

The Honorable Jeffrey V. Kessler, Chair

**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**June 18, 2014**



## Interim Committee Attendance - Results

Wednesday, June 18, 2014 - 01:00 PM

Joint Committee on Government and Finance

**Attended:**

Delegate White  
Delegate Cowles  
Delegate Caputo  
Delegate Boggs  
Delegate Armstead  
Speaker Miley  
Senator Unger  
Senator Plymale  
Senator Palumbo  
President Kessler

**Submittor:**

Marlene Elliott

**Phone:**

X4802

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(President Kessler presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**June 18, 2014**

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

**Senate Finance Room**

1. **Approval of May 21, 2014 minutes**
2. **2014 Interim Date for August (Bridgeport/Clarksburg)**
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**

May 21, 2014

1:00pm - 2:00pm

### **Senate**

Kessler, Chair  
Palumbo  
Plymale  
Prezioso  
Unger  
Hall  
Barnes

### **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. The first item on the Agenda is the adoption of the minutes of April 21, 2014. President Kessler moves the adoption of the minutes. Any discussion? All those in favor say aye, all those opposed, the ayes appear to have it."

Speaker Miley: "The Chair recognizes Senate President."

President Kessler: "I hereby move that the interim dates are as follows: June 16-18; September 8-10; October 20-22; November 17-19; December 15-17; and January 11-13, 2015."

Speaker Miley: "Any discussion? All those in favor say aye, all those opposed, the ayes appear to have it."

Speaker Miley: "The Chair recognizes Senate President."

President Kessler: "Regarding the Interim Studies, we have requested from all the chairs on the Senate side and I believe also the house side as well. Due to the fact that the special session and some interruptions that is not anticipated all recommended studies from the senate which was submitted to the Speaker for his consideration. I am awaiting his list and you should have a final compilation of that hopefully by email as earliest as tomorrow."

Speaker Miley: "Alright. Lets go through some of these reports. Workforce West Virginia."

Beth Carenbauer, the Director of Unemployment Compensation for Workforce

WV gave a presentation of her department to the Committee.

Speaker Miley: "Next item is the PEIA report from the Secretary of Finance and Administration, Mr. Ross Taylor."

Mr. Ross Taylor, Secretary of Finance and Administration gave his presentation on PEIA, CHIP, BRIM and Real Estate to the Committee.

Mr. William Spencer, Director of the Budget Division, gave a presentation regarding Tax and Revenue.

Speaker Miley: "Next on the Agenda is the Department of Health and Human Resources, regarding Medicaid."

Tina Bailes, Deputy Commissioner, gave a presentation on Medicaid.

Speaker Miley: "Next on the Agenda is the Investment Management Board, Mr. Slaughter."

Craig Slaughter, Executive Director of the West Virginia Investment Management Board, gave a presentation on his department.

Speaker Miley: "Next on the Agenda is Workers Compensation, Mr. Riley, Insurance Commissioner."

Mike Riley, Insurance Commissioner, gave a presentation on Workers Compensation.

Speaker Miley: "Next item on the Agenda is to proceed to an update on the Contract for the Study Mandated by Chapter 21, Article 15, Section 8(j), someone here to talk about that? Relating to drill cuttings and waste from horizontal well operations."

Dr. Terry Polen, Ombudsman, WV Department of Environmental Protection, discussed the draft agreement with Marshall University's Center for Environmental Geotechnical and Applied Sciences with the Committee members.

Speaker Miley: "Is there any other business to come before the Committee? Chair recognizes Senate President."

President Kessler: "Did you receive a proposal from John Duskin, Director of

WVU, Bureau of Business and Economic Research to perform a study for the benefit of the Legislature on Workforce participation in the crisis we have in Workforce participation and to make an in-depth study with recommendations, with policy recommendations to be made back to the Legislature sometime hopefully in the fall. Cost on that is \$30,000 but if any of you know but we lead the nation in low workforce participation and in particularly in 14 to 26 years old we are at 60% of those folks are completely unemployed or out of school. We have a real looming crisis on what these folks are going to do if anything particularly as we start trying to meet some of the jobs and opportunities available in the oil and gas industry with the change in the coal industry that they would come back with hopefully some concrete proposals that we could initiate some policy changes or initiatives that might help reduce those numbers. So I move that we approve the study."

Speaker Miley: "Are there any questions regarding the study? If not all those in favor of the Senate President's motion say aye, all those oppose, the ayes appear to have the ayes appear to have the ayes do have it. I declare the motion adopted."

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

# 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*

June 4, 2014

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

- West Virginia Lottery as of April 30, 2014:  
Gross profit for July 2013 – April 2014 was \$443 million.
- West Virginia Unemployment Compensation Fund as of April 30, 2014:  
Total disbursements were \$ 77 million less than last fiscal year. Overall ending trust fund balance was \$ 13 million lower on April 30 2014, than on April 30, 2013.
- General Revenue Fund as of May 31, 2014:  
The general revenue collections ended the eleventh month of fiscal year 2013-2014 at 98.47% of the estimate for the year.
- State Road Fund as of May 31, 2014:  
The state road fund collections ended the eleventh month of fiscal year 2013-2014 at 104.63% 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  
Director Budget Division  
Legislative Auditor's Office

Date: May 23, 2014

Re: Review of West Virginia Lottery Financial Information  
As of April 30, 2014

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for April 30, 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 \$1 billion for July – April 30, 2014. Table games accounted for \$42 million of this total. Historic Resort Hotel video lottery and table games accounted for \$6 million of total gross receipts. Gross lottery revenue has decreased by 8.5% when compared with July – April of fiscal year 2013. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July – April 2014 was \$443 million; for July – April of the last fiscal year, it was \$488 million. Expressed as a percentage, gross profit is 9.2% lower for fiscal year 2014 than for fiscal year 2013.



Lottery continued

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

A total of \$426,042,000.00 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:

<u>Revenue Center Construction Fund:</u>	
General Purpose Account	\$724,000
<u>Administrative Operations Account:</u>	
General Purpose Account	\$7,500,000

Bureau of Senior Services	\$94,837,000.00
Community and Technical College	\$4,997,000.00
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	\$9,796,000.00
Division of Culture and History	\$5,228,000.00
Economic Development Authority	\$9,999,000.00
Department of Education and Arts	\$1,813,000.00
School Building Authority	\$17,995,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$200,087,000.00</b>

**Excess Lottery Fund**

Lottery continued

Economic Development Fund	\$18,987,000.00
Higher Education Improvement Fund	\$15,000,000.00
WV Infrastructure Council Fund	\$16,756,000.00
Higher Education Improvement Fund	\$29,000,000.00
Refundable Credit	\$9,524,000.00
General Purpose Fund	\$65,000,000.00
DHHR	\$96,544,000.00
State Park Improvement Fund	\$1,821,000.00
School Building Authority	\$18,993,000.00
Excess Lottery Surplus	0
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$271,625,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	\$1,820,000.00
State Debt Reduction Fund	\$540,000.00
Tourism Promotion Fund	<u>\$85,000.00</u>
Total Historic Hotel	\$2,445,000.00

Veterans Instant Ticket Fund \$356,000.00

Table Games State Debt Reduction Fund \$ 20,639,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$6,285,000.00
Development Office Promo Fund	\$1,715,000.00
Research Challenge Fund .5%	\$2,286,000.00
Capitol Renovation and Improvement Fund .6875%	\$3,143,000.00
Parking Garage Fund .0625%	\$286,000.00

Lottery continued

Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$2,571,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$29,286,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$532,662,000.00</b>

\* CASH BASIS

Total Accrued last FY 2013:	\$239,035,000.00
Total Cash Distributions FY 2014:	\$532,662,000.00
Applied to FY 2013:	\$239,035,000.00
Applied to FY 2014:	\$293,627,000.00
Accrued for FY 2014 as of April 30:	\$132,415,000.00



P.O. BOX 2067  
CHARLESTON, WV 25327

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

Earl Ray Tomblin  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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

RE: Monthly Report on Lottery Operations  
Month Ending April 30, 2014

DATE: May 16, 2014

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

Financial statements of the Lottery for the month ending April 30, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$101,428,370 for the month of April.

Transfers of lottery revenue totaling \$36,993,583 made for the month of April 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 April 30, 2014 was 1,551 and 1,475 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

[www.wvlottery.com](http://www.wvlottery.com)

## MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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Members of the West Virginia Lottery Commission



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**April 30, 2014**

**WEST VIRGINIA LOTTERY**

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

	<b>April 30,</b>	<b>June 30,</b>
	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 159,474	\$ 273,418
Accounts receivable	29,439	35,999
Inventory	334	492
Other assets	1,931	2,123
Total Current Assets	<b>191,178</b>	<b>312,032</b>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,416	1,640
Capital assets	47,391	46,846
Less accumulated depreciation and amortization	(8,299)	(6,626)
Net Capital Assets	<b>39,092</b>	<b>40,220</b>
Total Noncurrent Assets	<b>40,508</b>	<b>41,860</b>
Total Assets	<b>\$ 231,686</b>	<b>\$ 353,892</b>
 <b>LIABILITIES</b>		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 132,415	\$ 239,035
Estimated prize claims	14,909	14,144
Accounts payable	1,248	1,828
Other accrued liabilities	35,748	44,019
Total Current Liabilities	<b>184,320</b>	<b>299,026</b>
Total Liabilities	<b>\$ 184,320</b>	<b>299,026</b>
Net Position:		
Restricted by enabling legislation	\$ 1,397	1,640
Net Investment in capital assets	39,092	40,220
Unrestricted	6,877	13,006
Total Net Position	<b>47,366</b>	<b>54,866</b>
Total Net Position	<b>\$ 231,686</b>	<b>\$ 353,892</b>

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 TEN MONTH PERIOD ENDED APRIL 30, 2014**

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2014	2013	2014	2013
Lottery revenues				
On-line games	\$ 5,971	\$ 6,023	\$ 70,753	\$ 69,543
Instant games	8,891	9,677	87,994	92,086
Racetrack video lottery	49,250	53,908	490,353	544,885
Limited video lottery	32,971	34,244	315,405	333,858
Table games	3,796	5,078	42,060	60,086
Historic resort	549	509	5,957	6,257
	<u>101,428</u>	<u>109,439</u>	<u>1,012,522</u>	<u>1,106,715</u>
Less commissions				
On-line games	411	433	4,951	4,883
Instant games	622	677	6,160	6,446
Racetrack video lottery	27,193	29,679	280,920	310,611
Limited video lottery	16,156	16,779	154,548	163,591
Table games	1,657	2,217	18,363	26,234
Historic resort	288	262	2,916	3,078
	<u>46,327</u>	<u>50,047</u>	<u>467,858</u>	<u>514,843</u>
Less on-line prizes	2,966	3,029	35,524	34,454
Less instant prizes	5,871	6,415	58,077	61,153
Less ticket costs	167	193	1,440	1,510
Less vendor fees and costs	589	760	6,717	6,959
	<u>9,593</u>	<u>10,397</u>	<u>101,758</u>	<u>104,076</u>
Gross profit	<u>45,508</u>	<u>48,995</u>	<u>442,906</u>	<u>487,796</u>
Administrative expenses				
Advertising and promotions	503	369	4,667	3,846
Wages and related benefits	969	949	8,988	9,180
Telecommunications	80	58	642	852
Contractual and professional	442	377	4,083	3,671
Rental	23	24	236	187
Depreciation and amortization	165	173	1,673	1,750
Other administrative expenses	128	116	1,042	1,203
	<u>2,310</u>	<u>2,066</u>	<u>21,331</u>	<u>20,689</u>
Other Operating Income	<u>5,058</u>	<u>3,807</u>	<u>7,792</u>	<u>6,647</u>
Operating Income	<u>48,256</u>	<u>50,736</u>	<u>429,367</u>	<u>473,754</u>
Nonoperating income (expense)				
Investment income	92	24	343	214
Distributions to municipalities and counties	(646)	(671)	(6,182)	(6,544)
Distributions -capital reinvestment	(1,043)	(1,160)	(4,986)	(6,236)
Distributions to the State of West Virginia	(46,659)	(48,929)	(426,042)	(461,188)
	<u>(48,256)</u>	<u>(50,736)</u>	<u>(436,867)</u>	<u>(473,754)</u>
Net income	<u>-</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>
Net position, beginning of period	<u>47,366</u>	<u>51,975</u>	<u>54,866</u>	<u>51,975</u>
Net position, end of period	<u>\$ 47,366</u>	<u>\$ 51,975</u>	<u>\$ 47,366</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 TEN MONTH PERIOD ENDED APRIL 30, 2014**

(In Thousands)

-Unaudited-

	<b>2014</b>	<b>2013</b>
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,026,874	\$ 1,108,415
Cash payments for:		
Personnel costs	(8,880)	(9,086)
Suppliers	(10,902)	(10,949)
Other operating costs	(567,770)	(614,461)
Cash provided by operating activities	<u>439,322</u>	<u>473,919</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(532,662)	(431,402)
Distributions to municipalities and counties	(6,143)	(6,510)
Distributions to racetrack from racetrack cap. reinv. fund	(14,391)	(14,962)
Cash used in noncapital financing activities	<u>(553,196)</u>	<u>(452,874)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(545)</u>	<u>(30)</u>
Cash flows from investing activities:		
Investment earnings received	<u>251</u>	<u>214</u>
Cash provided by investing activities	<u>251</u>	<u>214</u>
Increase (decrease) in cash and cash equivalents	(114,168)	21,229
Cash and cash equivalents - beginning of period	<u>275,058</u>	<u>243,911</u>
Cash and cash equivalents - end of period	<u>\$ 160,890</u>	<u>\$ 265,140</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 429,367	\$ 473,754
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,673	1,750
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,560	(4,947)
(Increase) decrease in inventory	158	23
(Increase) decrease in other assets	284	187
Increase (decrease) in estimated prize claims	765	1,482
Increase (decrease) in accounts payable	(580)	(1,686)
Increase (decrease) in other accrued liabilities	1,095	3,356
Cash provided by operating activities	<u>\$ 439,322</u>	<u>\$ 473,919</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 April 30, 2014 the carrying amounts of deposits (overdraft) with financial institutions were \$485 thousand with a bank balance (overdraft) of \$544 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):

	April 30, 2014	June 30, 2013
Deposits with financial institutions	\$ 485	\$ 1,411
Cash on hand at the Treasurer's Office	20,277	53,718
Investments with BTI reported as cash equivalents	140,128	219,929
	\$ 160,890	\$ 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 April 30, 2014 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At April 30, 2014
Construction in Progress	\$ 549	\$ 243	\$ -	\$ 792
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,519	302	-	6,821
	<u>\$ 46,846</u>	<u>\$ 545</u>	<u>\$ -</u>	<u>\$ 47,391</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At April 30, 2014
Buildings	\$ 1,189	\$ 793	\$ -	\$ 1,982
Improvements	260	-	-	260
Equipment	5,177	880	-	6,057
	<u>\$ 6,626</u>	<u>\$ 1,673</u>	<u>\$ -</u>	<u>\$ 8,299</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 April 30, 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	\$ 2,607,552	\$ 33,813,327
Hot Lotto	502,968	4,304,830
Mega Millions	889,253	13,090,971
Total	\$ 3,999,773	\$ 51,209,128
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,304,350	\$ 16,908,331
Hot Lotto	251,603	2,152,578
Mega Millions	444,884	6,656,865
Total	\$ 2,000,837	\$ 25,717,774

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 April 30, 2014, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 111,576,452	\$ 1,887,126
Hot Lotto	7,289,955	524,032
Mega Millions	35,420,293	582,739
Total	<u>\$ 154,286,700</u>	<u>\$ 2,993,897</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**  
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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 \$15,985,863 at April 30, 2014, of which the Lottery's share was \$1,600,136.

**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 April 30, 2014 and fiscal year-to-date follows (in thousands):

**WEST VIRGINIA LOTTERY**  
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**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 545,272	\$ 606,004	\$ 5,453,388	\$ 6,070,657
Credits (prizes) won	(488,737)	(544,398)	(4,892,288)	(5,450,592)
Promotional credits played	(7,255)	(7,669)	(70,487)	(74,855)
MWAP Contributions	(30)	(29)	(260)	(325)
Gross terminal income	49,250	53,908	490,353	544,885
Administrative costs	(957)	(1,026)	(14,708)	(15,662)
Net Terminal Income	48,293	52,882	475,645	529,223
Less distribution to agents	(27,193)	(29,679)	(280,920)	(310,611)
Racetrack video lottery revenues	<u>\$ 21,100</u>	<u>\$ 23,203</u>	<u>\$ 194,725</u>	<u>\$ 218,612</u>

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

	April 30, 2014	Year-to-Date
State Lottery Fund	\$ 6,889	\$ 107,099
State Excess Lottery Revenue Fund	11,397	53,474
Capital Reinvestment Fund	1,021	4,777
Tourism Promotion Fund 1.375%	617	6,316
Development Office Promotion Fund .375 %	168	1,723
Research Challenge Fund .5 %	224	2,297
Capitol Renovation & Improvement Fund .6875 %	308	3,158
Parking Garage Fund .0625 %	28	287
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	448	2,594
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 21,100</u>	<u>\$ 194,725</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**  
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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 April 30, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 387,600	\$ 403,752	\$ 3,954,895	\$ 3,551,143
Credits (prizes) won	(354,629)	(369,508)	(3,621,037)	(3,251,529)
Gross terminal income	\$ 32,971	\$ 34,244	\$ 333,858	\$ 299,614
Administrative costs	(659)	(685)	(6,676)	(5,992)
Gross Profit	32,312	33,559	327,182	293,622
Commissions	(16,156)	(16,779)	(163,591)	(146,811)
Municipalities and Counties	(646)	(671)	(6,544)	(5,872)
Limited video lottery revenues	<u>\$ 15,510</u>	<u>\$ 16,109</u>	<u>\$ 157,047</u>	<u>\$ 140,939</u>

**NOTE 8 – TABLE GAMES**

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

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

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

**WEST VIRGINIA LOTTERY  
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**NOTE 8 – TABLE GAMES (continued)**

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended April 30, 2014 and fiscal year-to-date were \$10,845,274 and \$120,172,409, 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	\$ 3,796	\$ 5,078	\$ 42,060	\$ 60,086
Interest on Table Games Fund	-	-	3	5
Administrative costs	(325)	(435)	(3,605)	(5,150)
Total Available for Distribution	3,471	4,643	38,458	54,941
<u>Less Distributions:</u>				
Racetrack Purse Funds	271	363	3,004	4,292
Thoroughbred & Greyhound Development Funds	217	290	2,403	3,434
Racing Association Pension Plan	95	128	1,058	1,511
Municipalities/ Counties	1,074	1,436	11,898	16,997
Total Distributions	1,657	2,217	18,363	26,234
State Debt Reduction Fund	\$ 1,814	\$ 2,426	\$ 20,095	\$ 28,707

**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**  
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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 April 30, 2014 and fiscal year-to-date follows (in thousands):

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total credits played	\$ 5,944	\$ 3,962	\$ 53,830	\$ 53,905
Credits (prizes) won	(5,440)	(3,571)	(49,230)	(49,352)
Promotional credits played	(111)	(38)	(857)	(582)
MWAP Contributions	-	(1)	(3)	(9)
Gross terminal income	<u>393</u>	<u>352</u>	<u>3,740</u>	<u>3,962</u>
Capital reinvestment	(18)	(17)	(175)	(186)
Modernization Fund	(4)	(3)	(34)	(36)
Administrative costs	(21)	(18)	(202)	(213)
Hotel commissions	<u>(166)</u>	<u>(149)</u>	<u>(1,582)</u>	<u>(1,676)</u>
Net terminal income	184	165	1,747	1,851
Historic Resort Hotel Fund	117	105	1,111	1,177
Human Resource Benefit Fund	67	60	636	674

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 April 30, 2014 and fiscal year-to-date were \$447,487 and \$6,335,862, 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:

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Table games privilege tax	\$ 156	\$ 157	\$ 2,218	\$ 2,295
Administrative Costs	<u>(20)</u>	<u>(20)</u>	<u>(285)</u>	<u>(295)</u>
Total Available for Distribution	136	137	1,933	2,000
Historic Resort Hotel Fund	114	115	1,616	1,672
Human Resource Benefit Fund	22	22	317	328

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

Historic Resort Hotel Fund

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

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

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 117	\$ 1,111
Historic Resort Table Games	114	1,616
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	231	2,727
Municipalities/ Counties	32	382
State General Revenue Fund	148	1,745
State Debt Reduction Fund	44	518
State Tourism Promotion Fund	7	82
Total Distributions	\$ 231	\$ 2,727

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

funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended April 30, 2014 the Lottery has accrued additional distributions of \$129,789,272. 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 April 30, 2014, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$613,159, \$1,813,536, and \$198,445, 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>April 30, 2014</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund:</u>		
General Purpose Account	\$ -	\$ 724
<u>Administrative Operations Account:</u>		
General Purpose Account	\$ -	\$ 7,500
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 4,997
Bureau of Senior Services	-	94,837
Department of Education	-	27,451
Library Commission	-	11,467
Higher Education-Policy Commission	-	7,582
Tourism	-	8,922
Natural Resources	-	9,796
Division of Culture & History	-	5,228
Department of Education & Arts	-	1,813
Economic Development Authority	1,000	9,999
School Building Authority	1,800	17,995
Total State Lottery Fund	<u>\$ 3,300</u>	<u>\$ 200,087</u>

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

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 18,987
Higher Education Improvement Fund	1,500	15,000
General Purpose Account	2,474	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	1,821	1,821
School Building Authority	1,899	18,993
Refundable Credit	3,441	9,524
WV Racing Commission	-	-
WV Department of Health and Human Resources	-	96,544
WV Development Office	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	16,756	16,756
Total State Excess Lottery Revenue Fund	\$ 29,790	\$ 271,625
Total Budgetary distributions:	\$ 33,090	\$ 479,936
Veterans Instant Ticket Fund	\$ 42	\$ 356

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 593	\$ 6,285
Development Office Promotion Fund .375%	162	1,715
Research Challenge Fund .5%	216	2,286
Capitol Renovation & Improvement Fund .6875%	297	3,143
Parking Garage Fund .0625 %	27	286
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	430	2,571
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,725	\$ 29,286
Table Games State Debt Reduction Fund	\$ 2,000	\$ 20,639

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 102	\$ 1,820
State Debt Reduction Fund	30	540
Tourism Promotion Fund	4	85
Total	\$ 136	\$ 2,445

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 36,993	\$ 532,662
Accrued nonoperating distributions, beginning	(122,749)	(239,035)
Accrued nonoperating distributions, end	132,415	132,415
	\$ 46,659	\$ 426,042



**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 April 30, 2014 and April 30, 2013 approximated \$236,441 and \$186,993 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 April 30, 2014 and April 30, 2013 approximated \$1,185,641 and \$1,160,507 respectively.

Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2014	155
2015	232
Total	\$ 387

**NOTE 12 – RESTRICTED NET POSITION**

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2013 and June 30, 2012 were as follows:

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

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

**NOTE 13 – COMMITMENTS**

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

**NOTE 14 - RETIREMENT BENEFITS**

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending April 30, 2014 and fiscal year-to-date are as follows (in thousands):

	April 30, 2014	Year-to-Date
Lottery contributions	\$ 163	\$ 979
Employee contributions	27	277
Total contributions	\$ 190	\$ 1,256

**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 57<sup>th</sup> Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

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

The ARC rate is \$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 APRIL 30, 2014  
 (In Thousands)**

	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	8,891	8,750	87,993	87,500
On-line games	5,970	5,888	70,753	58,880
Racetrack video lottery	49,250	45,361	490,353	431,673
Limited video lottery	32,971	33,205	315,405	323,069
Total gross revenues	<u>97,082</u>	<u>93,204</u>	<u>964,504</u>	<u>901,122</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,049	956	11,041	9,560
On-line games	1,760	1,618	20,419	16,180
Racetrack Video Lottery	6,892	5,809	107,153	94,996
Total Lottery Fund net revenues	<u>9,701</u>	<u>8,383</u>	<u>138,613</u>	<u>120,736</u>
Excess Lottery Fund				
Racetrack Video Lottery	11,400	11,333	53,497	45,978
Limited Video Lottery	20,412	15,620	154,691	151,973
Limited Video Lottery Fees	6,085	3,307	6,085	3,307
Total Excess Lottery Fund Net Revenues	<u>37,897</u>	<u>30,260</u>	<u>214,273</u>	<u>201,258</u>
Total Net Revenues	<u>47,598</u>	<u>38,643</u>	<u>352,886</u>	<u>321,994</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.  
Director, Budget Division  
Legislative Auditor's Office

Date: June 3, 2014

Re: Status of General Revenue Fund and State Road Fund as of  
May 31, 2014 (FY 14)

We have reviewed the cash flow of the West Virginia general revenue fund as of May 31, 2014 which is the end of the eleventh month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 98.47% of the estimate for the fiscal year. Total collections were \$ 57.3 million below the estimate for the fiscal year.

Personal Income Tax collections were \$ 91.5 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 38.4 million below the estimate for the year.

Severance Tax was \$ 6.3 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$9 million below the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were 104.63% of the estimate for the fiscal year. Total collections were \$28.6 million above 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 \$569,466,879.49 as of May 31, 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	2,723,270.10
Surplus transfer Apr 2014	3,000,000.24
Surplus transfer FY 2013	5,750,640.24
Balance May 31, 2014	569,466,879.49

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 373,449,493.26 as of May 31, 2014.

Balance July 1, 2013	356,472,701.67
Earnings	16,976,791.59
Balance May 31, 2014	373,449,493.26

The Special Income Tax Reserve Fund had a zero cash balance as of May 31, 2014.

Balance July 1, 2013	-0-
Revenues	-0-
Balance May 31, 2014	-0-

GENERAL REVENUE FUND FY 2013-2014

FINAL

By Source and by Month

Monthly Revenue Estimates

as of June 2, 2014 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	163,000,000	3,788,490	-159,211,510	1,766,750,000	1,516,079,097	-250,670,903
Consumer Sales Tax & Use Tax	93,400,000	54,456	-93,345,544	1,204,000,000	1,072,263,120	-131,736,880
Severance Tax	30,400,000	30,518,238	118,238	431,300,000	437,695,858	6,395,858
Corp Income /Business Franchise	49,700,000	50,007	-49,649,993	229,800,000	171,188,151	-58,611,849
Insurance Tax	1,100,000	5,250	-1,094,750	116,000,000	115,606,133	-393,867
Tobacco Products Tax	10,600,000	269,280	-10,330,720	108,100,000	94,884,964	-13,215,036
Business and Occupation	10,000,000	63,207	-9,936,793	106,600,000	109,089,527	2,489,527
Liquor Profit Transfers	2,100,000	0	-2,100,000	15,400,000	12,513,723	-2,886,277
Departmental Collections	1,170,000	70,066	-1,099,934	16,500,000	16,469,091	-30,909
Property Transfer Tax	858,000	0	-858,000	10,300,000	9,688,461	-611,539
Property Tax	101,000	0	-101,000	6,300,000	6,557,377	257,377
Beer Tax and Licenses	1,047,000	8,450	-1,038,550	8,400,000	6,886,934	-1,513,066
Miscellaneous Transfers	0	0	0	2,500,000	745,598	-1,754,402
Interest Income	500,000	0	-500,000	6,000,000	1,205,331	-4,794,669
Senior Tax Credit Reimbur Lot	0	0	0	10,000,000	10,000,000	0
HB 102 - Lottery Transfers	27,600,000	0	-27,600,000	92,600,000	65,000,000	-27,600,000
Miscellaneous Receipts	201,000	4,051	-196,949	4,400,000	29,559,774	25,159,774
Business Fran Registration Fees	53,000	4,415	-48,585	600,000	636,190	36,190
Liquor License Renewal	21,000	0	-21,000	451,000	430,274	-20,726
Special Revenue Transfer	0	0	0	0	44,707,000	44,707,000
Charter Tax	0	0	0	0	224,520	224,520
Telecommunications Tax	0	0	0	0	-260,588	-260,588
Video Lottery Transfers	0	0	0	0	487,733	487,733
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
<b>TOTALS</b>	<b>391,851,000</b>	<b>34,835,910</b>	<b>-357,015,090</b>	<b>4,136,001,000</b>	<b>3,721,658,269</b>	<b>-414,342,731</b>
Minus Cash Flow Transfer		0			0	
Percent of Estimates		8.89%			89.98%	
<b>TOTALS</b>	<b>391,851,000</b>	<b>34,835,910</b>	<b>-357,015,090</b>	<b>4,136,001,000</b>	<b>3,721,658,269</b>	<b>-414,342,731</b>
Percent of Estimates		8.89%			89.98%	
Collections this day		34,835,910				

Prepared by Legislative Auditor's Office, Budget Division



STATE ROAD FUND FY 2013-2014  
 By Source and by Month  
 Monthly Revenue Estimates  
 as of June 2, 2014 WVFIMS

**FINAL**

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	51,500,000	27,266,136	-24,233,864	430,000,000	414,410,254	-15,589,746
Privilege Tax	15,150,000	840,529	-14,309,471	175,464,000	178,246,478	2,782,478
Licenses & Registration	15,822,000	974,866	-14,847,134	92,741,000	80,607,336	-12,133,664
Highway Litter Control	297,000	8,512	-288,488	1,740,000	1,558,155	-181,845
<b>TOTALS</b>	<b>82,769,000</b>	<b>29,090,043</b>	<b>-53,678,957</b>	<b>699,945,000</b>	<b>674,822,223</b>	<b>-25,122,777</b>

Percent of Estimates

35.15%

96.41%

Collections this day

29,090,043

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of JUNE 01, 2014 : \$569,466,879.49

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of JUNE 01, 2014: \$373,449,493.26

PERSONAL INCOME TAX REFUND RESERVE FUND as of JUNE 01, 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.  
Director Budget Division  
Legislative Auditor's Office

Date: May 19, 2014

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the April 30, 2014 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of April 30, 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 April 30, 2014	\$ 195,254,973.45
Disbursements July 1, 2013 thru April 30, 2014	\$ 246,175,930.42
Balance April 30, 2014	\$ 68,590,798.96

ITEMS OF NOTE:

Regular benefits paid for July 2013 - April 2014 were \$ 18 million less than July 2012 - April 2013.

Federal emergency benefits totaled \$ 44.3 million for July 2013 - April 2014. For July 2012 - April 2013, federal emergency benefits totaled \$ 102 million.

Total disbursements were \$ 77 million less in July 2013 - April 2014 than the preceding July 2012 - April 2013.

Receipts as of April 2014 were \$ 69 million less than in July 2012 - April 2013. Overall ending trust fund balance was \$ 13 million lower on April 30, 2014 than on April 30, 2013.

Seasonally adjusted unemployment rates for April 2014 were 6.0 percent for West Virginia and 6.3 percent nationally.

Since April 2013 employment has increased by 6,400. Employment declines were as follows: 1,300 in construction; 200 in manufacturing; and 300 in other services. Employment gains were as follows: 3,500 in professional and business services; 1,600 in financial activities; 1,200 in government; 800 in educational and health services; 400 in leisure and hospitality; 300 in mining and logging; 300 in information; and 100 in trade, transportation, and utilities.

**FOR THREE MONTHS STARTING NOVEMBER 2012 AND NOVEMBER 2013  
MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING JANUARY 2013 AND JANUARY 2014**

	JANUARY 2013	FEBRUARY 2013	MARCH 2013	JANUARY 2014	FEBRUARY 2014	MARCH 2014	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<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>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$11,588,213.11	\$14,704,038.93	\$854,111.34	\$11,474,320.45	\$13,483,812.12	\$1,490,352.20	(\$697,878.61)
3. Federal Emergency Benefits (EUC08)	\$11,207,550.88	\$10,491,632.74	\$10,552,247.89	\$1,382,601.63	(\$295,523.17)	\$2,912.97	(\$31,161,440.08)
4. Federal Share Extended Benefits (EB)	\$421.00	\$170.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$591.00)
5. Temp Federal Additional Comp (FAC)	\$562.99	\$0.00	\$383.00	\$0.00	\$0.00	\$0.00	(\$945.99)
6. UCFE (Federal Agencies)	\$118,280.58	\$103,218.60	\$78,175.61	\$124,290.62	\$133,068.77	\$142,670.67	\$100,355.27
7. Special Administrative Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$565,403.75	\$0.00	\$0.00	\$481,364.95	(\$84,038.80)
11. UCX (Military Agencies)	\$373,451.73	\$319,526.84	\$326,882.73	\$267,487.22	\$240,674.29	\$232,875.26	(\$278,824.53)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<u>\$23,288,480.29</u>	<u>\$25,618,587.11</u>	<u>\$12,377,204.32</u>	<u>\$13,248,699.92</u>	<u>\$13,562,032.01</u>	<u>\$2,350,176.05</u>	<u>(\$32,123,363.74)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$26,122,684.61	\$22,521,736.90	\$23,369,713.91	\$25,508,011.03	\$23,548,497.91	\$24,909,347.79	\$1,951,721.31
Federal Emergency Benefits (EUC08)	\$10,810,719.84	\$10,525,398.74	\$11,853,806.24	\$984,015.65	(\$243,456.35)	(\$174,144.24)	(\$32,623,509.76)
Federal Share Extended Benefits (EB)	(\$1,835.11)	(\$19,204.00)	(\$20,111.00)	(\$440.00)	(\$9,651.00)	(\$3,464.42)	\$27,594.69
Emergency Benefits (TEUC)	(\$30.00)	(\$6,829.00)	(\$4,426.00)	\$0.00	\$0.00	\$0.00	\$11,285.00
Temp Federal Additional Comp (FAC)	\$520.99	\$0.00	\$425.00	\$75.00	(\$12.00)	(\$12.00)	(\$894.99)
UCFE (Federal Workers) Benefits	\$113,234.84	\$102,915.17	\$89,246.10	\$134,193.23	\$145,745.84	\$153,842.09	\$128,385.05
UCX (Military Workers) Benefits	\$358,330.45	\$314,000.23	\$363,826.61	\$260,776.33	\$234,123.99	\$252,887.62	(\$288,369.35)
Reed Act Funds	\$21,000.00	\$0.00	\$8,000.00	\$0.00	\$0.00	\$154,393.78	\$125,393.78
Special Administrative Transfer**	\$24,580.37	\$43,105.19	\$13,047.82	\$0.00	\$0.00	\$0.00	(\$80,733.38)
<b>Total Monthly Disbursements</b>	<u>\$37,449,205.99</u>	<u>\$33,481,123.23</u>	<u>\$35,673,528.68</u>	<u>\$26,886,631.24</u>	<u>\$23,675,248.39</u>	<u>\$25,292,850.62</u>	<u>(\$30,749,127.65)</u>
<b>Trust Fund Balance</b>	<u>\$93,005,156.32</u>	<u>\$85,142,620.20</u>	<u>\$61,846,295.84</u>	<u>\$88,527,855.70</u>	<u>\$78,414,639.32</u>	<u>\$55,471,964.75</u>	<u>(\$17,579,612.59)</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

JUNE 3, 2014

MONTH	REVENUES	BENEFITS	TRUST FUND BALANCE
<b>2013</b>			
<b>BALANCE 1/1/2013</b>			<b>\$ 107,165,000</b>
JANUARY	\$ 11,962,000	\$ 26,122,000	\$ 93,005,000
FEBRUARY	\$ 14,658,000	\$ 22,521,000	\$ 85,142,000
MARCH	\$ 854,000	\$ 24,150,000	\$ 61,846,000
APRIL	\$ 41,181,000	\$ 21,098,000	\$ 81,929,000
MAY	\$ 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
<b>TOTALS - 2013</b>	<b>\$ 229,286,000</b>	<b>\$ 234,286,000</b>	<b>\$ 102,165,000</b>
<b>2014</b>			
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	\$ 32,023,000	\$ 18,904,000	\$ 68,590,000
MAY	\$ 75,733,000	\$ 14,612,000	\$ 129,711,000
JUNE	\$ 1,928,000	\$ 20,635,000	\$ 111,004,000
JULY	\$ 23,326,000	\$ 17,065,000	\$ 117,265,000
AUGUST	\$ 26,968,000	\$ 16,606,000	\$ 127,627,000
SEPTEMBER	\$ 2,288,000	\$ 16,319,000	\$ 113,596,000
OCTOBER	\$ 15,118,000	\$ 14,505,000	\$ 114,209,000
NOVEMBER	\$ 17,135,000	\$ 15,399,000	\$ 115,945,000
DECEMBER	\$ 1,803,000	\$ 25,656,000	\$ 92,092,000
<b>TOTALS - 2014</b>	<b>\$ 223,593,000</b>	<b>\$ 233,666,000</b>	<b>\$ 92,092,000</b>

The average unemployment rate for West Virginia in CY 2013 was 6.5%

The average projected unemployment rate for West Virginia for CY 2014 is 6.2%

112 California Avenue  
Charleston, WV 25305

An agency of the Department of Commerce

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

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



# **Financial Statements**

## **April 2014**

*West Virginia Legislative Interims*  
*June 2014*

## **PEIA June Interim Talking Points**

- **PEIA and RHBT financial results for April 2014 are available for your review.**
- **PEIA is currently \$36 million ahead of plan for FY 2014. This is due to actual expenses being less than budgeted medical and Rx expenses to date.**
- **And RHBT is currently \$45 million ahead of plan for FY 2014. This is attributable to actual interest revenue being higher than budgeted interest revenue and actual claim expenses being slightly lower than budgeted expenses.**

**West Virginia Public Employees Insurance Agency**

Statement of Net Assets

**Wednesday, April 30, 2014**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
<b>Assets</b>				
Cash and cash equivalents	\$81,285	\$99,109	(\$17,824)	(18%)
Deposits with third party administrators	1,153	1,219	(66)	(5%)
Due from/(to) RHBT	(726)	(6,295)	5,569	(88%)
Premiums accounts receivable-net of allowance for doubtful accounts	7,844	6,508	1,336	21%
Other accounts receivable	7,450	9,224	(1,774)	(19%)
<b>Total Current Assets</b>	<b>97,006</b>	<b>109,765</b>	<b>(12,759)</b>	<b>(12%)</b>
Investments	208,990	199,407	9,583	5%
Furniture and equipment, net of accumulated depreciation	160	765	(605)	(79%)
Restricted cash-premium stabilization life insurance	19,738	7,291	12,447	171%
<b>Total Assets</b>	<b>\$325,894</b>	<b>\$317,228</b>	<b>\$8,666</b>	<b>3%</b>
<b>Liabilities</b>				
Claims payable	\$54,999	\$56,173	(\$1,174)	(2%)
Premium deficiency reserve	15,990	31,235	(15,245)	(49%)
Deferred revenue	9,003	16,565	(7,562)	(46%)
Accounts payable	14,265	4,287	9,978	233%
Other accrued liabilities	1,750	1,902	(152)	(8%)
Premium stabilization fund	19,738	7,291	12,447	171%
<b>Total Liabilities</b>	<b>115,745</b>	<b>117,453</b>	<b>(1,708)</b>	<b>(1%)</b>
<b>Net Assets</b>				
Invested in capital assets	160	765	(605)	(79%)
Unrestricted	209,989	199,010	10,979	6%
<b>Total Net Assets</b>	<b>\$210,149</b>	<b>\$199,775</b>	<b>\$10,374</b>	<b>5%</b>



**West Virginia Public Employees Insurance Agency**

Statement of Changes in Plan Net Assets

**For the Ten Months Ending Wednesday, April 30, 2014**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

( \$ 0 0 0 's )		
ACTUAL	BUDGET	PRIOR YR
\$396,428	\$398,240	\$400,264
105,504	105,005	105,162
92,687	88,725	89,418
1,775	2,575	2,667
	6,250	
15,041	10,451	16,203
1,583	2,039	1,317
4,029	3,994	4,032
<b>617,047</b>	<b>617,279</b>	<b>619,063</b>
313,418	341,330	291,705
102,698	110,928	97,024
31,787	34,394	32,533
11,115	11,620	11,324
1,777	2,775	2,671
1,473	2,494	2,401
286		
4,083		
3,921	4,818	4,852
134,688	134,018	136,021
<b>605,246</b>	<b>642,377</b>	<b>578,531</b>
<b>11,801</b>	<b>(25,098)</b>	<b>40,532</b>
198,348	198,348	159,243
<b>\$210,149</b>	<b>\$173,250</b>	<b>\$199,775</b>

PREMIUM REVENUE			
Health Insurance - State Gov. - Employers			
Health Insurance - State Gov. - Employees			
Health Insurance - Local Gov. - All			
Life Insurance			
Direct Transfer			
Interest and Investment Income			
Other Premium Revenue			
Administrative Fees, Net of Refunds			
<b>TOTAL REVENUE</b>			

BUDGET VARIANCE		PRIOR YR VARIANCE	
\$	%	\$	%
(\$1,812)	(0%)	(\$3,836)	(1%)
499	0%	342	0%
3,962	4%	3,269	4%
(800)	(31%)	(892)	(33%)
(6,250)	(100%)		0%
4,590	44%	(1,162)	(7%)
(456)	(22%)	266	20%
35	1%	(3)	(0%)
<b>(232)</b>	<b>(0%)</b>	<b>(2,016)</b>	<b>(0%)</b>

OPERATING EXPENSES			
Claims Expense - Medical			
Claims Expense - Drugs			
Payments to Managed Care Org.			
Administrative Service Fees			
Life Insurance Expense			
Wellness and Disease Management			
ACA Comparative Effectiveness Fee			
ACA Reinsurance Contribution			
Other Operating Expenses			
WV RHBT Pay Go Premiums			
<b>TOTAL EXPENSES</b>			

27,912	8%	(21,713)	(7%)
8,230	7%	(5,674)	(6%)
2,607	8%	746	2%
505	4%	209	2%
998	36%	894	33%
1,021	41%	928	39%
(286)	0%	(286)	0%
(4,083)	0%	(4,083)	0%
897	19%	931	19%
(670)	(0%)	1,333	1%
<b>37,131</b>	<b>6%</b>	<b>(26,715)</b>	<b>(5%)</b>

**YTD SURPLUS (DEFICIT)**

<b>36,899</b>	<b>147%</b>	<b>(28,731)</b>	<b>(71%)</b>
---------------	-------------	-----------------	--------------

Total Net Assets, Beginning of Period  
**TOTAL NET ASSETS, END OF PERIOD**

		39,105	25%
<b>\$36,899</b>	<b>21%</b>	<b>\$10,374</b>	<b>5%</b>

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For the Ten Months Ending Wednesday, April 30, 2014**  
**(In Thousands)**

ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
<b>ADDITIONS</b>						
<b>Employer Premiums:</b>						
\$2,718	\$2,673	\$2,692	\$45	2%	\$26	1%
112,031	111,771	113,028	260	0%	(997)	(1%)
968	0	332	968	0%	636	192%
<b>115,717</b>	<b>114,445</b>	<b>116,052</b>	<b>1,273</b>	<b>1%</b>	<b>(335)</b>	<b>(0%)</b>
<b>Member Premiums:</b>						
64,505	64,164	62,848	341	1%	1,657	3%
22,615	22,247	22,963	368	2%	(348)	(2%)
18,634	18,792	18,125	(158)	(1%)	510	3%
<b>105,754</b>	<b>105,203</b>	<b>103,936</b>	<b>551</b>	<b>1%</b>	<b>1,819</b>	<b>2%</b>
<b>221,471</b>	<b>219,648</b>	<b>219,988</b>	<b>1,823</b>	<b>1%</b>	<b>1,484</b>	<b>1%</b>
<b>Other Additions:</b>						
800	1,250	1,000	(450)	(36%)	(200)	(20%)
0	0	3,261	0	0%	(3,261)	(100%)
67,842	31,041	63,895	36,801	119%	3,947	6%
<b>290,114</b>	<b>251,939</b>	<b>288,144</b>	<b>38,175</b>	<b>15%</b>	<b>1,970</b>	<b>1%</b>
<b>DEDUCTIONS</b>						
111,646	110,368	92,340	(1,278)	(1%)	(19,305)	(21%)
18,420	18,792	18,213	372	2%	(208)	(1%)
56,058	62,517	51,587	6,459	10%	(4,471)	(9%)
22,618	23,364	20,047	747	3%	(2,571)	(13%)
30	0	34	(30)	0%	4	13%
421	0	0	(421)	0%	(421)	0%
1,456	1,789	1,516	334	19%	61	4%
2,236	3,212	2,466	976	30%	230	9%
<b>212,884</b>	<b>220,042</b>	<b>186,204</b>	<b>7,158</b>	<b>3%</b>	<b>(26,681)</b>	<b>(14%)</b>
<b>77,230</b>	<b>31,897</b>	<b>101,941</b>	<b>45,333</b>	<b>142%</b>	<b>(24,711)</b>	<b>(24%)</b>
<b>NET FUND INCREASE</b>						
<b>Net Position Restricted for Post Employment Benefits</b>						
590,230	590,230	492,779	0	(0%)	97,451	20%
<b>\$667,459</b>	<b>\$622,127</b>	<b>\$594,720</b>	<b>\$45,333</b>	<b>7%</b>	<b>\$72,740</b>	<b>12%</b>

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF PLAN NET ASSETS**  
**Wednesday, April 30, 2014**  
**(In Thousands)**

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
<b>ASSETS</b>				
Cash - Operating Fund	\$11,808	\$287	\$11,521	4,014%
<b>INVESTMENTS</b>				
WV Board of Treasury Investments	111,278	88,221	23,057	26%
WV Investment Management Board	563,648	506,938	56,710	11%
<b>Total Investments</b>	<b>674,926</b>	<b>595,159</b>	<b>79,767</b>	<b>13%</b>
Due From / (To) WV PEIA	727	6,296	(5,569)	(88%)
<b>PREMIUM ACCOUNTS RECEIVABLE</b>				
Premium Accounts Receivable	3,445	3,642	(197)	(5%)
Less: Allowance for Doubtful Accounts	(242)	(735)	493	(67%)
<b>Net - Premium Accounts Receivable</b>	<b>3,203</b>	<b>2,907</b>	<b>296</b>	<b>10%</b>
Premium A/R - Annual Required Contributions	2,037,686	1,998,472	39,214	2%
Less: Allowance for Doubtful Accounts	(2,037,686)	(1,998,472)	(39,214)	2%
<b>Net Premium A/R - ARC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Other Receivables	2,055	2,232	(177)	(8%)
<b>TOTAL ASSETS</b>	<b>692,719</b>	<b>606,881</b>	<b>85,838</b>	<b>14%</b>
<b>LIABILITIES</b>				
Claims payable	9,940	9,130	810	9%
Accounts payable	13,692	1,570	12,122	772%
Accrued Liabilities	1,628	809	819	101%
Deferred revenues	0	652	(652)	(100%)
<b>TOTAL LIABILITIES</b>	<b>25,260</b>	<b>12,161</b>	<b>13,099</b>	<b>108%</b>
<b>NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS</b>				
	<b>\$667,459</b>	<b>\$594,720</b>	<b>\$72,740</b>	<b>12%</b>

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



April 30

	2014	2013
(in thousands)		
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 15,744	\$ 21,005
Advance Deposit with Carrier/Trustee	213,161	209,776
Receivables - Net	5,625	2,583
Prepaid Insurance	984	977
Total Short Term Assets	235,514	234,341
Long Term Assets		
Investments	143,857	143,438
Total Long Term Assets	143,857	143,438
<b>TOTAL ASSETS</b>	<b>379,371</b>	<b>377,779</b>
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	5,900	2,098
Claims Payable	71	99
OPEB Liability	372	374
Agents Commissions Payable	767	855
Unearned Revenue	9,582	8,465
Current Estimated Claim Reserve	49,793	50,751
Total Short Term Liabilities	66,485	62,642
Long Term Liabilities		
Compensated Absences	64	67
Estimated Noncurrent Claim Reserve	100,949	95,398
Total Long Term Liabilities	101,013	95,465
<b>TOTAL LIABILITIES</b>	<b>167,498</b>	<b>158,107</b>
Prior Year Net Assets		
Restricted - HB601 and Mine Subsidence	49,372	45,599
Unrestricted	163,994	175,916
Total Prior Year Net Assets	213,366	221,515
Current Year Earnings (Deficiency)		
Restricted - HB601 and Mine Subsidence	689	2,878
Unrestricted	(2,182)	(4,721)
Total Current Year Earnings (Deficiency)	(1,493)	(1,843)
Total Net Assets		
Restricted - HB601 and Mine Subsidence	50,061	48,477
Unrestricted	161,812	171,195
<b>TOTAL NET ASSETS</b>	<b>211,873</b>	<b>219,672</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 379,371</b>	<b>\$ 377,779</b>

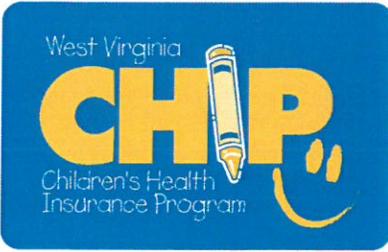
DRAFT - Unaudited - Management Purposes Only

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



	April 30	
	2014	2013
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 44,516	\$ 40,199
Less - Excess Insurance	(5,118)	(4,854)
Total Operating Revenues	39,398	35,345
Operating Expenses		
Claims Expense	47,495	43,992
Property & MS Claims Expense	2,589	5,420
Personal Services	1,169	1,090
General & Administrative Expense	2,114	1,922
Total Operating Expenses	53,367	52,424
Operating Income (Loss)	(13,969)	(17,079)
Nonoperating Revenues		
Investment Income	12,476	15,236
Total Nonoperating Revenues	12,476	15,236
Net Income (Loss)	\$ (1,493)	\$ (1,843)

DRAFT - Unaudited - Management Purposes Only

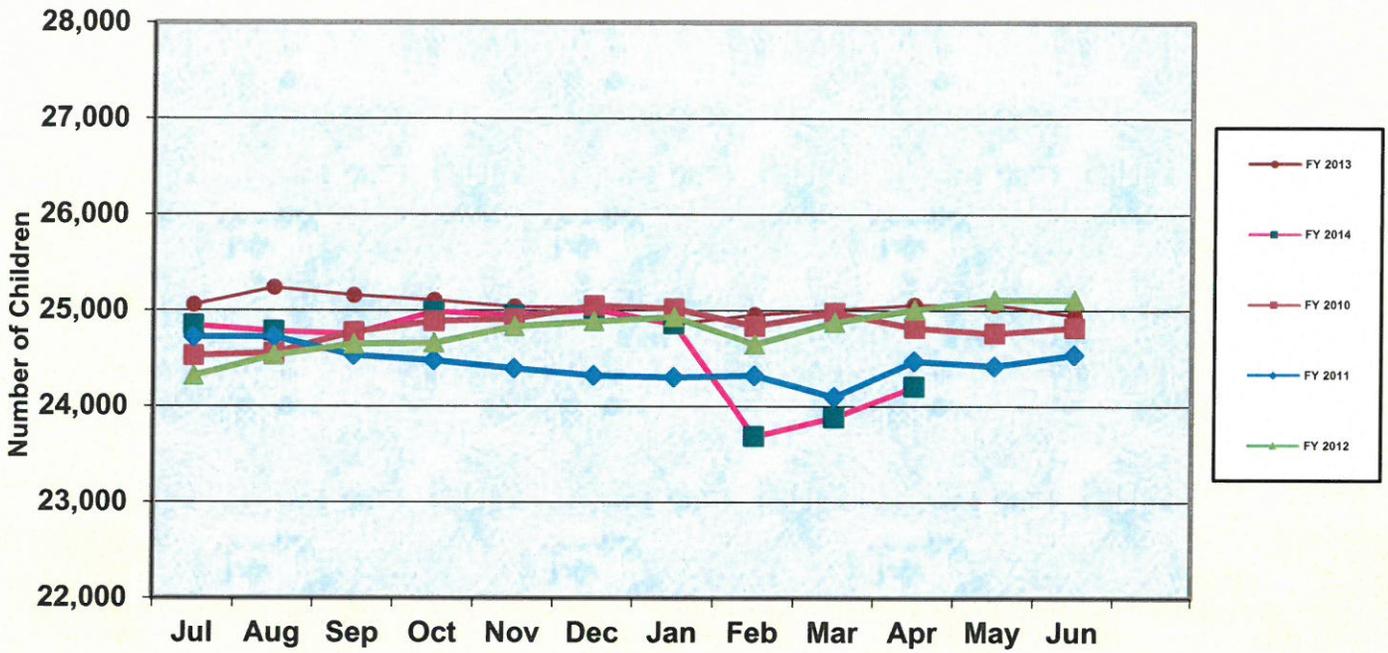


West Virginia Children's Health Insurance Program  
2 Hale Street  
Suite 101  
Charleston, WV 25301  
304-558-2732 voice / 304-558-2741 fax  
Helpline 877-982-2447  
[www.chip.wv.gov](http://www.chip.wv.gov)

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

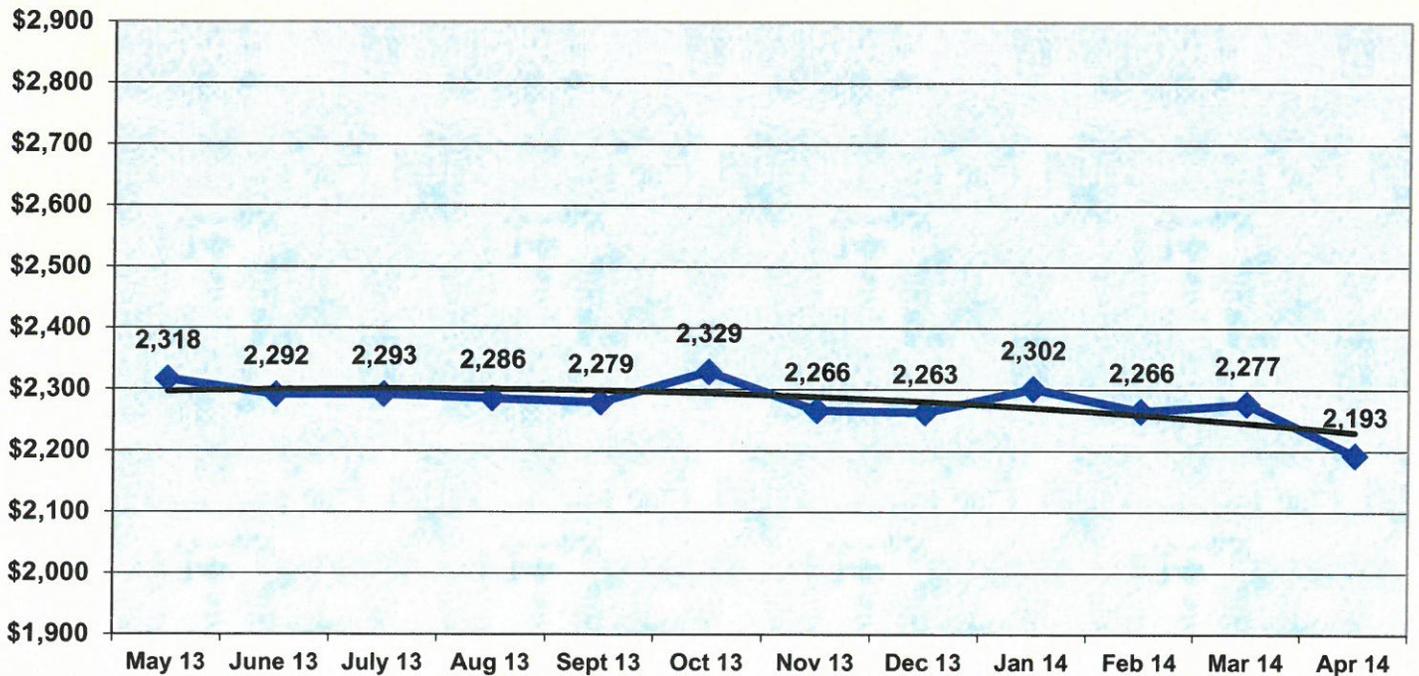
**June 2014**

## WV CHIP Enrollment



April 30th Enrollment 24,210

## Annualized Health Care Expenditures (Cost per Child)



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

	April 30, 2014	April 30, 2013	Variance	
Assets:				
Cash & Cash Equivalents	\$15,388,395	\$16,156,373	(\$767,978)	-5%
Due From Federal Government	\$4,034,873	\$4,115,610	(\$80,738)	-2%
Due From Other Funds	\$1,023,894	\$1,001,399	\$22,496	2%
Accrued Interest Receivable	\$7,439	\$4,666	\$2,773	59%
Fixed Assets, at Historical Cost	<u>\$93,386</u>	<u>\$94,592</u>	<u>(\$1,205)</u>	<u>-1%</u>
 Total Assets	 <u>\$20,547,987</u>	 <u>\$21,372,640</u>	 <u>(\$824,652)</u>	 <u>-4%</u>
Liabilities:				
Accounts Payable	\$198,767	\$247,009	(\$48,242)	-20%
Deferred Revenue	(\$77,075)	\$1,859,044	(\$1,936,119)	-104%
Unpaid Insurance Claims Liability	<u>\$4,860,000</u>	<u>\$4,870,000</u>	<u>(\$10,000)</u>	<u>0%</u>
 Total Liabilities	 <u>\$4,981,692</u>	 <u>\$6,976,054</u>	 <u>(\$1,994,361)</u>	 <u>-29%</u>
 Fund Equity	 <u>\$15,566,295</u>	 <u>\$14,396,586</u>	 <u>\$1,169,709</u>	 <u>8%</u>
 Total Liabilities and Fund Equity	 <u>\$20,547,987</u>	 <u>\$21,372,640</u>	 <u>(\$824,652)</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 Ten Months Ending April 30, 2014 and April 30, 2013**  
**(Modified Accrual Basis)**

	April 30, 2014	April 30, 2013	Variance	
<b>Revenues</b>				
Federal Grants	36,813,237	39,283,451	(2,470,215)	-6%
State Appropriations	9,987,748	10,925,578	(937,830)	-9%
Premium Revenues	751,635	721,298	30,337	4%
Investment Income:				
Investment Earnings	<u>62,668</u>	<u>60,425</u>	<u>2,243</u>	<u>4%</u>
<b>Total Revenues</b>	<b><u>47,615,288</u></b>	<b><u>50,990,753</u></b>	<b><u>(3,375,465)</u></b>	<b><u>-7%</u></b>
<b>Expenditures:</b>				
Claims:				
Outpatient Services	11,429,322	12,394,938	(965,616)	-8%
Prescribed Drugs	8,009,904	10,376,493	(2,366,589)	-23%
Physicians & Surgical	7,390,325	8,071,529	(681,204)	-8%
Dental	6,442,237	7,020,219	(577,982)	-8%
Inpatient Hospital Services	3,619,205	3,653,923	(34,718)	-1%
Inpatient Mental Health	1,281,190	1,003,170	278,020	28%
Outpatient Mental Health	1,253,390	1,319,207	(65,817)	-5%
Durable & Disposable Med. Equip.	1,041,686	844,220	197,466	23%
Vision	671,793	707,954	(36,161)	-5%
Therapy	579,324	603,841	(24,517)	-4%
Medical Transportation	317,841	375,833	(57,992)	-15%
Other Services	107,059	128,891	(21,832)	-17%
Less: Collections**	<u>(866,716)</u>	<u>(364,167)</u>	<u>(502,549)</u>	<u>138%</u>
Total Claims	<u>41,276,560</u>	<u>46,136,051</u>	<u>(4,859,491)</u>	<u>-11%</u>
General and Admin Expenses:				
Salaries and Benefits	520,003	464,403	55,600	12%
Program Administration	2,276,028	2,200,698	75,330	3%
Eligibility	201,800	284,981	(83,181)	-29%
Outreach & Health Promotion	588,074	785,040	(196,966)	-25%
Current	<u>155,997</u>	<u>127,615</u>	<u>28,382</u>	<u>22%</u>
Total Administrative	<u>3,741,902</u>	<u>3,862,737</u>	<u>(120,835)</u>	<u>-3%</u>
<b>Total Expenditures</b>	<b><u>45,018,462</u></b>	<b><u>49,998,788</u></b>	<b><u>(4,980,326)</u></b>	<b><u>-10%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>2,596,826</b>	<b>991,965</b>	<b>1,604,861</b>	<b>162%</b>
Unrealized Gain(loss) On Investments*	28,145	58,183	(30,038)	-52%
<b>Fund Equity, Beginning</b>	<b><u>12,941,324</u></b>	<b><u>13,346,439</u></b>	<b><u>(405,115)</u></b>	<b><u>-3%</u></b>
<b>Fund Equity, Ending</b>	<b><u>15,566,295</u></b>	<b><u>14,396,586</u></b>	<b><u>1,169,708</u></b>	<b><u>8%</u></b>

\* Short Term Bond Fund Investment began in November 2009

\*\* Collections are primarily drug rebates and subrogation

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program  
Budget to Actual Statement  
State Fiscal Year 2014  
For the Ten Months Ended April 30, 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 Apr-14</u>	<u>Actual Amt Mar-14</u>	<u>Actual Amt Feb-14</u>
Projected Cost	\$47,897,012	\$39,914,177	\$44,073,377	(\$4,159,200)	-10%	\$3,991,418	\$3,418,467	\$3,870,005	\$4,211,165
Premiums	969,397	807,831	\$751,635	(\$56,196)	-7%	80,783	30,405	145,386	71,396
Subrogation & Rebates	457,374	381,145	\$866,716	485,571	127%	38,115	0	205,680	0
Net Benefit Cost	46,470,241	38,725,201	\$42,455,025	(\$3,729,824)	-10%	3,907,458	3,388,062	3,518,939	4,139,769
Salaries & Benefits	\$710,522	\$592,102	\$520,005	\$72,097	12%	\$59,210	\$51,037	\$51,037	\$51,037
Program Administration	3,024,544	2,520,453	\$2,225,105	295,348	12%	252,045	310,474	222,760	129,798
Eligibility	400,000	333,333	\$232,802	100,532	30%	33,333	4,378	680	2,380
Outreach & Health Prom.	1,000,000	833,333	\$594,323	239,010	29%	83,333	14,387	172,198	5,966
Current Expense	170,000	141,667	\$157,062	(15,395)	-11%	14,167	12,149	21,788	22,188
Total Admin Cost	\$5,305,066	\$4,420,888	\$3,729,297	\$691,592	16%	\$442,089	\$392,425	\$468,463	\$211,369
Total Program Cost	\$51,775,307	\$43,146,089	\$46,184,322	(\$3,038,233)	-7%	\$4,349,547	\$3,780,487	\$3,987,402	\$4,351,138
Federal Share 79.76%	41,642,879	34,413,321	\$36,926,632	(2,513,311)	-7%	3,469,199	3,015,316	3,180,352	3,470,468
State Share 20.24%	10,132,428	8,732,768	\$9,257,690	(524,922)	-6%	880,348	765,171	807,050	880,670
Total Program Cost **	\$51,775,307	\$43,146,089	\$46,184,322	(\$3,038,233)	-7%	\$4,349,547	\$3,780,487	\$3,987,402	\$4,351,138

\* 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

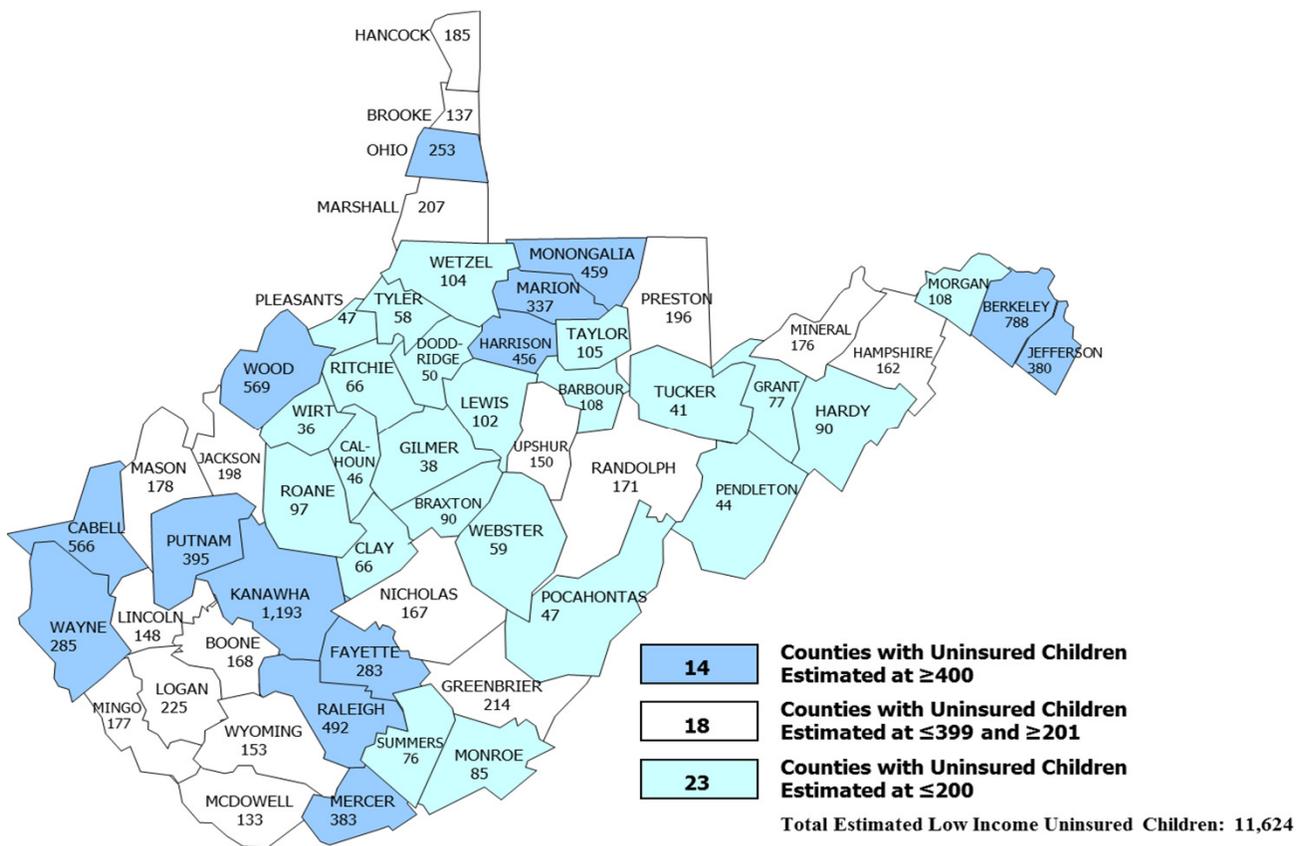
May 2014

County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment May-14	Enrollment May-14	CHIP/Medicaid Enrollment	Enrollment % of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	276	1,702	1,978	54.9%	108	33
Berkeley	26,251	1,373	9,781	11,154	42.5%	788	2
Boone	5,615	294	2,954	3,248	57.8%	168	25
Braxton	3,006	202	1,634	1,836	61.1%	90	40
Brooke	4,573	251	1,670	1,921	42.0%	137	31
Cabell	18,879	1,009	9,116	10,125	53.6%	566	4
Calhoun	1,518	111	841	952	62.7%	46	51
Clay	2,215	160	1,433	1,593	71.9%	66	44
Doddridge	1,673	131	682	813	48.6%	50	48
Fayette	9,438	775	5,077	5,852	62.0%	283	13
Gilmer	1,260	64	588	652	51.7%	38	54
Grant	2,555	160	998	1,158	45.3%	77	42
Greenbrier	7,131	559	3,316	3,875	54.3%	214	16
Hampshire	5,392	267	2,308	2,575	47.8%	162	27
Hancock	6,166	360	2,608	2,968	48.1%	185	20
Hardy	3,015	169	1,510	1,679	55.7%	90	39
Harrison	15,202	972	6,137	7,109	46.8%	456	7
Jackson	6,602	397	2,977	3,374	51.1%	198	18
Jefferson	12,679	557	3,574	4,131	32.6%	380	10
Kanawha	39,771	2,263	18,720	20,983	52.8%	1,193	1
Lewis	3,389	233	1,703	1,936	57.1%	102	37
Lincoln	4,930	341	3,002	3,343	67.8%	148	30
Logan	7,496	457	4,371	4,828	64.4%	225	15
Marion	11,227	624	4,843	5,467	48.7%	337	11
Marshall	6,886	325	2,851	3,176	46.1%	207	17
Mason	5,929	257	2,887	3,144	53.0%	178	21
McDowell	4,423	238	3,210	3,448	78.0%	133	32
Mercer	12,764	980	7,203	8,183	64.1%	383	9
Mineral	5,868	274	2,294	2,568	43.8%	176	23
Mingo	5,905	358	3,526	3,884	65.8%	177	22
Monongalia	15,294	767	4,944	5,711	37.3%	459	6
Monroe	2,835	220	1,150	1,370	48.3%	85	41
Morgan	3,596	251	1,522	1,773	49.3%	108	34
Nicholas	5,561	385	2,899	3,284	59.0%	167	26
Ohio	8,444	486	3,253	3,739	44.3%	253	14
Pendleton	1,462	109	558	667	45.6%	44	52
Pleasants	1,551	124	594	718	46.3%	47	50
Pocahontas	1,561	154	749	903	57.9%	47	49
Preston	6,536	422	2,782	3,204	49.0%	196	19
Putnam	13,150	742	4,046	4,788	36.4%	395	8
Raleigh	16,403	1,213	8,508	9,721	59.3%	492	5
Randolph	5,705	493	2,839	3,332	58.4%	171	24
Ritchie	2,205	136	967	1,103	50.0%	66	45
Roane	3,239	284	1,832	2,116	65.3%	97	38
Summers	2,521	196	1,302	1,498	59.4%	76	43
Taylor	3,514	226	1,446	1,672	47.6%	105	35
Tucker	1,371	113	533	646	47.1%	41	53
Tyler	1,924	97	840	937	48.7%	58	47

# WVCHIP Enrollment Report

May 2014

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment May-14	Total Medicaid Enrollment May-14	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Upshur	4,996	364	2,608	2,972	59.5%	150	29
Wayne	9,516	450	4,716	5,166	54.3%	285	12
Webster	1,977	139	1,240	1,379	69.7%	59	46
Wetzel	3,466	229	1,750	1,979	57.1%	104	36
Wirt	1,201	85	702	787	65.6%	36	55
Wood	18,956	1,072	8,938	10,010	52.8%	569	3
Wyoming	5,116	391	2,785	3,176	62.1%	153	28
<b>Totals</b>	<b>387,459</b>	<b>23,585</b>	<b>177,019</b>	<b>200,604</b>	<b>51.8%</b>	<b>11,624</b>	



**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 May 1 – 31, 2014

There were a total of 12 leasing changes for the period of May 1 – 31, 2014 and they are as follows:

- 2 – Straight Renewal
- 5 – Renewal with Increase in Rent
- 1 – Renewal with Decrease in Rent
- 4 – Cancellation

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

**STRAIGHT RENEWAL**

**COAL HERITAGE HIGHWAY AUTHORITY**

**CHH-006** Renewal for 2 years, consisting of 2,300 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$26,700, 100 Kelly Avenue Street, in the City of Charleston, Kanawha County, West Virginia.

**ATTORNEY GENERAL'S OFFICE**

**AGO-018** Renewal for 2 years, consisting of 2,150 square feet of office space at the current annual per square foot rate of \$14.51, annual cost \$31,196.50, 208 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

**RENEWAL WITH INCREASE IN RENT**

**WEST VIRGINIA STATE POLICE**

**PSA-030** Renewal for 5 years consisting of a parcel of land for tower monitoring space with an increase in the monthly rate from \$150.00 to \$500.00, annual cost \$6,000.00, along U.S. route 250 in Washington District, in the City of Moundsville, Marshall County, West Virginia.

**WV CONSERVATION AGENCY**

**SCC-008** Renewal for 5 years consisting of 2,466 square feet of office space and 576 square feet of storage space, a total of 3,042 square feet with an increase in the annual per square foot rate from \$8.11 to \$8.37, annual cost \$25,470, full service, 23161 Northwestern Pike, in the City of Romney, Hampshire County, West Virginia.

**ETHICS COMMISSION**

**ETH-002** Renewal for 3 years consisting of 3,140 square feet of office with an increase in the annual per square foot rate from \$12.78 to \$13.67, annual cost \$42,923.80, full service, 210 Books Street, in the City of Charleston, Kanawha County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-182** Renewal for 2 years consisting of 1,589 square feet of office space with an increase in the annual per square foot rate from \$8.90 to \$9.17, annual cost \$14,571.13, full service, 124 Court Street, in the City of Elizabeth, Wirt County, West Virginia.

**PUBLIC SERVICE COMMISSION**

**PSC-013** Renewal for 1 year consisting of 5,000 square feet of storage space with an increase in the annual per square foot rate from \$4.80 to \$4.90, annual cost \$24,500, 410 58<sup>th</sup> street, in the City of Charleston, Kanawha County, West Virginia.

## **RENEWAL WITH DECREASE IN RENT**

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

**HHR-232** Renewal for 5 years consisting of 14,718 square feet of office space with a decrease in the annual per square foot rate from \$9.50 to \$6.00 (first two years), annual cost \$88,308, then \$6.25 (last three years), annual cost of \$91,990, in the City of New Martinsville, Wetzel County, West Virginia.

## **CANCELLATION**

### **WEST VIRGINIA STATE POLICE**

**PSA-061** Lease cancellation consisting of tower/monitoring space, at the monthly rate of \$175.00, annual cost \$2,100.00, in the City of Huntington, Cabell County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-165** Lease cancellation consisting of 100 square feet of storage space, at a monthly rate of \$50.00, annual cost \$600, in the City of Elk Garden, Mineral County, West Virginia.

**DEP-164** Lease cancellation consisting of 100 square feet of storage space, at a monthly rate of \$55.00, annual cost \$660, in the City of Kingwood, Preston County, West Virginia.

**DEP-173** Lease cancellation consisting of 100 square feet of storage space, at a monthly rate of \$70.00, annual cost \$840, in the City of Clarksburg, Harrison County, West Virginia.

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Coal Heritage Highway Authority	CHH-006	Kanawha	2,300	12.00	27,600	2	55,200.00
2	Attorney General's Office	AGO-018	Kanawha	2,150	14.51	31,197	2	62,393.00
3	West Virginia State Police	PSA-030	Marshall	600		6,000	1	6,000.00
4	West Virginia Conservation Agency	SCC-008	Hampshire	3,042	8.37	25,462	5	127,307.70
5	Ethics Commission	ETH-002	Kanawha	3,140	13.67	42,924	3	128,771.40
6	Department of Health and Human Resources	HHR-182	Wirt	1,589	9.17	14,571	2	29,142.26
7	Public Service Commission	PSC-013	Kanawha	5,000	4.90	24,500	1	24,500.00
8	Department of Health and Human Resources	HHR-232	Wetzel	14,718	6.00	88,308	5	441,540.00

Total Rentable Square Feet	<u>32,539</u>	68.62
Average Annual Rental Rate		9.80
Total Annual Rent		<u>260,561</u>

**CANCELLATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	West Virginia State Police	PSA-121	Cabell		175.00	2,100
2	Department of Environmental Protection	DEP-165	Mineral	100	50.00	600
3	Department of Environmental Protection	DEP-164	Preston	100	55.00	660
4	Department of Environmental Protection	DEP-173	Harrison	100	70.00	840

Total Rentable Square Feet	<u>300</u>
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# wvOASIS Overview

# Phase Delivery Schedule

wvOASIS Deployment Phasing for WVDOT



# Project Financials

## As Of May 31<sup>st</sup>, 2014

### Revenues Received to Date

• Excess Lottery	\$30,000,000
• General Revenue Appropriations	\$75,400,000
• Division of Highways	<u>\$15,000,000 *</u>
Total to Date	\$120,400,000

### Expenditures to Date

• CGI (software license, maintenance & deliverables)	\$63,633,262
• ISG -Consulting	\$11,666,412
• Personal Services and Benefits	\$5,897,879
• Rent	\$988,228
• Utilities	\$145,347
• Other Software	\$978,698
• Training and Development	\$265,964
• Other (Supplies, Equipment, Legal, Communication, etc.)	<u>\$1,421,202</u>
	\$84,966,992
• Cash Balance	\$35,433,008

\* Division of Highways still owes approximately \$11,500,000

# ERP System User Fee

## ERP System User Fee

- Emergency Rule has been approved by SOS
- Board needs to set fee at \$200 per authorized FTE position
- Billing to begin FY2015:
  - Filled/vacant position counts based on June 30
  - Annual bill issued in October
  - Due in January
- Board responsible for collections and posting receipts
- FY2016 amount will need to be set by end of July 2014

# Support Team

- Phone 304-558-6708
- Toll Free 1-855-666-8823
- Mon – Fri 7 am to 7 pm
- E-mail [HelpDesk@wvoasis.gov](mailto:HelpDesk@wvoasis.gov)
- Live Chat through MyApps and within the wvOASIS system
- Help desk staffed with 15 people with Subject Matter Experts available

# Contact Us

- Training Questions [Training@wvOASIS.gov](mailto:Training@wvOASIS.gov)
- Website: wvOASIS

**Joint Committee on Government and Finance**

**June 2014**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**April 2014 Data**

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

	MONTH OF APRIL 2014					
	ACTUALS SFY2013	TOTAL SFY2014	ACTUALS Current Month Ended 4/30/14	ESTIMATE Current Month Ended 4/30/14	ACTUALS Year To-Date Thru 4/30/14	PROJECTED 5/1/14 Thru 6/30/14
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	155,429,299	199,265,328	24,225,179	23,269,848	162,168,641	37,096,687
Inpatient Hospital - DSH	56,816,481	56,580,000	-	-	41,212,464	15,367,536
Inpatient Hospital - Supplemental Payments	114,105,226	96,139,194	5,301,925	5,301,925	79,721,681	16,417,513
Inpatient Hospital - GME Payments	6,164,764	6,228,590	-	-	4,481,351	1,747,239
Mental Health Facilities	87,243,074	114,848,923	8,199,712	13,744,620	73,678,272	41,170,651
Mental Health Facilities - DSH Adjustment Payments	18,880,975	18,882,000	-	-	14,166,673	4,715,327
Nursing Facility Services - Regular Payments <sup>(2)</sup>	537,541,608	554,417,908	49,316,702	46,216,108	466,981,996	87,435,912
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,163,593	67,331,000	7,175,953	5,610,917	56,790,951	10,540,049
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	117,203,017	160,730,609	16,355,021	19,191,882	92,668,360	68,062,249
Physicians Services - Supplemental Payments	28,092,471	29,903,100	7,326,516	7,475,775	27,016,879	2,886,221
Physician and Surgical Services - Evaluation and Management	-	21,962,392	1,398,696	1,707,705	27,433,553	(5,471,161)
Physician and Surgical Services - Vaccine Codes	-	221,842	4,129	26,668	105,879	115,963
Outpatient Hospital Services - Regular Payments	102,898,953	145,154,798	15,086,152	16,969,855	100,088,419	45,066,380
Outpatient Hospital Services - Supplemental Payments	124,121,376	69,977,047	986,952	986,952	53,534,700	16,442,347
Prescribed Drugs	331,397,125	356,724,143	33,929,536	44,368,352	238,183,102	118,541,041
Drug Rebate Offset - National Agreement	(201,903,185)	(202,289,800)	(26,338,048)	(36,248,420)	(163,205,588)	(39,084,212)
Drug Rebate Offset - State Sidebar Agreement	(16,603,872)	(16,895,800)	(2,623,830)	(3,027,568)	(12,382,597)	(4,513,203)
Drug Rebate Offset - MCO National	(799,544)	(812,900)	(4,876,205)	(145,664)	(23,615,381)	22,802,481
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	(740,696)	-	(2,801,629)	2,801,629
Dental Services	55,866,868	78,358,578	2,682,219	9,156,173	41,010,335	37,348,243
Other Practitioners Services - Regular Payments	11,566,376	18,600,155	1,582,536	2,243,288	10,504,307	8,095,848
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,566,348	6,309,621	568,326	754,586	3,865,460	2,444,161
Lab & Radiological Services	22,573,569	33,844,618	4,145,668	3,958,036	24,144,852	9,699,766
Home Health Services	47,334,128	59,832,974	4,503,519	7,063,259	38,342,697	21,490,277
Hysterectomies/Sterilizations	133,155	221,588	28,755	25,853	148,115	73,473
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,363,840	2,034,978	70,098	238,229	424,723	1,610,255
Rural Health Clinic Services	7,886,514	10,330,901	1,137,548	1,215,216	7,575,761	2,755,140
Medicare Health Insurance Payments - Part A Premiums	18,215,881	19,650,400	1,436,448	1,637,533	15,092,595	4,557,805
Medicare Health Insurance Payments - Part B Premiums	81,258,370	90,272,700	7,145,489	7,522,725	70,704,425	19,568,275
120% - 134% Of Poverty	6,160,455	6,509,900	589,958	625,952	5,610,472	899,428
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	8,417,028	8,653,000	895,056	832,019	7,391,056	1,261,944



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

	MONTH OF APRIL 2014					
	ACTUALS SFY2013	TOTAL SFY2014	ACTUALS Current Month Ended 4/30/14	ESTIMATE Current Month Ended 4/30/14	ACTUALS Year To-Date Thru 4/30/14	PROJECTED 5/1/14 Thru 6/30/14
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	397,197,343	454,163,627	52,181,128	38,524,578	440,255,054	13,908,573
Medicaid MCO - Evaluation and Management	-	23,841,350	1,642,306	1,346,495	22,299,703	1,541,647
Medicaid MCO - Vaccine Codes	-	1,270,236	83,569	68,528	1,191,864	78,372
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	28,844	50,519	391,342	134,058
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	342,155,532	352,000,000	32,536,593	33,846,154	296,369,705	55,630,295
Home & Community-Based Services (Aged/Disabled)	125,334,180	136,776,586	9,044,641	13,152,125	89,533,838	47,242,748
Home & Community-Based Services (Traumatic Brain Injury)	156,502	2,720,625	66,943	261,599	502,192	2,218,433
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	5,441,973	9,375,682	56,491,775	23,760,904
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	227,055	472,571	2,163,799	1,871,920
Primary Care Case Management Services	163,137	241,420	11,421	28,167	114,975	126,445
Hospice Benefits <sup>(3)</sup>	24,909,406	33,408,296	2,197,875	3,897,865	22,935,754	10,472,541
Emergency Services Undocumented Aliens	285,046	362,067	46,547	42,244	251,796	110,271
Federally Qualified Health Center	18,240,226	24,443,404	3,109,850	2,871,276	17,935,345	6,508,059
Non-Emergency Medical Transportation	25,112,179	34,840,953	2,321,997	4,065,178	21,295,904	13,545,050
Physical Therapy	2,102,592	3,161,494	265,264	368,994	2,171,892	989,602
Occupational Therapy	370,520	481,061	57,379	56,127	390,778	90,283
Services for Speech, Hearing & Language	408,350	603,122	52,246	70,411	410,074	193,048
Prosthetic Devices, Dentures, Eyeglasses	1,551,271	2,490,832	263,946	291,448	1,583,378	907,454
Diagnostic Screening & Preventive Services	553,321	768,682	156,012	89,694	643,599	125,083
Nurse Mid-Wife	230,458	423,216	31,778	49,378	224,288	198,928
Emergency Hospital Services	(2,247)	(1,200)	(78)	(115)	(3,663)	2,463
Critical Access Hospitals	31,395,064	48,996,857	5,480,067	5,721,238	33,834,431	15,162,426
Nurse Practitioner Services	2,006,168	3,499,907	704,814	408,731	1,981,724	1,518,183
School Based Services	52,157,547	54,149,130	6,267,682	5,208,250	35,156,722	18,992,408
Rehabilitative Services (Non-School Based)	76,111,131	98,820,482	7,972,171	11,641,575	70,092,741	28,727,741
Private Duty Nursing	5,290,076	7,034,325	797,030	826,717	5,371,232	1,663,093
Other Care Services	21,997,876	31,932,187	2,445,938	3,726,345	18,801,902	13,130,285
Less: Recoupments	-	-	(646,195)	-	(646,195)	646,195
<b>NET EXPENDITURES:</b>	<b>2,986,562,919</b>	<b>3,414,230,245</b>	<b>292,302,110</b>	<b>317,183,598</b>	<b>2,602,788,474</b>	<b>811,441,771</b>

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

**MONTH OF APRIL 2014**

	<b>ACTUALS</b>	<b>TOTAL</b>	<b>ACTUALS</b>	<b>ESTIMATE</b>	<b>ACTUALS</b>	<b>PROJECTED</b>
	SFY2013	SFY2014	Current Month Ended 4/30/14	Current Month Ended 4/30/14	Year To-Date Thru 4/30/14	5/1/14 Thru 6/30/14
Collections: Third Party Liability (line 9A on CMS-64)	(10,619,577)	-	-	-	(5,509,660)	5,509,660
Collections: Probate (line 9B on CMS-64)	(262,779)	-	-	-	(473,392)	473,392
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(21,585)	-	-	-	(173,874)	173,874
Collections: Other (line 9D on CMS-64)	(9,910,781)	-	-	-	(2,687,299)	2,687,299
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>2,965,748,198</b>	<b>3,414,230,245</b>	<b>292,302,110</b>	<b>317,183,598</b>	<b>2,593,944,249</b>	<b>820,285,996</b>
Plus: Medicaid Part D Expenditures	36,222,591	36,395,195	3,034,985	3,032,933	31,027,856	5,367,339
Plus: State Only Medicaid Expenditures	2,998,425	3,834,747	117,480	368,725	1,850,108	1,984,640
Plus: Money Follow the Person Expenditures	30,838	4,409,797	90,397	424,019	540,925	3,868,872
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 3,005,000,052</b>	<b>\$ 3,458,869,984</b>	<b>\$ 295,544,972</b>	<b>\$ 321,009,275</b>	<b>\$ 2,627,363,138</b>	<b>\$ 831,506,846</b>
Plus: Reimbursables <sup>(1)</sup>	7,514,299	8,055,095	598,735	774,528	5,751,153	2,303,942
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,012,514,351</b>	<b>\$ 3,466,925,079</b>	<b>\$ 296,143,707</b>	<b>\$ 321,783,803</b>	<b>\$ 2,633,114,291</b>	<b>\$ 833,810,788</b>

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$18,865,749 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$16,593,394 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

10 Months Actuals      2 Months Remaining

MONTH OF APRIL 2014	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2013	Current Month Ended 4/30/14	Year-To-Date Thru 4/30/14	5/1/2014 Thru 6/30/14	SFY2014
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	\$ 8,645,986	\$ 40,047,038	\$ 34,992,812		\$ 34,992,812
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	193,207,966	17,749,585	240,701,406	96,636,768	337,338,174
MRDD Waiver (0403/466)	88,753,483	9,762,883	69,227,717	19,525,766	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,163,333	432,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	5,296,667	1,059,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	624,000	176,000	800,000
Title XIX Waiver for Seniors (0403-533)	11,912,263	1,495,299	10,603,024	2,990,596	13,593,620
Medical Services Surplus (0403/633)	88,305,104	7,400,000	7,400,000	(7,400,000)	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	33,147,815	8,016,614	31,466,458	-	31,466,458
Lottery Transfer (5405/871)	8,670,000	2,070,000	50,588,667	(41,918,667)	8,670,000
Excess Lottery (5365/189)	24,503,890	-	96,543,971	(46,543,971)	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	17,016,340	160,033,160	43,489,251	203,522,411
Certified Match	23,243,346	2,516,516	17,630,054	8,088,938	25,718,992
Reimbursables - Amount Reimbursed	7,235,570	1,324,656	4,243,192	3,811,903	8,055,095
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	3,648,128	352,479	2,009,983	(1,084,983)	925,000
CMS - 64 Adjustments	660,007	-	344,240	(344,240)	-
<b>TOTAL MATCHING FUNDS</b>	\$ 901,191,865	\$ 108,585,409	\$ 783,917,799	\$ 94,100,144	\$ 878,017,943
<b>FEDERAL FUNDS</b>	\$ 2,171,195,579	\$ 210,665,133	\$ 1,900,189,377	\$ 688,245,813	\$ 2,588,435,190
<b>TOTAL REVENUE SOURCES</b>	\$ 3,072,387,444	\$ 319,250,542	\$ 2,684,107,176	\$ 782,345,957	\$ 3,466,453,134
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 3,012,514,351	\$ 296,143,707	\$ 2,633,114,291	\$ 833,810,788	\$ 3,466,925,079
<b>TOTAL</b>	\$ 59,873,093	\$ 23,106,836	\$ 50,992,886	\$ (471,945)	\$ (471,945)

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

**Joint Committee on Government and Finance**

**June 2014**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT**

**April 2014 Data**

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

<b>WV Aged &amp; Disabled Waiver Reported April 30, 2014</b>		<b>FY 2013</b>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>FY 2014 to date</b>
Slots approved by CMS (1)		7,210	6,275	6,275	6,275	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	5,968	5,975	6,022			6,022
Applicants determined eligible (3)		1568	117	153	132	114	124	78	65	88	102	14			987
Applicants determined ineligible (3)		328	31	36	17	31	22	15	19	11	7	0			189
<b>Active Members</b>															
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	5,415	5,351	5,315			5,315
ADW Members whose case was closed in month		1311	115	61	69	54	67	55	99	53	71	83			727
ADW members whose case was closed by reason	Deceased	730	61	37	41	37	41	43	54	39	31	48			432
	Left program to enter a facility (nursing home, ICF/MR)	114	24	3	3	3	0	0	26	3	8	16			86
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	444	34	21	25	14	26	8	19	11	32	19			209
<b>Managed Enrollment List</b>															
Number of individuals added to the Managed Enrollment List (4)		1805	115	106	108	166	90	43	78	80	114	110			1,010
Applicants with a Medicaid Card		791	48	40	52	73	39	3	32	31	57	55			430
Individuals moved from the Managed Enrollment List into the Program		204	5	45	93	51	16	11	6	3	7	47			284
Individuals removed from the Managed Enrollment due to death (5)		246	26	20	42	130	59	58	63	1	74	21			494
Total Number of individuals on Managed Enrollment list at end of month		2263	2347	2388	2361	2346	2361	2335	2344	2420	2453	2495			2495
Individuals on Managed Enrollment who are in a nursing facility		47	5	6	6	7	2	1	4	3	1	7			42
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		204	7	9	18	23	6	0	10	9	11	16			109
Longest on Management Enrollment to Date August 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**

<b>WV Intellectual/Developmental Disability Waiver Reported April 30, 2014</b>		<b>FY 2013</b>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>FY 2014 To Date</b>
Slots approved by CMS		4,534	4,534	4,534	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	4,534	4,534			4,534
Applicants determined eligible (3)		386	29	38	34	31	36	13	39	15	26	36			297
Applicants determined ineligible (3)		374	30	33	24	24	25	17	34	15	11	33			246
Applicants added to the Active Member List		196	140	0	0	0	8	2	0	2	3	0			155
<b>Active Members</b>															
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	4,463	4,457	4,447			4,447
I/DDW Members who were discharged this month		162	13	8	19	11	8	9	10	6	9	10			103
I/DDW members whose case was closed by reason	Deceased	69	6	1	2	4	4	5	5	4	3	7			41
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	93	7	7	17	7	4	4	5	2	6	3			62
<b>Managed Enrollment List</b>															
Number of individuals added to the Managed Enrollment List		383	29	38	34	31	36	13	39	15	26	36			297
Applicants with a Medicaid Card		432 Avg.	444	471	482	500	518	549	556	573	583	617			617
Individuals moved from the Managed Enrollment List into the Program		198	140	0	0	0	8	2	0	2	3	0			155
Individuals removed from the Managed Enrollment due to death		3	1	1	1	2	0	0	0	1	1	2			9
Total Number of individuals on Managed Enrollment list at end of month		807	832	744	777	800	835	846	883	890	914	946			946
Individuals on Managed Enrollment who are in a Skilled Nursing facility		2 Avg.	1	1	1	1	2	2	2	3	3	4			4
Individuals on Managed Enrollment who are in an ICF/IID group home (4)		34 Avg.	45	47	50	52	60	64	64	33	48	52			52
Individuals on Managed Enrollment who are receiving Medicaid Personal		22 Avg.	33	35	36	36	40	41	40	39	43	44			44
Person on Managed Enrollment Longest to Date			663 Days	694 Days	724 Days	722 Days	752 Days	778 Days	809 Days	830 Days	854 Days	884 Days			884 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.
- (4) Number has dropped due to license revocation of Potomac Center ICF/IID

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

<b>Traumatic Brain Injury Waiver Reported April, 2014</b>		<b>FY 2013 To Date</b>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>FY 2014 To Date</b>
Slots approved by CMS (6)		100	100	100	100	100	100	100	100	125	125	125			125
Total number of members served Year to Date(unduplicated slots used) (2)		20	23	26	27	28	30	31	32	33	37	40			40
Applicants determined eligible (3)		34	4	5	3	3	8	2	0	3	1	5			34
Applicants determined ineligible (3)		11	3	1	2	1	1	1	1	2	1	2			15
<b>Active Members</b>															
Active members at end of calendar month (unduplicated slots active) (1)		20	23	26	27	28	27	27	28	29	32	35			35
TBIW members whose case was closed by reason	Deceased	0	0	0	0	0	0	0	0	0	0	0			0
	Left program to enter a facility	0	0	0	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	0			0
<b>Managed Enrollment List</b>															
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	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	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	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	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	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	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	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.

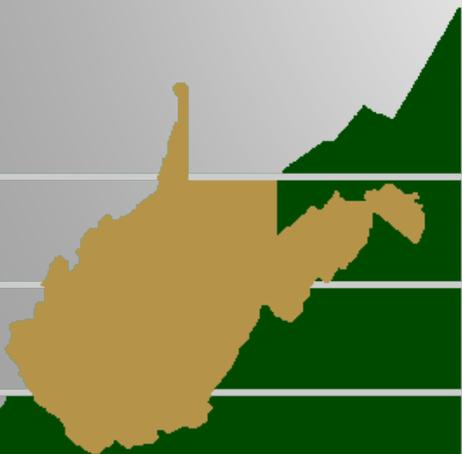
(5) Currently there is no way to track other reasons why someone may leave the managed enrollment list for reasons such as moved out of state, decided not to participate in program, etc.

(6) Beginning February 2014, 125 slots available per CMS approval.

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

April 30, 2014





**West Virginia Investment Management Board**  
 Participant Plans Allocation & Performance Net of Fees  
 As of April 30, 2014

	6/30/2013		4/30/2014		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>14,580,737</b>	<b>100.0</b>	<b>16,202,804</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>11,501,368</b>	<b>78.9</b>	<b>12,822,593</b>	<b>79.1</b>							
Public Employees' Retirement System	4,848,377	33.3	5,453,873	33.7	0.9	5.0	13.8	11.4	8.7	14.4	7.6
Teachers' Retirement System	5,717,583	39.2	6,319,114	39.0	0.9	5.0	13.8	11.3	8.6	14.0	7.3
Teachers' Employers Cont. Collection A/C	-	0.0	4,094	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
EMS Retirement System	42,603	0.3	51,026	0.3	0.9	5.0	13.8	11.3	8.6	14.2	
Public Safety Retirement System	520,323	3.6	561,316	3.5	0.9	5.0	13.8	11.4	8.8	14.4	7.6
Judges' Retirement System	141,476	1.0	160,070	1.0	0.9	5.0	13.8	11.4	8.7	14.3	7.6
State Police Retirement System	96,092	0.6	115,262	0.7	0.9	5.0	13.8	11.4	8.6	14.2	7.6
Deputy Sheriffs' Retirement System	134,410	0.9	155,455	1.0	0.9	5.0	13.8	11.4	8.7	14.3	7.6
Municipal Police & Firefighter Retirement System	504	0.0	1,017	0.0	0.9	4.8	13.0	10.7	9.4		
Municipal Model A	-	0.0	1,366	0.0	0.9	4.9					
<b>Insurance Assets</b>	<b>2,154,563</b>	<b>14.8</b>	<b>2,366,253</b>	<b>14.6</b>							
Workers' Compensation Old Fund	1,036,241	7.1	1,149,477	7.1	0.8	2.6	6.8	3.8	5.0	9.1	
Workers' Comp. Self-Insured Guaranty Risk Pool	14,487	0.1	15,400	0.1	0.7	2.4	7.4	4.8	5.4	4.6	
Workers' Comp. Self-Insured Security Risk Pool	-	0.0	6,987	0.0	0.6	0.6					
Workers' Comp. Uninsured Employers' Fund	9,749	0.1	10,452	0.1	0.6	2.3	7.2	4.7	5.3	4.2	
Pneumoconiosis	261,636	1.8	264,955	1.6	0.7	2.4	7.4	4.7	5.4	9.6	5.6
Board of Risk & Insurance Management	139,875	1.0	143,857	0.9	0.7	2.4	7.4	4.7	5.5	9.8	
Public Employees' Insurance Agency	194,215	1.3	208,990	1.3	0.7	2.9	7.6	4.8	6.1	9.5	
WV Retiree Health Benefit Trust Fund	495,926	3.4	563,648	3.5	0.9	5.0	13.7	11.2	8.4	11.8	
AccessWV	2,434	0.0	2,487	0.0	0.0	0.6	2.2	(2.8)	3.5		
<b>Endowment Assets</b>	<b>924,806</b>	<b>6.3</b>	<b>1,013,958</b>	<b>6.3</b>							
Wildlife Fund	45,838	0.3	50,523	0.3	0.9	5.0	13.6	11.2	8.6	14.3	7.6
Prepaid Tuition Trust	76,701	0.5	75,570	0.5	0.6	3.3	10.7	8.2	7.0	13.5	7.4
Revenue Shortfall Reserve Fund	446,073	3.0	469,007	2.9	1.1	1.6	3.1	(2.1)	3.8	8.4	
Revenue Shortfall Reserve Fund - Part B	348,811	2.4	373,449	2.3	0.9	2.8	7.1	3.5	5.4	10.6	
WV DEP Trust	7,383	0.1	8,431	0.1	0.8	4.5	14.2	10.9			
WV DEP Agency	-	0.0	36,978	0.2	0.6	3.1					

**West Virginia Investment Management Board**

Composite Asset Allocation &amp; Performance Net of Fees

As of April 30, 2014

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	16,213,169	100.00								
Total Equity Composite	8,081,918	49.85	0.77	6.35	20.37	16.92	9.79	18.42	8.63	
+/- Total Equity Policy Index (b)			0.11	0.30	1.56	1.36	1.30	1.87	1.17	
US Equity Composite	3,965,500	24.46	(0.18)	5.13	20.28	21.09	13.76	20.08	8.61	
+/- Russell 3000 Index			(0.30)	(0.30)	0.73	0.31	0.22	0.54	0.51	
Large Cap Composite	2,945,239	18.17	0.40	5.68	19.37	20.12	13.82	19.38	7.85	
+/- S&P 500 Index			(0.34)	(0.55)	0.08	(0.32)	(0.01)	0.24	0.18	
Non-Large Cap Composite	1,020,261	6.29	(1.82)	3.58	22.82	23.81	13.50	22.81	10.63	
+/- Russell 2500 Index			0.49	1.31	4.36	3.03	1.50	1.59	0.92	
International Equity Composite	4,116,418	25.39	1.70	7.55	20.27	12.92	5.72	16.41	9.39	
+/- MSCI AC World ex US IMI Index (c)			0.50	0.88	2.28	2.52	2.23	2.97	1.29	
Fixed Income Composite	3,244,445	20.01	0.84	1.98	4.33	1.78	4.39	8.11	5.27	
+/- Barclays Capital Universal (d)			0.01	0.53	0.54	1.54	0.32	2.42	0.19	
Core Fixed Income	997,219	6.15	0.75	1.05	3.21	0.33	4.25	5.82		
+/- Barclays Capital Aggregate			(0.09)	(0.16)	0.06	0.59	0.65	0.94		
Total Return Fixed Income	2,247,226	13.86	0.88	2.40	4.86	2.50	4.47	8.82	5.93	
+/- Barclays Capital Universal			0.05	0.95	1.07	2.26	0.40	3.13	0.79	
TIPS Composite	601,744	3.71	1.35	1.31	1.99	(5.95)	3.10			
+/- Barclays Capital U.S. TIPS			0.00	(0.01)	0.02	0.02	(0.01)			
Cash Composite	234,840	1.45	0.01	0.03	0.09	0.13	0.12	0.14	1.78	
+/- Citigroup 90 Day T-Bill (e)			0.01	0.02	0.00	0.00	(0.07)	(0.10)	(0.01)	
Private Equity Composite	1,376,426	8.49	1.92	7.60	13.64	12.18	13.25	14.48		
+/- Russell 3000 + 3% (f, g)								(9.41)		
Real Estate Composite	1,227,886	7.57	1.62	4.54	7.53	8.39	9.01	8.92		
+/- NCREIF + 1% (f)								1.49		
Hedge Fund Composite	1,445,910	8.92	(0.01)	0.64	6.50	6.33	5.10	7.88		
+/- HFRI FOF + 1% (h)			0.66	0.28	4.51	3.63	1.28	3.84		

**West Virginia Investment Management Board**

Participant Plans Allocation vs. Strategy

As of April 30, 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	27.1	27.5	28.3	27.5	15.0	15.0	10.3	10.0	9.1	10.0	9.8	10.0	0.4	0.0
Teachers' Retirement System	26.9	27.5	28.1	27.5	15.0	15.0	10.2	10.0	9.1	10.0	9.8	10.0	0.9	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	27.1	27.5	27.6	27.5	15.9	15.0	10.2	10.0	9.0	10.0	9.7	10.0	0.5	0.0
Public Safety Retirement System	27.2	27.5	28.5	27.5	14.8	15.0	10.3	10.0	9.3	10.0	9.8	10.0	0.1	0.0
Judges' Retirement System	27.1	27.5	28.3	27.5	15.0	15.0	10.2	10.0	9.1	10.0	9.8	10.0	0.5	0.0
State Police Retirement System	26.9	27.5	27.7	27.5	15.7	15.0	10.2	10.0	9.0	10.0	9.6	10.0	0.9	0.0
Deputy Sheriffs' Retirement System	27.0	27.5	28.0	27.5	15.6	15.0	10.2	10.0	9.1	10.0	9.7	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	25.6	27.5	26.4	27.5	15.2	15.0	9.7	10.0	8.7	10.0	9.4	10.0	5.0	0.0
Municipal Model A	26.7	27.5	27.4	27.5	14.7	15.0	10.1	10.0	8.6	10.0	9.5	10.0	3.0	0.0

**Insurance Assets**

Workers' Compensation Old Fund	15.1	15.0	14.8	15.0	59.7	60.0	0.0	0.0	0.0	0.0	0.0	0.0	10.4	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	14.5	15.0	15.1	15.0	45.8	45.0	0.0	0.0	0.0	0.0	19.7	20.0	4.9	5.0
Workers' Comp. Self-Insured Security Risk Pool	15.2	15.0	15.1	15.0	45.1	45.0	0.0	0.0	0.0	0.0	19.1	20.0	5.5	5.0
Workers' Comp. Uninsured Employers Fund	14.4	15.0	15.7	15.0	40.7	40.0	0.0	0.0	0.0	0.0	23.1	20.0	6.1	10.0
Pneumoconiosis	15.4	15.0	14.8	15.0	45.4	45.0	0.0	0.0	0.0	0.0	19.8	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	9.8	10.0	10.8	10.0	54.7	55.0	0.0	0.0	0.0	0.0	19.7	20.0	5.0	5.0
Public Employees' Insurance Agency	15.0	15.0	15.3	15.0	50.0	50.0	0.0	0.0	0.0	0.0	19.7	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	27.2	27.5	27.8	27.5	15.8	15.0	10.3	10.0	9.2	10.0	9.7	10.0	0.0	0.0
AccessWV	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

**Endowment Assets**

Wildlife Fund	27.1	27.5	27.7	27.5	15.9	15.0	10.2	10.0	9.1	10.0	9.7	10.0	0.3	0.0
Prepaid Tuition Trust	30.0	30.0	16.3	16.0	52.4	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	99.4	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Revenue Shortfall Reserve Fund - Part B	10.1	10.0	10.4	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	34.7	35.0	28.4	28.0	36.8	37.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Agency	18.3	20.0	18.8	20.0	37.6	40.0	0.0	0.0	0.0	0.0	17.8	20.0	7.5	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

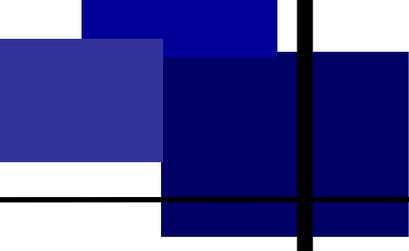
### Footnotes

As of April 30, 2014

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- (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.



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

Joint Committee on Government & Finance

June 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.

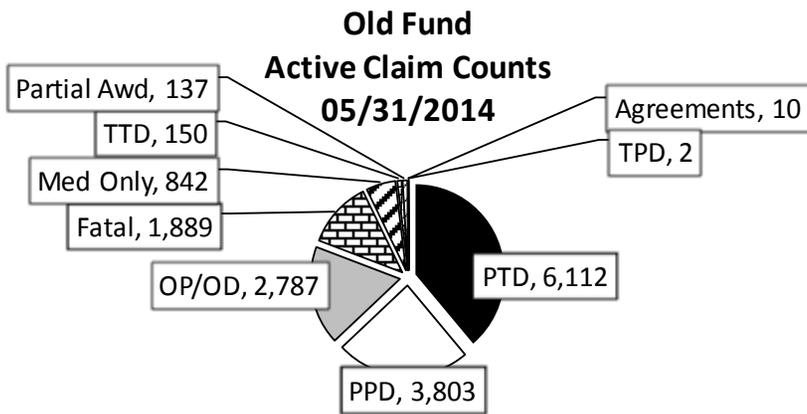
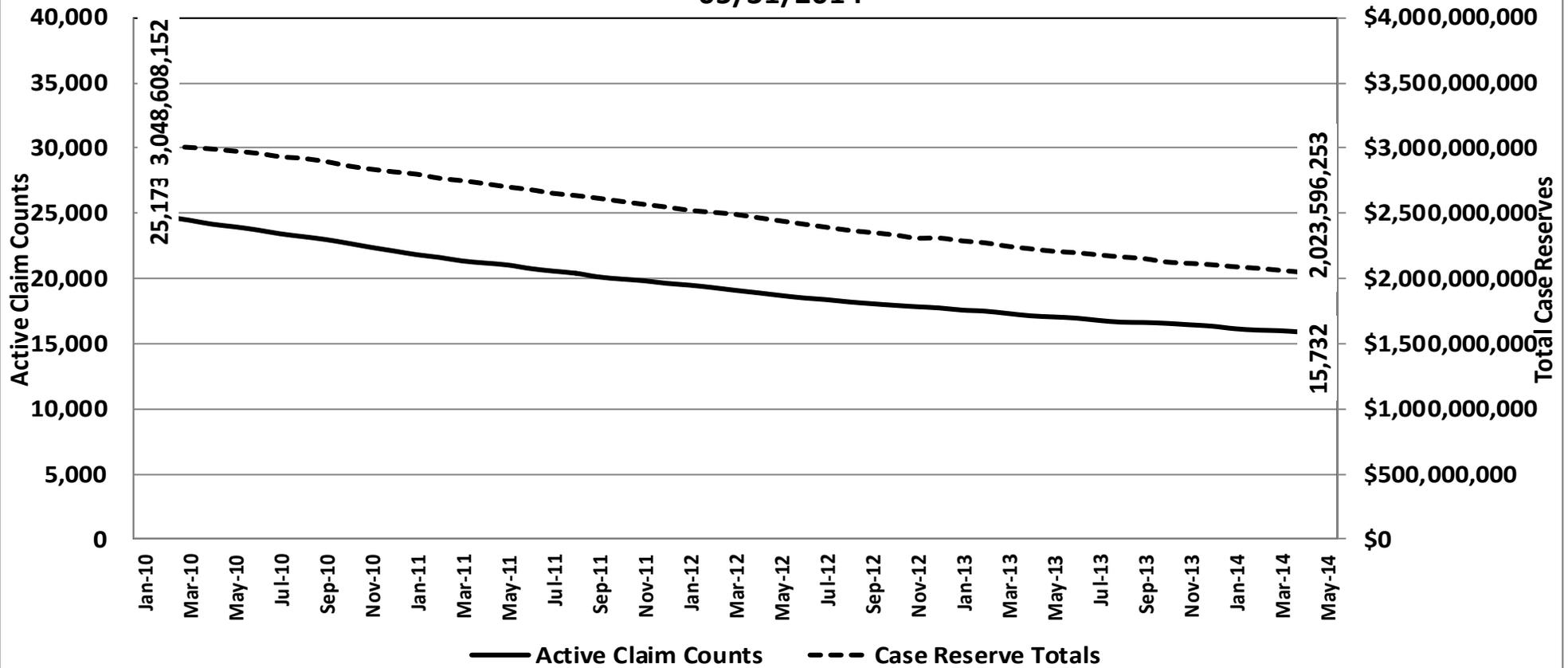
**Self-Insured Security Fund:** State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited 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 05/31/2014



**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

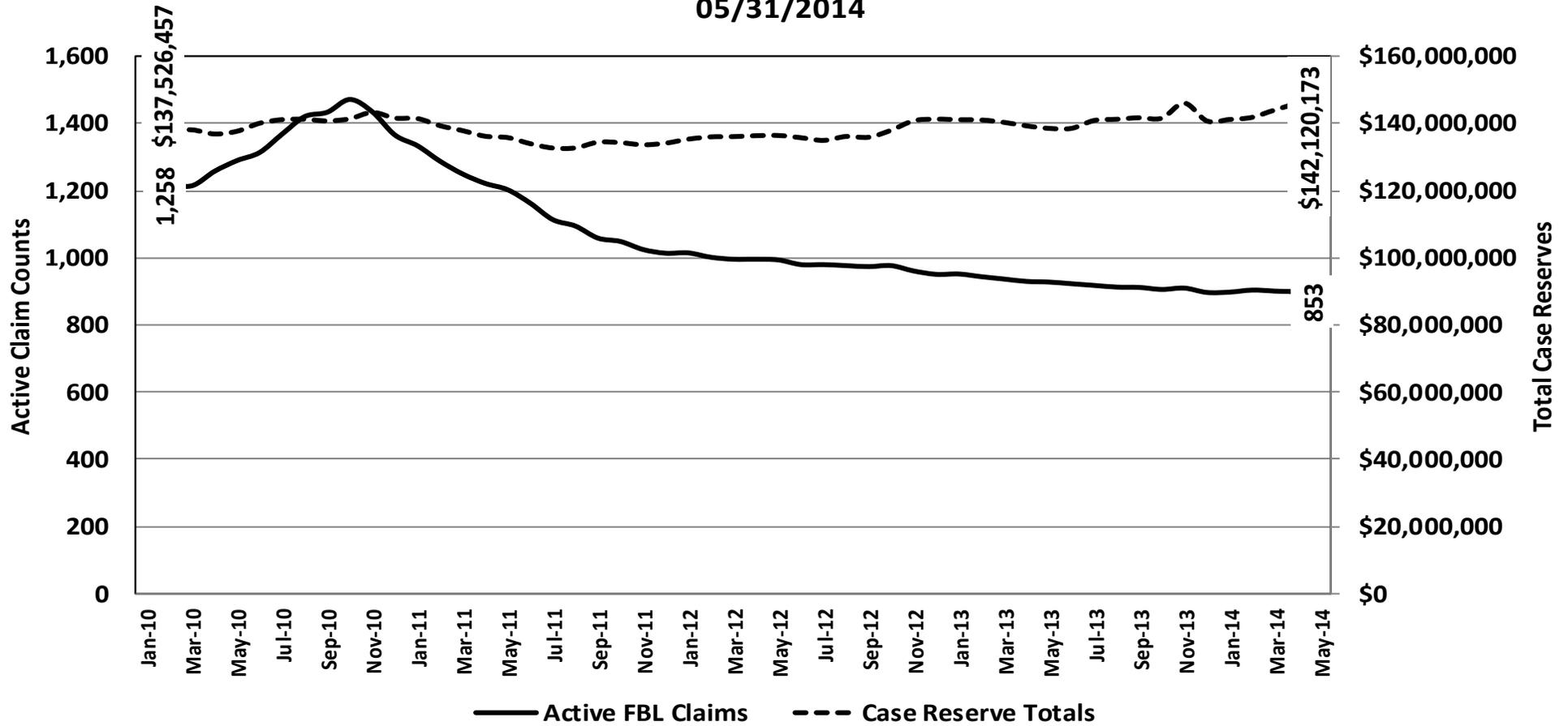
**PPD** - Permanent Partial Disability; unlikely to improve with treatment

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

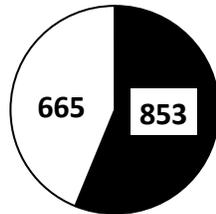
**TPD** - Temporary Partial Disability released to work with restrictions

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

## CWP Fund (FBL) Active Claim Counts and Case Reserves 05/31/2014



**CWP Fund (FBL)  
Active and Inactive Claims  
05/31/2014**



■ Active □ Inactive

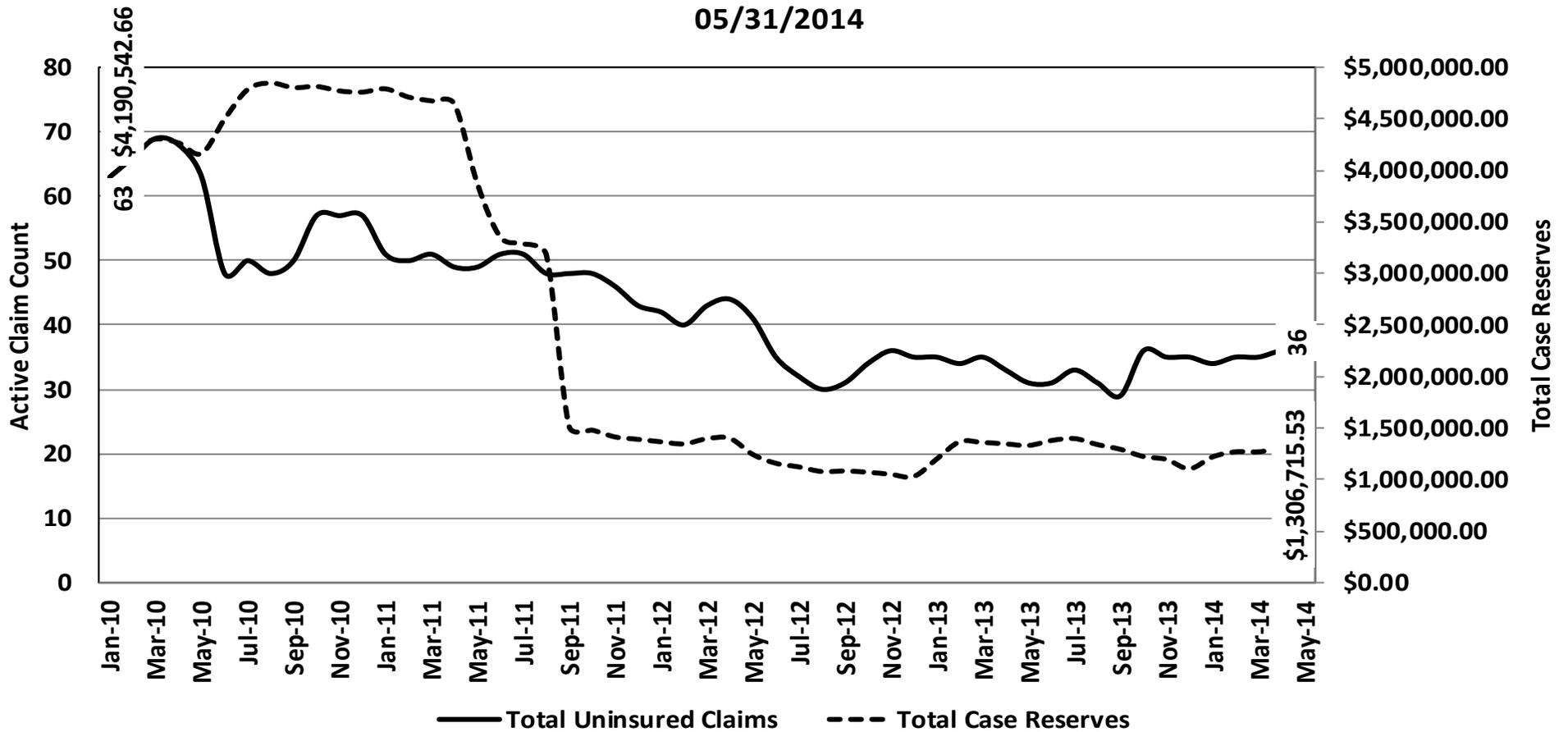
**Active** – Benefits being paid to claimant/beneficiary

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

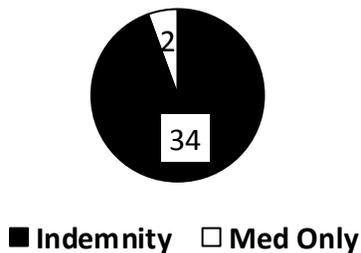
**FBL** - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

## Uninsured Fund Active Claim Counts and Case Reserves 05/31/2014



### Uninsured Fund Active Claim Counts 05/31/2014

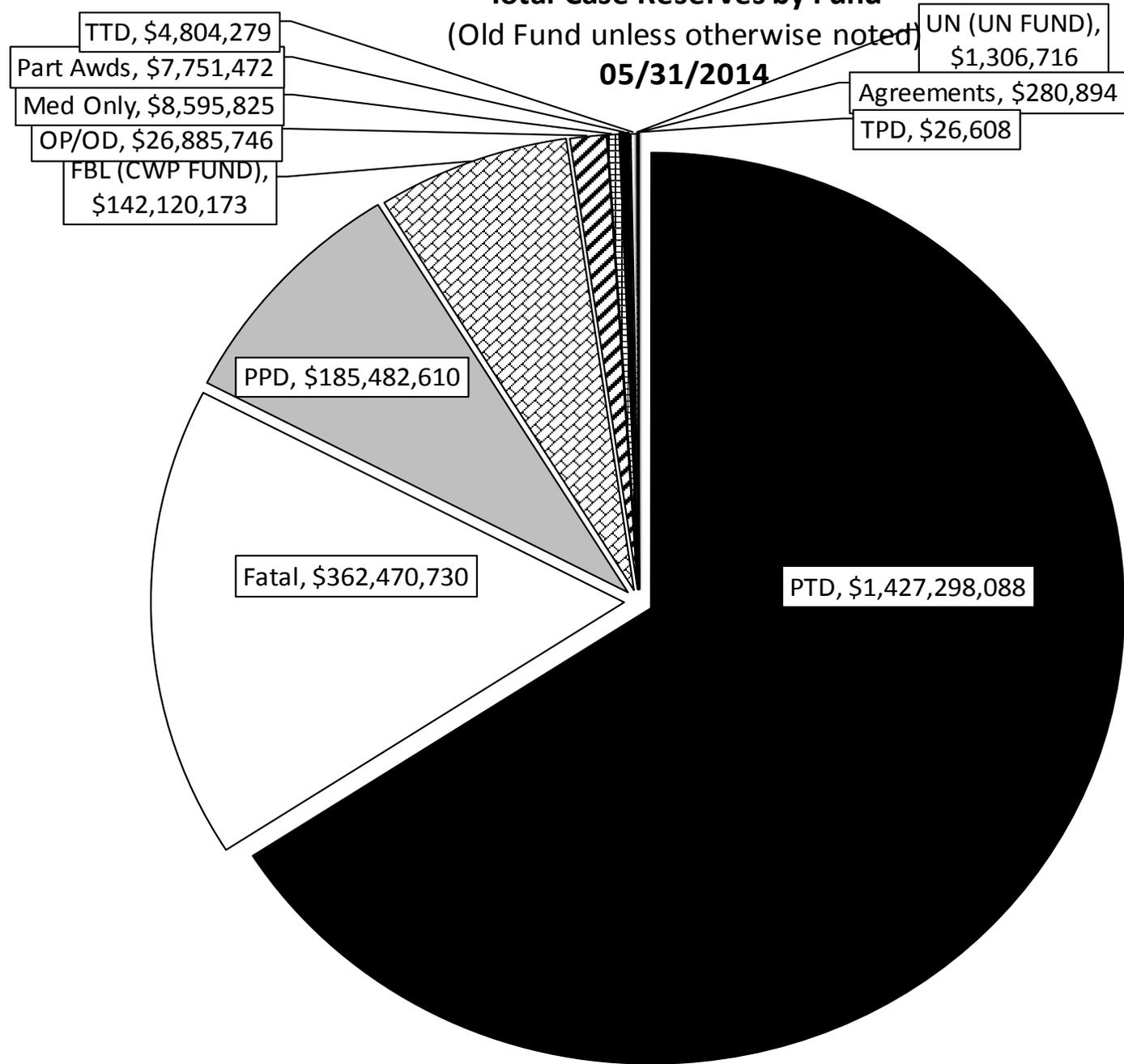


**Indemnity** – statutory wage replacement and medical benefits awarded

**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)  
**05/31/2014**



OLD FUND CASH STATEMENT

May 31, 2014

	Three Year History for years ended:					
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>1,061,595,681</b>	<b>942,505,408</b>	<b>119,090,273</b>	<b>942,505,408</b>	<b>943,172,539</b>	<b>888,535,954</b>
<b>Revenues</b>						
Personal Income Tax	84,800,000	84,800,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	94,049,063	86,304,939	7,744,124	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	33,665,313	36,678,777	(3,013,464)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	8,007,623	8,418,909	(411,286)	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	197,038	329,431	(132,393)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	92,953	48,332	44,621	48,332	202,103	191,860
<b>Operating Revenues</b>	<b>231,811,989</b>	<b>227,580,388</b>	<b>4,231,601</b>	<b>246,933,837</b>	<b>250,502,904</b>	<b>251,979,946</b>
Investment / Interest Earnings (Losses)	50,871,057	87,251,951	(36,380,894)	77,380,803	18,284,929	88,270,887
<b>Total Revenues</b>	<b>282,683,046</b>	<b>314,832,339</b>	<b>(32,149,293)</b>	<b>324,314,640</b>	<b>268,787,833</b>	<b>340,250,833</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	29,208,165	30,934,035	(1,725,870)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	102,259,033	108,831,816	(6,572,783)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	673,911	1,052,366	(378,455)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	59,227	(59,227)	59,227	188,666	384,571
Fatales	24,054,246	24,694,928	(640,682)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	5,498,834	6,146,219	(647,385)	6,670,578	6,729,656	6,321,554
Settlements	7,951,077	8,521,179	(570,102)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	1,323,087	906,729	416,359	998,774	2,333,885	4,514,323
Total	170,968,353	181,146,498	(10,178,145)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	3,090,630	4,517,669	(1,427,039)	4,617,178	8,161,625	7,666,404
Total Benefits Paid	167,877,722	176,628,829	(8,751,107)	192,137,323	251,407,359	265,462,956
Administrative Expenses	13,040,199	12,067,951	972,248	13,087,043	18,047,605	20,151,292
<b>Total Expenditures</b>	<b>180,917,921</b>	<b>188,696,780</b>	<b>(7,778,859)</b>	<b>205,224,366</b>	<b>269,454,964</b>	<b>285,614,248</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>101,765,125</b>	<b>126,135,559</b>	<b>(24,370,433)</b>	<b>119,090,274</b>	<b>(667,131)</b>	<b>54,636,585</b>
<b>Cash Ending Balances</b>	<b>1,163,360,807</b>	<b>1,068,640,966</b>	<b>94,719,841</b>	<b>1,061,595,681</b>	<b>942,505,408</b>	<b>943,172,539</b>

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

COAL WORKERS PNEUMOCONIOSIS FUND

May 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>266,720,430</b>	<b>254,523,752</b>	<b>12,196,678</b>	<b>254,523,752</b>	<b>262,926,105</b>	<b>244,074,613</b>
<b>Revenues</b>						
Investment Earnings (Losses)	13,859,884	26,483,181	(12,623,297)	24,801,113	2,745,783	29,283,335
<b>Total Revenues</b>	<b>13,859,884</b>	<b>26,483,181</b>	<b>(12,623,297)</b>	<b>24,801,113</b>	<b>2,745,783</b>	<b>29,283,335</b>
<b>Expenditures</b>						
Payment of Claims	16,442,810	11,421,349	5,021,461	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	(932)	932	-	-
General and Administrative	45	-	45	-	-	-
<b>Total Expenditures</b>	<b>16,449,449</b>	<b>11,475,568</b>	<b>4,973,881</b>	<b>12,604,435</b>	<b>11,148,136</b>	<b>10,431,843</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,589,565)</b>	<b>15,007,613</b>	<b>(17,597,178)</b>	<b>12,196,678</b>	<b>(8,402,353)</b>	<b>18,851,492</b>
<b>Cash Ending Balances</b>	<b>264,130,865</b>	<b>269,531,365</b>	<b>(5,400,500)</b>	<b>266,720,430</b>	<b>254,523,752</b>	<b>262,926,105</b>

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



SELF-INSURED GUARANTY RISK POOL

May 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>14,815,337</b>	<b>10,829,975</b>	<b>3,985,362</b>	<b>10,829,975</b>	<b>9,744,809</b>	<b>8,112,918</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	122,020	847,660	(725,640)	851,410	1,093,066	1,119,674
Collateral Proceeds	-	2,399,380	(2,399,380)	2,399,380	-	-
Investment Earnings (Losses)	792,582	1,277,804	(485,222)	1,186,338	125,813	592,165
<b>Total Revenues</b>	<b>914,603</b>	<b>4,524,844</b>	<b>(3,610,241)</b>	<b>4,437,128</b>	<b>1,218,879</b>	<b>1,711,839</b>
<b>Expenditures</b>						
Payment of Claims	235,233	313,677	(78,444)	332,894	28,466	28,707
Contractual / Professional	86,060	77,187	8,873	92,122	105,247	51,241
Legal	815	26,667	(25,852)	26,750	-	-
<b>Total Expenditures</b>	<b>322,107</b>	<b>417,531</b>	<b>(95,424)</b>	<b>451,765</b>	<b>133,713</b>	<b>79,948</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>592,495</b>	<b>4,107,313</b>	<b>(3,514,818)</b>	<b>3,985,363</b>	<b>1,085,166</b>	<b>1,631,891</b>
<b>Cash Ending Balances</b>	<b>15,407,833</b>	<b>14,937,288</b>	<b>470,545</b>	<b>14,815,337</b>	<b>10,829,975</b>	<b>9,744,809</b>

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

SELF-INSURED SECURITY RISK POOL  
May 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>6,754,601</b>	<b>203,518</b>	<b>6,551,083</b>	<b>203,518</b>	<b>205,705</b>	<b>173,041</b>
<b>Revenues</b>						
Security Risk Pool Assessments	998,358	549,329	449,029	2,575,705	-	115,568
Collateral Proceeds	-	4,657,620	(4,657,620)	4,657,620	-	-
Investment Earnings (Losses)	44,590	-	44,590	-	-	-
<b>Total Revenues</b>	<b>1,042,948</b>	<b>5,206,949</b>	<b>(4,164,001)</b>	<b>7,233,325</b>	<b>-</b>	<b>115,568</b>
<b>Expenditures</b>						
Payment of Claims	719,062	500,483	218,579	530,804	2,187	73,649
Contractual / Professional	45,381	60,413	(15,032)	60,413	-	9,255
Legal	2,929	90,733	(87,804)	91,025	-	-
<b>Total Expenditures</b>	<b>767,373</b>	<b>651,629</b>	<b>115,744</b>	<b>682,242</b>	<b>2,187</b>	<b>82,904</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>275,575</b>	<b>4,555,320</b>	<b>(4,279,745)</b>	<b>6,551,083</b>	<b>(2,187)</b>	<b>32,664</b>
<b>Cash Ending Balances</b>	<b>7,030,176</b>	<b>4,758,839</b>	<b>2,271,338</b>	<b>6,754,601</b>	<b>203,518</b>	<b>205,705</b>

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

UNINSURED EMPLOYERS FUND  
May 31, 2014

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>10,801,353</b>	<b>9,574,065</b>	<b>1,227,288</b>	<b>9,574,065</b>	<b>9,086,330</b>	<b>8,905,444</b>
<b>Revenues</b>						
Fines and Penalties	701,792	689,551	12,240	747,771	948,896	939,626
Investment Earnings (Losses)	523,648	928,814	(405,165)	871,603	99,906	474,728
<b>Total Revenues</b>	<b>1,225,440</b>	<b>1,618,365</b>	<b>(392,925)</b>	<b>1,619,374</b>	<b>1,048,802</b>	<b>1,414,354</b>
<b>Expenditures</b>						
Payment of Claims	269,826	250,108	19,718	262,002	553,676	1,224,982
Contractual/Professional	26,792	9,999	16,793	15,024	7,392	8,486
General and Administrative	105	30	75	60	-	-
Insurance	170,000	-	170,000	115,000	-	-
<b>Total Expenditures</b>	<b>466,723</b>	<b>260,137</b>	<b>206,586</b>	<b>392,086</b>	<b>561,067</b>	<b>1,233,468</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>758,717</b>	<b>1,358,228</b>	<b>(599,511)</b>	<b>1,227,288</b>	<b>487,735</b>	<b>180,886</b>
<b>Cash Ending Balances</b>	<b>11,560,070</b>	<b>10,932,293</b>	<b>627,776</b>	<b>10,801,353</b>	<b>9,574,065</b>	<b>9,086,330</b>

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

# OFFICE OF JUDGES

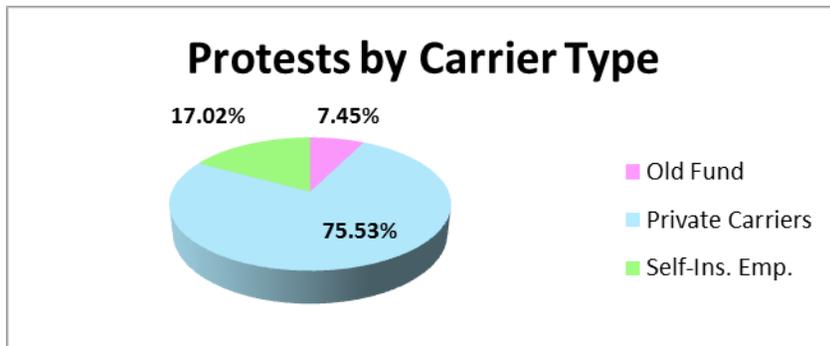
## STATISTICAL ANALYSIS

Protests Acknowledged:	<u>2013</u>	<u>May</u>	<u>2014</u>
	4612	376	1766

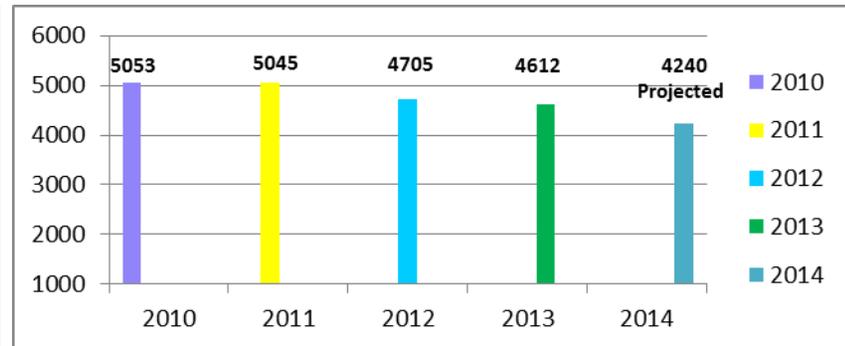
FUND	2013	% of Protests	May '14	% of Protests	2014	% of Protests
Old Fund	498	10.80%	28	7.45%	166	9.40%
Private Carriers	3343	72.48%	284	75.53%	1328	75.20%
Self-Insured Employers	771	16.72%	64	17.02%	272	15.40%
<b>Subtotal</b>	<b>4612</b>		<b>376</b>		<b>1766</b>	
Temporary Category	577		55		310	
<b>Total</b>	<b>5189</b>		<b>431</b>		<b>2076</b>	

Source: AIMS Database Reports

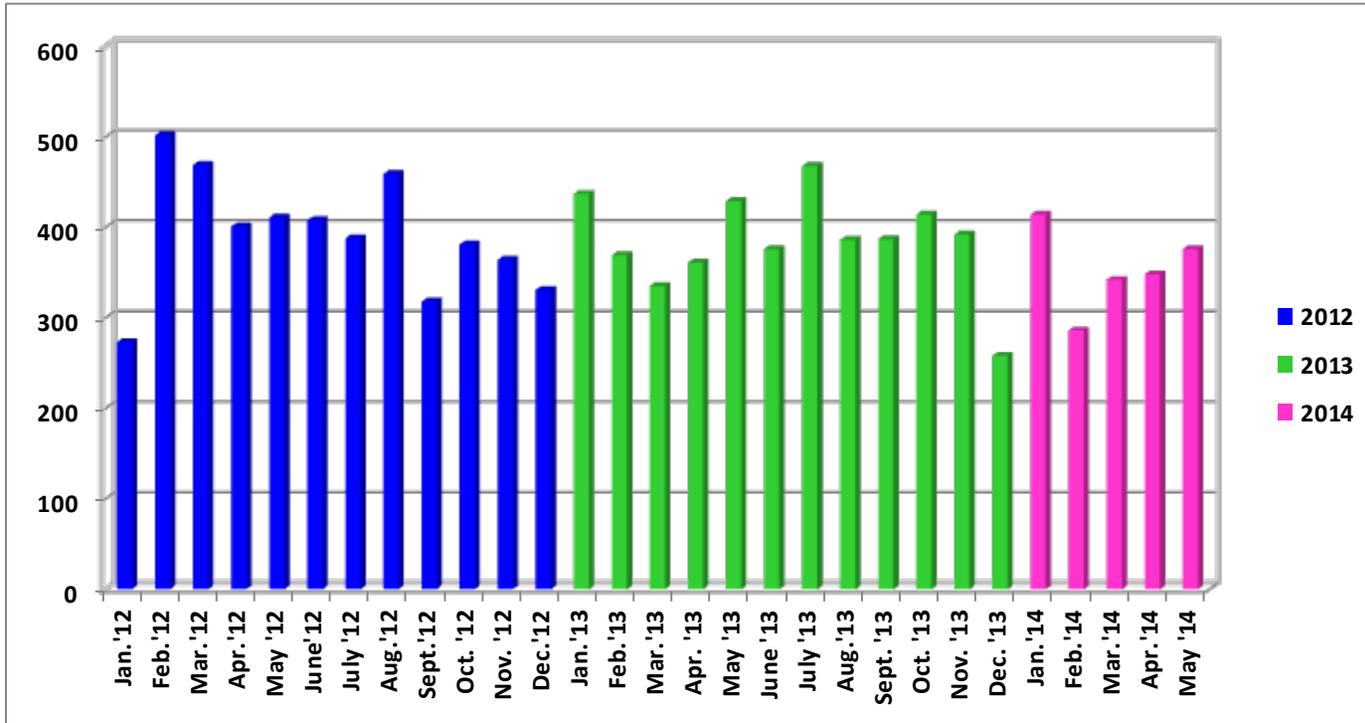
Protests Acknowledged in May 2014  
by Carrier Type



Protests Acknowledged by Year Including  
Projection for 2014



## PROTEST COMPARISON BY MONTH/YEAR



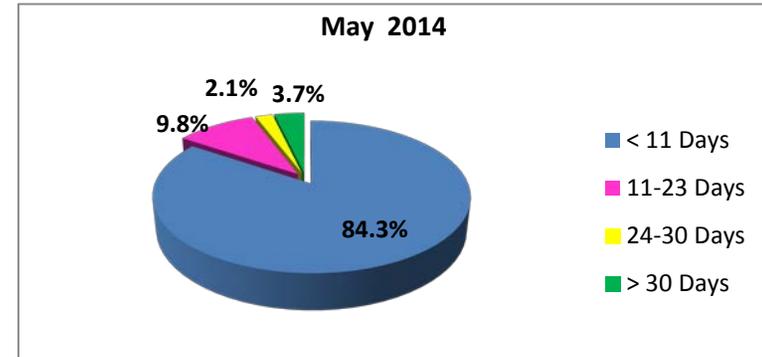
## PROTEST ACKNOWLEDGMENTS – May 2014

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	Total: 2	0	0	0	0	0	0	2	100
CFA-CL APP.THRESHOLD	1	0	0	0	0	0	0	1	100
CZA-CL SI APP.THRESHOLD	1	0	0	0	0	0	0	1	100
BENEFIT OVERPAYMENT	Total: 2	0	0	0	0	0	0	2	100
CBO-CL BEN. OVERPAYMENT	2	0	0	0	0	0	0	2	100
COMPENSABILITY	Total: 76	6	7	3	3	10	13	57	75
CCS-CL SEC.CONDITION	19	0	0	0	0	0	0	19	100
CHC-CL COMPENSABILITY	2	0	0	0	0	0	0	2	100
CIS-CL SI SEC.CONDITION	4	0	0	0	0	0	0	4	100
CLB-CL COMP ON LIMITED BASIS	4	0	0	1	25	0	0	3	75
CPI-CL SI REJECT CLAIM	10	1	10	0	0	5	50	4	40
CPJ-CL REJECT CLAIM	35	4	11	2	5	5	14	24	68
CRZ-CL REJ OCC DISEASE	2	1	50	0	0	0	0	1	50
DEP BEN FATAL	Total: 3	0	0	0	0	1	33	2	66
CDF-CL DENY/GRNT DTH BEN	2	0	0	0	0	1	50	1	50
CIF-CL SI DY/GNT DTH BEN	1	0	0	0	0	0	0	1	100
FAILURE TO ACT 10 DAY	Total: 3	1	33	0	0	0	0	2	66
C5N-CL FTA NOT COVERED	3	1	33	0	0	0	0	2	66
FAILURE TO ACT 15 DAY	Total: 5	0	0	0	0	2	40	3	60
C01-CL FTA INJ COMPENSAB	1	0	0	0	0	1	100	0	0
C03-CL FTA TREATMENT	1	0	0	0	0	1	100	0	0
FTA Multiple Issues-FTA MULTIPLE ISSUES	3	0	0	0	0	0	0	3	100
FAILURE TO ACT 30 DAY	Total: 2	0	0	0	0	1	50	1	50
C7D-CL FTA REF FOR EXAM	2	0	0	0	0	1	50	1	50
OP NON-MED	Total: 4	0	0	0	0	1	25	3	75
CIR-CL SI NON-MED ORDER	1	0	0	0	0	0	0	1	100
CNR-CL NON-MED ORDER	3	0	0	0	0	1	33	2	66
OPBD	Total: 29	1	3	0	0	6	20	22	75
CAO-CL ADD BOARD FINDING	4	0	0	0	0	1	25	3	75
CBF-CL % BOARD FINDING	13	1	7	0	0	4	30	8	61

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
CSF-CL% SI BOARD FINDING	2	0	0	0	0	0	0	2	100
CSO-CL SI AD.BRD FINDING	4	0	0	0	0	1	25	3	75
EBF-EM % BOARD FINDING	5	0	0	0	0	0	0	5	100
ESF-EM% SI BOARD FINDING	1	0	0	0	0	0	0	1	100
PPD	Total: 76	2	2	3	3	2	2	69	90
CAA-CL ADDL % AWARD D/G	6	0	0	0	0	0	0	6	100
CAD-CL % AWARD DENY/GRNT	59	2	3	2	3	2	3	53	89
CIG-CL SI %AWARD DNY/GNT	10	0	0	1	10	0	0	9	90
EAD-EM % AWARD DENY/GRNT	1	0	0	0	0	0	0	1	100
REHABILITATION	Total: 1	0	0	0	0	0	0	1	100
CPB-CL GRNT/DNY VOC REHA	1	0	0	0	0	0	0	1	100
REOPENING	Total: 14	0	0	0	0	0	0	14	100
CIQ-CL SI DY/GNT R/O PPD	1	0	0	0	0	0	0	1	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	5	0	0	0	0	0	0	5	100
CRD-CL DENY/GRNT R/O TTD	7	0	0	0	0	0	0	7	100
SPECIAL CATEGORY	Total: 8	3	37	0	0	0	0	5	62
C1I-CL SI SL CATEGORY	1	0	0	0	0	0	0	1	100
CNW-CL SPL CATEGORY	6	2	33	0	0	0	0	4	66
E2D-EM OIC SPL CATEGORY	1	1	100	0	0	0	0	0	0
TRMT/EQUIP CL	Total: 110	1	0	1	0	7	6	101	91
C1Y-CL SI TRMT GRANT	1	0	0	0	0	0	0	1	100
CBX-CL TRMT DENY	90	1	1	1	1	4	4	84	93
CKN-CL D/G PROV CHNG	1	0	0	0	0	0	0	1	100
CSX-CL SI TRMT DENY	17	0	0	0	0	3	17	14	82
E8E-EM OIC TRMT GRANT	1	0	0	0	0	0	0	1	100
TTD	Total: 41	0	0	1	2	7	17	33	80
CCC-CL CLOSING THE CLAIM	21	0	0	0	0	4	19	17	80
CIC-CL SI CLSING THE CLM	7	0	0	0	0	0	0	7	100
CIJ-CL SI TTD	1	0	0	0	0	0	0	1	100
CJS-CL TTD	9	0	0	0	0	2	22	7	77
CPX-CL INITIAL TTD	2	0	0	1	50	1	50	0	0
CSG-CL SI INITIAL TTD	1	0	0	0	0	0	0	1	100
<b>TOTALS:</b>	<b>376</b>	<b>14</b>	<b>3.7</b>	<b>8</b>	<b>2.1</b>	<b>37</b>	<b>9.8</b>	<b>317</b>	<b>84.3</b>

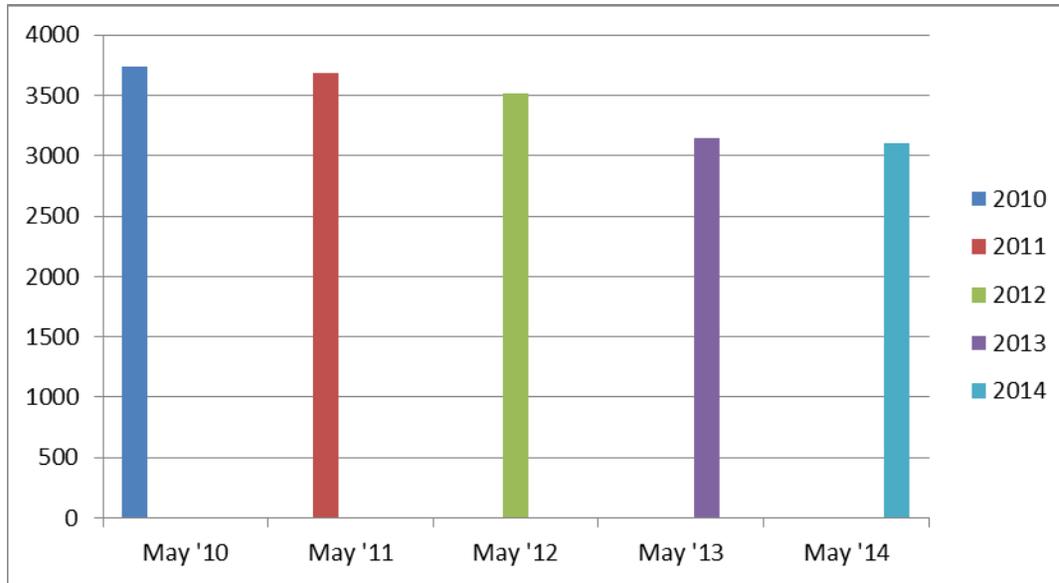
## PROTEST ACKNOWLEDGMENT TIMELINESS

Acknowledgment Timeliness	2013	May '14	2014
Protest Ack. < 11 Days	78.0%	84.3%	80.6%
Protest Ack. 11 – 23 Days	16.1%	9.8%	12.4%
Protest Ack. 24 – 30 Days	2.3%	2.1%	2.4%
Protest Ack. > 30 Days	3.6%	3.7%	4.7%





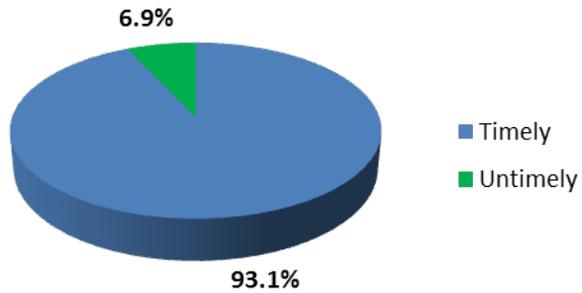
## PENDING CASELOAD COMPARISON BY MONTH/YEAR



<b>Pending as of June 2, 2014</b>	<b>3100</b>
<b>Pending 1 Month Before</b>	<b>3072</b>
<b>Pending 2 Months Before</b>	<b>3094</b>
<b>Pending 3 Months Before</b>	<b>3120</b>
<b>Pending 6 Months Before</b>	<b>3228</b>
<b>Pending 12 Months Before</b>	<b>3148</b>

## TIME STANDARD COMPLIANCE

Time Standard Compliance  
May 2014

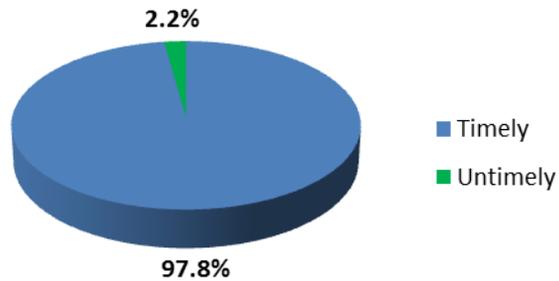


2013	May	2014
94.9%	93.1%	94.2%

Time Standard	Issues		Timely		Late	
	Resolved	Count	Count	%	Count	%
APPLICATION THRESHOLD	1	1	100	0	100	100
COMPENSABILITY	14	14	100	0	100	100
DEP BEN FATAL	4	2	50	2	50	50
OP NON-MED	1	1	100	0	100	100
OPBD	3	3	100	0	100	100
PPD	42	42	100	0	100	100
REHABILITATION	2	2	100	0	100	100
REOPENING	3	2	66.7	1	66.7	66.7
TRMT/EQUIP CL	19	15	78.9	4	78.9	78.9
TTD	13	13	100	0	100	100
<b>TOTALS:</b>	<b>102</b>	<b>95</b>	<b>93.1</b>	<b>7</b>	<b>6.9</b>	<b>6.9</b>

## MOTION RESOLUTION COMPLIANCE

Motion Compliance  
May 2014



2013	May	2014
97.7%	97.8%	98.8%

Motion Compliance	Total	TIMELY		UNTIMELY	
	Motions	Count	%	Count	%
BENEFIT OVERPAYMENT	5	5	100	0	0
COMPENSABILITY	195	191	97.9	4	2.1
DEP BEN FATAL	12	12	100	0	0
FAILURE TO ACT 10 DAY	1	1	100	0	0
FAILURE TO ACT 15 DAY	3	3	100	0	0
FAILURE TO ACT 30 DAY	2	2	100	0	0
OP NON-MED	8	8	100	0	0
OPBD	27	27	100	0	0
PPD	150	146	97.3	4	2.7
PTD ENTITLEMENT	5	5	100	0	0
PTD ONSET DATE	1	1	100	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	2	100	0	0
REHABILITATION	4	4	100	0	0
REOPENING	21	19	90.5	2	9.5
SPECIAL CATEGORY	12	12	100	0	0
TRMT/EQUIP CL	209	205	98.1	4	1.9
TTD	65	63	96.9	2	3.1
<b>TOTALS:</b>	<b>722</b>	<b>706</b>	<b>97.8</b>	<b>16</b>	<b>2.2</b>

## PROTEST RESOLUTIONS

Protests Resolved:	May 2014	2014
<b>Protests Decided</b>	<b>236</b>	<b>1177</b>
<b>Withdrawals</b>	<b>50</b>	<b>329</b>
<b>“No Evidence” Dismissals</b>	<b>34</b>	<b>169</b>

### Resolution of Issues – May 1, 2014 through May 31, 2014

Time Standard	Decisions		REVERSED		AFFIRMED		AFFIRMED by RULE		DISMISSED		MODIFIED		MOOT		OTHER		REMANDED	
	Issued	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
APPLICATION THRESHOLD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	71	23	32.4	26	36.6	3	4.2	13	18.3	5	7	0	0	1	1.4	0	0	
DEP BEN FATAL	11	1	9.1	8	72.7	0	0	2	18.2	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	
FAILURE TO ACT 30 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0	
OP NON-MED	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0	
OPBD	18	0	0	13	72.2	1	5.6	4	22.2	0	0	0	0	0	0	0	0	
PPD	83	21	25.3	19	22.9	22	26.5	20	24.1	1	1.2	0	0	0	0	0	0	
PTD ENTITLEMENT	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0	
PTD ONSET DATE	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0	
REHABILITATION	3	0	0	2	66.7	0	0	1	33.3	0	0	0	0	0	0	0	0	
REOPENING	11	3	27.3	8	72.7	0	0	0	0	0	0	0	0	0	0	0	0	
SPECIAL CATEGORY	7	0	0	2	28.6	0	0	4	57.1	0	0	0	0	1	14.3	0	0	
TRMT/EQUIP CL	91	20	22	44	48.4	5	5.5	15	16.5	5	5.5	2	2.2	0	0	0	0	
<b>TTD</b>	32	8	25	11	34.4	3	9.4	10	31.3	0	0	0	0	0	0	0	0	
<b>TOTALS:</b>	<b>335</b>	<b>77</b>	<b>23.0</b>	<b>134</b>	<b>40.0</b>	<b>34</b>	<b>10.1</b>	<b>75</b>	<b>22.4</b>	<b>11</b>	<b>3.3</b>	<b>2</b>	<b>0.6</b>	<b>2</b>	<b>0.6</b>	<b>0</b>	<b>0.0</b>	

## FINAL DECISION TIMELINESS

Final Decision Timeliness:	2013	May 2014	2014
< 30 Days	35.5%	23.6%	26.0%
30 – 60 Days	59.6%	67.5%	66.2%
60 – 90 Days	4.6%	5.5%	5.8%
>90 Days	0.3%	3.4%	2.1%

### Final Decision Compliance – May 1, 2014 through May 31, 2014

Final Decision Compliance	Days to Decision								
	Issues	< 30 Days		30 - 60		61 - 90		Over 90	
	Resolved	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	1	100	0	0	0	0	0	0
COMPENSABILITY	57	12	0	35	0	3	0	7	0
DEP BEN FATAL	9	6	0	3	0	0	0	0	0
FAILURE TO ACT 15 DAY	3	0	0	2	0	1	0	0	0
FAILURE TO ACT 30 DAY	3	0	0	1	0	2	0	0	0
OP NON-MED	1	0	0	1	100	0	0	0	0
OPBD	13	5	0	6	0	2	0	0	0
PPD	43	7	0	31	0	5	0	0	0
REHABILITATION	2	0	0	1	0	1	0	0	0
REOPENING	11	0	0	10	0	1	0	0	0
SPECIAL CATEGORY	3	0	0	3	100	0	0	0	0
TRMT/EQUIP CL	70	17	0	51	0	1	0	1	0
TTD	20	8	0	12	0	0	0	0	0
<b>TOTALS:</b>	<b>236</b>	<b>56</b>	<b>23.7</b>	<b>156</b>	<b>66.1</b>	<b>16</b>	<b>6.8</b>	<b>8</b>	<b>3.4</b>

## FAILURE TO TIMELY ACT PROCESS

<b>Failure to Timely Act Process</b>	
<b>Petitions Filed 1/1/14 through 5/31/14</b>	
<b>Filed:</b>	<b>53</b>
<b>Denied/Dismissed:</b>	<b>25</b>
<b>Reports to OIC:</b>	<b>31</b>
<b>Pending:</b>	<b>30</b>

## EXPEDITED HEARING PROCESS

<b>YEAR</b>	<b>MONTHLY TOTAL FOR MAY</b>	<b>YEARLY TOTAL</b>
<b>2012</b>	<b>13</b>	<b>113</b>
<b>2013</b>	<b>12</b>	<b>173</b>
<b>2014</b>	<b>22</b>	<b>69</b>

## PETITIONS FOR ATTORNEY FEES

### Petitions for Attorney Fees & Costs WV Code §23-5-16(c)

Petitions Received 1/1/14 through 5/31/14	<b>31</b>
Granted	21
Denied	6
Pending	1
Other ( <i>BOR</i> )	3

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

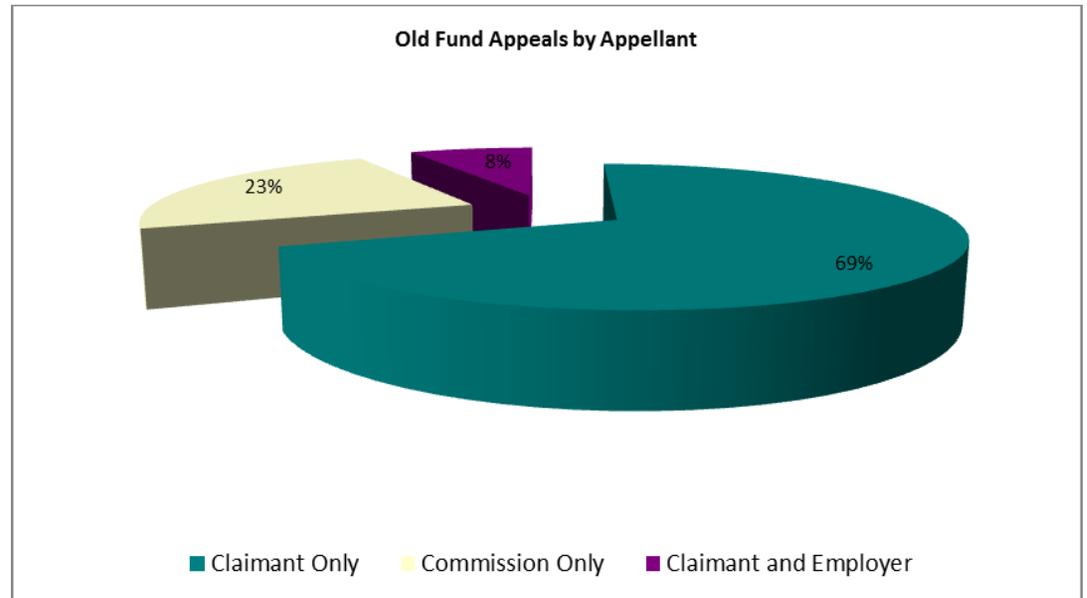
Petitions Received 1/1/14 through 5/31/14	<b>6</b>
Granted	3
Denied on face	2
Denied by ALJ decision	2
Withdrawn through settlement	1
Pending*	2
<i>(Resolved petitions include 4 filed in prior year)</i>	

# BOARD OF REVIEW

Appeals Received  
From May 1, 2014 thru May 31, 2014

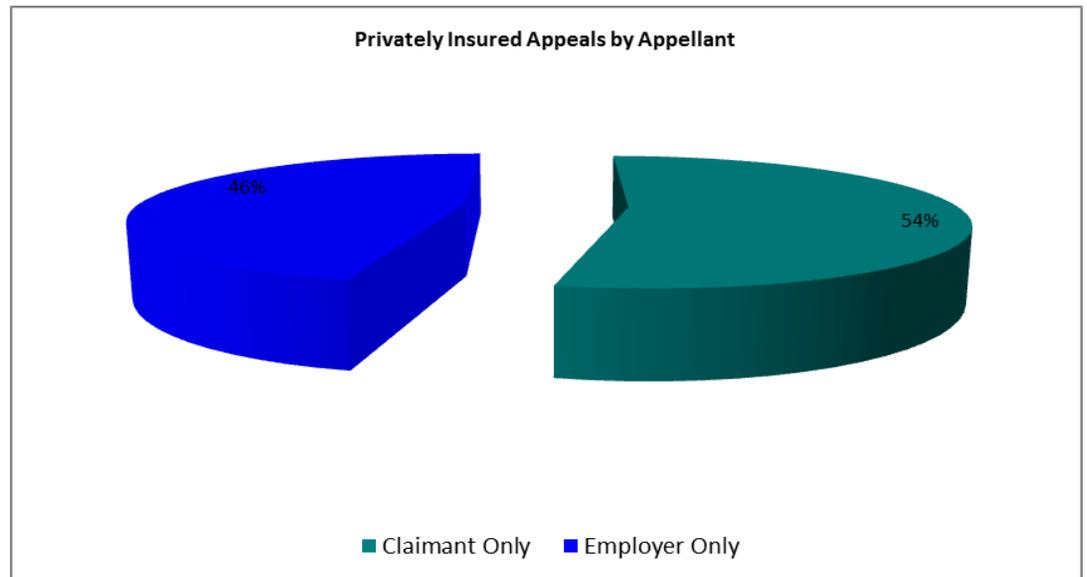
## Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	9
Commission Only	3
Claimant and Employer	1
<b>Old Fund Total</b>	<b>13</b>



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

Appellant	Count
Claimant Only	29
Employer Only	25
<b>Privately Insured Total</b>	<b>54</b>
<b>Total Appeals</b>	<b>67</b>



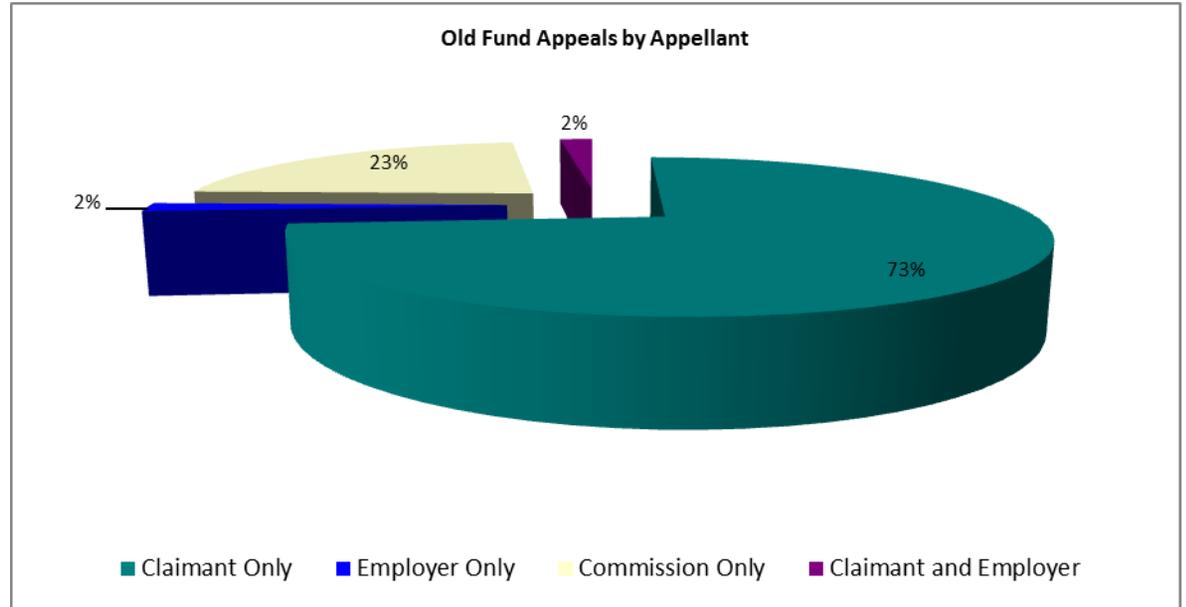
Appeals counted more than once:



Yearly Appeals Received  
From January 1, 2014 thru May 31, 2014

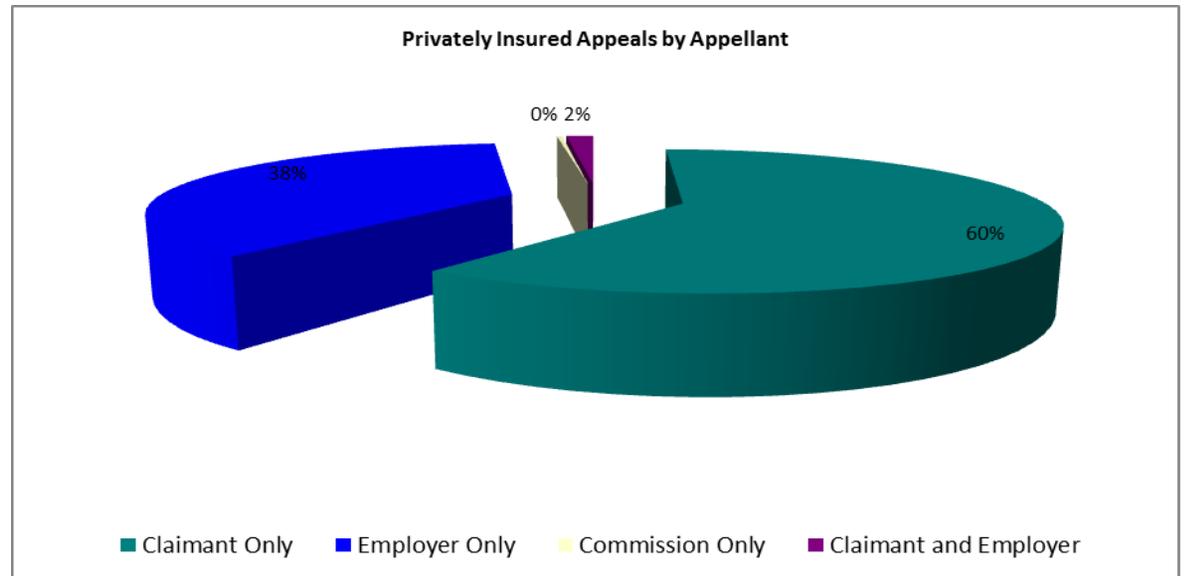
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	39
Employer Only	1
Commission Only	12
Claimant and Employer	1
<b>Old Fund Total</b>	<b>53</b>



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

Appellant	Count
Claimant Only	191
Employer Only	120
Commission Only	1
Claimant and Employer	5
<b>Privately Insured Total</b>	<b>317</b>
<b>Total Appeals</b>	<b>370</b>



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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	9	0	0.0	9	100.0
CL APP.THRESHOLD	2	1	50.0	1	50.0
CL CLOSING THE CLAIM	3	0	0.0	3	100.0
CL COMPENSABILITY	2	0	0.0	2	100.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	1	1	100.0	0	0.0
CL PRSTS BEN RATE	1	1	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0
CL REJECT CLAIM	8	0	0.0	8	100.0
CL SEC.CONDITION	8	1	12.5	7	87.5
CL SI %AWARD DNY/GNT	4	0	0.0	4	100.0
CL SI DY/GNT R/O TTD	2	0	0.0	2	100.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	3	1	33.3	2	66.7
CL SI TRMT DENY	4	1	25.0	3	75.0
CL SI TTD	1	0	0.0	1	100.0
CL SPL CATEGORY	3	0	0.0	3	100.0
CL TRMT DENY	24	6	25.0	18	75.0
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	1	0	0.0	1	100.0
<b>Totals</b>	<b>84</b>	<b>15</b>	<b>17.9</b>	<b>69</b>	<b>82.1</b>

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 May 31, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	43	0	0.0	43	100.0
CL % BOARD FINDING	2	0	0.0	2	100.0
CL ADD BOARD FINDING	1	0	0.0	1	100.0
CL ADDL % AWARD D/G	5	1	20.0	4	80.0
CL APP.THRESHOLD	2	1	50.0	1	50.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	24	0	0.0	24	100.0
CL COMPENSABILITY	4	0	0.0	4	100.0
CL D/G PROV CHNG	2	0	0.0	2	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	6	4	66.7	2	33.3
CL DENY/GRNT R/O TTD	13	1	7.7	12	92.3
CL DNY/GRNT R/O PPD	4	2	50.0	2	50.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL GRNT/DNY TP REHAB	1	0	0.0	1	100.0
CL GRNT/DNY VOC REHA	1	0	0.0	1	100.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	5	2	40.0	3	60.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL PRSTS BEN RATE	3	1	33.3	2	66.7
CL PTD REV. BODY DETERMINATION	4	2	50.0	2	50.0
CL REJ OCC DISEASE	13	0	0.0	13	100.0
CL REJECT CLAIM	52	1	1.9	51	98.1
CL SEC.CONDITION	39	2	5.1	37	94.9
CL SI %AWARD DNY/GNT	14	0	0.0	14	100.0
CL SI ADD% AWARD D/G	2	1	50.0	1	50.0
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	3	0	0.0	3	100.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	3	0	0.0	3	100.0
CL SI REJECT CLAIM	13	1	7.7	12	92.3
CL SI SEC.CONDITION	8	1	12.5	7	87.5
CL SI TRMT DENY	20	3	15.0	17	85.0
CL SI TTD	3	0	0.0	3	100.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SPL CATEGORY	11	2	18.2	9	81.8
CL TRMT DENY	110	23	20.9	87	79.1
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	3	0	0.0	3	100.0
CL% SI BOARD FINDING	2	0	0.0	2	100.0
Untimely Protest	1	0	0.0	1	100.0
<b>Totals</b>	<b>437</b>	<b>56</b>	<b>12.8</b>	<b>381</b>	<b>87.2</b>

Appeals Received By Issue  
From May 1, 2014 thru May 31, 2014

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	9	4	44.4	5	55.6	0	0.0	0	0.0
CL APP.THRESHOLD	2	1	50.0	0	0.0	0	0.0	1	50.0
CL CLOSING THE CLAIM	3	0	0.0	3	100.0	0	0.0	0	0.0
CL COMPENSABILITY	2	1	50.0	1	50.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	2	2	100.0	0	0.0	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	1	100.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	8	2	25.0	6	75.0	0	0.0	0	0.0
CL SEC.CONDITION	8	4	50.0	4	50.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	3	75.0	1	25.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0	0	0.0	0	0.0
CL SI SEC.CONDITION	4	3	75.0	1	25.0	0	0.0	0	0.0
CL SI TRMT DENY	4	2	50.0	2	50.0	0	0.0	0	0.0
CL SI TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	3	1	33.3	2	66.7	0	0.0	0	0.0
CL TRMT DENY	24	17	70.8	5	20.8	0	0.0	2	8.3
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0
<b>Totals</b>	<b>85</b>	<b>47</b>	<b>55.3</b>	<b>35</b>	<b>41.2</b>	<b>0</b>	<b>0.0</b>	<b>3</b>	<b>3.5</b>

WORKERS' COMPENSATION BOARD OF REVIEW  
May 2014

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	48	90.6%	62.3%	196	81.3%	49.4%
	DISMISSED	2	3.8%	2.6%	19	7.9%	4.8%
	MODIFY	1	1.9%	1.3%	4	1.7%	1.0%
	REMAND	1	1.9%	1.3%	7	2.9%	1.8%
	REVERSE	1	1.9%	1.3%	15	6.2%	3.8%
	Total Dispositions	53			241		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	1	100.0%	1.3%	2	66.7%	0.5%
	MODIFY				1	33.3%	0.3%
	Total Dispositions	1			3		
<b>EMPLOYER</b>	AFFIRMED	18	81.8%	23.4%	88	65.2%	22.2%
	DISMISSED	2	9.1%	2.6%	16	11.9%	4.0%
	MODIFY	1	4.5%	1.3%	7	5.2%	1.8%
	REMAND	1	4.5%	1.3%	5	3.7%	1.3%
	REVERSE				19	14.1%	4.8%
	Total Dispositions	22			135		
<b>DIVISION/OIC</b>	AFFIRMED	1	100.0%	1.3%	9	50.0%	2.3%
	DISMISSED				2	11.1%	0.5%
	REMAND				2	11.1%	0.5%
	REVERSE				5	27.8%	1.3%
	Total Dispositions	1			18		
	Grand Totals	77			397		

Dispositions by Issues  
BOR Orders Mailed From May 1, 2014 thru May 31, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	10	6	60.0	0	0.0	3	30.0	1	10.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	4	3	75.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL 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	1	1	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	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	8	7	87.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	3	75.0	1	25.0	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	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	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	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	6	5	83.3	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TTD	2	2	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	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	26	22	84.6	0	0.0	2	7.7	0	0.0	2	7.7	0	0.0	0	0.0
CL TRMT GRANT	2	2	100.0	0	0.0	0	0.0	0	0.0	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
<b>Totals</b>	<b>92</b>	<b>79</b>	<b>85.9</b>	<b>2</b>	<b>2.2</b>	<b>7</b>	<b>7.6</b>	<b>2</b>	<b>2.2</b>	<b>2</b>	<b>2.2</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

Dispositions by Issues  
BOR Orders Mailed From January 1, 2014 thru April 30, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	50	39	78.0	1	2.0	7	14.0	3	6.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	5	4	80.0	1	20.0	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	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	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	17	12	70.6	2	11.8	3	17.6	0	0.0	0	0.0	0	0.0	0	0.0
CL COMP ON LIMITED BASIS	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL COMPENSABILITY	3	1	33.3	1	33.3	1	33.3	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	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	12	8	66.7	2	16.7	0	0.0	1	8.3	1	8.3	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	11	9	81.8	0	0.0	1	9.1	0	0.0	1	9.1	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL 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 GRNT/DNY VOC REHA	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	5	4	80.0	0	0.0	0	0.0	0	0.0	1	20.0	0	0.0	0	0.0
CL NON-MED ORDER	3	1	33.3	0	0.0	1	33.3	0	0.0	1	33.3	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	9	5	55.6	1	11.1	2	22.2	0	0.0	1	11.1	0	0.0	0	0.0
CL REJ OCC DISEASE	10	7	70.0	0	0.0	2	20.0	1	10.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	48	34	70.8	6	12.5	5	10.4	2	4.2	1	2.1	0	0.0	0	0.0
CL SEC.CONDITION	26	22	84.6	2	7.7	2	7.7	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	14	10	71.4	2	14.3	2	14.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	3	3	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	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	3	3	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 PPD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	10	10	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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL SI REJ OCCDISEASE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	9	8	88.9	0	0.0	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI 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	35	29	82.9	4	11.4	0	0.0	1	2.9	1	2.9	0	0.0	0	0.0
CL SI TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	6	3	50.0	1	16.7	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0
CL TRMT DENY	112	82	73.2	11	9.8	11	9.8	2	1.8	6	5.4	0	0.0	0	0.0
CL TRMT GRANT	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	6	6	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	1	50	0	0	0	0	0	0
EM DENY/GRNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM OIC SPL CATEGORY	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>452</b>	<b>343</b>	<b>75.885</b>	<b>41</b>	<b>9.0708</b>	<b>41</b>	<b>9.0708</b>	<b>12</b>	<b>2.6549</b>	<b>15</b>	<b>3.3186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# REVENUE RECOVERY

## Worker's Compensation - May 2014

COLLECTION ACTIVITY	Current Month	Fiscal Year 2014
Receipts - Old Fund (Employer out of business)	\$ 4,263.87	\$ 75,605.02
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 40,536.26	\$ 603,842.53
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 11,495.29	\$ 118,930.20
# of active accounts uninsured (cumulative) / (average)	362	369
\$ of active accounts uninsured (cumulative) / (average)	\$ 1,258,756.00	\$ 1,267,694.56
Telephone contacts	1,273	7,921
Walk-ins	3	63

LIENS	Current Month	Fiscal Year 2014
Liens sent to county clerks for recordation	43	772
Liens sent to county clerks for release	29	290
Intent to lien letters sent to employer/owner/officer/member	118	504

<b>Uninsured Accounts Resolved</b>	177	2436
<b>All Cash Receipts from WC accounts</b>	\$ 56,295.42	\$ 798,377.75

INJUNCTIONS	Current Month	Fiscal Year 2014
Affidavits for injunction submitted to legal	0	65
Hearings attended	0	5
# of injunction complaints accepted by court	2	14
# of injunctions granted	0	6
# of agreed orders entered	0	0
PAYMENT AGREEMENTS	Current Month	Fiscal Year 2014
# of repayment agreements applications	3	37
Agreements set up	2	43
Total # of agreements on system (cumulative) / (average)	54	55
Intent to void letters mailed	3	43
Agreements voided	0	17

MISCELLANEOUS	Current Month	Fiscal Year 2014
Terminations Processed	19	569
Rule 11 Letters Mailed	209	2,141
Rule 11 hearings	0	4

# BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTE

Board Meeting  
August 07, 2014

## OPERATING REPORT

### APRIL 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

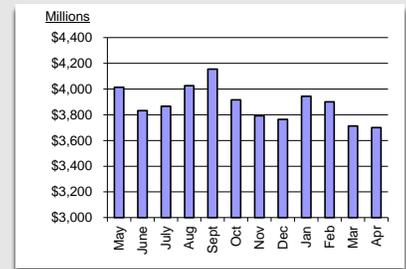
Executive  
Director  
Kara K. Hughes,  
CPA, MBA, CFE  
  
Chief Financial  
Officer  
Karl Shanholtzer,  
CIA, CPA

### Total Net Assets Under Management

**\$3,701,049,000**

Last Month  
**\$3,712,265,000**

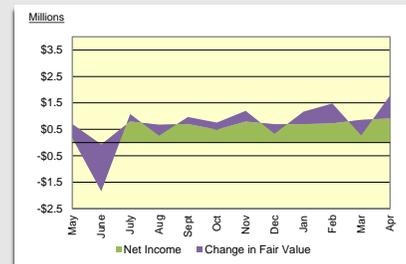
Beginning of Fiscal Year  
**\$3,831,715,000**



Net Assets for the Past 12 Months

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$9,296,000**



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

### Money Market Pools

As of April 30, 2014

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.1339%	52 Days	\$2.4 Billion
WV Gov't Money Market	0.0248%	50 Days	\$303.2 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

### APRIL 2014

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#### **2014 Market Environment - Slow but Steady**

##### **Market Environment**

Markets in April mimicked first quarter trends as equities, with the exception of US small cap, were marginally positive and falling Treasury yields continued to provide a modest tailwind to fixed income assets. In the US, better than expected earnings reports drove much of the gain in large cap stocks. Despite a negative contribution from Japan, the continued recovery in Europe pushed international developed equities higher as the MSCI EAFE returned 2.1%. Bond yields in Europe, especially in the periphery, contracted as five year government bond yields in Spain, Italy and Ireland closed April near or below the five year US Treasury yield of 1.68%. Such conditions have persisted as employment rates have seen little recovery and inflation has remained stubbornly low, prompting speculation about future stimulative action from the European Central Bank (ECB). Emerging market stocks were slightly positive during the month as the market weighed the consequences of sanctions on Russia and kept tabs on elections in India. China's year-over-year GDP growth came in at a sturdy 7.4%, but was met with a lukewarm reaction from investors with shared concerns over credit issues and a longer-term slowing growth trend. On the final day of the month, markets shrugged off a lower-than-estimated US GDP growth figure of 0.1%, taking the news in stride and attributing much of the miss to poor weather. Commodities continued their strong performance as precious metals prices rose for the month and corn prices continued to rise off their precipitous 2013 dip on speculation of lingering weather effects.

Looking forward, various macroeconomic uncertainties remain as potential disruptions to the otherwise slow but steady market environment of 2014. The Federal Reserve, which predictably continued the taper of Quantitative Easing by cutting \$10 billion from its asset purchase program, will have to navigate a potentially delicate path as it evaluates economic reactions and conditions outside of the scrapped 6.5% unemployment threshold. The ECB will have to decide what measures, if any, it may have to take to work around structural issues and the prospect of deflationary pressure. In emerging markets, investors await additional clarity on the conflict in Ukraine, slowing growth in China and a number of important elections throughout 2014. Despite these forward looking challenges, we have seen markets act resiliently in 2014 and do not discount their ability to do so again, especially if US growth recovers from a lackluster Q1, as expected. We continue to recommend a balanced approach to investing in this tricky environment, utilizing multi-asset strategies and active management where appropriate, to opportunistically take advantage of continued divergence in global markets.

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

US equity market indices posted mixed results during April. Large Cap stocks, as measured by the Russell 1000 Index, generated a positive return of 0.47%. Small cap stocks, as represented by the Russell 2000 Index, fell 3.88%. Calendar year-to-date, returns from US equities remain positive, as the Russell 3000 Index has generated a 2.10% return.

International equity markets posted positive results during April. Developed markets, represented by the MSCI EAFE Index, rose 1.45% for the month, while their less established brethren, represented by the MSCI Emerging Markets Index, rose 0.33%. Year-to-date, the results remain mixed as developed markets have risen 2.12%, while emerging markets remain negative, falling 0.10%.

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

The most widely followed US bond indices rose in April. The Barclays Capital Aggregate Index, a leading index for bond investors rose 0.84%, increasing its year-to-date return to 2.70%. Near-cash instruments continued to suffer in the low interest 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 0.02%.

# West Virginia Board of Treasury Investments

## Financial Highlights as of April 30, 2014

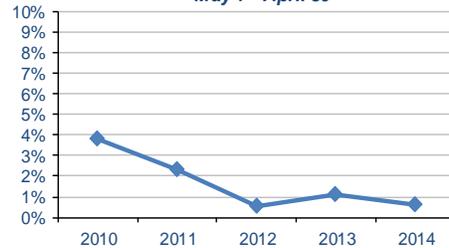
### WV Short Term Bond Pool

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

<u>May 1 - April 30</u>	<u>Return</u>	<u>Net Assets At Apr 30 (In Millions)</u>
2014	0.6%	\$ 767.6
2013	1.1%	\$ 552.1
2012	0.5%	\$ 503.6
2011	2.3%	\$ 478.1
2010	3.8%	\$ 449.9

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

*Past 12 Months  
May 1 - April 30*

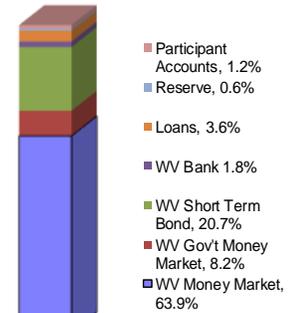


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

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

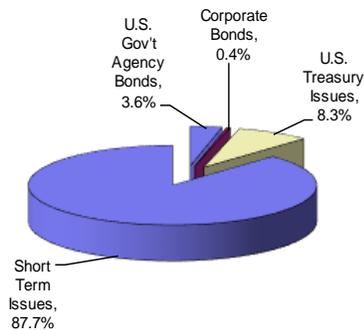
<u>Pool</u>	<u>Net Asset Value</u>	<u>Apr Net Income (Loss)</u>	<u>Fiscal YTD Net Income(Loss)</u>
WV Money Market	\$2,364,948	\$ 254	\$ 2,533
WV Gov't Money Market	303,195	6	59
WV Short Term Bond	767,575	1,472	6,464
WV Bank	67,054	6	64
Loans	132,738	15	(293)
Reserve	20,748	4	45
Participant Accounts	44,791	30	424
	<u>\$3,701,049</u>	<u>\$ 1,787</u>	<u>\$ 9,296</u>

#### Percent of Total Net Asset Value

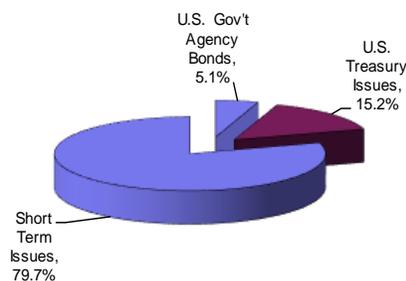


### Securities by Type for Operating Pools (Percentage of Asset Value)

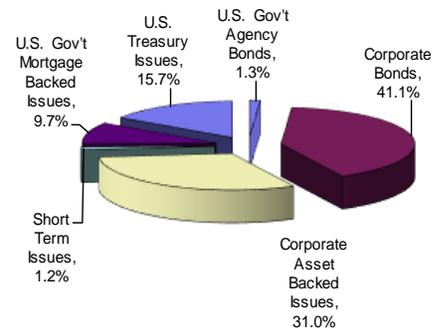
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



**WEST VIRGINIA BOARD OF TREASURY INVESTMENTS**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED**  
**APRIL 30, 2014**

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
<b>Assets</b>							
Investments:							
At amortized cost	\$ 2,363,812	\$ 303,120	\$ -	\$ 67,032	\$ 153,467	\$ 41,403	\$ 2,928,834
At fair value	-	-	773,735	-	-	3,210	776,945
Other assets	1,444	120	1,833	24	23	178	3,622
Total assets	2,365,256	303,240	775,568	67,056	153,490	44,791	3,709,401
<b>Liabilities</b>							
Accrued expenses, dividends payable & payables for investments purchased							
	308	45	7,993	2	4	-	8,352
Total liabilities	308	45	7,993	2	4	-	8,352
<b>Net Position</b>							
Held in trust for investment pool participants	2,364,948	303,195	767,575	67,054	153,486	-	3,656,258
Held in trust for individual investment account holders	-	-	-	-	-	44,791	44,791
Total net position	\$ 2,364,948	\$ 303,195	\$ 767,575	\$ 67,054	\$ 153,486	\$ 44,791	\$ 3,701,049
<b>Additions</b>							
Investment income:							
Interest and dividends	\$ 354	\$ 38	\$ 856	\$ 8	\$ 23	\$ 100	\$ 1,379
Net (amortization) accretion	26	(13)	(176)	-	-	(78)	(241)
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	380	25	680	8	23	22	1,138
Investment expenses:							
Investment advisor, custodian bank & administrative fees	127	19	72	2	4	-	224
Total investment expenses	127	19	72	2	4	-	224
Net investment income	253	6	608	6	19	22	914
Net realized gain (loss) from investments	1	-	13	-	-	-	14
Net increase (decrease) in fair value of investments	-	-	851	-	-	8	859
Net increase (decrease) in net position from operations	254	6	1,472	6	19	30	1,787
Participant transaction additions:							
Purchase of pool units by participants	847,114	155,256	-	6	5	-	1,002,381
Reinvestment of pool distributions	254	6	510	6	19	-	795
Contributions to individual investment accounts	-	-	-	-	-	56	56
Total participant transaction additions	847,368	155,262	510	12	24	56	1,003,232
Total additions	847,622	155,268	1,982	18	43	86	1,005,019
<b>Deductions</b>							
Distributions to pool participants:							
Net investment income	253	6	608	6	19	-	892
Net realized gain (loss) from investments	1	-	13	-	-	-	14
Total distributions to pool participants	254	6	621	6	19	-	906
Participant transaction deductions:							
Redemption of pool units by participants	665,687	177,517	400	6	1,121	-	844,731
Withdrawals from individual investment accounts	-	-	-	-	-	170,598	170,598
Total participant transaction deductions	665,687	177,517	400	6	1,121	170,598	1,015,329
Total deductions	665,941	177,523	1,021	12	1,140	170,598	1,016,235
Net increase (decrease) in net position from operations	181,681	(22,255)	961	6	(1,097)	(170,512)	(11,216)
Inter-pool transfers in							
Inter-pool transfers out	3,013	-	-	-	-	-	3,013
Net inter-pool transfers in (out)	-	-	-	(3,013)	-	-	(3,013)
	3,013	-	-	(3,013)	-	-	-
Change in net position	184,694	(22,255)	961	(3,007)	(1,097)	(170,512)	(11,216)
Net position at beginning of period	2,180,254	325,450	766,614	70,061	154,583	215,303	3,712,265
Net position at end of period	\$ 2,364,948	\$ 303,195	\$ 767,575	\$ 67,054	\$ 153,486	\$ 44,791	\$ 3,701,049

# West Virginia Legislature

## *Joint Committee on Parks, Recreation and Natural Resources Subcommittee*

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



**William Laird, Chair  
State Senate**

**Delegate Eldridge, Co-Chair  
Delegate Wells, Co-Chair  
House of Delegates**

## MEMORANDUM

**To:** JOINT COMMITTEE ON GOVERNMENT AND FINANCE

**From:** PARKS, RECREATION AND NATURAL RESOURCES SUBCOMMITTEE

**DATE:** JUNE 18, 2014

**Re:** SITE VISITATION AUTHORIZATION AND EXPENSE REIMBURSEMENT

The Parks, Recreation and Natural Resources Subcommittee requests authorization and expense reimbursement for members and staff to conduct a site visitation to Pipestem Resort State Park in Pipestem, WV on July 14, 2014 and to Bluestone Wildlife Management Area in Indian Mills, WV on July 15 and 16, 2014.