Protection	DEP-175	Nicholas	300	0.00	1,380	1	1,380.00
4	Governor's Equal Employment Opportunity Office	EEO-002	Kanawha	1,450	11.85	17,183	3	51,547.50
5	Division of Corrections	COR-090	Randolph	1,351	10.50	14,186	3	42,556.50
6	Divison of Juvenile Services	DJS-015	Kanawha	600	10.80	6,480	0	0.00

		33.15
Total Rentable Square Feet	<u>4,277</u>	
Average Annual Rental Rate	<u>11.05</u>	
Total Annual Rent		<u>41,988</u>

Department of Administration Real Estate Division Leasing Report
For the period of January 1, 2014 through January 31, 2014

NEW CONTRACT OF LEASE – DOA OWNED

STATE TAX DEPARTMENT

TAX-059 New Contract of Lease for 5 years consisting of 85 parking spaces at a monthly rate of \$5,780.00, annual cost \$69,360.00, 1001 Lee Street East, in the City of Charleston, Kanawha County, West Virginia.

NEW CONTRACT OF LEASE

DIVISION OF FORESTRY

FOR-089-115 New Contract of Lease for 1 year consisting of 250 square feet of office and storage space at the monthly rate of \$250.00, annual cost \$3,000.00, full service, 300-B Second Avenue, in the City of Marlinton, Pocahontas County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF REHABILITATION SERVICES

DRS-114 Renewal for 1 year consisting of 200 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 16 West 4th Avenue, in the City of Williamson, Mingo County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-181 Renewal on a month-to-month basis consisting of 6,292 square feet of office space at the current annual per square foot rate of \$8.50, annual cost \$53,482.00, 404 Main Street, in the City of Grantsville, Calhoun County, West Virginia.

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

SMALL BUSINESS DEVELOPMENT CENTER

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

Public Employees Grievance Board

EGB-012-D14 Renewal for 1 year consisting of unlimited use of a conference room at the current monthly rate of \$225.00, annual cost \$2,700.00 full service, 5th Street & Railroad Avenue, in the City of Elkins, Randolph County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

DIVISION OF CORRECTIONS

COR-046 Renewal for six months consisting of varying square feet of inmate space at the current daily rate of \$15.00 per inmate, full service, 1500 Chapline Street in the City of Wheeling, Ohio County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-156 Renewal for 3 years consisting of 400 square feet of storage space with an increase in the annual per square foot rate from \$5.03 to \$5.10, annual cost \$2,040.00, 4264 Woodrum Lane Unit 14 and 16, in the City of Charleston, Kanawha County, West Virginia.

CANCELLATION

DEPARTMENT OF AGRICULTURE

AGR-050 Lease non-renewal consisting of 400 square feet of office space, at the monthly rate of \$400.00 annual cost \$4,800.00, full service, in the City of Sistersville, Tyler County, West Virginia

AGR-029 Lease cancellation consisting of 206 square feet of office space, at the monthly rate of \$278.96 annual cost \$3,347.52, full service, in the City of Morgantown, Monongalia County, West Virginia

AGR-032 Lease cancellation consisting of 164 square feet of office space, at the monthly rate of \$222.08 annual cost \$2,664.96, full service, in the City of Morgantown, Monongalia County, West Virginia

SUPREME COURT OF APPEALS

SCA-005 Lease cancellation consisting of 2,750 square feet of office space, at the annual per square foot rate of \$11.35 annual cost \$31,326.00, in the City of Charleston, Kanawha County, West Virginia

Real Estate Division
 Monthly Summary of Lease Activity
 January 1 - 31, 2014

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	State Tax Department	TAX-059	Kanawha	0	0.00	69,360	5	346,800.00
2	Division of Forestry	FOR-089	Pocahontas	250	0.00	3,000	1	3,000.00
3	Division of Rehabilitation Services	DRS-114	Mingo	200	0.00	3,000	1	3,000.00
4	Department of Health and Human Resources	HHR-181	Calhoun	6,292	8.50	53,482	0	0.00
5	Department of Health and Human Resources	HHR-203	Grant	400	0.00	5,400	1	5,400.00
6	Small Business Development Center	SBD-003	Cabell	646	13.00	8,398	1	8,398.00
7	Public Employees Grievance Board	EGB-012	Randolph	0	0.00	2,700	1	2,700.00
8	Division of Corrections	COR-046	Ohio	0	0.00	0	0	0.00
9	Department of Health and Human Resources	HHR-156	Kanawha	400	0.00	2,040	3	6,120.00

	21.50
Total Rentable Square Feet	<u>8,188</u>
Average Annual Rental Rate	<u>10.75</u>
Total Annual Rent	<u>147,380</u>

CANCELLATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Department of Agriculture	AGR-050	Tyler	400	0.00	4,800
2	Department of Agriculture	AGR-029	Monongalia	206	0.00	3,348
3	Department of Agriculture	AGR-032	Monongalia	164	0.00	2,665
4	Supreme Court of Appeals	SCA-005	Kanawha	2,750	11.35	31,326

Joint Committee on Government and Finance

April 2014

Department of Health and Human Resources

MEDICAID REPORT

January 2014 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2014

	MONTH OF JANUARY 2014					
	ACTUALS SFY2013	TOTAL SFY2014	ACTUALS Current Month Ended 1/31/14	ESTIMATE Current Month Ended 1/31/14	ACTUALS Year To-Date Thru 1/31/14	PROJECTED 2/1/14 Thru 6/30/14
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	155,429,299	199,265,328	14,977,692	23,269,848	106,150,212	93,115,116
Inpatient Hospital - DSH	56,816,481	56,580,000	-	-	27,544,959	29,035,041
Inpatient Hospital - Supplemental Payments	114,105,226	96,139,194	-	5,301,925	53,621,307	42,517,887
Inpatient Hospital - GME Payments	6,164,764	6,228,590	-	-	3,012,862	3,215,728
Mental Health Facilities	87,243,074	114,848,923	7,345,587	13,744,620	49,734,699	65,114,224
Mental Health Facilities - DSH Adjustment Payments	18,880,975	18,882,000	-	-	9,444,912	9,437,088
Nursing Facility Services - Regular Payments ⁽²⁾	537,541,608	554,417,908	48,013,041	46,216,108	324,628,446	229,789,462
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,163,593	67,331,000	5,785,384	5,610,917	40,319,963	27,011,037
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	117,203,017	160,730,609	7,316,643	19,191,882	54,375,914	106,354,695
Physicians Services - Supplemental Payments	28,092,471	29,903,100	-	7,475,775	12,770,561	17,132,539
Physician and Surgical Services - Evaluation and Management	-	21,962,392	4,342,854	1,707,705	20,062,271	1,900,121
Physician and Surgical Services - Vaccine Codes	-	221,842	13,239	26,668	80,882	140,960
Outpatient Hospital Services - Regular Payments	102,898,953	145,154,798	10,035,017	16,969,855	62,534,816	82,619,983
Outpatient Hospital Services - Supplemental Payments	124,121,376	69,977,047	986,952	986,952	36,105,399	33,871,648
Prescribed Drugs	331,397,125	356,724,143	24,124,041	44,368,352	150,693,653	206,030,490
Drug Rebate Offset - National Agreement	(201,903,185)	(202,289,800)	(22,005,908)	(26,904,249)	(121,836,855)	(80,452,945)
Drug Rebate Offset - State Sidebar Agreement	(16,603,872)	(16,895,800)	(1,400,804)	(2,247,117)	(8,901,320)	(7,994,480)
Drug Rebate Offset - MCO National	(799,544)	(812,900)	(3,182,518)	(108,115)	(12,789,789)	11,976,889
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	(1,122,860)	-	(1,693,566)	1,693,566
Dental Services	55,866,868	78,358,578	4,449,185	9,156,173	33,049,773	45,308,805
Other Practitioners Services - Regular Payments	11,566,376	18,600,155	985,162	2,243,288	6,571,139	12,029,016
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,566,348	6,309,621	418,148	754,586	2,483,949	3,825,672
Lab & Radiological Services	22,573,569	33,844,618	2,121,949	3,958,036	15,759,224	18,085,395
Home Health Services	47,334,128	59,832,974	3,472,984	7,063,259	25,758,949	34,074,025
Hysterectomies/Sterilizations	133,155	221,588	11,058	25,853	89,960	131,628
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,363,840	2,034,978	31,261	238,229	269,570	1,765,408
Rural Health Clinic Services	7,886,514	10,330,901	638,070	1,215,216	4,438,815	5,892,086
Medicare Health Insurance Payments - Part A Premiums	18,215,881	19,650,400	1,436,760	1,637,533	10,602,657	9,047,743
Medicare Health Insurance Payments - Part B Premiums	81,258,370	90,272,700	7,199,088	7,522,725	49,181,072	41,091,628
120% - 134% Of Poverty	6,160,455	6,509,900	576,635	625,952	3,855,809	2,654,091
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	8,417,028	8,653,000	644,638	832,019	4,542,974	4,110,026

**WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2014**

	MONTH OF JANUARY 2014		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 1/31/14	SFY2014	Current Month Ended 1/31/14	Current Month Ended 1/31/14	Year To-Date Thru 1/31/14	2/1/14 Thru 6/30/14
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	397,197,343	454,163,627	42,477,687	454,163,627	42,477,687	38,524,578	286,210,633	167,952,994
Medicaid MCO - Evaluation and Management	-	23,841,350	1,506,435	23,841,350	1,506,435	1,346,495	17,444,629	6,396,721
Medicaid MCO - Vaccine Codes	-	1,270,236	76,656	1,270,236	76,656	68,529	944,776	325,460
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	375,282	525,400	40,888	525,400	40,888	50,519	259,991	265,409
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	342,155,532	352,000,000	30,264,536	352,000,000	30,264,536	33,846,154	207,110,631	144,889,369
Home & Community-Based Services (Aged/Disabled)	125,334,180	136,776,586	10,203,961	136,776,586	10,203,961	13,152,125	64,703,610	72,072,977
Home & Community-Based Services (Traumatic Brain Injury)	156,502	2,720,625	40,906	2,720,625	40,906	261,599	313,729	2,406,896
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	-	-	-	-	-	-	-	-
Personal Care Services - Regular Payments	61,699,408	80,252,679	6,104,986	80,252,679	6,104,986	9,375,682	40,365,590	39,887,089
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,668,659	4,035,719	150,005	4,035,719	150,005	472,571	1,429,505	2,606,214
Primary Care Case Management Services	163,137	241,420	10,866	241,420	10,866	28,167	80,205	161,215
Hospice Benefits ⁽³⁾	24,909,406	33,408,296	2,002,826	33,408,296	2,002,826	3,897,865	15,774,358	17,633,937
Emergency Services Undocumented Aliens	285,046	362,067	42,193	362,067	42,193	42,244	171,205	190,862
Federally Qualified Health Center	18,240,226	24,443,404	1,402,871	24,443,404	1,402,871	2,871,276	9,838,093	14,605,311
Non-Emergency Medical Transportation	25,112,179	34,840,953	1,659,690	34,840,953	1,659,690	4,065,178	14,864,332	19,976,621
Physical Therapy	2,102,592	3,161,494	179,717	3,161,494	179,717	368,994	1,342,731	1,818,763
Occupational Therapy	370,520	481,061	29,678	481,061	29,678	56,127	248,219	232,842
Services for Speech, Hearing & Language	408,350	603,122	41,734	603,122	41,734	70,411	269,473	333,649
Prosthetic Devices, Dentures, Eyeglasses	1,551,271	2,490,832	144,931	2,490,832	144,931	291,448	1,049,828	1,441,004
Diagnostic Screening & Preventive Services	553,321	768,682	35,816	768,682	35,816	89,694	294,282	474,400
Nurse Mid-Wife	230,458	423,216	20,794	423,216	20,794	49,378	139,419	283,797
Emergency Hospital Services	(2,247)	(1,200)	(1,621)	(1,200)	(1,621)	(115)	(3,646)	2,446
Critical Access Hospitals	31,395,064	48,996,857	2,808,033	48,996,857	2,808,033	5,721,238	18,822,805	30,174,053
Nurse Practitioner Services	2,006,168	3,499,907	73,385	3,499,907	73,385	408,731	814,557	2,685,350
School Based Services	52,157,547	54,149,130	3,038,409	54,149,130	3,038,409	5,208,250	22,541,610	31,607,521
Rehabilitative Services (Non-School Based)	76,111,131	98,820,482	5,925,615	98,820,482	5,925,615	11,641,575	47,640,241	51,180,241
Private Duty Nursing	5,290,076	7,034,325	535,781	7,034,325	535,781	826,717	3,590,169	3,444,156
Other Care Services	21,997,876	31,932,187	1,797,813	31,932,187	1,797,813	3,726,345	12,620,501	19,311,686
Less: Recoupments	-	-	(63,202)	-	(63,202)	-	(63,202)	63,202
NET EXPENDITURES:	2,986,562,919	3,414,230,245	227,764,687	3,414,230,245	227,764,687	327,345,770	1,731,281,491	1,682,948,753

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2014

MONTH OF JANUARY 2014	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 1/31/14	Current Month Ended 1/31/14	Year To-Date Thru 1/31/14	2/1/14 Thru 6/30/14
Collections: Third Party Liability (line 9A on CMS-64)	(10,619,577)	-	-	-	(3,870,332)	3,870,332
Collections: Probate (line 9B on CMS-64)	(262,779)	-	-	-	(348,732)	348,732
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(21,585)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(9,910,781)	-	-	-	(1,537,044)	1,537,044
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,965,748,198	3,414,230,245	227,764,687	327,345,770	1,725,525,383	1,688,704,862
Plus: Medicaid Part D Expenditures	36,222,591	36,395,195	3,214,560	3,032,933	21,708,924	14,686,271
Plus: State Only Medicaid Expenditures	2,998,425	3,834,747	190,766	368,725	1,465,695	2,369,053
Plus: Money Follow the Person Expenditures	30,838	4,409,797	66,367	424,019	328,487	4,081,310
TOTAL MEDICAID EXPENDITURES	\$ 3,005,000,052	\$ 3,458,869,984	\$ 231,236,380	\$ 331,171,447	\$ 1,749,028,488	\$ 1,709,841,496
Plus: Reimbursables ⁽¹⁾	7,514,299	8,055,095	572,502	774,528	4,128,259	3,926,835
TOTAL EXPENDITURES	\$ 3,012,514,351	\$ 3,466,925,079	\$ 231,808,881	\$ 331,945,975	\$ 1,753,156,748	\$ 1,713,768,331

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$12,447,790 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$11,684,691 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
 SFY2014

7 Months Actuals 5 Months Remaining

MONTH OF JANUARY 2014	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2013	Current Month Ended 1/31/14	Year-To-Date Thru 1/31/14	2/1/2014 Thru 6/30/14	SFY2014
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 8,645,986	\$ 23,211,354	\$ 34,992,812	\$ -	\$ 34,992,812
MATCHING FUNDS					
General Revenue (0403/189)	193,207,966	28,755,611	222,951,821	114,386,353	337,338,174
MRDD Waiver (0403/466)	88,753,483	7,396,124	44,672,587	44,080,896	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	1,514,333	1,081,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	3,707,667	2,648,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,667	402,667	397,333	800,000
Title XIX Waiver for Seniors (0403-533)	11,912,263	1,132,802	6,842,122	6,751,498	13,593,620
Medical Services Surplus (0403/633)	88,305,104	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	33,147,815	-	15,433,230	16,033,228	31,466,458
Lottery Transfer (5405/871)	8,670,000	-	4,400,000	4,270,000	8,670,000
Excess Lottery (5365/189)	24,503,890	-	29,111,465	20,888,535	50,000,000
Trust Fund Appropriation (5185/189)	173,603,846	-	50,049,116	15,180,783	65,229,899
Provider Tax (5090/189)	225,902,461	19,613,851	109,019,103	94,503,308	203,522,411
Certified Match	23,243,346	1,604,442	11,372,777	14,346,214	25,718,992
Reimbursables - Amount Reimbursed	7,235,570	98,292	638,500	7,416,594	8,055,095
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	3,648,128	361,720	1,512,919	(587,919)	925,000
CMS - 64 Adjustments	660,007	-	254,859	(254,859)	-
TOTAL MATCHING FUNDS	\$ 901,191,865	\$ 82,986,863	\$ 536,875,977	\$ 341,141,966	\$ 878,017,943
FEDERAL FUNDS	\$ 2,171,195,579	\$ 170,136,006	\$ 1,259,041,514	\$ 1,329,393,677	\$ 2,588,435,190
TOTAL REVENUE SOURCES	\$ 3,072,387,444	\$ 253,122,869	\$ 1,795,917,491	\$ 1,670,535,643	\$ 3,466,453,134
TOTAL EXPENDITURES:					
Provider Payments	\$ 3,012,514,351	\$ 231,808,881	\$ 1,753,156,748	\$ 1,713,768,331	\$ 3,466,925,079
TOTAL	\$ 59,873,093	\$ 21,313,988	\$ 42,760,744		\$ (471,945)

Note: FMAP (72.04% applicable Jul. - Sep. 2013) (71.09% applicable Oct. 2013 - Jun. 2014)

Joint Committee on Government and Finance

April 2014

Department of Health and Human Resources

MEDICAID WAIVER REPORT

January 2014 Data

**WV Department of Health and Human Resources
Bureau for Medical Services Waiver Program Report**

WV Aged & Disabled Waiver Reported January 31, 2014		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 to date
Slots approved by CMS (1)		7,210	6,275	6,275	6,275	6,275	6,275	6,275	6,275						6,275
Total number of members served YTD (unduplicated slots used) (2)		7,107	5,732	5,777	5,870	5,932	5,948	5,959	5,965						5,965
Applicants determined eligible (3)		1568	117	153	132	114	105	71	12						704
Applicants determined ineligible (3)		328	31	36	17	31	12	0	0						127
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,436	5,666	5,650	5,674	5,653	5,602	5,558	5,465						5,465
ADW Members whose case was closed in month		1311	115	61	69	54	67	55	99						520
ADW members whose case was closed by reason	Deceased	730	61	37	41	37	41	43	54						314
	Left program to enter a facility (nursing home, ICF/MR)	114	24	3	3	3	0	0	26						59
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	444	34	21	25	14	26	8	19						147
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List (4)		1805	115	106	108	166	90	43	78						706
Applicants with a Medicaid Card		791	48	40	52	73	39	3	32						287
Individuals moved from the Managed Enrollment List into the Program		204	5	45	93	51	16	11	6						227
Individuals removed from the Managed Enrollment due to death (5)		246	26	20	42	130	59	58	63						398
Total Number of individuals on Managed Enrollment list at end of month		2263	2347	2388	2361	2346	2361	2335	2344						2344
Individuals on Managed Enrollment who are in a nursing facility		47	5	6	6	7	2	1	4						31
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		204	7	9	18	23	6	0	10						73
Longest on Management Enrollment to Date April 2012															

(1) Of the 6,275 slots approved by CMS 100 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility. Financial eligibility is not determined until the time medical eligibility is approved and a slot becomes available.

(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(5) Currently there is no way to track other reasons why someone may leave the managed enrollment list for reasons such as moved out of state, decided not to participate in program, etc.

**WV Department of Health and Human Resources
Bureau for Medical Services Waiver Program Report**

WV Intellectual/Developmental Disability Waiver Reported January 31, 2014		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534						4,534
Total number of members served YTD (unduplicated slots used) (2)		4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534						4,534
Applicants determined eligible (3)		386	29	38	34	31	36	13	39						220
Applicants determined ineligible (3)		374	30	33	24	24	25	17	34						187
Applicants added to the Active Member List		196	140	0	0	0	8	2	0						150
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,436	4,523	4,515	4,496	4,485	4,485	4,478	4,467						4,467
I/DDW Members who were discharged this month		162	13	8	19	11	8	9	10						78
I/DDW members whose case was closed by reason	Deceased	69	6	1	2	4	4	5	5						27
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	93	7	1	17	7	4	4	5						45
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List		383	29	38	34	31	36	13	39						220
Applicants with a Medicaid Card		432 Avg.	444	471	482	500	518	549	556						556
Individuals moved from the Managed Enrollment List into the Program		198	140	0	0	0	8	2	0						150
Individuals removed from the Managed Enrollment due to death		3	1	1	1	2	0	0	0						5
Total Number of individuals on Managed Enrollment list at end of month		807	832	744	777	800	835	846	883						883
Individuals on Managed Enrollment who are in a Skilled Nursing facility		2 Avg.	1	1	1	1	2	2	2						2
Individuals on Managed Enrollment who are in an ICF/IID group home		34 Avg.	45	47	50	52	60	64	64						64
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		22 Avg.	33	35	36	36	40	41	40						40
Person on Managed Enrollment Longest to Date			663 Days	694 Days	724 Days	722 Days	752 Days	778 Days	809 Days						809 Days

(1) Unduplicated slots active refers to the total number of active members from the previous month minus those were discharged/closed during the calendar month plus any members who were newly enrolled for the calendar month.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility. Financial eligibility is not determined until the medical eligibility is approved and a slot becomes available.

**WV Department of Health and Human Resources
Bureau for Medical Services Waiver Program Report**

Traumatic Brain Injury Waiver Reported January 31 2014		FY 2013 To Date	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		100	100	100	100	100	100	100	100						100
Total number of members served Year to Date(unduplicated slots used) (2)		20	23	26	27	28	30	31	32						32
Applicants determined eligible (3)		34	4	5	3	3	8	2	0						25
Applicants determined ineligible (3)		11	3	1	2	1	1	1	1						10
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		20	23	26	27	28	27	27	28						28
TBIW members whose case was closed by reason	Deceased	0	0	0	0	0	0	0	0						0
	Left program to enter a facility	0	0	0	0	0	0	0	0						0
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	0	0	0	0	0	0	0	0	0					0
Managed Enrollment List															
Number of Individuals added to the Managed Enrollment List (4)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Applicants with a Medicaid Card		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Individuals removed from the Managed Enrollment List into the Program		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Individuals removed from the Managed Enrollment due to death (5)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Total Number of individuals on Managed Enrollment list at end of month		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Individuals on Managed Enrollment who are in a nursing facility		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A

(1) Unduplicated slots active refers to the total number of active members from the previous month minus those were discharged/closed during the calendar month plus any members who are newly enrolled for the calendar month.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility. Financial eligibility is not determined until the time medical eligibility is approved and a slot becomes available.

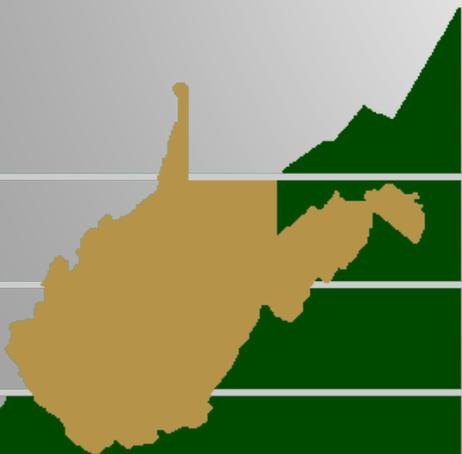
(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(5) Currently there is no way to track other reasons why someone may leave the managed enrollment list for reasons such as moved out of state, decided not to participate in program, etc.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

February 28, 2014



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of February 28, 2014

	6/30/2013		2/28/2014		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	14,580,737	100.0	15,979,093	100.0							
Pension Assets	11,501,368	78.9	12,659,551	79.3							
Public Employees' Retirement System	4,848,377	33.3	5,378,608	33.7	3.3	2.6	12.0	13.8	9.5	16.6	7.2
Teachers' Retirement System	5,717,583	39.2	6,213,474	38.9	3.3	2.6	11.9	13.7	9.4	16.1	6.9
Teachers' Employers Cont. Collection A/C	-	0.0	34,789	0.2	0.0	0.0	0.0	0.1	0.0	0.1	
EMS Retirement System	42,603	0.3	49,815	0.3	3.3	2.6	11.9	13.7	9.3	16.4	
Public Safety Retirement System	520,323	3.6	558,123	3.5	3.3	2.6	12.0	13.8	9.5	16.6	7.2
Judges' Retirement System	141,476	1.0	157,592	1.0	3.3	2.6	12.0	13.8	9.4	16.5	7.1
State Police Retirement System	96,092	0.6	112,326	0.7	3.3	2.6	12.0	13.7	9.3	16.4	7.1
Deputy Sheriffs' Retirement System	134,410	0.9	152,625	1.0	3.3	2.6	12.0	13.7	9.4	16.5	7.2
Municipal Police & Firefighter Retirement System	504	0.0	909	0.0	3.2	2.5	11.3	12.8	8.9		
Municipal Model A	-	0.0	1,290	0.0	3.3	2.5					
Insurance Assets	2,154,563	14.8	2,323,599	14.5							
Workers' Compensation Old Fund	1,036,241	7.1	1,119,865	7.0	1.5	1.6	5.6	4.5	5.4	10.6	
Workers' Comp. Self-Insured Guaranty Risk Pool	14,487	0.1	15,335	0.1	1.6	1.9	6.5	6.2	5.9	4.4	
Workers' Comp. Self-Insured Security Risk Pool	-	0.0	6,000	0.0							
Workers' Comp. Uninsured Employers' Fund	9,749	0.1	10,371	0.1	1.5	1.8	6.4	6.1	5.8	4.1	
Pneumoconiosis	261,636	1.8	265,221	1.6	1.6	1.9	6.5	6.2	5.9	10.9	5.3
Board of Risk & Insurance Management	139,875	1.0	142,692	0.9	1.6	1.9	6.5	6.2	6.0	11.2	
Public Employees' Insurance Agency	194,215	1.3	207,127	1.3	2.0	1.9	6.6	6.2	6.4	10.8	
WV Retiree Health Benefit Trust Fund	495,926	3.4	554,501	3.5	3.3	2.5	11.8	13.5	8.9	12.8	
AccessWV	2,434	0.0	2,487	0.0	0.6	1.3	2.2	(1.7)	4.3		
Endowment Assets	924,806	6.3	995,943	6.2							
Wildlife Fund	45,838	0.3	49,560	0.3	3.3	2.5	11.8	13.5	9.3	16.5	7.1
Prepaid Tuition Trust	76,701	0.5	74,935	0.5	2.4	2.2	9.7	10.5	7.8	16.4	7.0
Revenue Shortfall Reserve Fund	446,073	3.0	461,331	2.8	0.6	1.3	2.1	(2.1)	4.2	10.6	
Revenue Shortfall Reserve Fund - Part B	348,811	2.4	368,988	2.3	1.5	1.8	5.8	4.2	5.8	12.7	
WV DEP Trust	7,383	0.1	8,324	0.1	3.2	2.4	12.8	13.6			
WV DEP Agency	-	0.0	32,805	0.2	2.1	1.9					

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of February 28, 2014

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	15,984,803	100.00								
Total Equity Composite	7,799,601	48.80	4.70	2.82	18.49	21.12	11.11	22.47	8.18	
+/- Total Equity Policy Index (b)			(0.22)	(0.02)	0.95	1.26	1.55	1.53	1.19	
US Equity Composite	3,888,733	24.33	4.76	4.23	19.85	27.40	15.37	24.17	8.23	
+/- Russell 3000 Index			0.02	0.12	1.08	0.66	0.79	0.31	0.56	
Large Cap Composite	2,851,559	17.84	4.82	3.92	18.40	26.36	14.91	23.29	7.41	
+/- S&P 500 Index			0.25	0.41	0.98	0.99	0.56	0.29	0.25	
Non-Large Cap Composite	1,037,174	6.49	4.59	5.09	24.01	30.35	16.56	27.57	10.40	
+/- Russell 2500 Index			(0.48)	(0.18)	2.32	0.38	1.62	(0.06)	0.87	
International Equity Composite	3,910,868	24.47	4.64	1.42	17.01	15.21	6.78	20.42	8.93	
+/- MSCI AC World ex US IMI Index (c)			(0.45)	(0.16)	0.77	2.06	2.20	2.55	1.26	
Fixed Income Composite	3,396,759	21.25	0.75	1.65	3.07	1.69	4.43	9.14	4.90	
+/- Barclays Capital Universal (d)			0.04	0.05	0.03	0.97	0.13	3.07	0.09	
Core Fixed Income	1,052,097	6.58	0.49	1.46	2.64	0.76	4.52	5.82		
+/- Barclays Capital Aggregate			(0.04)	0.02	0.18	0.61	0.69	0.69		
Total Return Fixed Income	2,344,662	14.67	0.87	1.74	3.30	2.19	4.39	9.96	5.51	
+/- Barclays Capital Universal			0.16	0.14	0.26	1.47	0.09	3.89	0.64	
TIPS Composite	595,326	3.72	0.46	0.98	1.13	(5.73)	4.02			
+/- Barclays Capital U.S. TIPS			0.01	0.05	0.04	0.05	0.00			
Cash Composite	222,589	1.39	0.01	0.03	0.07	0.18	0.14	0.19	1.84	
+/- Citigroup 90 Day T-Bill (e)			0.01	0.01	(0.02)	0.03	(0.07)	(0.07)	0.03	
Private Equity Composite	1,343,405	8.40	3.15	3.10	8.94	11.91	13.32	13.46		
+/- Russell 3000 + 3% (f, g)								(14.58)		
Real Estate Composite	1,171,362	7.33	1.63	2.89	4.54	9.03	9.10	8.60		
+/- NCREIF + 1% (f)								2.68		
Hedge Fund Composite	1,455,761	9.11	1.23	2.43	7.12	10.16	5.70	8.44		
+/- HFRI FOF + 1% (h)			(0.57)	0.77	3.70	5.30	1.16	3.94		

West Virginia Investment Management Board

Participant Plans Allocation vs. Strategy

As of February 28, 2014

	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	27.5	27.5	27.6	27.5	15.6	15.0	10.1	10.0	8.8	10.0	10.0	10.0	0.4	0.0
Teachers' Retirement System	27.5	27.5	27.6	27.5	15.5	15.0	10.2	10.0	8.8	10.0	10.0	10.0	0.4	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	27.5	27.5	27.1	27.5	15.9	15.0	10.1	10.0	8.8	10.0	9.9	10.0	0.7	0.0
Public Safety Retirement System	27.3	27.5	27.9	27.5	15.5	15.0	10.2	10.0	9.0	10.0	10.1	10.0	0.0	0.0
Judges' Retirement System	27.2	27.5	27.6	27.5	15.6	15.0	10.1	10.0	8.9	10.0	10.0	10.0	0.6	0.0
State Police Retirement System	27.4	27.5	27.0	27.5	15.8	15.0	10.1	10.0	8.8	10.0	9.8	10.0	1.1	0.0
Deputy Sheriffs' Retirement System	27.4	27.5	27.4	27.5	15.8	15.0	10.1	10.0	8.9	10.0	9.9	10.0	0.5	0.0
Municipal Police & Firefighter Retirement System	25.7	27.5	25.2	27.5	14.5	15.0	9.5	10.0	8.5	10.0	8.8	10.0	7.8	0.0
Municipal Model A	27.4	27.5	27.0	27.5	14.9	15.0	10.0	10.0	9.0	10.0	10.0	10.0	1.7	0.0

Insurance Assets

Workers' Compensation Old Fund	9.9	10.0	10.6	10.0	69.6	70.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.8	10.0	10.6	10.0	54.6	55.0	0.0	0.0	0.0	0.0	20.0	20.0	5.0	5.0
Workers' Comp. Self-Insured Security Risk Pool	0.0	15.0	0.0	15.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	20.0	100.0	5.0
Workers' Comp. Uninsured Employers Fund	9.8	10.0	10.6	10.0	49.7	50.0	0.0	0.0	0.0	0.0	20.0	20.0	9.9	10.0
Pneumoconiosis	9.6	10.0	10.9	10.0	55.0	55.0	0.0	0.0	0.0	0.0	20.1	20.0	4.4	5.0
Board of Risk & Insurance Mgmt.	9.7	10.0	10.7	10.0	54.6	55.0	0.0	0.0	0.0	0.0	20.0	20.0	5.0	5.0
Public Employees' Insurance Agency	15.0	15.0	14.9	15.0	50.0	50.0	0.0	0.0	0.0	0.0	20.0	20.0	0.1	0.0
WV Retiree Health Benefit Trust Fund	27.6	27.5	27.2	27.5	16.0	15.0	10.1	10.0	8.9	10.0	10.0	10.0	0.2	0.0
AccessWV	0.0	0.0	0.0	0.0	99.8	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0

Endowment Assets

Wildlife Fund	27.4	27.5	27.4	27.5	16.0	15.0	10.1	10.0	8.9	10.0	10.0	10.0	0.2	0.0
Prepaid Tuition Trust	29.7	30.0	16.1	16.0	52.9	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	9.9	10.0	10.6	10.0	79.5	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	35.1	35.0	27.8	28.0	37.0	37.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Agency	16.9	20.0	18.3	20.0	35.3	40.0	0.0	0.0	0.0	0.0	17.6	20.0	11.9	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

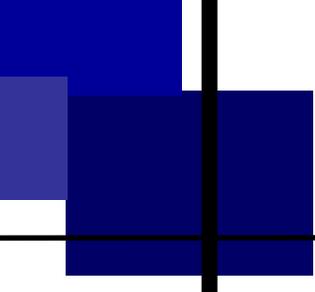
West Virginia Investment Management Board

Footnotes

As of February 28, 2014

- (a) As of January 2014, the PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA (IMI), and 40% Barclays Capital Universal. From April 2008 to December 2013, the PERS Policy was 30% Russell 3000, 30% MSCI ACW ex USA (Standard), and 40% Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.
- (b) As of January 2014, the Total Equity Policy Index is 50% Russell 3000 and 50% MSCI ACW ex USA (IMI). From April 2008 to December 2013, the Total Equity Policy Index was 50% Russell 3000 and 50% MSCI ACW ex USA (Standard). Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.
- (c) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (d) Prior to April 2008, the index was Barclays Capital Aggregate.
- (e) Prior to January 2014, the index was Citigroup 90 Day T-Bill plus 15 basis points.
- (f) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) Franklin Benchmark is 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (j) Prior to April 2008, the index was a custom index.
- (k) Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

Note: Participant returns are net of fees. Portfolio returns are net of management fees. Returns shorter than one year are unannualized.



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

April 2014

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.

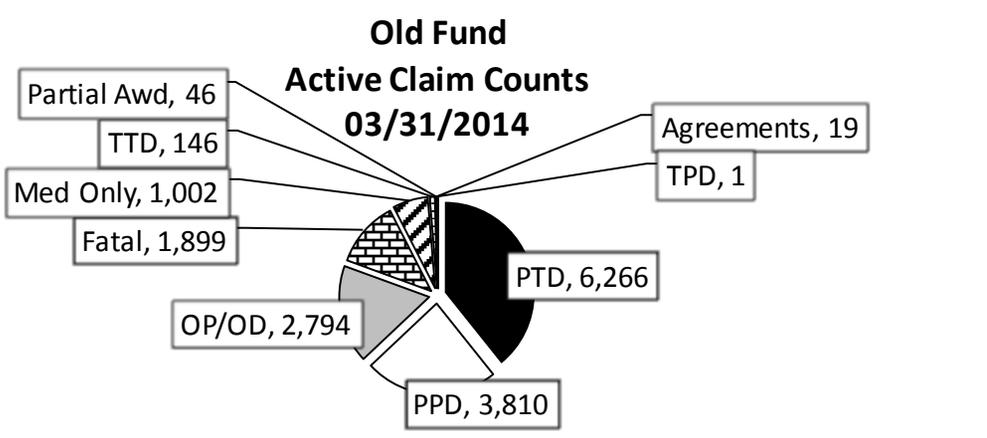
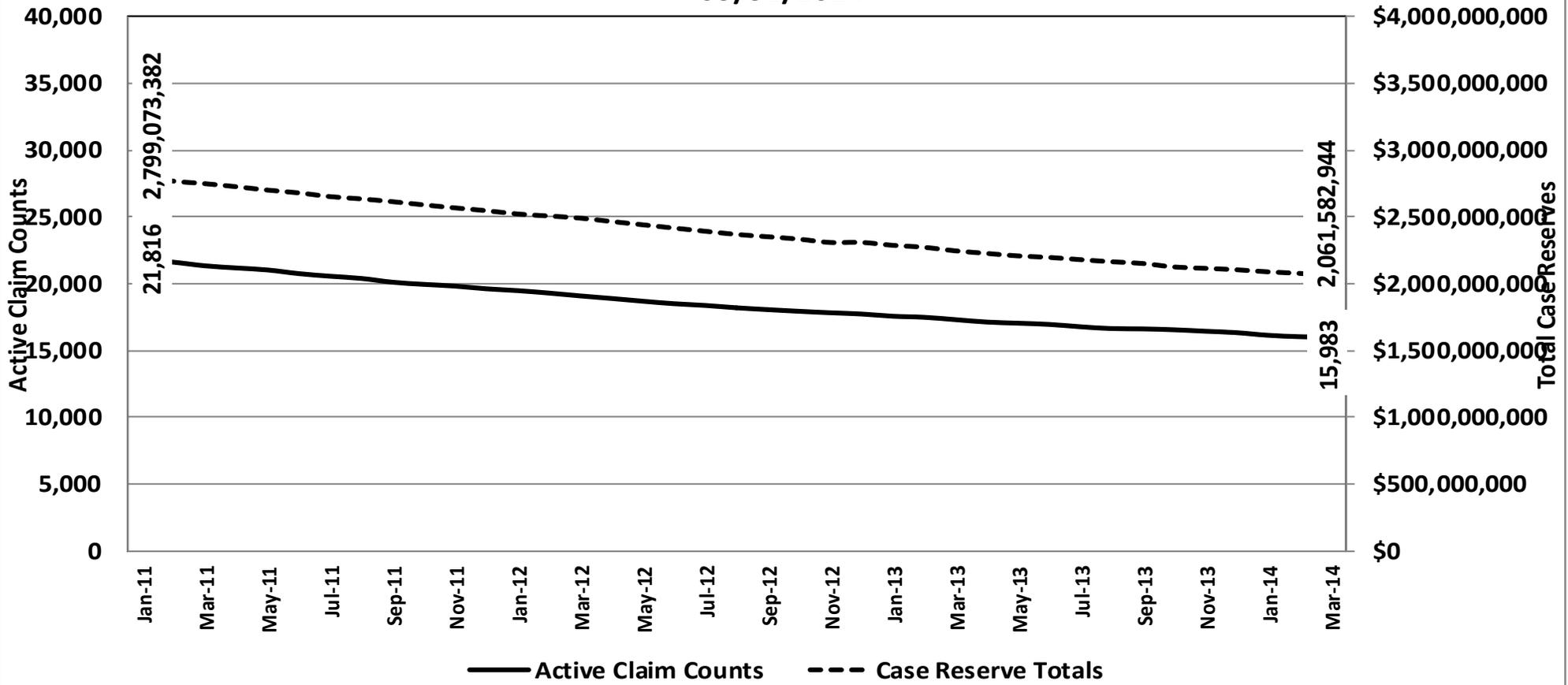
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to 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 03/31/2014



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

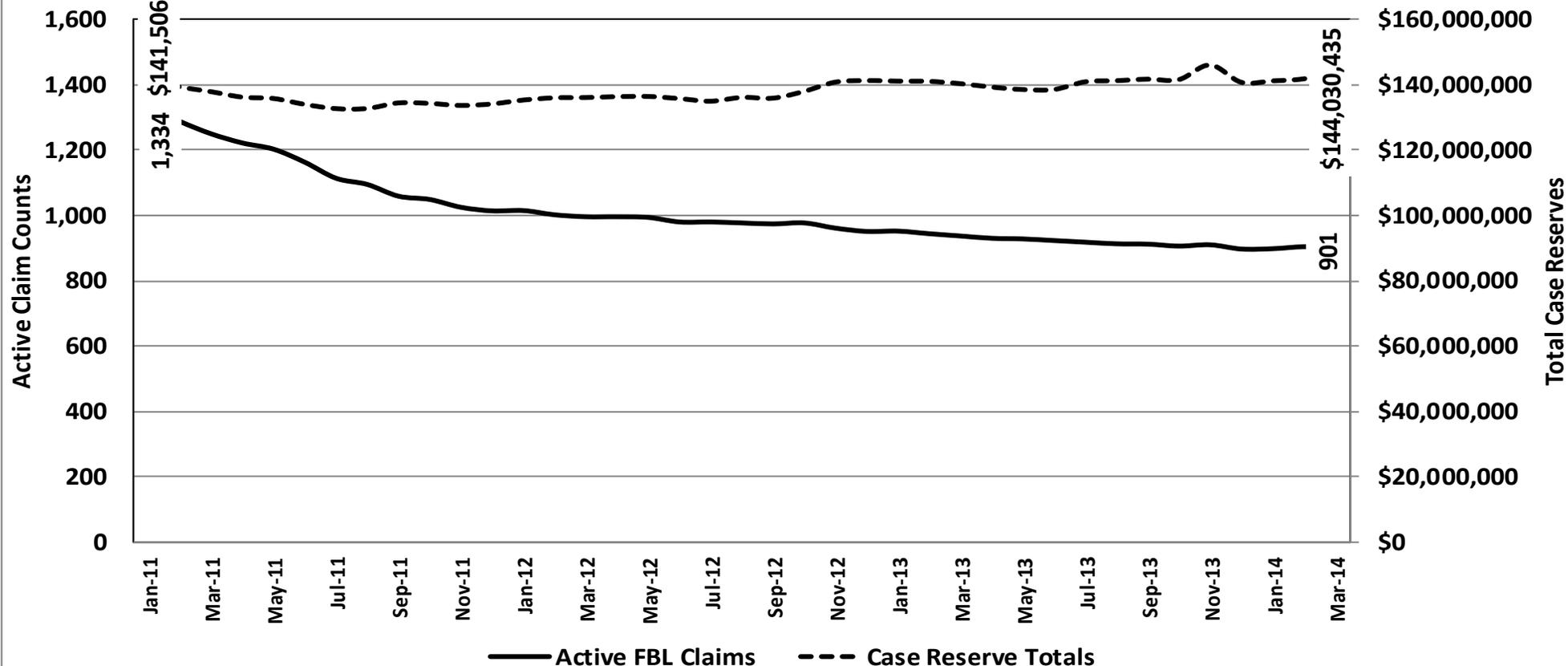
PPD - Permanent Partial Disability; unlikely to improve with treatment

PTD - Permanent Total Disability; unable to engage in employment

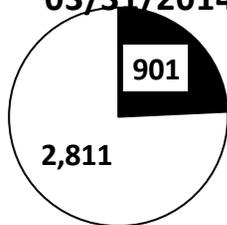
TPD - Temporary Partial Disability released to work with restrictions

TTD - Temporary Total Disability; unable to engage in employment

CWP Fund (FBL) Active Claim Counts and Case Reserves 03/31/2014



CWP Fund (FBL) Active and Inactive Claims 03/31/2014



■ Active □ Inactive

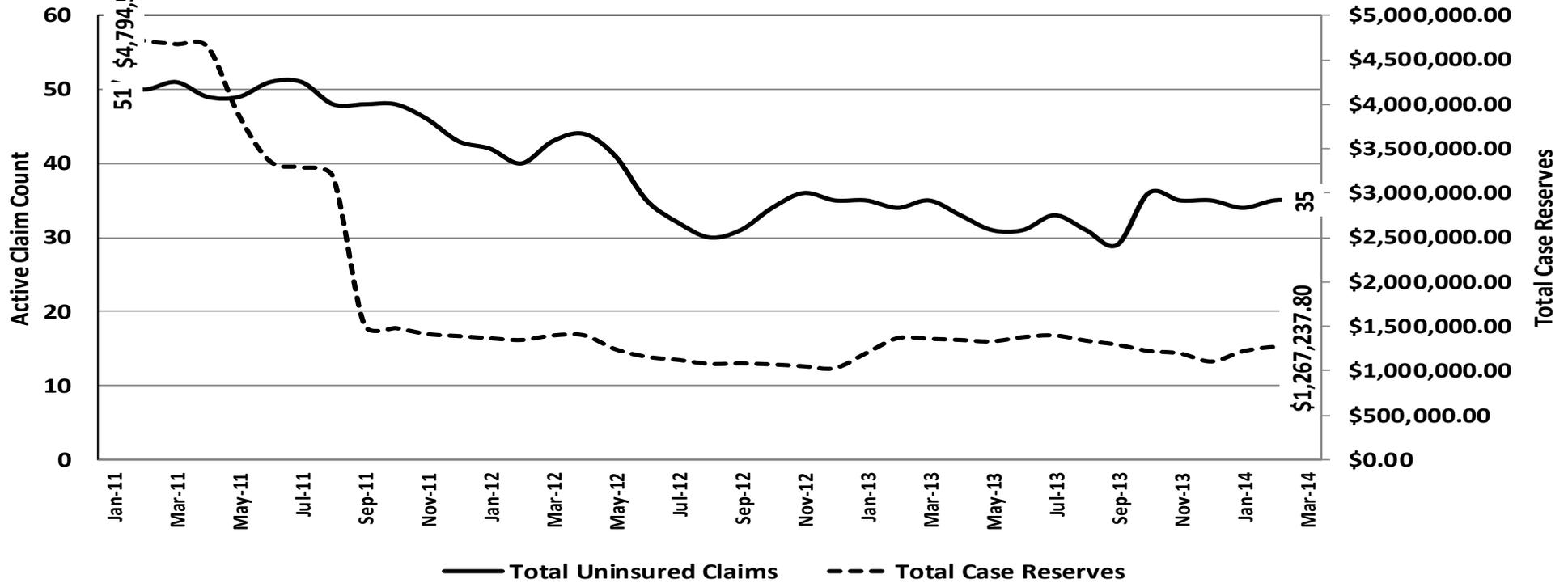
Active – Benefits being paid to claimant/beneficiary

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

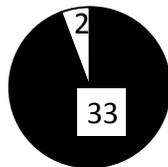
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

Uninsured Fund Active Claim Counts and Case Reserves 03/31/2014



Uninsured Fund Active Claim Counts 03/31/2014



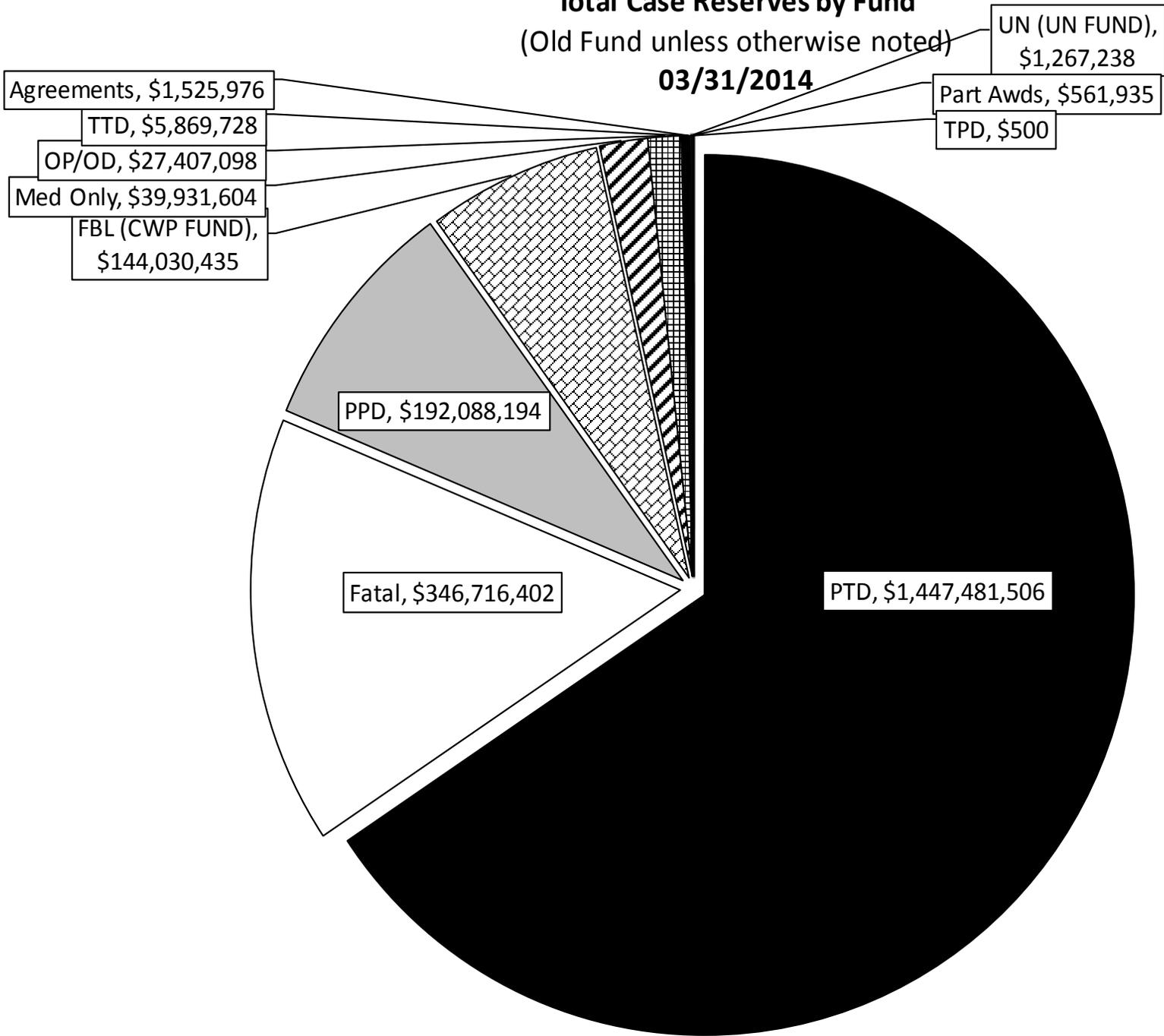
■ Indemnity □ Med Only

Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

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

Total Case Reserves by Fund
(Old Fund unless otherwise noted)
03/31/2014



OLD FUND CASH STATEMENT
March 31, 2014

	Three Year History for years ended:					
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	1,061,595,681	942,505,408	119,090,273	942,505,408	943,172,539	888,535,954
Revenues						
Personal Income Tax	63,600,000	63,600,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	74,923,433	67,859,312	7,064,121	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	26,623,554	29,407,932	(2,784,378)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	6,281,708	6,641,613	(359,905)	8,733,494	9,620,197	8,058,590
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	120,979	268,688	(147,709)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	80,786	44,290	36,496	48,332	202,103	191,860
Operating Revenues	182,630,460	178,821,834	3,808,625	246,933,837	250,502,904	251,979,946
Investment / Interest Earnings (Losses)	38,369,514	68,532,273	(30,162,759)	77,380,803	18,284,929	88,270,887
Total Revenues	220,999,973	247,354,108	(26,354,135)	324,314,640	268,787,833	340,250,833
Expenditures						
Claims Benefits Paid:						
Medical	23,621,986	25,450,767	(1,828,781)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	83,990,769	89,430,800	(5,440,031)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	573,063	831,627	(258,564)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	50,415	(50,415)	59,227	188,666	384,571
Fatals	19,777,528	20,285,603	(508,075)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	4,378,983	5,062,883	(683,900)	6,670,578	6,729,656	6,321,554
Settlements	5,976,664	7,188,723	(1,212,059)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	985,225	639,634	345,591	998,774	2,333,885	4,514,323
Total	139,304,218	148,940,452	(9,636,234)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	2,328,358	3,933,351	(1,604,993)	4,617,178	8,161,625	7,666,404
Total Benefits Paid	136,975,859	145,007,101	(8,031,242)	192,137,323	251,407,359	265,462,956
Administrative Expenses	11,038,387	9,164,444	1,873,943	13,087,043	18,047,605	20,151,292
Total Expenditures	148,014,246	154,171,546	(6,157,300)	205,224,366	269,454,964	285,614,248
Excess (Deficiency) of Revenues over Expenditures	72,985,728	93,182,562	(20,196,834)	119,090,274	(667,131)	54,636,585
Cash Ending Balances	1,134,581,409	1,035,687,969	98,893,440	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

March 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				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)	11,729,629	20,499,970	(8,770,341)	24,801,113	2,745,783	29,283,335
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	11,729,629	20,499,970	(8,770,341)	24,801,113	2,745,783	29,283,335
Expenditures						
Payment of Claims	14,388,241	9,291,184	5,097,057	12,550,216	11,131,012	10,415,160
Contractual / Professional	6,594	53,287	(46,694)	53,287	17,124	16,683
Legal	-	-	-	932	-	-
General and Administrative	45	-	45	-	-	-
Total Expenditures	14,394,879	9,344,471	5,050,408	12,604,435	11,148,136	10,431,843
Excess (Deficiency) of Revenues over Expenditures	(2,665,250)	11,155,500	(13,820,749)	12,196,678	(8,402,353)	18,851,492
Cash Ending Balances	264,055,180	265,679,252	(1,624,071)	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
March 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
Cash Beginning Balances	14,815,337	10,829,975	3,985,362	10,829,975	9,744,809	8,112,918
Revenues						
Guaranty Risk Pool Assessments	88,703	815,667	(726,964)	851,410	1,093,066	1,119,674
Collateral Proceeds	-	2,399,380	(2,399,380)	2,399,380	-	-
Investment Earnings (Losses)	667,463	951,998	(284,535)	1,186,338	125,813	592,165
Total Revenues	756,165	4,167,044	(3,410,880)	4,437,128	1,218,879	1,711,839
Expenditures						
Payment of Claims	204,979	278,870	(73,891)	332,894	28,466	28,707
Contractual / Professional	54,037	71,534	(17,497)	92,122	105,247	51,241
Legal	815	25,303	(24,488)	26,750	-	-
Total Expenditures	259,831	375,707	(115,876)	451,765	133,713	79,948
Excess (Deficiency) of Revenues over Expenditures	496,334	3,791,338	(3,295,004)	3,985,363	1,085,166	1,631,891
Cash Ending Balances	15,311,672	14,621,313	690,359	14,815,337	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
March 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				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	954,279	504,167	450,112	2,575,705	-	115,568
Collateral Proceeds	-	4,657,620	(4,657,620)	4,657,620	-	-
Investment Earnings (Losses)	6	-	6	-	-	-
Total Revenues	954,285	5,161,787	(4,207,502)	7,233,325	-	115,568
Expenditures						
Payment of Claims	609,381	399,401	209,980	530,804	2,187	73,649
Contractual / Professional	39,228	49,127	(9,899)	60,413	-	9,255
Legal	2,905	86,426	(83,521)	91,025	-	-
Total Expenditures	651,515	534,954	116,561	682,242	2,187	82,904
Excess (Deficiency) of Revenues over Expenditures	302,770	4,626,833	(4,324,063)	6,551,083	(2,187)	32,664
Cash Ending Balances	7,057,371	4,830,351	2,227,020	6,754,601	203,518	205,705

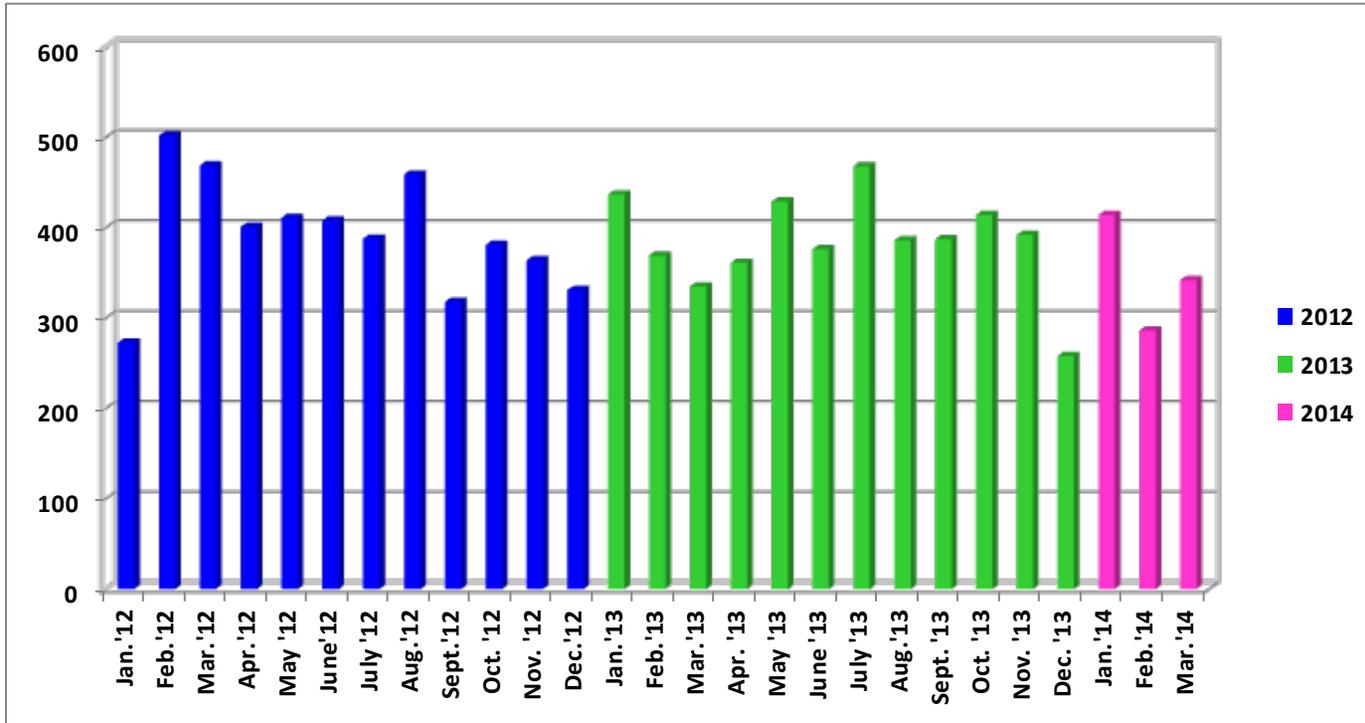
The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December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

UNINSURED EMPLOYERS FUND
March 31, 2014

	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	584,867	561,708	23,159	747,771	948,896	939,626
Investment Earnings (Losses)	443,233	714,042	(270,809)	871,603	99,906	474,728
Total Revenues	1,028,100	1,275,750	(247,650)	1,619,374	1,048,802	1,414,354
Expenditures						
Payment of Claims	230,008	215,812	14,196	262,002	553,676	1,224,982
Contractual/Professional	23,606	3,819	19,787	15,024	7,392	8,486
General and Administrative	90	15	75	60	-	-
Insurance	115,000	-	115,000	115,000	-	-
Total Expenditures	368,705	219,646	149,059	392,086	561,067	1,233,468
Excess (Deficiency) of Revenues over Expenditures	659,395	1,056,104	(396,708)	1,227,288	487,735	180,886
Cash Ending Balances	11,460,748	10,630,169	830,579	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.

PROTEST COMPARISON BY MONTH/YEAR



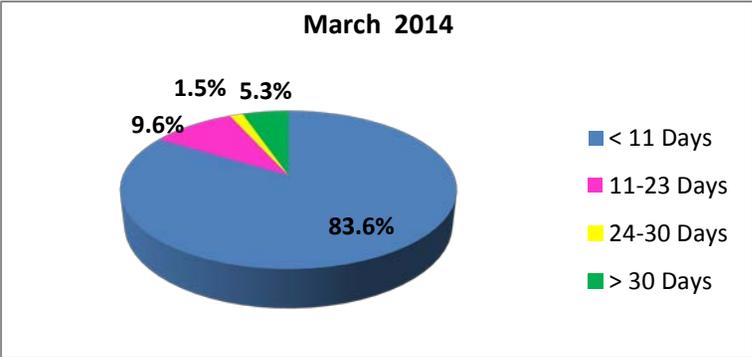
PROTEST ACKNOWLEDGMENTS – March 2014

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	Total: 1	0	0	0	0	0	0	1	100
CBO-CL BEN. OVERPAYMENT	1	0	0	0	0	0	0	1	100
COMPENSABILITY	Total: 74	4	5	3	4	11	14	56	75
CCS-CL SEC.CONDITION	20	0	0	1	5	1	5	18	90
CHC-CL COMPENSABILITY	2	0	0	0	0	0	0	2	100
CIS-CL SI SEC.CONDITION	3	1	33	0	0	1	33	1	33
CLB-CL COMP ON LIMITED BASIS	1	0	0	0	0	0	0	1	100
CPI-CL SI REJECT CLAIM	7	1	14	0	0	1	14	5	71
CPJ-CL REJECT CLAIM	37	2	5	1	2	8	21	26	70
CQR-CL SI REJ OCCDISEASE	1	0	0	1	100	0	0	0	0
CRZ-CL REJ OCC DISEASE	3	0	0	0	0	0	0	3	100
DEP BEN 104	Total: 1	0	0	0	0	0	0	1	100
CWK-CL DENY/GRNT 104 WKS	1	0	0	0	0	0	0	1	100
DEP BEN FATAL	Total: 6	0	0	0	0	1	16	5	83
CDF-CL DENY/GRNT DTH BEN	5	0	0	0	0	0	0	5	100
EIF-EM SI DY/GNT DTH BEN	1	0	0	0	0	1	100	0	0
FAILURE TO ACT 10 DAY	Total: 2	0	0	0	0	2	100	0	0
C5N-CL FTA NOT COVERED	2	0	0	0	0	2	100	0	0
FAILURE TO ACT 15 DAY	Total: 3	1	33	0	0	1	33	1	33
FTA Multiple Issues-FTA MULTIPLE ISSUES	3	1	33	0	0	1	33	1	33
FAILURE TO ACT 30 DAY	Total: 3	1	33	0	0	1	33	1	33
C6A-CL FTA ACT UPON PPD	1	0	0	0	0	0	0	1	100
C7D-CL FTA REF FOR EXAM	1	0	0	0	0	1	100	0	0
C7E-CL FTA CPLY OJ/BR/SC	1	1	100	0	0	0	0	0	0
OP NON-MED	Total: 2	0	0	0	0	0	0	2	100
CNR-CL NON-MED ORDER	2	0	0	0	0	0	0	2	100
OPBD	Total: 21	0	0	0	0	3	14	18	85
CAO-CL ADD BOARD FINDING	2	0	0	0	0	1	50	1	50
CBF-CL % BOARD FINDING	9	0	0	0	0	1	11	8	88
CSF-CL% SI BOARD FINDING	3	0	0	0	0	1	33	2	66
EAO-EM ADD BOARD FINDING	1	0	0	0	0	0	0	1	100

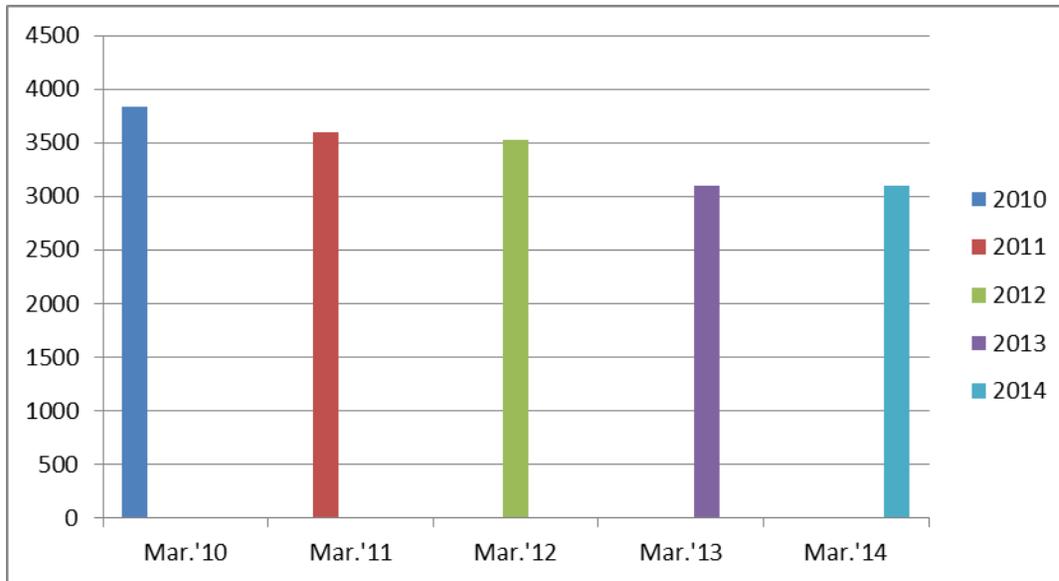
Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
EBF-EM % BOARD FINDING	3	0	0	0	0	0	0	3	100
ESF-EM% SI BOARD FINDING	1	0	0	0	0	0	0	1	100
ESO-EM SI AD.BRD FINDING	2	0	0	0	0	0	0	2	100
PPD	Total: 87	5	5	1	1	4	4	77	88
CAA-CL ADDL % AWARD D/G	4	0	0	0	0	0	0	4	100
CAD-CL % AWARD DENY/GRNT	76	5	6	0	0	4	5	67	88
CIE-CL SI ADD% AWARD D/G	2	0	0	0	0	0	0	2	100
CIG-CL SI %AWARD DNY/GNT	5	0	0	1	20	0	0	4	80
PTD ENTITLEMENT	Total: 1	0	0	0	0	1	100	0	0
CKC-CL DENY/GRANT PTD	1	0	0	0	0	1	100	0	0
PTD ONSET DATE	Total: 1	1	100	0	0	0	0	0	0
COD-CL ONSET DATE ISSUE	1	1	100	0	0	0	0	0	0
REHABILITATION	Total: 1	0	0	0	0	0	0	1	100
CTP-CL GRNT/DNY TP REHAB	1	0	0	0	0	0	0	1	100
REOPENING	Total: 6	0	0	0	0	0	0	6	100
CIY-CL SI DY/GNT R/O TTD	1	0	0	0	0	0	0	1	100
CJV-CL DNY/GRNT R/O PPD	2	0	0	0	0	0	0	2	100
CRD-CL DENY/GRNT R/O TTD	3	0	0	0	0	0	0	3	100
SPECIAL CATEGORY	Total: 8	0	0	0	0	0	0	8	100
C1I-CL SI SL CATEGORY	2	0	0	0	0	0	0	2	100
CNW-CL SPL CATEGORY	6	0	0	0	0	0	0	6	100
TRMT/EQUIP CL	Total: 91	6	6	0	0	9	9	76	83
CBX-CL TRMT DENY	72	6	8	0	0	8	11	58	80
CKN-CL D/G PROV CHNG	2	0	0	0	0	1	50	1	50
CSX-CL SI TRMT DENY	13	0	0	0	0	0	0	13	100
CYY-CL TRMT GRANT	4	0	0	0	0	0	0	4	100
TTD	Total: 34	0	0	1	2	0	0	33	97
CCC-CL CLOSING THE CLAIM	24	0	0	0	0	0	0	24	100
CIC-CL SI CLSING THE CLM	5	0	0	0	0	0	0	5	100
CJS-CL TTD	4	0	0	1	25	0	0	3	75
CPX-CL INITIAL TTD	1	0	0	0	0	0	0	1	100
TOTALS:	342	18	5.3	5	1.5	33	9.6	286	83.6

PROTEST ACKNOWLEDGMENT TIMELINESS

Acknowledgment Timeliness	2013	Mar.'14	2014
Protest Ack. < 11 Days	78.0%	83.6%	77.1%
Protest Ack. 11 – 23 Days	16.1%	9.6%	14.9%
Protest Ack. 24 – 30 Days	2.3%	1.5%	3.0%
Protest Ack. > 30 Days	3.6%	5.3%	5.0%



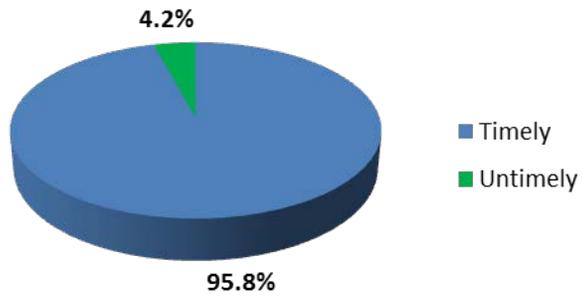
PENDING CASELOAD COMPARISON BY MONTH/YEAR



Pending as of April 1, 2014	3094
Pending 1 Month Before	3120
Pending 2 Months Before	3167
Pending 3 Months Before	3147
Pending 6 Months Before	3166
Pending 12 Months Before	3100

TIME STANDARD COMPLIANCE

Time Standard Compliance
March 2014

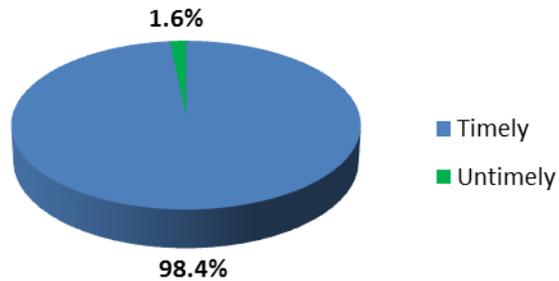


2013	MARCH	2014
94.9%	95.8%	94.2%

Time Standard	Issues		Timely		Late	
	Resolved	Count	%	Count	%	
BENEFIT OVERPAYMENT	1	1	100	0	100	
BENEFIT RATE	1	1	100	0	100	
COMPENSABILITY	12	12	100	0	100	
DEP BEN 104	1	1	100	0	100	
OP NON-MED	1	1	100	0	100	
OPBD	3	3	100	0	100	
PPD	31	31	100	0	100	
REHABILITATION	1	1	100	0	100	
REOPENING	3	2	66.7	1	66.7	
TRMT/EQUIP CL	31	28	90.3	3	90.3	
TTD	10	10	100	0	100	
TOTALS:	95	91	95.8	4	4.2	

MOTION RESOLUTION COMPLIANCE

Motion Compliance
March 2014



2013	MARCH	2014
97.7%	98.4%	98.7%

Motion Compliance	Total	TIMELY		UNTIMELY	
	Motions	Count	%	Count	%
APPLICATION THRESHOLD	3	3	100	0	0
BENEFIT OVERPAYMENT	8	7	87.5	1	12.5
BENEFIT RATE	3	2	66.7	1	33.3
COMPENSABILITY	204	200	98	4	2
DEP BEN FATAL	7	7	100	0	0
FAILURE TO ACT 15 DAY	2	2	100	0	0
FAILURE TO ACT 30 DAY	1	1	100	0	0
OP NON-MED	13	13	100	0	0
OPBD	42	42	100	0	0
PPD	179	178	99.4	1	0.6
PTD ENTITLEMENT	5	3	60	2	40
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	2	100	0	0
REHABILITATION	1	1	100	0	0
REOPENING	22	22	100	0	0
SPECIAL CATEGORY	17	17	100	0	0
TEMP	1	1	100	0	0
TRMT/EQUIP CL	228	226	99.1	2	0.9
TTD	62	60	96.8	2	3.2
TOTALS:	800	787	98.4	13	1.6

PROTEST RESOLUTIONS

Protests Resolved:	March 2014	2014
Protests Decided	222	680
Withdrawals	81	224
"No Evidence" Dismissals	32	108

Resolution of Issues – March 1, 2014 through March 31, 2014

Time Standard	Decisions	REVERSED		AFFIRMED		AFFIRMED by RULE		DISMISSED		MODIFIED		MOOT		OTHER		REMANDED	
	Issued	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	2	0	0	0	0	0	0	1	50	0	0	1	50	0	0	0	0
BENEFIT RATE	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	72	19	26.4	27	37.5	3	4.2	17	23.6	4	5.6	2	2.8	0	0	0	0
DEP BEN 104	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
OP NON-MED	3	1	33.3	1	33.3	0	0	1	33.3	0	0	0	0	0	0	0	0
OPBD	26	2	7.7	4	15.4	3	11.5	17	65.4	0	0	0	0	0	0	0	0
PPD	80	11	13.8	24	30	15	18.8	29	36.3	0	0	0	0	1	1.3	0	0
REHABILITATION	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	17	5	29.4	8	47.1	1	5.9	3	17.6	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	11	5	45.5	3	27.3	0	0	3	27.3	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	114	32	28.1	39	34.2	9	7.9	25	21.9	8	7	1	0.9	0	0	0	0
TTD	24	5	20.8	9	37.5	1	4.2	8	33.3	0	0	1	4.2	0	0	0	0
TOTALS:	356	82	23.0	118	33.1	32	9.0	106	29.8	12	3.4	5	1.4	1	0.3	0	0.0

FINAL DECISION TIMELINESS

Final Decision Timeliness:	2013	March 2014	2014
< 30 Days		22.1%	27.1%
30 – 60 Days		69.3%	66.4%
60 – 90 Days		6.9%	4.8%
>90 Days		1.7%	1.7%

Final Decision Compliance – March 1, 2014 through March 31, 2014

Final Decision Compliance	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		Over 90	
		Count	%	Count	%	Count	%	Count	%
BENEFIT RATE	2	0	0	2	100	0	0	0	0
COMPENSABILITY	51	12	0	34	0	5	0	0	0
DEP BEN 104	1	0	0	1	100	0	0	0	0
DEP BEN FATAL	1	0	0	1	100	0	0	0	0
FAILURE TO ACT 15 DAY	5	0	0	3	0	1	0	1	0
FAILURE TO ACT 30 DAY	1	0	0	0	0	1	100	0	0
OP NON-MED	3	2	0	1	0	0	0	0	0
OPBD	6	1	0	5	0	0	0	0	0
PPD	36	8	0	28	0	0	0	0	0
REHABILITATION	1	1	100	0	0	0	0	0	0
REOPENING	14	2	0	11	0	1	0	0	0
SPECIAL CATEGORY	9	1	0	6	0	2	0	0	0
TRMT/EQUIP CL	87	19	0	59	0	6	0	3	0
TTD	14	5	0	9	0	0	0	0	0
TOTALS:	231	51	22.1	160	69.3	16	6.9	4	1.7

FAILURE TO TIMELY ACT PROCESS

Failure to Timely Act Process	
Petitions Filed 1/1/14 through 3/31/14	
Filed:	31
Denied/Dismissed:	12
Reports to OIC:	16
Pending:	35
<i>(Pending includes petitions filed from previous year)</i>	

EXPEDITED HEARING PROCESS

YEAR	MONTHLY TOTAL FOR MARCH	YEARLY TOTAL
2012	11	152
2013	18	113
2014	10	37

PETITIONS FOR ATTORNEY FEES

**Petitions for
Costs
WV Code §23-5-**

Petitions Received 1/1/14 through 3/31/14	15
Granted	10
Denied	2
Pending	2
Other (<i>BOR</i>)	1

**Attorney Fees &
16(c)**

Petitions for Attorney Fees for Unreasonable Denial WV Code §23-2C-21(c)

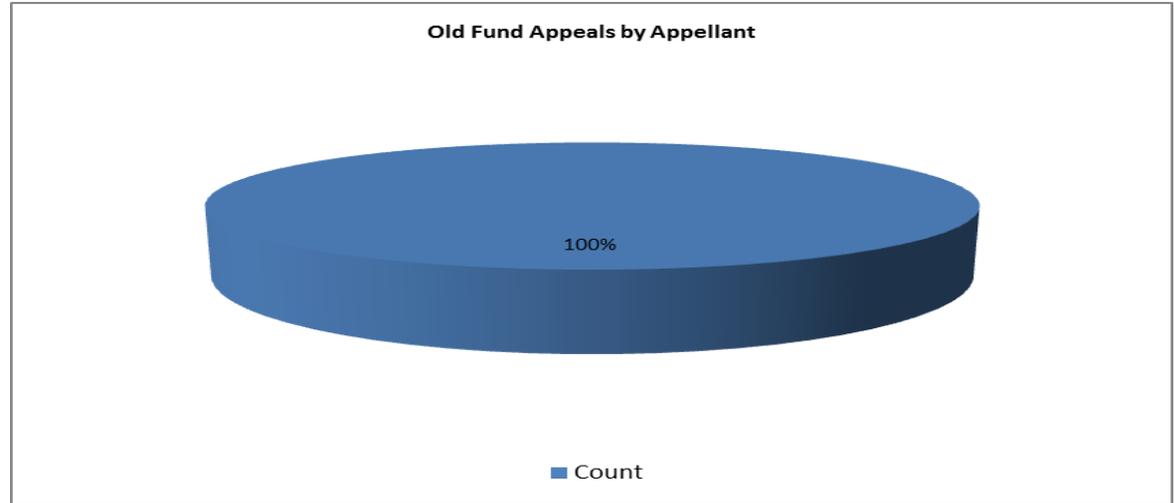
Petitions Received 1/1/14 through 3/31/14	3
Granted	
Denied on face	2
Denied by ALJ decision	
Withdrawn through settlement	
Pending*	4
<i>(Pending includes 3 petitions from 2013)</i>	

BOARD OF REVIEW

Appeals Received
From March 1, 2014 Thru March 31, 2014

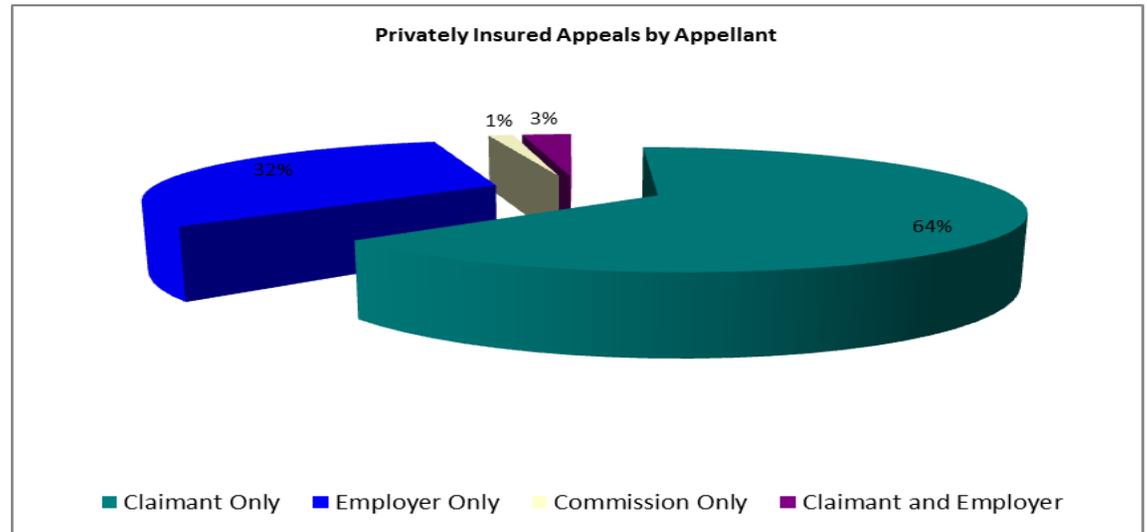
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	11
Old Fund Total	11



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

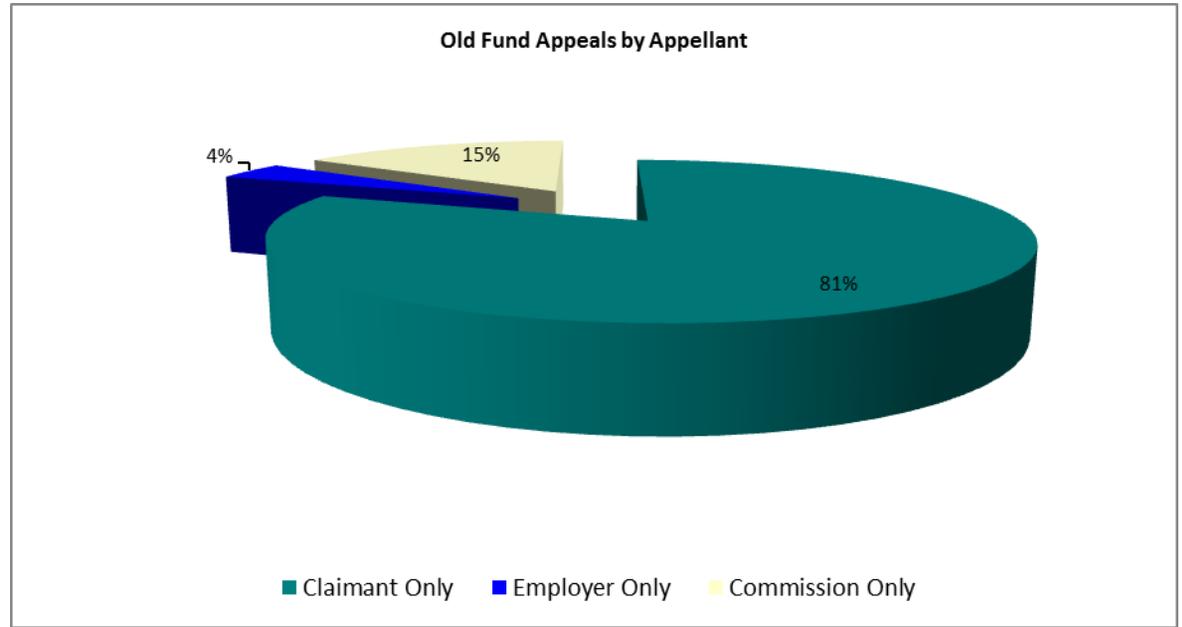
Appellant	Count
Claimant Only	44
Employer Only	22
Commission Only	1
Claimant and Employer	2
Privately Insured Total	69
Total Appeals	80



Yearly Appeals Received
From January 1, 2014 Thru March 31, 2014

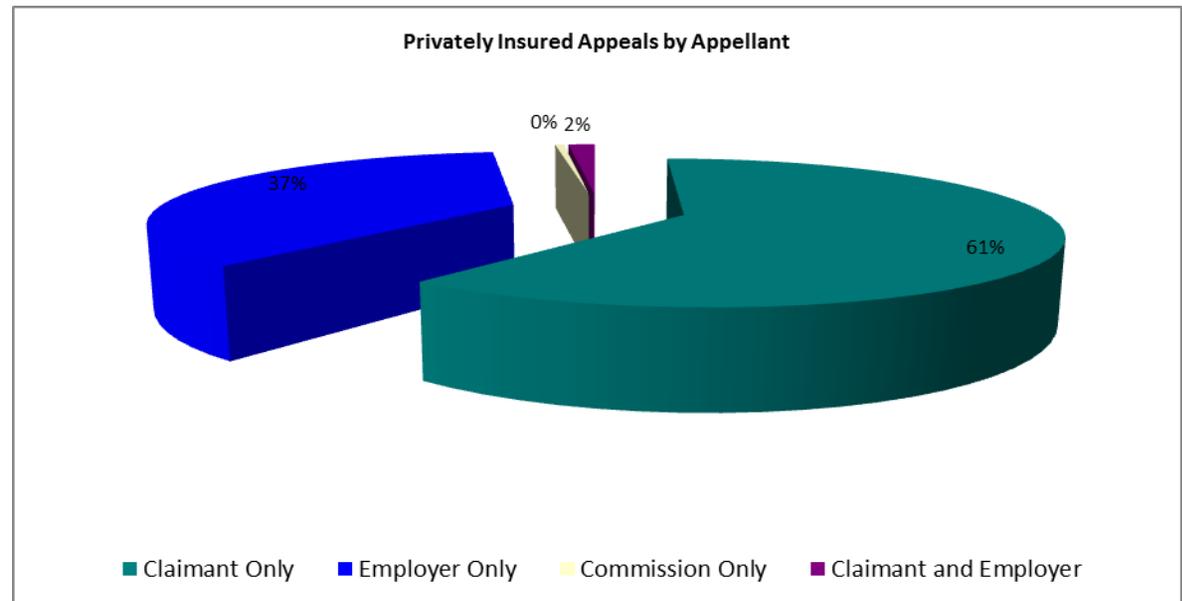
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	21
Employer Only	1
Commission Only	4
Old Fund Total	26



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

Appellant	Count
Claimant Only	120
Employer Only	73
Commission Only	1
Claimant and Employer	3
Privately Insured Total	197
Total Appeals	223



Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From March 1, 2014 Thru March 31, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	11	0	0.0	11	100.0
CL ADDL % AWARD D/G	2	0	0.0	2	100.0
CL CLOSING THE CLAIM	9	0	0.0	9	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRNT DTH BEN	3	3	100.0	0	0.0
CL DENY/GRNT R/O TTD	5	1	20.0	4	80.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0
CL INITIAL TTD	1	0	0.0	1	100.0
CL NON-MED ORDER	1	0	0.0	1	100.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0
CL REJECT CLAIM	8	0	0.0	8	100.0
CL SEC.CONDITION	9	1	11.1	8	88.9
CL SI %AWARD DNY/GNT	1	0	0.0	1	100.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	2	0	0.0	2	100.0
CL SI COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL SI DY/GNT R/O TTD	1	0	0.0	1	100.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	1	0	0.0	1	100.0
CL SI TRMT DENY	5	0	0.0	5	100.0
CL SPL CATEGORY	2	0	0.0	2	100.0
CL TRMT DENY	23	5	21.7	18	78.3
CL TTD	1	0	0.0	1	100.0
CL% SI BOARD FINDING	1	0	0.0	1	100.0
UnTimely Protest	1	0	0.0	1	100.0
Totals	97	12	12.4	85	87.6

Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From January 1, 2014 Thru March 31, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	26	0	0.0	26	100.0
CL ADDL % AWARD D/G	4	1	25.0	3	75.0
CL CLOSING THE CLAIM	15	0	0.0	15	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRNT DTH BEN	5	3	60.0	2	40.0
CL DENY/GRNT R/O TTD	8	1	12.5	7	87.5
CL DNY/GRNT R/O PPD	3	1	33.3	2	66.7
CL EQUIP DENY/GRANT	1	1	100.0	0	0.0
CL GRNT/DNY TP REHAB	1	0	0.0	1	100.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	4	1	25.0	3	75.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	2	1	50.0	1	50.0
CL REJ OCC DISEASE	10	0	0.0	10	100.0
CL REJECT CLAIM	31	0	0.0	31	100.0
CL SEC.CONDITION	22	1	4.5	21	95.5
CL SI %AWARD DNY/GNT	5	0	0.0	5	100.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	6	0	0.0	6	100.0
CL SI COMP ON LIMITED BASIS	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	1	0	0.0	1	100.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	6	1	16.7	5	83.3
CL SI SEC.CONDITION	5	0	0.0	5	100.0
CL SI TRMT DENY	14	0	0.0	14	100.0
CL SI TTD	2	0	0.0	2	100.0
CL SPL CATEGORY	5	1	20.0	4	80.0
CL TRMT DENY	65	12	18.5	53	81.5
CL TTD	2	0	0.0	2	100.0
CL% SI BOARD FINDING	2	0	0.0	2	100.0
UnTimely Protest	1	0	0.0	1	100.0
Totals	259	27	10.4	232	89.6

Appeals Received By Issue
From March 1, 2014 Thru March 31, 2014

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	11	7	63.6	4	36.4	0	0.0	0	0.0
CL ADDL % AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	10	6	60.0	3	30.0	0	0.0	1	10.0
CL D/G PROV CHNG	1	0	0.0	1	100.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	3	3	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	5	3	60.0	2	40.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	2	100.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	8	3	37.5	5	62.5	0	0.0	0	0.0
CL SEC.CONDITION	10	8	80.0	2	20.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI COMP ON LIMITED BASIS	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	5	5	100.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	2	1	50.0	1	50.0	0	0.0	0	0.0
CL TRMT DENY	25	16	64.0	9	36.0	0	0.0	0	0.0
CL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
UnTimely Protest	1	1	100.0	0	0.0	0	0.0	0	0.0
Totals	102	71	69.6	30	29.4	0	0.0	1	1.0

**WORKERS' COMPENSATION BOARD OF REVIEW
FOR MARCH 2014**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	42	79.2%	50.6%	116	80.0%	47.2%
	DISMISSED	4	7.5%	4.8%	14	9.7%	5.7%
	MODIFY				3	2.1%	1.2%
	REMAND	2	3.8%	2.4%	4	2.8%	1.6%
	REVERSE	5	9.4%	6.0%	8	5.5%	3.3%
	Total Dispositions	53			145		
CLAIMANT/EMPLOYER	AFFIRMED				1	50.0%	0.4%
	MODIFY				1	50.0%	0.4%
	Total Dispositions				2		
EMPLOYER	AFFIRMED	17	60.7%	20.5%	54	62.1%	22.0%
	DISMISSED	3	10.7%	3.6%	9	10.3%	3.7%
	MODIFY	3	10.7%	3.6%	6	6.9%	2.4%
	REMAND				2	2.3%	0.8%
	REVERSE	5	17.9%	6.0%	16	18.4%	6.5%
	Total Dispositions	28			87		
DIVISION/OIC	AFFIRMED	2	100.0%	2.4%	7	58.3%	2.8%
	REMAND				2	16.7%	0.8%
	REVERSE				3	25.0%	1.2%
	Total Dispositions	2			12		
Grand Totals		83			246		

Dispositions By Issues
BOR Orders Mailed From March 1, 2014 Thru March 31, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	4	2	50.0	1	25.0	1	25.0	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	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	2	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	2	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL REJ OCC DISEASE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	14	8	57.1	2	14.3	3	21.4	1	7.1	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	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 DTH BEN	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI 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	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	26	19	73.1	4	15.4	2	7.7	1	3.8	0	0.0	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
EM OIC SPL CATEGORY	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	95	73	76.8	10	10.5	7	7.4	3	3.2	2	2.1	0	0.0	0	0.0

Dispositions By Issues

BOR Orders Mailed From January 1, 2014 Thru March 31, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%		
CL % AWARD DENY/GRNT	32	26	81.3	1	3.1	3	9.4	2	6.3	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	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 BEN. OVERPAYMENT	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	8	5	62.5	1	12.5	2	25.0	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	8	5	62.5	1	12.5	0	0.0	1	12.5	1	12.5	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	7	5	71.4	0	0.0	1	14.3	0	0.0	1	14.3	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	7	4	57.1	1	14.3	1	14.3	0	0.0	1	14.3	0	0.0	0	0.0
CL REJ OCC DISEASE	7	4	57.1	0	0.0	2	28.6	1	14.3	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	34	23	67.6	4	11.8	4	11.8	2	5.9	1	2.9	0	0.0	0	0.0
CL SEC.CONDITION	10	10	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	6	4	66.7	0	0.0	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AUT/RPR HA D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	2	100.0	0	0.0	0	0.0	0	0.0	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 D/G 104 WKS	1	1	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	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	6	4	66.7	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	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	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	25	21	84.0	3	12.0	0	0.0	1	4.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	4	2	50.0	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	67	47	70.1	10	14.9	5	7.5	2	3.0	3	4.5	0	0.0	0	0.0
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM % BOARD FINDING	2	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
EM OIC SPL CATEGORY	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	277	208	75.1	28	10.1	23	8.3	10	3.6	8	2.9	0	0.0	0	0.0

REVENUE RECOVERY

Workers' Compensation

March 2014

COLLECTION ACTIVITY	Current Month	Fiscal Year 2014
Receipts - Old Fund (Employer out of business)	\$ 1,706.49	\$ 39,848.27
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 54,669.22	\$ 513,180.19
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 16,668.37	\$ 96,526.29
# of active accounts uninsured (cumulative) /(average)	360	370
\$ of active accounts uninsured (cumulative) / (average)	\$ 1,227,435.30	\$ 1,268,588.41
Telephone contacts	1,201	5,209
Walk-ins	6	55

LIENS	Current Month	Fiscal Year 2014
Liens sent to county clerks for recordation	52	622
Liens sent to county clerks for release	2	240
Intent to lien letters sent to employer/owner/officer/member	4	293

Uninsured Accounts Resolved	227	2021
All Cash Receipts from WC accounts	\$ 73,044.08	\$ 649,554.75

INJUNCTIONS	Current Month	Fiscal Year 2014
Affidavits for injunction submitted to legal	5	57
Hearings attended	1	5
# of injunction complaints accepted by court	1	8
# of injunctions granted	0	6
# of agreed orders entered	0	0
PAYMENT AGREEMENTS	Current Month	Fiscal Year 2014
# of repayment agreements applications	1	31
Agreements set up	4	38
Total # of agreements on system (cumulative) / (average)	57	55
Intent to void letters mailed	13	33
Agreements voided	1	16

MISCELLANEOUS	Current Month	Fiscal Year 2014
Terminations Processed	84	494
Rule 11 Letters Mailed	188	1,782
Rule 11 hearings	0	4

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
May 07, 2014

OPERATING REPORT

FEBRUARY 2014

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

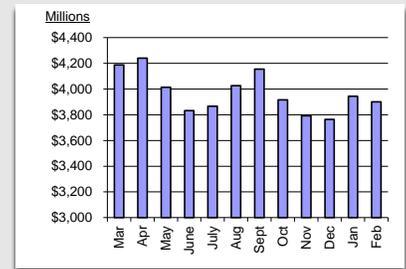
Chief Financial
Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,899,926,000

Last Month
\$3,944,052,000

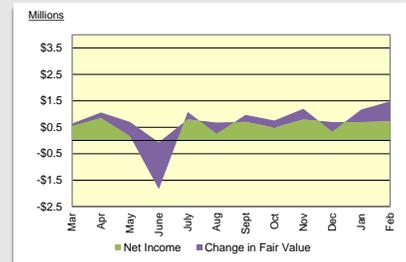
Beginning of Fiscal Year
\$3,831,716,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$7,238,000



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

Money Market Pools

As of February 28, 2014

Pool	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	0.1245%	53 Days	\$2.4 Billion
WV Gov't Money Market	0.0117%	52 Days	\$300.6 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

FEBRUARY 2014

February Markets Strong Despite Global Political Unrest

Market Environment

Global stocks rose dramatically in February as US and non-US developed market benchmarks recouped January's losses. Equity investors focused on continued accommodation by major central banks, including "dovish" comments by Janet Yellen, the new Fed chair; robust corporate earnings; and (on a weather-adjusted basis) positive economic data. In response, the S&P 500 closed the month at a new high; even recent laggards—emerging markets' stock, bonds and currencies--recorded strong gains in February. Interest rates on Treasuries saw little change during the month, providing support to corporate bond prices. Commodities advanced for the second straight month, led higher by gold which recovered a portion of its losses from 2013.

As we enter March, we are reminded of the risks that lurk globally, be it the political crisis in Ukraine that could morph into a regional conflict with Russia, or angry protests on the streets of Venezuela which could threaten the stability of a major oil producer. Additional sources of short-term unrest include the potential for slowing growth in China, and fragile balance of payments positions of other major emerging economies such as Brazil and Turkey. The early months of 2014 serve as a reminder of the importance of a risk-balanced approach to asset allocation, even on the heels of 2013, when widespread diversification appeared to dampen returns. We recommend that investors pursue a disciplined approach to investing by trimming asset classes that have appreciated significantly, such as US equities, while rebalancing to more attractively priced investment segments. Stocks and bonds of emerging markets continue to appear appealing on a fundamental basis; however, we acknowledge that they may experience additional volatility in the short term. We recommend deploying actively managed strategies in these markets as there are likely to be pronounced winners and losers across countries and sectors.

Equity Market Results

All of the major equity indices posted strongly positive results in February. Broad US stock market indices, including the S&P 500 and Russell 3000 Index, rose more than 4% during the month, posting returns of 4.57% and 4.74%, respectively. There was very little dispersion between large and small stocks during the month as the Russell 1000 Index and Russell 2000 Index rose 4.75% and 4.71%, respectively. February's rally put the U.S. markets back in positive territory for the year. The Russell 3000 Index has risen 1.43% year-to-date.

International equity markets also rebounded during the month. Developed markets, represented by the MSCI EAFE Index, rose 5.56% for the month, while their less established brethren, represented by the MSCI Emerging Markets Index, rose 3.19%. Year-to-date, the results remain mixed as developed markets have risen 1.3%, while emerging markets remain or are negative, falling 3.62%.

Bond Market Results

Along with the strong rally in equity markets, bonds also generated positive returns during February. The Barclays Capital Aggregate Index, a leading index for bond investors rose 0.53%, bringing its year-to-date return up to 2.02%. Long government bonds continued their torrid pace in 2014, returning 0.83%. Year-to-date, long government bonds have been the asset of choice by the markets, posting a 6.40% return. The riskier segments of the bond markets held their own during the month, with the BofA Merrill Lynch US High Yield Master II increasing 2.00%. Cash-like instruments continued to suffer from the low rate environment, with the BofA ML 3-month T-bill generating a paltry 0.00% return. Year-to-date, the 3-month T-bill has risen 0.01%.

West Virginia Board of Treasury Investments

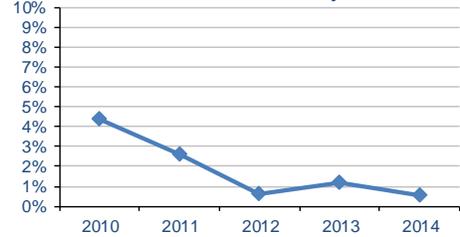
Financial Highlights as of February 28, 2014

WV Short Term Bond Pool

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

<u>March 1 - February 28</u>	<u>Return</u>	<u>Net Assets At Feb. 28 (In Millions)</u>
2014	0.5%	\$ 767.0
2013	1.2%	\$ 501.8
2012	0.6%	\$ 503.6
2011	2.6%	\$ 477.2
2010	4.4%	\$ 449.2

WV Short Term Bond Pool Rates of Return
Past 12 Months
March 1 - February 28

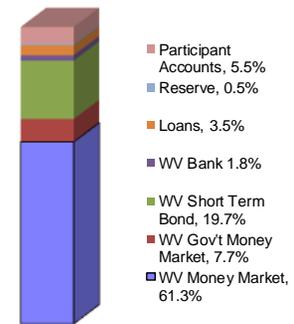


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

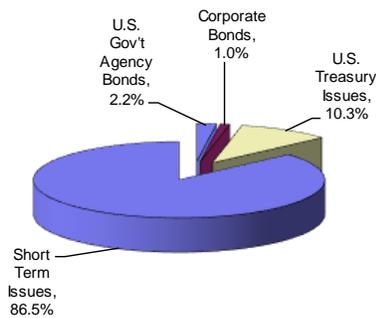
<u>Pool</u>	<u>Net Asset Value</u>	<u>Feb Net Income</u>	<u>Fiscal YTD Net Income(Loss)</u>
WV Money Market	\$ 2,390,848	\$ 234	\$ 2,010
WV Gov't Money Market	300,582	3	46
WV Short Term Bond	767,017	1,171	5,061
WV Bank	70,055	6	51
Loans	134,837	14	(325)
Reserve	21,291	4	36
Participant Accounts	215,296	48	359
	<u>\$ 3,899,926</u>	<u>\$ 1,480</u>	<u>\$ 7,238</u>

Percent of Total Net Asset Value

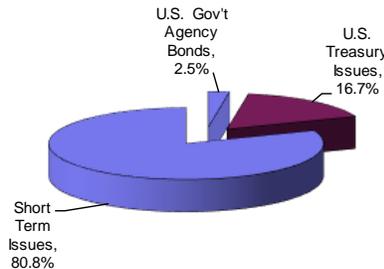


Securities by Type for Operating Pools (Percentage of Asset Value)

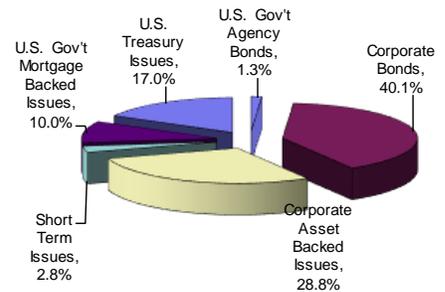
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED

FEBRUARY 28, 2014

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts	Total
Assets							
Investments:							
At amortized cost	\$ 2,390,016	\$ 300,508	\$ -	\$ 70,030	\$ 156,116	\$ 211,601	\$ 3,128,271
At fair value	-	-	774,132	-	-	3,191	777,323
Other assets	1,147	117	1,836	30	22	505	3,657
Total assets	<u>2,391,163</u>	<u>300,625</u>	<u>775,968</u>	<u>70,060</u>	<u>156,138</u>	<u>215,297</u>	<u>3,909,251</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased	315	43	8,951	5	10	1	9,325
Total liabilities	<u>315</u>	<u>43</u>	<u>8,951</u>	<u>5</u>	<u>10</u>	<u>1</u>	<u>9,325</u>
Net Position							
Held in trust for investment pool participants	2,390,848	300,582	767,017	70,055	156,128	-	3,684,630
Held in trust for individual investment account holders	-	-	-	-	-	215,296	215,296
Total net position	<u>\$ 2,390,848</u>	<u>\$ 300,582</u>	<u>\$ 767,017</u>	<u>\$ 70,055</u>	<u>\$ 156,128</u>	<u>\$ 215,296</u>	<u>\$ 3,899,926</u>
Additions							
Investment income:							
Interest and dividends	\$ 350	\$ 31	\$ 785	\$ 8	\$ 22	\$ 119	\$ 1,315
Net (amortization) accretion	2	(11)	(287)	-	-	(74)	(370)
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>352</u>	<u>20</u>	<u>498</u>	<u>8</u>	<u>22</u>	<u>45</u>	<u>945</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	121	17	72	2	4	-	216
Total investment expenses	<u>121</u>	<u>17</u>	<u>72</u>	<u>2</u>	<u>4</u>	<u>-</u>	<u>216</u>
Net investment income	231	3	426	6	18	45	729
Net realized gain (loss) from investments	3	-	-	-	-	-	3
Net increase (decrease) in fair value of investments	-	-	745	-	-	3	748
Net increase (decrease) in net position from operations	234	3	1,171	6	18	48	1,480
Participant transaction additions:							
Purchase of pool units by participants	680,481	28,797	-	7	505	-	709,790
Reinvestment of pool distributions	233	3	362	6	18	-	622
Contributions to individual investment accounts	-	-	-	-	-	69	69
Total participant transaction additions	<u>680,714</u>	<u>28,800</u>	<u>362</u>	<u>13</u>	<u>523</u>	<u>69</u>	<u>710,481</u>
Total additions	680,948	28,803	1,533	19	541	117	711,961
Deductions							
Distributions to pool participants:							
Net investment income	230	3	426	6	18	-	683
Net realized gain (loss) from investments	3	-	-	-	-	-	3
Total distributions to pool participants	<u>233</u>	<u>3</u>	<u>426</u>	<u>6</u>	<u>18</u>	<u>-</u>	<u>686</u>
Participant transaction deductions:							
Redemption of pool units by participants	736,078	18,876	418	7	21	-	755,400
Withdrawals from individual investment accounts	-	-	-	-	-	-	-
Total participant transaction deductions	<u>736,078</u>	<u>18,876</u>	<u>418</u>	<u>7</u>	<u>21</u>	<u>-</u>	<u>755,400</u>
Total deductions	<u>736,311</u>	<u>18,879</u>	<u>844</u>	<u>13</u>	<u>39</u>	<u>-</u>	<u>756,086</u>
Net increase (decrease) in net position from operations	(55,363)	9,924	689	6	502	117	(44,125)
Inter-pool transfers in	4,507	-	-	-	-	-	4,507
Inter-pool transfers out	-	-	-	(4,507)	-	-	(4,507)
Net inter-pool transfers in (out)	<u>4,507</u>	<u>-</u>	<u>-</u>	<u>(4,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(50,856)	9,924	689	(4,501)	502	117	(44,125)
Net position at beginning of period	2,441,704	290,658	766,328	74,556	155,626	215,179	3,944,051
Net position at end of period	<u>\$ 2,390,848</u>	<u>\$ 300,582</u>	<u>\$ 767,017</u>	<u>\$ 70,055</u>	<u>\$ 156,128</u>	<u>\$ 215,296</u>	<u>\$ 3,899,926</u>