

**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**December 17, 2014**

(Speaker Miley presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**December 17, 2014**

**12:00 - 1:00pm**

**Senate Finance Room**

- 1. Approval of November 19, 2014 minutes**
- 2. Committee Reports/Requests:**
- 3. Monthly/Quarterly Reports Distribution:**  
Status Report on Unemployment Compensation.
- 4. Workforce WV Unemployment Compensation Trust Fund Distribution:**
- 5. Monthly/Quarterly Reports Distribution:**  
PEIA  
BRIM  
CHIP  
Real Estate Report
- 6. Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**  
Medicaid Report  
Medicaid Waiver
- 7. Investment Management Board Distribution:**
- 8. Workers' Compensation:**
- 9. Board of Treasury Report Distribution**
- 10. Other Business**
- 11. Adjournment**



# West Virginia Legislature

1ST SESSION OF THE 81ST LEGISLATURE



Senate	House	Joint	Bill Status	WV Code	Audits/ Reports	E
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## Interim Committee Attendance - Results

Wednesday, December 17, 2014 - 12:00 PM

Joint Committee on Government and Finance

### Attended:

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

### Submitter:

Marlene

### Phone:

4802

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## Joint Committee on Government and Finance

November 19, 2014

1:00pm - 2:00pm

### Senate

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

### House

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

### President Kessler presides:

President Kessler: "The committee will come to order. The clerk will take a silent roll call. The first item on the Agenda is the approval of the minutes of October 22, 2014. Speaker Miley moves the adoption of the minutes. Any amendments or discussion? All those in favor say aye, all those opposed, the ayes appear to have it. The ayes do have it, I declare the motion adopted."

President Kessler: "Committee reports and requests. Just for the information of the Committee, with the passage of the Boy Scout Amendment, it does require some acting legislation. There has been a request from Senator Laird to have that added as an additional interim study topic and I believe the Chair of the respective Finance Committees have done that, therefore, that will be so assigned and they can take a look at it over the next couple of months. As part of that, Senator Laird has requested a possibility if the Chairs would so decide to have a potential public hearing on it in the Fayette County area where the Boy Scouts is listed. In the event the Chairs would so be inclined to do so either through the full Committee or subcommittee, there has been a request for expenses be approved for any such hearing. So moved by the Speaker. Any discussion? All in favor say aye, opposed, the ayes appear to have it, so be it."

President Kessler: "Additionally we have our monthly reports. First we have Unemployment Compensation for Workforce WV, Ms. Beth Carenbauer."

Beth Carenbauer: "Good afternoon Mr. Speaker, Mr. President and members of the Committee. I'm Beth Carenbauer, I am the Director of Unemployment Compensation for Workforce WV. As of this morning, the Trust Fund had a balance of \$127,508,582. According to the chart that you have in your

notebooks here, Revenues we are currently projecting to be \$225,416,000 and Benefits of \$228,749,000 which would leave a trust fund balance at the end of the calendar year at \$98,832,000. I would be happy to answer any questions."

President Kessler: "Just a quick question. I am trying to remember, what is the bench mark number that we have before the rates started changing?"

Beth Carenbauer: "\$220M."

President Kessler: "We are still a ways off."

Beth Carenbauer: "Yes sir."

President Kessler: "Any other questions of Ms. Carenbauer? Thank you."

President Kessler: "Next we have Mr. Pizatella, Secretary of Finance and Administration."

Mr. Pizatella: "Thank you Mr. President, Mr. Speaker and Members of the Committee. I don't have anything to add beyond what's in the written report I submitted, but I am pleased to answer any questions you may have and we do have representatives from PEIA, CHIP, Board of Risk Insurance Management and Real Estate Division if there any questions I cannot answer personally."

President Kessler: "Questions of Mr. Pizatella from Members of the Committee. Thank you Mr. Pizatella."

President Kessler: "Next we have Cindy Beane, Acting Commissioner of the WV Bureau of Medical Service for the quarterly DHHR report."

Cindy Beane: "Good afternoon Mr. Chairman and Members of the Committee. Cindy Beane, Acting Commissioner of Bureau of Medical Services. You have your Medicaid Report in your packet. I have nothing further to add. Do you have questions for us?"

President Kessler: "Delegate Boggs."

Delegate Boggs: "Thank you Mr. President. I hated that I missed last month. I just felt a great need to ask questions and no one to ask them to because I couldn't be here at the Joint Committee. Since I am here today, how about giving us an update, a thumbnail sketch of where we are at with the AD Waiver Program?"

Ms. Beane: "I would be pleased to. As the Committee knows, I believe not last time, but the time before, we reported that we are implementing some new policies with regards to the Aged and Disabled Waiver Program in cleaning up the wait list and making sure that everybody on that wait list is not only medically eligible but also financially eligible. So what we have done is we did an initial mailing to all the members on the wait list that basically says go get your financial eligibility because we predict that there will be a number of individuals that will not meet the financial eligibility standards for Medicaid. We got a very poor initial response. We are not going to immediately take those people off the list. We are doing actually a second mailing and then we will also, after the second mailing, do some calls to individuals that don't follow up. We want to make sure that the seniors understand what it is, understand what they need to do before we actually take them off the list. As of a couple of days ago, our current Management Enrollment List for the program is 1481 individuals."

Delegate Boggs: "Ok. I guess the next question I have is when you sent those initial mailings out and then you mentioned that you are going to send out subsequent mailings to follow up. Did any make the Case Management Agencies and Senior Citizen Centers, was any one aware that those letters were going to be going out because it is my understanding, you may not have heard the feedback, but the Case Management Agencies and other places were the ones that had to field of all the questions. The ones I talked to hadn't been given a lot of advance information about what was going to happen, therefore they were somewhat unprepared for the volume of calls."

Ms. Beane: "Our Bureau for Senior Services actually does a lot of management for this program. They did notify them but then in addition we got an initial call from one of the larger agent Disabled Waiver Provider soon after the letters went out, actually before I think the letter actually got there, concerned about the process and then we did further education with all those providers as well. We keep them informed. We send emails to them. There are also quality meetings with them and there is provider work groups that we meet with those agencies quite often."

Delegate Boggs: "I would just respectfully ask that we continue this process and we continue to look for additional funding to try and get rid of the wait list in its entirety. That any time that there is any changes or anything and I am sure that you do this, but if you would redouble your efforts to make sure the Case Management Agencies and Senior Citizens Centers, that people providing those services have a heads up. A lot of times folks either can't through to or don't really know the proper person or agency to call, so their first call is to the

Senior Citizen Center, the Case Management Agency and they are kind of behind the eight ball to answer the questions because they are not the ones that actually made the inquiries or anything else. Any kind of better communication that you could have, I think would be very beneficial to those folks and would help us as legislators as well because we end fielding a lot of complaints."

Ms. Beane: "Absolutely communication is the key. We cannot do this program without the providers and they are partners in this and anything we can do to better those lines of communication we will certainly redouble our efforts."

Delegate Boggs: "Thank you. Thank you Mr. President."

President Kessler: "Any other questions? Delegate Armstead."

Delegate Armstead: "Thank you Mr. President. Thank you for the summary. I am just looking at the chart here on the Categories of Aged Disabled Waiver reported September 30, 2014 and I am trying to understand that it looks like the slots approved by CMS have been consistently for that period 6199 and the number of actual individuals served is always is also 600 to 700 lower than that. Is that just a factor of getting eligibility or why is that number, or am I comparing apples and oranges, can you explain the difference there?"

Ms. Beane: "I can certainly explain the difference. So basically the slots are the number of individuals that we can actually put into the program for the year. What has happened historically on this program, we will give an individual a letter and the letter will afford them a slot meaning that you can go down to your local office and determine financial eligibility. They have already been determined medically eligible. In the past we gave them a long time to do that. We have changed policy last May that gave the individuals 60 days. In order to get up to that 6199 we send out letters every month. Right now we are on every two weeks cycle so in July we sent out 500 letters. In August we sent out 200 letters, in October we sent out 108 letters and in November so far we have sent out 215 letters. So while we have a large number on the wait list, all those individuals once they get afforded a slot, for whatever reason decide not to take it. So we are trying to get to get to the 6199 still."

Delegate Armstead: "Ok. So that is just more of getting people eligible. Is there any process we can do and I don't know if this would work but can you only send letters out to individuals up to that 6199 or can you, if some would decline. I mean is there a process?"

Ms. Beane: "No that is why we continue to send the letters. That is why in July it was 500 and as people declined, then we had 200 more that went out in August. As they come forward and say I don't want the program and they are not financially eligible for the program, then we will afford that other slot. That's why it's a very active number trying to get to that number of what we can fill. That is why we are doing all these other efforts to really make easier for once those slots are awarded, if they already know their financially eligible, then we can just go ahead and give them the slot. It does take some time is where you see that lag."

Delegate Armstead: "Ok, thank you."

President Kessler: "Delegate Boggs."

Delegate Boggs: "Thank you Mr. President. One other question I wanted to ask. You may not have this readily available but if you don't, next month could you get us the average cost per slot or per person that is on the program now? Annually."

Ms. Beane: "I can get you the exact number next month but I can tell you it fluctuates usually between \$23,000 and \$25,000 annually but I can give you the exact number next month."

Delegate Boggs: "The cost for someone to be in a nursing home, what does that normal run? I know that varies based on the skill level and their needs."

Ms. Beane: "It varies as well. It is more than that number but I can get you that number as well."

Delegate Boggs: "Ok. Thank you."

President Kessler: "Any other questions? There being none, thank you. Next we have Craig Slaughter from Investment Management Board."

Mr. Slaughter: "Good afternoon gentlemen. The report is in your packet. For the month of September and as you can see, I told you last month, you can see some volatility going forward, its month to month and you should expect that. Saw returns are down a little over 2% that month. Good news is ten years we are still around 7-1/2% where we need to be. I can tell you that the month of October was better, we were up about 1%. Fiscal year to date we are probably about even. Happy to answer questions."



President Kessler: "Any questions of Mr. Slaughter? Delegate Cowles."

Delegate Cowles: "In your report for the Endowment Assets that Revenue Shortfall Reserve Fund, you have at June 30<sup>th</sup>, \$477M and earlier in my packet in the Auditor's Report that had it at \$576M but included \$103M in negative earnings in the last quarter. Could you reconcile the difference between the Raining Day Fund Balances on July 1<sup>st</sup> of this year, was it \$477M or \$576M?"

Mr. Slaughter: "Let's see. The difference between \$477M and \$576M I think is going to be, reflects the amount that is held at the Board of Treasury Investments. They hold about \$100M as a statutory, it's a statutory requirement that \$100M be housed there. If they dip below that, then we refund from our Raining Day Fund Account, it goes to their holding account."

Delegate Cowles: "So the Auditor's Report that shows a negative \$103M in the last four months is not.."

Mr. Slaughter: "Oh, if that is what you are saying, we are down you can see from the report that over the last fiscal year to date, the Revenue Shortfalls Reserve Funds are both down about a percent each. There is a Part A and a B fund. The largest one which we call Part A, its assets are split between Treasury Inflation Protective Securities and just a broad range of fixed incomes securities. We've had a lot of turmoil in that market and TIPS are treasury inflation protected securities. They are particularly difficult instrument in a short run. Their returns are impacted by several things but in the longer term, the reason they are in there is because they protect you against inflation. As we all know in the longer run we all expect rates to go up. Those treasury inflation protected securities will preserve value going forward. In the longer term is what we are most concerned about, any investment in the short term numbers we watch it and we are concerned about it but we are trying to put it in a context of how its going to play out over time. Over time we, if you look at the return page, even that fund is up 3.3% for the past year. We are just trying to beat inflation that's our target in that fund to stay current with inflation. And the Part B fund is up over 5% for the year."

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

President Kessler: "Any other questions of Mr. Slaughter. There being none, thank you."

President Kessler: "Melinda Kiss for Workers Compensation."

Ms. Kiss: "Good afternoon Mr. President, Mr. Speaker and members of the Committee. Commissioner Riley sends his apologies that he couldn't be here this afternoon. We have submitted our customary monthly report and I will be happy to answer any questions that any one has."

President Kessler: "Any questions of Ms. Kiss concerning Workers Compensation report before you? Apparently none. Thank you very much."

President Kessler: "Any further business to come before the committee, if none, Speaker Miley moves we adjourn. All of those in favor say aye, all those oppose. The ayes appear to have it, that ayes do have it. I declare the motion adopted."

# 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*

December 8, 2014

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

- West Virginia Lottery as of October 31, 2014:  
Gross profit for July 2014 – October 2014 was \$178 million.
- West Virginia Unemployment Compensation Fund as of October 31, 2014:  
Total disbursements were \$ 37 million less than last fiscal year. Overall ending trust fund balance was \$ 900 thousand lower on October 31, 2014, than on October 31, 2013.
- General Revenue Fund as of November 30, 2014:  
The general revenue collections ended the fifth month of fiscal year 2014-2015 at 99.57% of the estimate for the year.
- State Road Fund as of November 30, 2014:  
The state road fund collections ended the fifth month of fiscal year 2014-2015 at 113.63% 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: December 2, 2014

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

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for October 31, 2014, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

**Lottery Revenues:**

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$396 million for July – October 31, 2014. Table games accounted for \$15.8 million of this total. Historic Resort Hotel video lottery and table games accounted for \$2.4 million of total gross receipts. Gross lottery revenue has decreased by 4.7% when compared with July – October of fiscal year 2013-2014. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July – October 2014 was \$178 million; for July – October of last fiscal year it was \$180 million. Expressed as a percentage, gross profit is 1% lower for fiscal year 2015 than for fiscal year 2014.

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

A total of \$169,474,000.00 has been accrued to the state of West Virginia for fiscal year 2014-2015. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$36,007,000.00
Community and Technical College	\$1,998,000.00
Department of Education	\$14,937,000.00
Library Commission	\$8,717,000.00
Higher Education-Central Office	\$5,576,000.00
Tourism	\$6,132,000.00
Department of Natural Resources	\$2,432,000.00
Division of Culture and History	\$3,611,000.00
Economic Development Authority	\$3,998,000.00
Department of Education and Arts	\$1,273,000.00
School Building Authority	\$7,200,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$91,881,000.00</b>

Lottery continued

**Excess Lottery Fund**

Economic Development Fund	\$7,594,000.00
Higher Education Improvement Fund	\$6,000,000.00
WV Infrastructure Council Fund	\$7,006,000.00
Higher Education Improvement Fund	\$7,814,000.00
Refundable Credit	\$516,000.00
General Purpose Fund	\$17,514,000.00
DHHR	\$0.00
State Park Improvement Fund	\$1,347,000.00
School Building Authority	\$7,598,000.00
Excess Lottery Surplus	\$0.00
WV Lottery Statutory Transfers	\$18,854,000.00
WV Racing Commission	\$539,000.00
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$74,782,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	\$148,000.00
State Debt Reduction Fund	\$44,000.00
Tourism Promotion Fund	<u>\$7,000.00</u>
Total Historic Hotel	\$199,000.00

Veterans Instant Ticket Fund \$144,000.00

Table Games State Debt Reduction Fund \$ 1,765,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$175,000.00
Development Office Promo Fund .375%	\$47,000.00
Research Challenge Fund .5%	\$64,000.00

Lottery continued

Capitol Renovation and Improvement Fund .6875%	\$88,000.00
Parking Garage Fund .0625%	\$8,000.00
Parking Garage Fund 1%	\$0.00
Cultural Facilities and Cap. Resources Fund .5%	\$0.00
Capitol Dome & Cap. Improvements Fund .5%	\$128,000.00
Workers Compensation Debt Reduction Fund 7%	\$0.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$510,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$169,281,000.00</b>

\* CASH BASIS

Total Accrued last FY 2014:	\$114,914,000.00
Total Cash Distributions FY 2015:	\$169,281,000.00
Applied to FY 2014:	\$114,914,000.00
Applied to FY 2015:	\$54,367,000.00
Accrued for FY 2015 as of October 31:	\$115,107,000.00

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 that reads "John C. Musgrave".

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

DATE: November 14, 2014

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

Financial statements of the Lottery for the month ending October 31, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$96,573,281 for the month of October.

Transfers of lottery revenue totaling \$37,326,144 made for the month of October 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 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of October 31, 2014 was 1,536 and 1,410 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





**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**October 31, 2014**

**WEST VIRGINIA LOTTERY**

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

	October 31, 2014	June 30, 2014
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 144,172	\$ 149,712
Accounts receivable	29,828	34,790
Inventory	599	633
Other assets	1,848	1,946
Total Current Assets	<u>176,447</u>	<u>187,081</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,255	1,397
Capital assets	47,625	47,391
Less accumulated depreciation and amortization	<u>(9,248)</u>	<u>(8,646)</u>
Net Capital Assets	<u>38,377</u>	<u>38,745</u>
Total Noncurrent Assets	<u>39,632</u>	<u>40,142</u>
Total Assets	<u>\$ 216,079</u>	<u>\$ 227,223</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 115,107	\$ 114,914
Estimated prize claims	15,548	14,983
Accounts payable	1,353	1,505
Other accrued liabilities	29,051	40,801
Total Current Liabilities	<u>161,059</u>	<u>172,203</u>
Total Liabilities	<u>161,059</u>	<u>172,203</u>
Net Position:		
Restricted by enabling legislation	1,238	1,397
Net Investment in capital assets	38,377	38,745
Unrestricted	15,405	14,878
Total Net Position	<u>55,020</u>	<u>55,020</u>
Total Net Position	<u>\$ 216,079</u>	<u>\$ 227,223</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2014**

(In Thousands)  
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2015	FY 2014	FY 2015	FY 2014
Lottery revenues				
On-line games	\$ 6,801	\$ 6,484	\$ 24,885	\$ 29,170
Instant games	8,393	8,162	35,026	35,844
Racetrack video lottery	45,952	48,608	195,550	205,052
Limited video lottery	31,452	31,470	122,227	124,683
Table games	3,586	3,873	15,825	17,921
Historic resort	389	949	2,414	2,649
	<u>96,573</u>	<u>99,546</u>	<u>395,927</u>	<u>415,319</u>
Less commissions				
On-line games	480	450	1,746	2,043
Instant games	587	570	2,451	2,508
Racetrack video lottery	25,211	30,312	107,287	118,922
Limited video lottery	15,412	15,420	59,891	61,095
Table games	1,519	1,691	6,706	7,824
Historic resort	199	378	1,167	1,279
	<u>43,408</u>	<u>48,821</u>	<u>179,248</u>	<u>193,671</u>
Less on-line prizes	3,318	3,023	12,204	14,286
Less instant prizes	5,587	5,403	23,189	23,675
Less ticket costs	99	169	627	660
Less vendor fees and costs	722	686	2,610	2,813
	<u>9,726</u>	<u>9,281</u>	<u>38,630</u>	<u>41,434</u>
Gross profit	<u>43,439</u>	<u>41,444</u>	<u>178,049</u>	<u>180,214</u>
Administrative expenses				
Advertising and promotions	403	1,245	1,912	2,014
Wages and related benefits	923	877	3,440	3,558
Telecommunications	132	67	342	236
Contractual and professional	454	505	1,528	1,557
Rental	21	26	94	100
Depreciation and amortization	128	169	602	678
Other administrative expenses	129	91	426	448
	<u>2,190</u>	<u>2,980</u>	<u>8,344</u>	<u>8,591</u>
Other Operating Income	<u>115</u>	<u>210</u>	<u>2,106</u>	<u>1,861</u>
Operating Income	<u>41,364</u>	<u>38,674</u>	<u>171,811</u>	<u>173,484</u>
Nonoperating income (expense)				
Investment income	53	21	128	80
Distributions to municipalities and counties	(616)	(617)	(2,396)	(2,444)
Distributions -capital reinvestment	(13)	(21)	(69)	(91)
Distributions to the State of West Virginia	(40,788)	(38,057)	(169,474)	(171,029)
	<u>(41,364)</u>	<u>(38,674)</u>	<u>(171,811)</u>	<u>(173,484)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>55,020</u>	<u>54,866</u>	<u>55,020</u>	<u>54,866</u>
Net position, end of period	<u>\$ 55,020</u>	<u>\$ 54,866</u>	<u>\$ 55,020</u>	<u>\$ 54,866</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2014**

(In Thousands)

-Unaudited-

	<b>FY 2015</b>	<b>FY 2014</b>
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 402,995	\$ 424,633
Cash payments for:		
Personnel costs	(3,334)	(3,515)
Suppliers	(4,317)	(4,805)
Other operating costs	(220,971)	(231,703)
Cash provided by operating activities	<u>174,373</u>	<u>184,610</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(169,281)	(218,109)
Distributions to municipalities and counties	(2,353)	(2,434)
Distributions to racetrack from racetrack cap. reinv. fund	(8,348)	(11,181)
Cash used in noncapital financing activities	<u>(179,982)</u>	<u>(231,724)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(234)</u>	<u>(146)</u>
Cash flows from investing activities:		
Investment earnings received	<u>161</u>	<u>80</u>
Increase (decrease) in cash and cash equivalents	(5,682)	(47,180)
Cash and cash equivalents - beginning of period	<u>151,109</u>	<u>275,058</u>
Cash and cash equivalents - end of period	<u>\$ 145,427</u>	<u>\$ 227,878</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 171,811	\$ 173,484
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	602	678
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	4,962	7,453
(Increase) decrease in inventory	34	(132)
(Increase) decrease in other assets	65	155
Increase (decrease) in estimated prize claims	565	1,047
Increase (decrease) in accounts payable	(152)	(638)
Increase (decrease) in other accrued liabilities	(3,514)	2,563
Cash provided by operating activities	<u>\$ 174,373</u>	<u>\$ 184,610</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 \$573,313 and \$555,325 of at June 30, 2014 and 2013, 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 October 31, 2014 the carrying amounts of deposits (overdraft) with financial institutions were \$495 thousand with a bank balance (overdraft) of \$513 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):

	October 31, 2014	June 30, 2014
Deposits with financial institutions	\$ 495	\$ 473
Cash on hand at the Treasurer's Office	16,122	21,310
Investments with BTI reported as cash equivalents	128,810	129,326
	<u>\$ 145,427</u>	<u>\$ 151,109</u>

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

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

**NOTE 4 – CAPITAL ASSETS**

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

Capital Assets:

	Historical Cost At June 30, 2014	Additions	Deletions	Historical Cost At October 31, 2014
Construction in Progress	\$ 792	\$ 160	\$ -	\$ 952
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,821	74	-	6,895
	<u>\$ 47,391</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 47,625</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2014	Additions	Deletions	Historical Cost At October 31, 2014
Buildings	\$ 2,141	\$ 317	\$ -	\$ 2,458
Improvements	260	-	-	260
Equipment	6,245	285	-	6,530
	<u>\$ 8,646</u>	<u>\$ 602</u>	<u>\$ -</u>	<u>\$ 9,248</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 October 31, 2014 and fiscal year-to-date is as follows:

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

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,564,778	\$ 10,344,038
Hot Lotto	399,855	2,002,476
Mega Millions	1,822,564	4,694,902
Total	\$ 4,787,197	\$ 17,041,416

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,282,619	\$ 5,172,282
Hot Lotto	199,934	1,001,259
Mega Millions	911,320	2,347,498
Total	\$ 2,393,873	\$ 8,521,039

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

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 111,576,452	\$ 1,887,126
Hot Lotto	35,467,571	561,458
Mega Millions	7,608,213	547,805
Total	<u>\$ 154,652,236</u>	<u>\$ 2,996,389</u>

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third

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

**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 \$15,551,276 at October 31, 2014, of which the Lottery's share was \$1,593,130.

**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 and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. For fiscal year 2014, sixty-six percent (66%) and for fiscal year 2015, fifty-seven percent (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions as follows:

	<b>FY 2014</b>	<b>FY 2015</b>
Racetracks	46.5%	46.5%
Other private entities associated with the racing industry	17.5%	8.7%
Local county and municipal governments	2%	2%

The remaining revenues (34% for fiscal year 2014 and 42.8% for fiscal year 2015) 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, for fiscal year 2014 and 2015 respectively, 55% and 49% of net terminal revenue is allocated in lieu of commissions as follows:

	<b>FY 2014</b>	<b>FY 2015</b>
Racetracks	42%	42%
Other private entities associated with the racing industry	11%	5%
Local county and municipal governments	2%	2%

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

The remaining net terminal revenue (45% for fiscal year 2014 and 51% for fiscal year 2015) 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 October 31, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Total credits played	\$ 514,904	\$ 549,114	\$ 2,204,255	\$ 2,306,336
Credits (prizes) won	(461,350)	(493,059)	(1,977,057)	(2,070,168)
Promotional credits played	(7,572)	(7,421)	(31,523)	(31,007)
MWAP Contributions	(30)	(26)	(125)	(109)
Gross terminal income	45,952	48,608	195,550	205,052
Administrative costs	(1,838)	(1,944)	(7,822)	(8,202)
Net Terminal Income	44,114	46,664	187,728	196,850
Less distribution to agents	(25,211)	(30,312)	(107,287)	(118,922)
Racetrack video lottery revenues	<u>\$ 18,903</u>	<u>\$ 16,352</u>	<u>\$ 80,441</u>	<u>\$ 77,928</u>

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

	October 31, 2014	Year-to-Date
State Lottery Fund	\$ 13,234	\$ 56,318
State Excess Lottery Revenue Fund	5,669	24,123
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 18,903</u>	<u>\$ 80,441</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

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

stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited 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 October 31, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Total credits played	\$ 377,077	\$ 373,757	\$ 1,455,155	\$ 1,478,407
Credits (prizes) won	(345,625)	(342,287)	(1,332,928)	(1,353,724)
Gross terminal income	\$ 31,452	\$ 31,470	\$ 122,227	\$ 124,683
Administrative costs	(629)	(629)	(2,445)	(2,493)
Gross Profit	30,823	30,841	119,782	122,190
Commissions	(15,412)	(15,420)	(59,891)	(61,095)
Municipalities and Counties	(616)	(617)	(2,396)	(2,444)
Limited video lottery revenues	<u>\$ 14,795</u>	<u>\$ 14,804</u>	<u>\$ 57,495</u>	<u>\$ 58,651</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 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. Transfer three 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. For fiscal year 2014 and fiscal year 2015 make transfers as follows:

**WEST VIRGINIA LOTTERY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – TABLE GAMES (continued)**

Fiscal Year 2014	Fiscal Year 2015	
2.5% of adjusted gross receipts	2.25% 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
2.5% of adjusted gross receipts	2.25% 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
2% of adjusted gross receipts	1.8% of 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

The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

- 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 for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015.

The cash transferred to the State Excess Lottery Revenue 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 and year ended October 31, 2014 were \$10,245,604 and \$45,215,687, 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:

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – TABLE GAMES (continued)**

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Table Games Privilege Tax	\$ 3,586	\$ 3,873	\$ 15,825	\$ 17,921
Interest on Table Games Fund	-	-	1	1
Administrative costs	(307)	(332)	(1,356)	(1,536)
Total Available for Distribution	<u>3,279</u>	<u>3,541</u>	<u>14,470</u>	<u>16,386</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	231	277	1,017	1,280
Thoroughbred & Greyhound Development Funds	184	221	814	1,024
Racing Association Pension Plan	90	97	398	451
Municipalities/ Counties	<u>1,014</u>	<u>1,096</u>	<u>4,477</u>	<u>5,069</u>
Total Distributions	<u>1,519</u>	<u>1,691</u>	<u>6,706</u>	<u>7,824</u>
Excess Lottery Fund	<u>\$ 1,760</u>	<u>\$ 1,850</u>	<u>\$ 7,764</u>	<u>\$ 8,562</u>

**NOTE 9 – HISTORIC RESORT HOTEL**

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

Historic Resort Video Lottery

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

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



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

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

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total credits played	\$ 5,274	\$ 5,153	\$ 21,421	\$ 22,719
Credits (prizes) won	(4,903)	(4,720)	(19,687)	(20,827)
Promotional credits played	(105)	(59)	(256)	(273)
MWAP Contributions	-	-	-	(1)
Gross terminal income	<u>266</u>	<u>374</u>	<u>1,478</u>	<u>1,618</u>
Capital reinvestment	(13)	(18)	(70)	(76)
Excess Lottery Fund	(2)	(3)	(13)	(15)
Administrative costs	(14)	(20)	(80)	(87)
Hotel commissions	<u>(113)</u>	<u>(158)</u>	<u>(625)</u>	<u>(684)</u>
Net terminal income	124	175	690	756
Historic Resort Hotel Fund	79	111	439	481
Human Resource Benefit Fund	45	64	251	275

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 and year ended October 31, 2014 were \$350,866 and \$2,672,943, 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Table games privilege tax	\$ 123	\$ 575	\$ 936	\$ 1,031
Administrative Costs	<u>(16)</u>	<u>(74)</u>	<u>(120)</u>	<u>(133)</u>
Total Available for Distribution	107	501	816	898
Historic Resort Hotel Fund	89	419	682	751
Human Resource Benefit Fund	18	82	134	147

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

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

Historic Resort Hotel Fund

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

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 79	\$ 439
Historic Resort Table Games	89	682
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>168</u>	<u>1,121</u>
Municipalities/ Counties	23	157
Excess Lottery Fund	145	964
Total Distributions	<u><u>\$ 168</u></u>	<u><u>\$ 1,121</u></u>

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

**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, 2015 the State Legislature budgeted \$136,411,350 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 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 October 31, 2014 the Lottery has accrued additional distributions of \$115,107,431. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>October 31, 2014</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 1,998
Bureau of Senior Services	5,618	36,007
Department of Education	2,331	14,937
Library Commission	1,360	8,717
Higher Education-Policy Commission	870	5,576
Tourism	957	6,132
Natural Resources	379	2,432
Division of Culture & History	563	3,611
Department of Education & Arts	199	1,273
Economic Development Authority	1,000	3,998
School Building Authority	1,800	7,200
Total State Lottery Fund	\$ 15,577	\$ 91,881

**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	\$ 7,594
Higher Education Improvement Fund	1,500	6,000
General Purpose Account	5,344	17,514
Higher Education Improvement Fund	2,384	7,814
State Park Improvement Fund	411	1,347
School Building Authority	1,899	7,598
Refundable Credit	230	516
WV Racing Commission	164	539
WV Department of Health and Human Resources	-	-
WV Development Office	-	-
WV Lottery Statutory Transfers	5,753	18,854
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	2,138	7,006
Total State Excess Lottery Revenue Fund	\$ 21,722	\$ 74,782
Total Budgetary distributions:	\$ 37,299	\$ 166,663
Veterans Instant Ticket Fund	\$ 27	\$ 144

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ -	\$ 175
Development Office Promotion Fund .375%	-	47
Research Challenge Fund .5%	-	64
Capitol Renovation & Improvement Fund .6875%	-	88
Parking Garage Fund .0625 %	-	8
Parking Garage Fund 1 %	-	-
Cultural Facilities & Cap. Resources Fund .5%	-	-
Capitol Dome & Cap. Improvements Fund .5%	-	128
Workers Compensation Debt Reduction Fund 7%	-	-
Total	\$ -	\$ 510
Table Games State Debt Reduction Fund	\$ -	\$ 1,765

Historic Resort Hotel distributions:

State General Revenue Fund	\$ -	\$ 148
State Debt Reduction Fund	-	44
Tourism Promotion Fund	-	7
Total	\$ -	\$ 199

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 37,326	\$ 169,281
Accrued nonoperating distributions, beginning	(111,645)	(114,914)
Accrued nonoperating distributions, end	115,107	115,107
	\$ 40,788	\$ 169,474

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

**NOTE 11 – SUMMARY IMPACT OF RECENT LEGISLATION**

The West Virginia Legislature enacted House Bill 101 during the First Extraordinary Session of 2014 which affected the State Excess Lottery Revenue Fund. House Bill 101 created a mechanism by which revenues that were previously transferred pursuant to statutory direction and distributed to certain entities prior to being deposited to either the State Lottery Fund or the State Excess Lottery Revenue Fund will now be deposited directly to the State Excess Lottery Revenue Fund. This new deposit of funds represents additional deposits of: (i) certain video lottery net terminal income (see Note 6) and table games adjusted gross receipts (Note 8) from the four racetrack casinos; and (ii) certain gross terminal income and certain net income from the Greenbrier Casino (Note 9). The impact of House Bill 101 has the effect of reducing commissions as defined in Note 2 and increasing nonoperating income (expense) Distributions to the State of West Virginia.

The impact (in thousands) for the month ended October 31, 2014 to the Statement of Revenues, Expenses, and Changes in Fund Net Positions is summarized as follows:

	<u>Pre HB 101</u>	<u>As Stated</u>	<u>Difference</u>
Less commissions			
Racetrack video lottery	25,586	25,211	(375)
Table games	1,565	1,519	(46)
 Gross profit	 43,018	 43,439	 421
Operating Income	40,943	41,364	421
Nonoperating income (expense)			
Distributions -capital reinvestment	(15)	(13)	2
Distributions to the State of West Virginia	(40,365)	(40,788)	(423)

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

**NOTE 11 – SUMMARY IMPACT OF RECENT LEGISLATION (continued)**

The impact (in thousands) for the fiscal year-to-date ended October 31, 2014 to the Statement of Revenues, Expenses, and Changes in Fund Net Positions is summarized as follows:

	<u>Pre HB 101</u>	<u>As Stated</u>	<u>Difference</u>
Less commissions			
Racetrack video lottery	108,882	107,286	(1,596)
Table games	6,909	6,706	(203)
 Gross profit	 176,250	 178,049	 1,799
Operating Income	170,012	171,811	1,799
Nonoperating income (expense)			
Distributions -capital reinvestment	(82)	(69)	13
Distributions to the State of West Virginia	(167,662)	(169,474)	(1,812)

**NOTE 12 – 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 October 31, 2014 and October 31, 2013 approximated \$94,381 and \$100,255 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 October 31, 2014 and October 31, 2013 approximated \$385,622 and \$457,034 respectively.

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

**NOTE 13 – 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, 2014 and June 30, 2013 were as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Beginning balance	\$ 1,640	\$ 1,690
Additions		
Legislative Appropriations		
Deductions		
Asset acquisition	(243)	(50)
Surplus of excess funds		
Ending balance	<u>\$ 1,397</u>	<u>\$ 1,640</u>

**NOTE 14 – COMMITMENTS**

For the years ended June 30, 2014 and 2013 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2014 and 2013, \$7,653,177 and \$2,003,028, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

**NOTE 15 - 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

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

**NOTE 15 - RETIREMENT BENEFITS (continued)**

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

	October 31, 2014	Year-to-Date
Lottery contributions	\$ 89	\$ 366
Employee contributions	28	116
Total contributions	\$ 117	\$ 482

**NOTE 16 - 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.

**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.



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

**NOTE 16 - RISK MANAGEMENT (continued)**

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.

**NOTE 17– 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 \$270 and \$257 per employee per month for the years ending June 30, 2014 and 2013 respectively. Through June 30, 2014 and 2013, the Lottery has paid premiums of \$291,750 and \$332,615. As of June 30, 2014 and 2013, the Lottery has recorded a liability of \$4,318,481 and \$4,188,445 on its balance sheet for OPEB.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE  
 LOTTERY FUND AND EXCESS LOTTERY FUND  
 FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2014  
 (In Thousands)**

	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	8,393	8,750	35,026	35,000
On-line games	6,801	6,284	24,884	25,136
Racetrack video lottery	45,952	37,052	195,549	165,204
Limited video lottery	31,452	31,632	122,227	125,325
Racetrack table games	3,586	3,231	15,825	13,678
Historic resort	389	551	2,384	2,313
Total gross revenues	<u>96,573</u>	<u>87,500</u>	<u>395,895</u>	<u>366,656</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	978	1,181	4,355	4,724
On-line games	2,056	1,814	7,468	7,256
Racetrack Video Lottery	13,237	10,671	56,331	47,579
Total Lottery Fund net revenues	<u>16,271</u>	<u>13,666</u>	<u>68,154</u>	<u>59,559</u>
Excess Lottery Fund				
Racetrack Video Lottery	5,670	4,571	24,127	20,379
Limited Video Lottery	14,843	14,880	57,602	58,954
Limited Video Lottery Fees	44	-	1,477	-
Racetrack table games	1,759	1,585	7,764	6,709
Historic resort	147	218	976	970
Total Excess Lottery Fund Net Revenues	<u>22,463</u>	<u>21,254</u>	<u>91,946</u>	<u>87,012</u>
Total Net Revenues	<u>38,734</u>	<u>34,920</u>	<u>160,100</u>	<u>146,571</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: December 8, 2014

Re: Status of General Revenue Fund and State Road Fund as of  
November 30, 2014 (FY 15)

We have reviewed the cash flow of the West Virginia general revenue fund as of November 30, 2014 which is the end of the fifth month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 99.57% of the estimate for the fiscal year. Total collections were \$ 7 million below the estimate for the fiscal year.

Personal Income Tax collections were \$ 2.3 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 5.1 million below the estimate for the year.

Severance Tax was \$ 13.2 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$ 2.9 million above the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were 113.63% of the estimate for the fiscal year. Total collections were \$37.2 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 \$476,574,487.88 as of November 30, 2014.

Balance July 1, 2014	576,905,662.48
Earnings	-100,331,174.60
Balance November 30, 2014	476,574,487.88

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 380,090,643.11 as of November 30, 2014.

Balance July 1, 2014	378,984,822.70
Earnings	1,105,820.41
Balance November 30, 2014	380,090,643.11

The Personal Income Tax Reserve Fund had an \$11 million cash balance as of November 30, 2014.

Balance July 1, 2014	11,000,000.00
Revenues	-0-
Balance November 30, 2014	11,000,000.00

GENERAL REVENUE FUND FY 2014-2015

By Source and by Month

Monthly Revenue Estimates

as of November 30, 2014 OASIS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	REVISED FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	111,430,000	128,017,101	16,587,101	690,750,000	693,089,065	2,339,065
Consumer Sales Tax & Use Tax	100,600,000	101,837,890	1,237,890	506,600,000	501,459,577	-5,140,423
Severance Tax	26,100,000	36,872,851	10,772,851	155,300,000	142,120,995	-13,179,005
Corp Income /Business Franchise	600,000	3,665,671	3,065,671	65,925,000	68,870,531	2,945,531
Insurance Tax	822,000	595,851	-226,149	57,309,000	54,692,042	-2,616,958
Tobacco Products Tax	9,100,000	7,876,755	-1,223,245	45,300,000	44,953,831	-346,169
Business and Occupation	5,500,000	5,474,661	-25,339	36,100,000	41,079,075	4,979,075
Liquor Profit Transfers	1,030,000	1,063,750	33,750	5,570,000	6,222,634	652,634
Departmental Collections	1,003,000	1,012,200	9,200	5,315,000	5,168,021	-146,979
Property Transfer Tax	1,029,000	872,940	-156,060	4,896,000	5,110,849	214,849
Property Tax	417,000	422,940	5,940	3,766,000	3,836,833	70,833
Beer Tax and Licenses	565,000	558,533	-6,467	3,393,000	2,976,252	-416,748
Miscellaneous Transfers	57,000	0	-57,000	605,000	2,886,926	2,281,926
Interest Income	125,000	298,491	173,491	625,000	638,444	13,444
Senior Tax Credit Reimbur Lot	0	0	0	980,000	515,797	-464,203
HB 102 - Lottery Transfers	5,236,000	5,664,631	428,631	21,248,000	23,178,908	1,930,908
Miscellaneous Receipts	497,000	365,642	-131,358	5,153,000	4,915,353	-237,647
Business Fran Registration Fees	40,000	79,027	39,027	280,000	301,780	21,780
Liquor License Renewal	21,000	21,054	54	205,000	204,610	-390
Special Revenue Transfer	0	0	0	0	0	0
Charter Tax	0	1,477	1,477	0	30,964	30,964
Telecommunications Tax	0	0	0	0	0	0
Video Lottery Transfers	0	12,488	12,488	0	79,963	79,963
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>264,172,000</b>	<b>294,713,952</b>	<b>30,541,952</b>	<b>1,609,320,000</b>	<b>1,602,332,451</b>	<b>-6,987,549</b>
Minus Cash Flow Transfer		0			0	
<b>TOTALS</b>	<b>264,172,000</b>	<b>294,713,952</b>	<b>30,541,952</b>	<b>1,609,320,000</b>	<b>1,602,332,451</b>	<b>-6,987,549</b>

Percent of Estimates

111.56%

99.57%

Collections this day

19,798,076

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2014-2015  
 By Source and by Month  
 Monthly Revenue Estimates  
 as of November 30, 2014 OASIS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	<b>REVISED FINAL</b> MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	14,200,000	15,962,924	1,762,924	160,000,000	169,945,289	9,945,289
Privilege Tax	12,543,000	12,207,788	-335,212	77,611,000	87,571,152	9,960,152
Licenses & Registration	4,145,000	5,022,279	877,279	34,737,000	36,328,248	1,591,248
Miscellaneous	0	775,116	775,116	0	15,849,100	15,849,100
Highway Litter Control	78,000	55,515	-22,485	656,000	514,960	-141,040
<b>TOTALS</b>	<b>30,966,000</b>	<b>34,023,622</b>	<b>3,057,622</b>	<b>273,004,000</b>	<b>310,208,748</b>	<b>37,204,748</b>

Percent of Estimates

109.87%

113.63%

Collections this day

4,138,900

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of November 30, 2014 : \$576,905,662.48

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of November 30, 2014: \$378,984,822.70

PERSONAL INCOME TAX REFUND RESERVE FUND as of November 30, 2014: \$11,000,000.00

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: November 25, 2014

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the October 31, 2014 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of October 31, 2014 of fiscal year 2014-2015, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2014	\$ 111,805,447.81
Receipts July 1, 2014 thru October 31, 2014	\$ 69,544,486.99
Disbursements July 1, 2014 thru October 31, 2014	\$ 60,400,015.49
Balance October 31, 2014	\$ 120,949,919.31

ITEMS OF NOTE:

Regular benefits paid for July 2014 - October 2014 were \$ 6.5 million less than July 2013 - October 2013.

Federal emergency benefits totaled \$ -85 thousand for July 2014 - October 2014. For July 2013 - October 2013, federal emergency benefits totaled \$ 29.8 million.

Total disbursements were \$ 37 million less in July 2014 - October 2014 than the preceding July 2013 - October 2013.

Receipts as of October 2014 were \$ 30.3 million less than in July 2013 - October 2013. Overall ending trust fund balance was \$ 900 thousand lower on October 31, 2014 than on October 31, 2013.

Seasonally adjusted unemployment rates for October 2014 were 6.5 percent for West Virginia and 5.8 percent nationally.

Since October 2013, employment has increased by 12,700. Employment gains included 2,500 in mining and logging, 800 in manufacturing, 300 in trade, transportation, and utilities, 100 in information, 1,900 in financial activities, 5,400 in professional and business services, 1,900 in leisure and hospitality, 2,400 in educational and health services, and 100 in other services. Employment declines included 2,600 in construction and 100 in government.



November 18, 2014

William Spencer  
Budget Division  
Office of the Legislative Auditor  
Building 1, Room 332-West Wing  
1900 Kanawha Boulevard East  
Charleston, WV 25305-0590

RE: Monthly Status Report

Dear Mr. Spencer:

The Monthly Status Report for the Unemployment Compensation Trust Fund for the months of August, September and October 2014 is included with this letter.

If you have any questions or need any additional information, please feel free to contact Brock Jarrett at 304-558-2631 or [Brock.A.Jarrett@wv.gov](mailto:Brock.A.Jarrett@wv.gov).

Sincerely,



Russell L. Fry  
Acting Executive Director

RLF/sp

Enclosure

pc: Earl Ray Tomblin

Fiscal and Administrative Management  
112 California Avenue, Charleston, WV 25305-0112  
Telephone: 304-558-2631 – Fax: 304-558-3512

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)**

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

	<u>AUGUST 2013</u>	<u>SEPTEMBER 2013</u>	<u>OCTOBER 2013</u>	<u>AUGUST 2014</u>	<u>SEPTEMBER 2014</u>	<u>OCTOBER 2014</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
<b>Balance Forward</b>	<u>\$125,127,753.78</u>	<u>\$135,489,026.95</u>	<u>\$121,779,486.86</u>	<u>\$118,142,200.75</u>	<u>\$130,924,458.04</u>	<u>\$118,795,122.45</u>	<u>(\$14,534,486.35)</u>
<b>Add Receipts:</b>							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$26,968,693.31	\$1,562,699.97	\$14,853,196.29	\$27,921,102.10	\$1,454,591.75	\$15,170,501.44	\$1,161,605.72
3. Federal Emergency Benefits (EUC08)	\$7,471,467.25	\$7,263,859.85	\$6,417,339.26	\$210.99	\$2,212.97	\$4,840.99	(\$21,145,401.41)
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$707.00	\$95.00	\$0.00	\$0.00	(\$612.00)
5. Temp Federal Additional Comp (FAC)	\$24.97	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$39.97)
6. UCFE (Federal Agencies)	\$140,476.46	\$121,636.82	\$175,088.49	\$90,201.66	\$90,218.01	\$94,742.63	(\$162,039.47)
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	\$766,600.59	\$0.00	\$0.00	\$721,166.06	\$0.00	(\$45,434.53)
11. UCX (Military Agencies)	\$215,067.14	\$248,161.48	\$266,370.27	\$132,184.77	\$182,814.99	\$182,136.05	(\$232,463.08)
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>\$34,795,729.13</u>	<u>\$9,962,973.71</u>	<u>\$21,712,701.31</u>	<u>\$28,143,794.52</u>	<u>\$2,451,003.78</u>	<u>\$15,452,221.11</u>	<u>(\$20,424,384.74)</u>
<b>Less Disbursements:</b>							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$16,629,168.80	\$15,675,526.83	\$15,128,963.53	\$15,137,023.18	\$14,341,836.16	\$13,042,134.08	(\$4,912,665.74)
Federal Emergency Benefits (EUC08)	\$7,434,611.24	\$7,607,973.35	\$6,073,719.63	(\$16,608.48)	(\$19,830.54)	(\$14,979.38)	(\$21,167,722.62)
Federal Share Extended Benefits (EB)	(\$875.00)	(\$3,159.00)	\$186.00	(\$1,623.00)	(\$505.00)	(\$100.00)	\$1,620.00
Emergency Benefits (TEUC)	(\$70.00)	\$0.00	(\$70.00)	\$0.00	\$0.00	\$0.00	\$140.00
Temp Federal Additional Comp (FAC)	\$49.97	\$46.00	\$537.90	\$0.00	\$0.00	\$0.00	(\$633.87)
UCFE (Federal Workers) Benefits	\$141,135.11	\$125,496.25	\$170,575.14	\$97,190.16	\$84,957.11	\$91,812.98	(\$163,246.25)
UCX (Military Workers) Benefits	\$215,911.55	\$266,548.24	\$249,637.90	\$145,555.37	\$173,881.64	\$178,556.57	(\$234,104.11)
Reed Act Funds	\$0.00	\$82.13	\$84.11	\$0.00	\$0.00	\$0.00	(\$166.24)
Special Administrative Transfer**	\$14,524.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$14,524.29)
<b>Total Monthly Disbursements</b>	<u>\$24,434,455.96</u>	<u>\$23,672,513.80</u>	<u>\$21,623,634.21</u>	<u>\$15,361,537.23</u>	<u>\$14,580,339.37</u>	<u>\$13,297,424.25</u>	<u>(\$26,491,303.12)</u>
<b>Trust Fund Balance</b>	<u>\$135,489,026.95</u>	<u>\$121,779,486.86</u>	<u>\$121,868,553.96</u>	<u>\$130,924,458.04</u>	<u>\$118,795,122.45</u>	<u>\$120,949,919.31</u>	<u>(\$8,467,567.97)</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

December 4, 2014

Month	Revenues	Benefits	Trust Fund Balance
<b>2013</b>			
Balance 1-1/2013			\$ 107,165,000
January	\$ 11,962,000	\$ 26,122,000	\$ 93,005,000
February	\$ 14,658,000	\$ 22,521,000	\$ 85,142,000
March	\$ 854,000	\$ 24,150,000	\$ 61,846,000
April	\$ 41,181,000	\$ 21,098,000	\$ 81,929,000
May	\$ 72,251,000	\$ 15,621,000	\$ 138,559,000
June	\$ 1,900,000	\$ 20,948,000	\$ 119,511,000
July	\$ 22,957,000	\$ 17,341,000	\$ 125,127,000
August	\$ 26,968,000	\$ 16,606,000	\$ 135,489,000
September	\$ 2,329,000	\$ 16,039,000	\$ 121,779,000
October	\$ 14,853,000	\$ 14,764,000	\$ 121,868,000
November	\$ 17,441,000	\$ 15,129,000	\$ 124,180,000
December	\$ 1,932,000	\$ 23,947,000	\$ 102,165,000
<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	\$ 75,811,000	\$ 14,612,000	\$ 129,789,000
June	\$ 2,894,000	\$ 20,878,000	\$ 111,805,000
July	\$ 23,213,000	\$ 16,876,000	\$ 118,142,000
August	\$ 27,921,000	\$ 15,139,000	\$ 130,924,000
September	\$ 2,175,000	\$ 14,304,000	\$ 118,795,000
October	\$ 15,170,000	\$ 13,016,000	\$ 120,949,000
November	\$ 16,985,000	\$ 14,598,000	\$ 123,336,000
December	\$ 1,803,000	\$ 25,656,000	\$ 99,483,000
<b>Totals - 2014</b>	<b>\$ 225,266,000</b>	<b>\$ 227,948,000</b>	<b>\$ 99,483,000</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%

Executive Division  
112 California Avenue  
Charleston, WV 25305

An agency of the Department of Commerce

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

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



# **Financial Statements**

## **October 2014**

*West Virginia Legislative Interims*  
*December 2014*

**West Virginia Public Employees Insurance Agency**

**Statement of Changes in Plan Net Assets**

**For the Four Months Ending Friday, October 31, 2014**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

( \$ 0 0 0 's )							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			<b>PREMIUM REVENUE</b>				
\$156,246	\$157,865	\$157,668	Health Insurance - State Gov. - Employers	(\$1,619)	(1%)	(\$1,422)	(1%)
39,709	40,265	42,172	Health Insurance - State Gov. - Employees	(556)	(1%)	(2,463)	(6%)
37,337	36,437	36,927	Health Insurance - Local Gov. - All	900	2%	410	1%
706	741	706	Life Insurance	(35)	(5%)		0%
(547)	2,773	8,191	Interest and Investment Income	(3,320)	(120%)	(8,738)	(107%)
833	755	762	Other Premium Revenue	78	10%	71	9%
1,550	1,545	1,545	Administrative Fees, Net of Refunds	5	0%	5	0%
<b>235,834</b>	<b>240,381</b>	<b>247,971</b>	<b>TOTAL REVENUE</b>	<b>(4,547)</b>	<b>(2%)</b>	<b>(12,137)</b>	<b>(5%)</b>
			<b>OPERATING EXPENSES</b>				
130,285	120,561	119,598	Claims Expense - Medical	(9,724)	(8%)	(10,687)	(9%)
40,752	39,660	36,896	Claims Expense - Drugs	(1,092)	(3%)	(3,856)	(10%)
13,027	13,560	12,792	Payments to Managed Care Org.	533	4%	(235)	(2%)
4,543	4,454	4,404	Administrative Service Fees	(89)	(2%)	(139)	(3%)
710	741	706	Life Insurance Expense	31	4%	(4)	(1%)
483	860	860	Wellness and Disease Management	377	44%	377	44%
115	115	114	ACA Comparative Effectiveness Fee		0%	(1)	(1%)
2,833	2,833	1,633	ACA Reinsurance Contribution		0%	(1,200)	(73%)
1,560	1,666	1,538	Other Operating Expenses	106	6%	(22)	(1%)
49,900	50,000	53,512	WV RHBT Pay Go Premiums	100	0%	3,612	7%
<b>244,208</b>	<b>234,450</b>	<b>232,053</b>	<b>TOTAL EXPENSES</b>	<b>(9,758)</b>	<b>(4%)</b>	<b>(12,155)</b>	<b>(5%)</b>
<b>(8,374)</b>	<b>5,931</b>	<b>15,918</b>	<b>YTD SURPLUS (DEFICIT)</b>	<b>(14,305)</b>	<b>(241%)</b>	<b>(24,292)</b>	<b>(153%)</b>
181,388	181,388	198,348	Total Net Assets, Beginning of Period			(16,960)	(9%)
<b>\$173,014</b>	<b>\$187,319</b>	<b>\$214,266</b>	<b>TOTAL NET ASSETS, END OF PERIOD</b>	<b>(\$14,305)</b>	<b>(8%)</b>	<b>(\$41,252)</b>	<b>(19%)</b>

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
For the Four Months Ending Friday, October 31, 2014

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
<b>ADDITIONS</b>							
<b>Employer Premiums:</b>							
\$1,080,185	\$1,082,240	\$1,094,251	Health premiums	(\$2,055)	(0%)	(\$14,066)	(1%)
41,553,082	41,700,000	44,527,028	Pay Go Premiums	(146,918)	(0%)	(2,973,947)	(7%)
41,184	0	948,456	Annual required contributions	41,184	0%	(907,272)	(96%)
<b>42,674,451</b>	<b>42,782,240</b>	<b>46,569,735</b>	<b>Total Employer Premiums</b>	<b>(107,789)</b>	<b>(0%)</b>	<b>(3,895,284)</b>	<b>(8%)</b>
<b>Member Premiums:</b>							
26,187,588	26,609,092	26,021,564	Health premiums	(421,504)	(2%)	166,024	1%
8,336,671	8,300,000	8,985,177	Pay Go Premiums	36,671	0%	(648,506)	(7%)
7,632,216	7,338,876	7,436,092	Life Insurance Premiums	293,340	4%	196,124	3%
<b>42,156,474</b>	<b>42,247,968</b>	<b>42,442,833</b>	<b>Total Member Premiums</b>	<b>(91,494)</b>	<b>(0%)</b>	<b>(286,358)</b>	<b>(1%)</b>
<b>84,830,925</b>	<b>85,030,208</b>	<b>89,012,567</b>	<b>Total Premium Additions</b>	<b>(199,283)</b>	<b>(0%)</b>	<b>(4,181,642)</b>	<b>(5%)</b>
<b>Other Additions:</b>							
266,668	266,668	320,000	Retiree Drug Subsidy	0	0%	(53,332)	(17%)
(2,281,864)	14,140,836	39,182,459	Investment Income	(16,422,700)	(116%)	(41,464,324)	(106%)
5,558,900	3,256,616	0	Transfer from Premium Stabilization Reserve	2,302,284	71%	5,558,900	0%
<b>88,374,629</b>	<b>102,694,328</b>	<b>128,515,027</b>	<b>TOTAL ADDITIONS</b>	<b>(14,319,699)</b>	<b>(14%)</b>	<b>(40,140,397)</b>	<b>(31%)</b>
<b>DEDUCTIONS</b>							
43,931,141	46,299,648	44,880,480	Payments to Managed Care Org.	2,368,507	5%	949,339	2%
7,142,989	7,338,876	7,335,761	Life Insurance Expense	195,888	3%	192,772	3%
23,193,381	20,223,535	22,415,077	Medical Claims Expense	(2,969,846)	(15%)	(778,304)	(3%)
10,273,333	9,797,081	8,242,452	Pharmacy Claims Expense	(476,252)	(5%)	(2,030,880)	(25%)
9,767	12,384	11,914	Comparative Effectiveness Research Fee	2,618	21%	2,147	18%
283,332	266,668	170,829	ACA Reinsurance Contribution	(16,664)	(6%)	(112,503)	(66%)
636,513	591,692	588,874	Administrative Service Fees (External)	(44,821)	(8%)	(47,639)	(8%)
911,295	930,756	889,230	Other Operating Expenses	19,461	2%	(22,065)	(2%)
<b>86,381,749</b>	<b>85,460,640</b>	<b>84,534,615</b>	<b>TOTAL DEDUCTIONS</b>	<b>(921,109)</b>	<b>(1%)</b>	<b>(1,847,134)</b>	<b>(2%)</b>
<b>1,992,880</b>	<b>17,233,688</b>	<b>43,980,411</b>	<b>NET FUND INCREASE</b>	<b>(15,240,808)</b>	<b>(88%)</b>	<b>(41,987,531)</b>	<b>(95%)</b>
<b>Net Position Restricted for Post Employment Benefits</b>							
634,149,244	634,149,244	532,820,655	Beginning of Period- Restricted	0	0%	101,328,589	19%
1,992,880	17,233,688	43,980,411	Net Postion Increase	(15,240,808)	(88%)	(41,987,531)	(95%)
<b>636,142,124</b>	<b>651,382,932</b>	<b>576,801,066</b>	<b>End of Period- Restricted</b>	<b>(15,240,808)</b>	<b>(2%)</b>	<b>59,341,058</b>	<b>10%</b>
57,409,182	57,409,182	57,409,182	Beginning of Period- PSR	0	0%	0	0%
(5,558,900)	(3,256,616)	0	PSR Transfer	(2,302,284)	71%	(5,558,900)	0%
<b>51,850,282</b>	<b>54,152,566</b>	<b>57,409,182</b>	<b>End of Period- PSR</b>	<b>(2,302,284)</b>	<b>(4%)</b>	<b>(5,558,900)</b>	<b>(10%)</b>
691,558,426	691,558,426	590,229,837	Beginning of Period Total Net Position	0	0%	101,328,589	17%
<b>\$687,992,406</b>	<b>\$705,535,498</b>	<b>\$634,210,248</b>	<b>End of Period Total Net Position</b>	<b>(\$17,543,092)</b>	<b>(2%)</b>	<b>\$53,782,158</b>	<b>8%</b>

Accrual Basis / Unaudited / Internal Use Only

2/8/2014 8:23 AM

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



October 31

	2014	2013
(in thousands)		
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 19,857	\$ 16,878
Advance Deposit with Carrier/Trustee	201,462	211,607
Receivables - Net	5,664	6,512
Prepaid Insurance	4,055	3,842
Total Short Term Assets	231,038	238,839
Long Term Assets		
Investments	140,081	139,549
Total Long Term Assets	140,081	139,549
<b>TOTAL ASSETS</b>	371,119	378,388
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	1,365	6,506
Claims Payable	-	28
OPEB Liability	388	372
Agents Commissions Payable	399	328
Unearned Revenue	10,791	9,650
Current Estimated Claim Reserve	53,448	53,327
Total Short Term Liabilities	66,391	70,211
Long Term Liabilities		
Compensated Absences	76	64
Estimated Noncurrent Claim Reserve	101,447	94,243
Total Long Term Liabilities	101,523	94,307
<b>TOTAL LIABILITIES</b>	167,914	164,518
Prior Year Net Assets	208,911	215,083
Current Year Earnings (Deficiency)	(5,706)	(1,213)
<b>TOTAL NET ASSETS</b>	203,205	213,870
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	\$ 371,119	\$ 378,388

DRAFT - Unaudited - Management Purposes Only

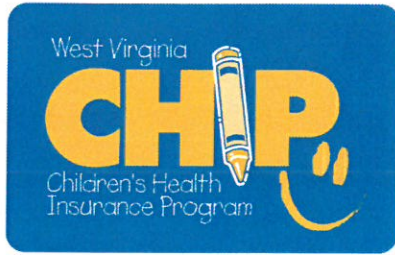
**West Virginia Board of Risk and Insurance Management**  
**UNAUDITED INCOME STATEMENT**  
**For the four months ending**



	<b>October 31</b>	
	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>	
Operating Revenues		
Premium Revenues	\$ 20,231	\$ 18,110
Less - Excess Insurance	(2,141)	(2,160)
Total Operating Revenues	18,090	15,950
Operating Expenses		
Claims Expense	22,193	21,985
Property & MS Claims Expense	1,050	1,453
Personal Services	454	470
General & Administrative Expense	682	782
Total Operating Expenses	24,379	24,690
Operating Income (Loss)	(6,289)	(8,740)
Nonoperating Revenues		
Investment Income	583	7,527
Total Nonoperating Revenues	583	7,527
Net Income (Loss)	\$ (5,706)	\$ (1,213)

DRAFT - Unaudited - Management Purposes Only



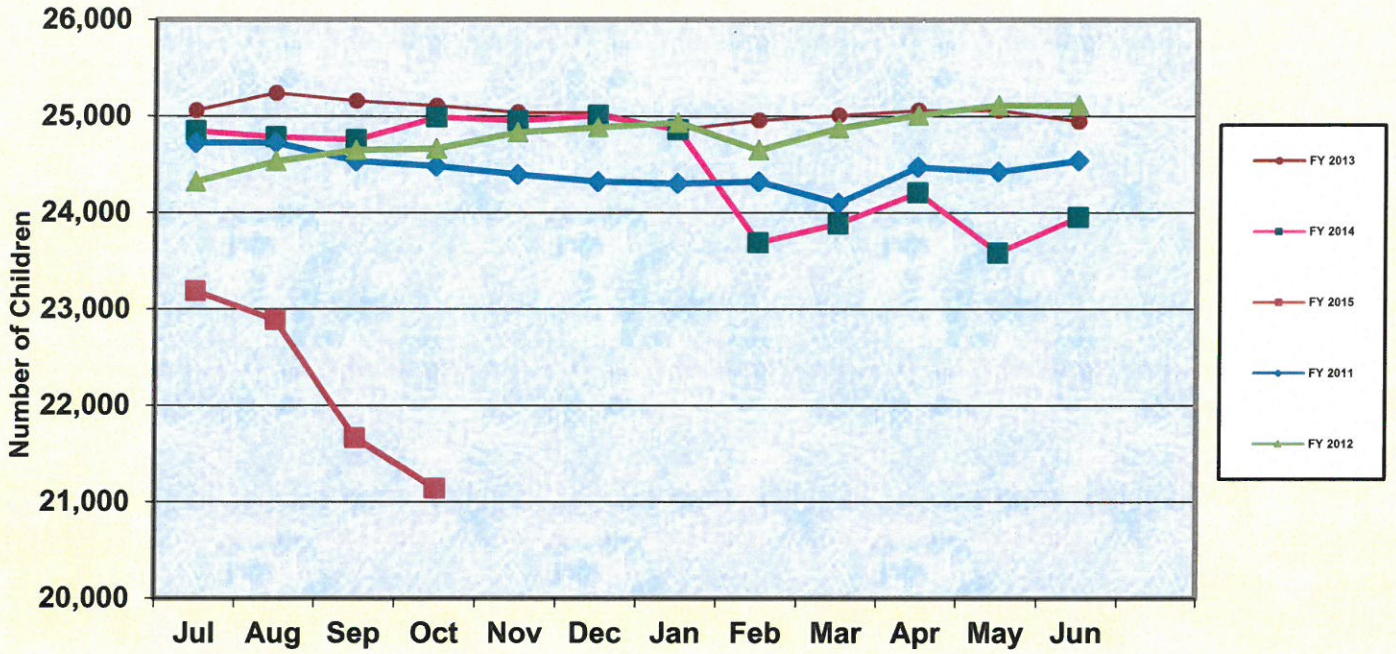


West Virginia Children's Health Insurance Program  
2 Hale Street  
Suite 101  
Charleston, WV 25301  
304-558-2732 voice / 304-558-2741 fax  
Helpline 877-982-2447  
[www.chip.wv.gov](http://www.chip.wv.gov)

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

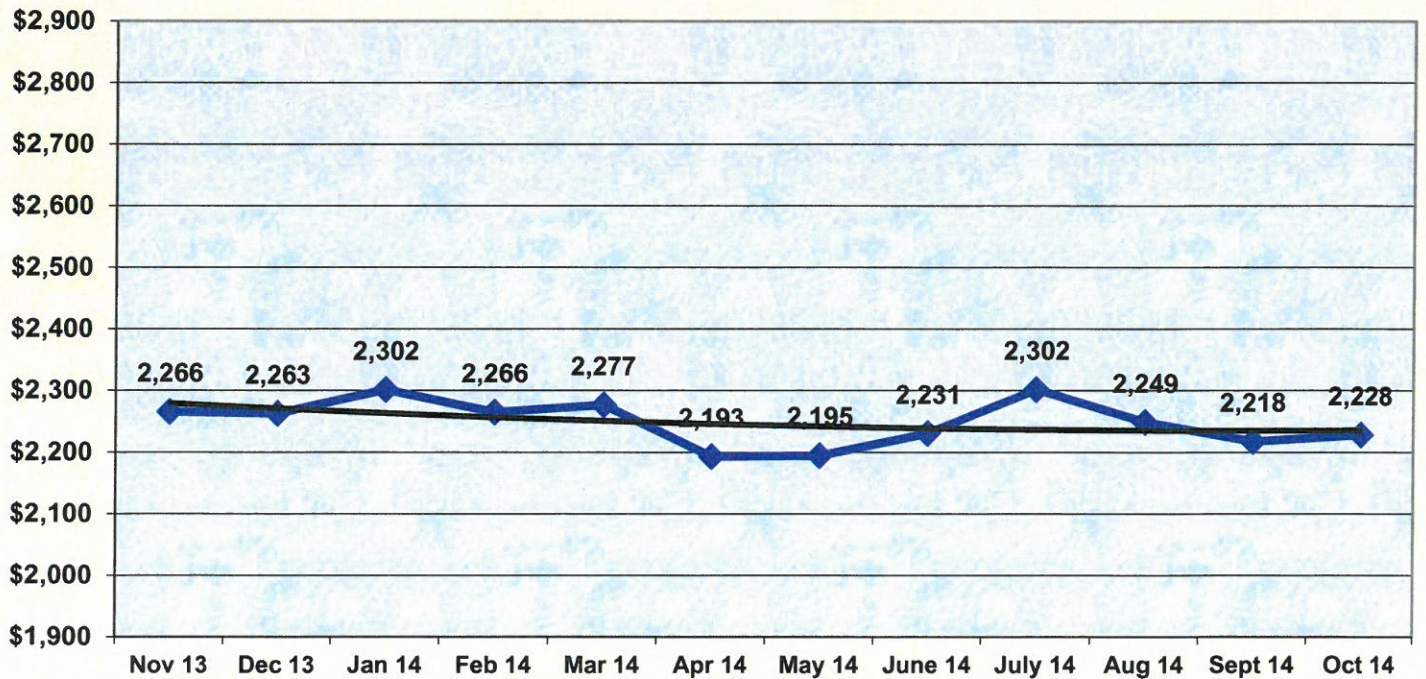
**December 2014**

## WV CHIP Enrollment



October 31st Enrollment 21,146

## Annualized Health Care Expenditures (Cost per Child)



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

	October 31, 2014	October 31, 2013	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$14,154,157	\$14,132,700	\$21,457	0%
Due From Federal Government	\$3,216,432	\$5,210,549	(\$1,994,117)	-38%
Due From Other Funds	\$806,623	\$1,133,504	(\$326,881)	-29%
Accrued Interest Receivable	\$7,206	\$6,156	\$1,050	17%
Fixed Assets, at Historical Cost	<u>\$93,386</u>	<u>\$94,291</u>	<u>(\$905)</u>	<u>-1%</u>
 Total Assets	 <u>\$18,277,804</u>	 <u>\$20,577,200</u>	 <u>(\$2,299,396)</u>	 <u>-11%</u>
<b>Liabilities:</b>				
Accounts Payable	\$313,055	\$280,314	\$32,741	12%
Deferred Revenue	\$414,427	\$832,774	(\$418,347)	-50%
Unpaid Insurance Claims Liability	<u>\$3,710,000</u>	<u>\$5,320,000</u>	<u>(\$1,610,000)</u>	<u>-30%</u>
 Total Liabilities	 <u>\$4,437,482</u>	 <u>\$6,433,088</u>	 <u>(\$1,995,606)</u>	 <u>-31%</u>
 Fund Equity	 <u>\$13,840,322</u>	 <u>\$14,144,112</u>	 <u>(\$303,790)</u>	 <u>-2%</u>
 Total Liabilities and Fund Equity	 <u>\$18,277,804</u>	 <u>\$20,577,200</u>	 <u>(\$2,299,396)</u>	 <u>-11%</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 Four Months Ending October 31, 2014 and October 31, 2013**  
**(Modified Accrual Basis)**

	October 31, 2014	October 31, 2013	Variance	
<b>Revenues</b>				
Federal Grants	10,632,779	16,373,620	(5,740,841)	-35%
State Appropriations	4,195,490	4,194,852	638	0%
Premium Revenues	344,237	288,782	55,455	19%
Investment Income:				
Investment Earnings	<u>30,086</u>	<u>24,696</u>	<u>5,390</u>	<u>22%</u>
<b>Total Revenues</b>	<b><u>15,202,592</u></b>	<b><u>20,881,950</u></b>	<b><u>(5,679,358)</u></b>	<b><u>-27%</u></b>
<b>Expenditures:</b>				
Claims:				
Outpatient Services	4,894,545	4,909,705	(15,160)	0%
Physicians & Surgical	3,357,603	3,098,264	259,339	8%
Prescribed Drugs	2,747,675	3,466,488	(718,813)	-21%
Dental	2,511,320	2,906,999	(395,679)	-14%
Inpatient Hospital Services	1,194,445	2,113,964	(919,519)	-43%
Outpatient Mental Health	506,398	516,329	(9,931)	-2%
Inpatient Mental Health	284,905	374,110	(89,205)	-24%
Durable & Disposable Med. Equip.	441,435	475,470	(34,035)	-7%
Vision	330,063	324,648	5,415	2%
Therapy	220,770	254,666	(33,896)	-13%
Medical Transportation	181,541	126,478	55,063	44%
Other Services	33,819	39,527	(5,708)	-14%
Less: Collections**	<u>(230,294)</u>	<u>(436,280)</u>	<u>205,986</u>	<u>-47%</u>
Total Claims	<u>16,474,225</u>	<u>18,170,368</u>	<u>(1,696,143)</u>	<u>-9%</u>
General and Admin Expenses:				
Salaries and Benefits	217,778	213,579	4,199	2%
Program Administration	1,197,638	806,516	391,122	48%
Eligibility	22,205	183,395	(161,190)	-88%
Outreach & Health Promotion	24,932	254,427	(229,495)	-90%
Current	<u>87,542</u>	<u>56,691</u>	<u>30,851</u>	<u>54%</u>
Total Administrative	<u>1,550,095</u>	<u>1,514,608</u>	<u>35,487</u>	<u>2%</u>
<b>Total Expenditures</b>	<b><u>18,024,320</u></b>	<b><u>19,684,976</u></b>	<b><u>(1,660,656)</u></b>	<b><u>-8%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b><u>(2,821,729)</u></b>	<b><u>1,196,974</u></b>	<b><u>(4,018,703)</u></b>	<b><u>-336%</u></b>
Unrealized Gain(loss) On Investments*	(7,436)	5,814	(13,250)	-228%
<b>Fund Equity, Beginning</b>	<b><u>12,866,112</u></b>	<b><u>12,941,324</u></b>	<b><u>(75,212)</u></b>	<b><u>-1%</u></b>
<b>Fund Equity, Ending</b>	<b><u>10,036,947</u></b>	<b><u>14,144,112</u></b>	<b><u>(4,107,165)</u></b>	<b><u>-29%</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 2015  
For the Four Months Ended October 31, 2014**

	Budgeted for	Year to Date	Year to Date	Year to Date	Variance*	Monthly Budgeted Amt	Actual Amt Oct-14	Actual Amt Sep-14	Actual Amt Aug-14
	Year	Budgeted Amt	Actual Amt	Budgeted Amt					
Projected Cost	\$44,941,229	\$14,980,410	\$17,014,410	(\$2,034,000)	-14%	\$3,745,102	\$4,888,724	\$3,804,915	\$3,990,040
Premiums	1,687,540	562,513	\$344,237	(\$218,276)	-39%	140,628	91,578	89,690	78,171
Subrogation & Rebates	1,100,607	366,869	\$230,294	(136,575)	-37%	91,717	31,947	186,695	0
Net Benefit Cost	42,153,082	14,051,027	\$16,439,879	(\$2,388,852)	-17%	3,596,831	4,765,199	3,528,531	3,911,869
Salaries & Benefits	\$680,653	\$226,884.33	\$217,779	\$9,105	4%	\$56,721	\$51,166	\$51,166	\$51,166
Program Administration	1,781,676	593,892	\$1,132,696	(538,804)	-91%	148,473	408,705	254,064	289,315
Eligibility	250,000	83,333	\$18,295	65,038	78%	20,833	0	18,295	0
Outreach & Health Prom.	380,900	126,967	\$20,578	106,389	84%	31,742	6,802	5,085	2,725
Current Expense	220,000	73,333	\$75,227	(1,894)	-3%	18,333	14,062	24,915	20,218
Total Admin Cost	\$3,313,229	\$1,104,410	\$1,464,575	(\$360,165)	-33%	\$276,102	\$480,735	\$353,525	\$363,424
Total Program Cost	\$45,466,311	\$15,155,437	\$17,904,454	(\$2,749,017)	-18%	\$3,872,933	\$5,245,934	\$3,882,056	\$4,275,293
Federal Share 79.95%	36,350,316	12,116,772	\$14,290,560	(2,173,788)	-18%	3,089,052	4,194,124	3,096,328	3,409,974
State Share 20.05%	9,115,995	3,038,665	\$3,613,894	(575,229)	-19%	783,882	1,051,810	785,728	865,319
Total Program Cost	** \$45,466,311	\$15,155,437	\$17,904,454	(\$2,749,017)	-18%	\$3,872,933	\$5,245,934	\$3,882,056	\$4,275,293

\* Positive percentages indicate favorable variances  
 \*\* Budgeted Year Based on CCRC Actuary 6/30/2014 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 Scenario dated 6/30/14 Final worksheet  
 Net Paid Program Costs.

2/. Federal Share for FFY 2015 is 79.95%. Federal Share for FFY 2014 (10/1/13 - 9/30/14) is set at 79.76%.

# WVCHIP Enrollment Report

ATTACHMENT 1

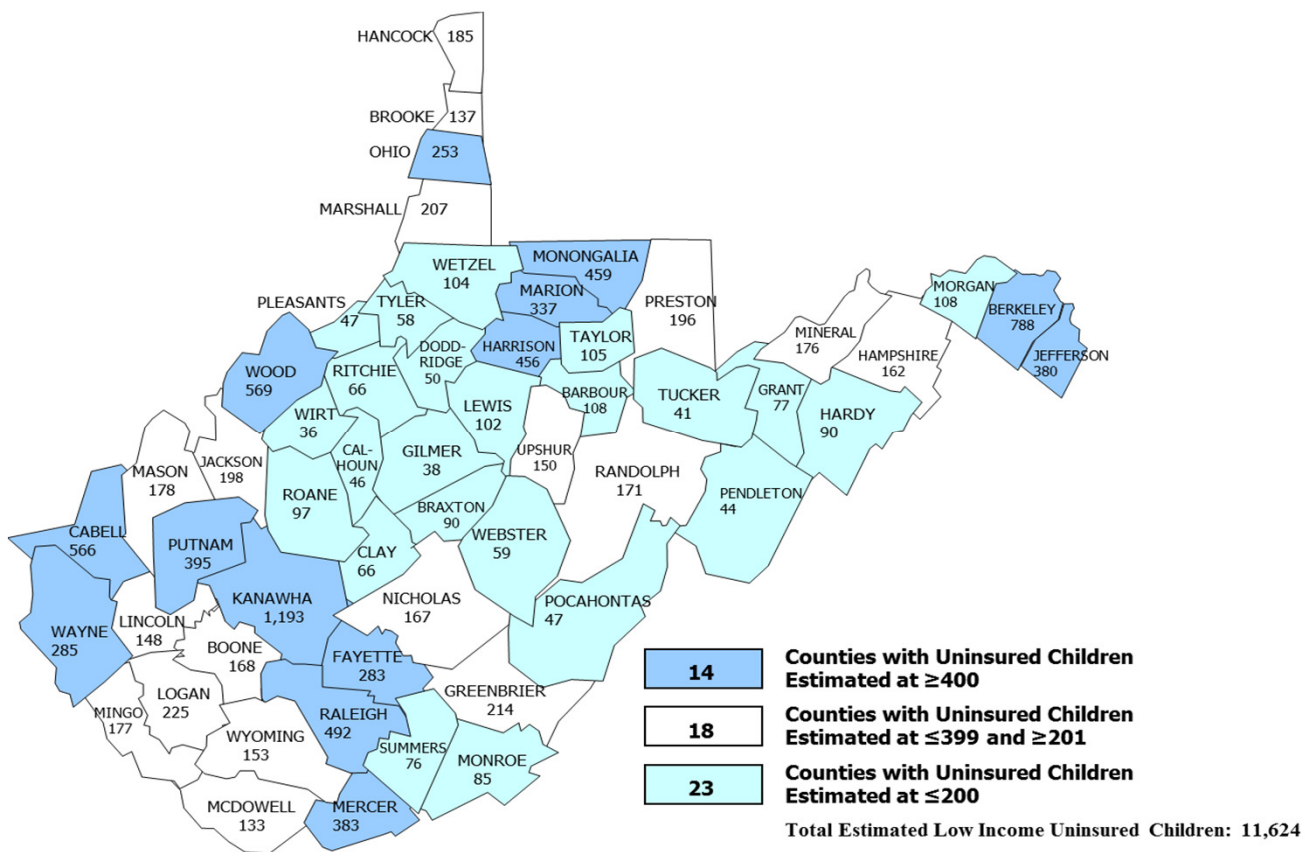
November 2014

County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment Nov-14	Enrollment Nov-14	CHIP/Medicaid Enrollment	Enrollment % of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	245	1,750	1,995	55.4%	108	33
Berkeley	26,251	1,291	10,817	12,108	46.1%	788	2
Boone	5,615	231	3,170	3,401	60.6%	168	25
Braxton	3,006	207	1,579	1,786	59.4%	90	40
Brooke	4,573	211	1,736	1,947	42.6%	137	31
Cabell	18,879	857	9,545	10,402	55.1%	566	4
Calhoun	1,518	122	812	934	61.5%	46	51
Clay	2,215	143	1,420	1,563	70.6%	66	44
Doddridge	1,673	112	668	780	46.6%	50	48
Fayette	9,438	710	5,266	5,976	63.3%	283	13
Gilmer	1,260	69	594	663	52.6%	38	54
Grant	2,555	146	1,096	1,242	48.6%	77	42
Greenbrier	7,131	492	3,569	4,061	56.9%	214	16
Hampshire	5,392	229	2,349	2,578	47.8%	162	27
Hancock	6,166	313	2,795	3,108	50.4%	185	20
Hardy	3,015	145	1,579	1,724	57.2%	90	39
Harrison	15,202	870	6,294	7,164	47.1%	456	7
Jackson	6,602	334	3,098	3,432	52.0%	198	18
Jefferson	12,679	490	3,884	4,374	34.5%	380	10
Kanawha	39,771	1,982	19,595	21,577	54.3%	1,193	1
Lewis	3,389	201	1,819	2,020	59.6%	102	37
Lincoln	4,930	268	3,222	3,490	70.8%	148	30
Logan	7,496	397	4,608	5,005	66.8%	225	15
Marion	11,227	532	5,171	5,703	50.8%	337	11
Marshall	6,886	288	2,985	3,273	47.5%	207	17
Mason	5,929	233	2,892	3,125	52.7%	178	21
McDowell	4,423	187	3,409	3,596	81.3%	133	32
Mercer	12,764	870	7,909	8,779	68.8%	383	9
Mineral	5,868	242	2,363	2,605	44.4%	176	23
Mingo	5,905	266	3,907	4,173	70.7%	177	22
Monongalia	15,294	745	5,141	5,886	38.5%	459	6
Monroe	2,835	203	1,190	1,393	49.1%	85	41
Morgan	3,596	207	1,633	1,840	51.2%	108	34
Nicholas	5,561	346	3,040	3,386	60.9%	167	26
Ohio	8,444	417	3,469	3,886	46.0%	253	14
Pendleton	1,462	97	602	699	47.8%	44	52
Pleasants	1,551	115	607	722	46.5%	47	50
Pocahontas	1,561	120	826	946	60.6%	47	49
Preston	6,536	358	2,949	3,307	50.6%	196	19
Putnam	13,150	636	4,261	4,897	37.2%	395	8
Raleigh	16,403	1,063	8,956	10,019	61.1%	492	5
Randolph	5,705	417	2,894	3,311	58.0%	171	24
Ritchie	2,205	142	980	1,122	50.9%	66	45
Roane	3,239	240	1,854	2,094	64.7%	97	38
Summers	2,521	156	1,382	1,538	61.0%	76	43
Taylor	3,514	190	1,484	1,674	47.6%	105	35
Tucker	1,371	91	577	668	48.7%	41	53
Tyler	1,924	109	806	915	47.5%	58	47

# WVCHIP Enrollment Report

November 2014

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Nov-14	Total Medicaid Enrollment Nov-14	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Upshur	4,996	300	2,660	2,960	59.2%	150	29
Wayne	9,516	396	4,828	5,224	54.9%	285	12
Webster	1,977	122	1,284	1,406	71.1%	59	46
Wetzel	3,466	205	1,781	1,986	57.3%	104	36
Wirt	1,201	76	722	798	66.5%	36	55
Wood	18,956	964	9,305	10,269	54.2%	569	3
Wyoming	5,116	370	2,906	3,276	64.0%	153	28
<b>Totals</b>	<b>387,459</b>	<b>20,768</b>	<b>186,038</b>	<b>206,806</b>	<b>53.4%</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 November 1, 2014 through November 30, 2014

**NEW CONTRACT OF LEASE**

**OFFICE OF TECHNOLOGY**

**OOT-001** New Contract of Lease for 2 years consisting of 7,440 square feet of office/storage space at the annual per square foot rate of \$4.50, annual cost \$33,480, full service, 908 Bullitt Street, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

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

**RENEWAL WITH INCREASE IN RENT**

**DIVISION OF NATURAL RESOURCES**

**NAT-102** Renewal for 3 years consisting of 241 square feet of office space with an increase in the monthly rate from \$220.92 to \$241.00, annual cost \$2,892.00, full service, Grove Avenue, in the Town of Inwood, Berkeley County, West Virginia.

**NAT-106** Renewal for 5 years consisting of 600 square feet of storage space with an increase in the monthly rate from \$255.00 to \$270.00, annual cost \$3,240.00, 105 Pickens Road, in the City of Nitro, Putnam County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-175** Renewal for 3 years consisting of 1,000 square feet of storage space with an increase in the annual per square foot rate from \$3.00 to \$3.60, annual cost \$3,600.00, 4710 Big Chimney Drive, in the City of Big Chimney, Kanawha County, West Virginia.



Real Estate Division  
 Monthly Summary of Lease Activity  
 November 1-30, 2014

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Office of Technology	OOT-001	Kanawha	7,440	4.50	33,480	2	66,960
2	Department of Environmental Protection	DEP-171	Harrison	416	0.00	2,160	2	4,320
3	Division of Natural Resources	NAT-102	Berkeley	241	0.00	2,892	3	8,676
4	Division of Natural Resources	NAT-106	Putnam	600	0.00	3,240	5	16,200
5	Department of Health and Human Resources	HHR-175	Kanawha	1,000	3.60	3,600	3	10,800

		8.10
<b>Total Rentable Square Feet</b>	<u>9,697</u>	
<b>Average Annual Rental Rate</b>		4.05
<b>Total Annual Rent</b>		<u>45,372</u>

**Joint Committee on Government and Finance**

**December 2014**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**October 2014 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2015

	MONTH OF OCTOBER 2014					
	ACTUALS SFY2014	TOTAL SFY2015	ACTUALS Current Month Ended 10/31/14	ESTIMATE Current Month Ended 10/31/14	ACTUALS Year-To-Date Thru 10/31/14	PROJECTED 11/1/14 Thru 6/30/15
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	202,966,397	296,972,557	20,230,361	28,571,971	79,175,573	217,796,964
Inpatient Hospital - DSH	54,939,002	55,093,200	-	-	14,463,111	40,630,089
Inpatient Hospital - Supplemental Payments	95,218,203	99,243,734	5,301,925	5,301,925	26,080,046	73,163,688
Inpatient Hospital - GME Payments	5,949,840	6,326,500	-	-	1,468,496	4,858,004
Mental Health Facilities	87,806,454	122,932,546	9,023,596	12,149,853	37,075,627	85,856,919
Mental Health Facilities - DSH Adjustment Payments	18,867,345	18,890,400	-	-	4,722,851	14,167,549
Nursing Facility Services - Regular Payments	559,628,460	578,734,134	46,500,954	48,253,130	190,777,734	387,956,400
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	67,221,628	72,056,000	5,592,659	6,004,667	22,816,644	49,239,356
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	116,054,513	155,238,580	20,293,455	14,939,780	69,100,300	86,138,280
Physicians Services - Supplemental Payments	28,165,918	27,215,100	7,412,071	6,803,775	13,942,147	13,272,953
Physician and Surgical Services - Evaluation and Management	29,338,785	18,441,600	1,729,213	1,773,231	5,478,616	12,962,985
Physician and Surgical Services - Vaccine Codes	110,721	75,600	7,082	7,269	18,034	57,566
Outpatient Hospital Services - Regular Payments	123,004,028	161,803,026	20,267,884	15,574,857	64,063,948	97,739,078
Outpatient Hospital Services - Supplemental Payments	69,977,049	72,726,937	1,040,762	1,247,816	18,470,061	54,256,876
Prescribed Drugs	287,304,468	372,497,808	40,319,000	36,200,365	149,145,787	223,352,021
Drug Rebate Offset - National Agreement	(168,922,640)	(168,924,131)	(36,028,899)	(33,497,655)	(86,159,329)	(82,764,802)
Drug Rebate Offset - State Sidebar Agreement	(12,751,219)	(12,751,272)	(2,310,710)	(2,528,577)	(5,830,843)	(6,920,429)
Drug Rebate Offset - MCO National	(27,180,928)	(27,180,975)	(7,763,174)	(5,389,987)	(17,228,145)	(9,952,830)
Drug Rebate Offset - MCO State Sidebar Agreement	(2,850,937)	(2,850,937)	(498,106)	(565,341)	(1,396,881)	(1,454,056)
Dental Services	45,190,521	30,845,122	3,674,759	2,969,867	11,381,333	19,463,789
Other Practitioners Services - Regular Payments	12,358,000	18,652,949	2,012,098	1,820,867	6,673,785	11,979,164
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,864,483	6,887,054	723,060	671,098	2,291,039	4,596,016
Lab & Radiological Services	29,768,394	40,200,330	5,063,695	3,879,309	16,153,308	24,047,022
Homa Health Services	46,115,847	66,384,723	5,498,748	6,431,213	19,783,487	46,631,236
Hysterectomies/Sterilizations	190,026	223,510	48,494	21,491	131,469	92,041
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	532,619	970,556	90,355	93,358	317,447	653,109
Rural Health Clinic Services	9,274,142	13,370,879	1,377,405	1,288,677	4,177,945	9,192,934
Medicare Health Insurance Payments - Part A Premiums	18,059,667	18,933,000	1,544,019	1,577,750	4,737,801	14,195,196
Medicare Health Insurance Payments - Part B Premiums	85,786,596	96,349,700	7,398,944	8,029,142	30,964,307	65,385,393
120% - 134% Of Poverty	6,855,111	6,826,900	622,686	656,433	2,502,703	4,324,197
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	8,655,028	9,076,700	838,870	872,760	3,365,365	5,711,335

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2015

MONTH OF OCTOBER 2014

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2014	SFY2015	Current Month Ended 10/31/14	Current Month Ended 10/31/14	Year-To-Date Thru 10/31/14	11/1/14 Thru 6/30/15
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	539,256,030	504,449,230	51,372,916	42,037,436	200,800,701	303,648,529
Medicaid MCO - Evaluation and Management	25,540,683	14,586,600	1,682,071	1,215,550	6,772,545	7,814,055
Medicaid MCO - Vaccine Codes	1,356,766	799,200	85,420	66,600	344,084	455,116
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	466,213	475,900	-	45,760	162,720	313,180
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	353,850,681	377,765,200	29,432,161	36,323,577	124,074,108	253,691,092
Home & Community-Based Services (Aged/Disabled)	105,482,065	113,605,917	8,163,366	10,949,115	34,504,709	79,101,209
Home & Community-Based Services (Traumatic Brain Injury)	613,943	3,617,500	62,850	347,837	256,729	3,360,771
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	68,109,380	70,724,789	5,998,428	6,800,692	24,853,015	45,871,774
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,704,666	3,829,030	287,406	369,036	972,228	2,856,802
Primary Care Case Management Services	135,444	186,888	6,775	17,970	36,528	150,360
Hospice Benefits <sup>(3)</sup>	27,186,553	41,011,855	2,542,613	3,943,448	8,729,735	32,282,120
Emergency Services Undocumented Aliens	266,289	476,654	8,865	45,832	28,266	448,388
Federally Qualified Health Center	22,567,905	33,064,597	5,851,835	3,186,244	18,705,555	14,359,041
Non-Emergency Medical Transportation	26,428,386	26,128,337	4,607,541	2,512,462	12,049,916	14,078,422
Physical Therapy	2,705,214	3,678,856	534,175	353,768	1,976,113	1,702,843
Occupational Therapy	475,840	660,048	55,857	63,466	201,778	458,270
Services for Speech, Hearing & Language	482,117	696,670	63,136	66,988	205,967	490,703
Prosthetic Devices, Dentures, Eyeglasses	1,866,935	2,663,040	251,450	256,217	808,685	1,854,355
Diagnostic Screening & Preventive Services	878,891	1,005,483	158,202	96,705	571,443	434,040
Nurse Mid-Wife	264,176	575,179	41,146	55,402	159,129	417,050
Emergency Hospital Services	(3,569)	(3,700)	-	(356)	16	(3,716)
Critical Access Hospitals	41,779,836	63,464,847	7,292,846	6,104,099	24,819,504	38,645,343
Nurse Practitioner Services	2,455,160	5,257,135	401,883	505,713	1,308,851	3,948,284
School Based Services	41,449,335	50,270,801	1,358,555	4,833,745	17,630,073	32,640,727
Rehabilitative Services (Non-School Based)	84,277,000	124,593,380	9,647,592	12,041,320	32,936,349	91,657,031
Private Duty Nursing	6,330,885	9,043,296	705,745	869,548	2,656,775	6,386,521
Health Home for Enrollees w Chronic Conditions	-	-	1,275	-	1,275	(1,275)
Other Care Services	22,375,566	36,116,931	3,454,077	3,492,303	11,098,467	25,018,464
Less: Recoupments	-	-	(184,945)	-	(184,945)	184,945
<b>NET EXPENDITURES:</b>	<b>3,181,819,010</b>	<b>3,644,016,591</b>	<b>293,913,549</b>	<b>299,759,521</b>	<b>1,215,124,083</b>	<b>2,428,892,508</b>

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2015

MONTH OF OCTOBER 2014	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2014	SFY2015	Current Month Ended 10/31/14	Current Month Ended 10/31/14	Year-To-Date Thru 10/31/14	11/1/14 Thru 6/30/15
Collections: Third Party Liability (line 9A on CMS-64)	(7,458,103)	-	-	-	(1,461,977)	1,461,977
Collections: Probate (line 9B on CMS-64)	(529,196)	-	-	-	(262,455)	262,455
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(173,874)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(5,395,229)	-	-	-	(4,958,443)	4,958,443
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>3,168,263,508</b>	<b>3,644,016,591</b>	<b>293,913,549</b>	<b>299,759,521</b>	<b>1,208,441,209</b>	<b>2,435,575,383</b>
Plus: Medicaid Part D Expenditures	37,132,361	36,765,889	3,090,819	3,063,624	12,312,675	24,453,214
Plus: State Only Medicaid Expenditures	2,040,451	2,067,598	86,575	198,808	331,800	1,735,796
Plus: Money Follow the Person Expenditures	677,570	4,319,230	100,654	415,311	364,251	3,954,980
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 3,208,113,890</b>	<b>\$ 3,687,169,308</b>	<b>\$ 297,191,597</b>	<b>\$ 303,437,404</b>	<b>\$ 1,221,449,934</b>	<b>\$ 2,465,719,374</b>
Plus: Reimbursables <sup>(1)</sup>	6,526,128	7,593,130	468,053	730,109	1,657,932	5,935,198
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,214,640,017</b>	<b>\$ 3,694,762,438</b>	<b>\$ 297,659,649</b>	<b>\$ 304,167,573</b>	<b>\$ 1,223,107,866</b>	<b>\$ 2,471,654,572</b>

(1) This amount will revert to State Only if not reimbursed.  
 (2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$7,514,987 is the amount paid to State Facilities year to date.  
 (3) Of the amount in the "Hospice Benefits" line, \$6,440,463 is the amount paid to Nursing Facilities

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2015

4 Months Actuals      8 Months Remaining

MONTH OF OCTOBER 2014	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2014	Current Month Ended 10/31/14	Year-To-Date Thru 10/31/14	11/1/2014 Thru 6/30/15	SFY2015
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	\$ 34,992,812	\$ 63,061,266	\$ 19,168,922	\$ -	\$ 19,168,922
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	276,200,578	-	106,515,218	206,060,874	312,576,092
MRDD Waiver (0403/466)	88,753,483	6,508,589	24,259,286	64,494,197	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	865,333	-1,730,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,118,667	4,237,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	58,667	218,667	581,333	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	996,866	3,715,590	9,878,030	13,593,620
Medical Services Surplus (0403/633)	7,400,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	1,000,000	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	21,335,090	-	3,802,192	13,206,576	17,008,768
Lottery Weiver (0420/539)	10,131,368	-	3,969,423	11,968,267	15,957,690
Lottery Transfer (5405/871)	50,588,667	-	2,167,500	6,502,500	8,670,000
Excess Lottery (5365/189)	96,543,971	-	-	26,228,418	26,228,418
Trust Fund Appropriation (5185/189)	67,559,964	-	87,274,230	45,007,047	132,281,277
Provider Tax (5090/189)	220,735,944	20,731,089	69,481,089	133,599,918	203,081,007
Certified Match	20,992,555	1,096,622	8,140,298	15,982,690	23,522,988
Reimbursables - Amount Reimbursed	6,824,604	170	155,153	7,437,977	7,593,130
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	5,845,141	49,368	493,184	1,673,219	2,166,403
CMS - 64 Adjustments	690,029	-	221,957	(221,957)	-
<b>TOTAL MATCHING FUNDS</b>	\$ 932,939,826	\$ 93,248,637	\$ 332,566,709	\$ 547,767,089	\$ 880,353,798
<b>FEDERAL FUNDS</b>	\$ 2,332,959,079	\$ 223,482,549	\$ 913,593,221	\$ 1,859,675,885	\$ 2,773,269,106
<b>TOTAL REVENUE SOURCES</b>	\$ 3,265,898,904	\$ 316,731,166	\$ 1,246,179,930	\$ 2,407,442,974	\$ 3,653,622,904
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 3,214,640,017	\$ 297,659,649	\$ 1,223,107,866	\$ 2,471,654,572	\$ 3,694,762,438
<b>TOTAL</b>	\$ 51,258,887	\$ 19,071,537	\$ 23,072,064	\$ (41,139,534)	\$ (41,139,534)

Note: FMAP (71.09% applicable Jul. - Sep. 2014) (71.35% applicable Oct. 2014 - Jun. 2015)

**Joint Committee on Government and Finance**

**December 2014**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT**

**October 2014 Data**

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

Aged Disabled Waiver Reported October 31, 2014		FY 2014 YTD	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots Approved By CMS (1)		6,409	6,199	6,199	6,199	6,199									6,199
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		6,183	5,412	5,544	5,654	5,675									5,675
Applicants determined eligible this month and added to MEL (3)		1,245	199	70	224	190									683
Applicants determined ineligible		210	8	11	18	25									62
<b>ACTIVE MEMBERS</b>															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		5,330	5,412	5,453	5,535	5,480									5,480
Active members enrolled during the calendar month		470	101	181	143	131									556
Members discharged during the calendar month		853	0	140	61	186									387
ADW Members whose case was closed by reason	Member is deceased	518	0	77	16	70									163
	Other (4)	267	0	63	45	116									224
<b>MANAGED ENROLLMENT LIST (MEL)</b>															
# Eligible applicants closed during the calendar month (removed from		new	529	216	284	347									1,376
ADW Applicants removed from the MEL	Applicant offered a slot	new	458	207	200	270									1,135
	Applicant became deceased		532	29	9	50	24								112
	Other (5)		new	40	0	34	53								127
Applicants on the MEL who are in a nursing facility YTD Column reflects average # members in setting			55	138	88	51	82								90
Applicants on the MEL receiving Personal Care YTD Column reflects average # members in setting			140	69	227	199	173								167
Applicants on the MEL at the end of the month			2,119	1,789	1,643	1,583	1,426								N/A
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days			Jul-12	510	541	539	450								510

(1) Of the 6,199 slots approved by CMS, 70 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. This includes slots created by legislative appropriations but not yet submitted to CMS for approval due to the State-wide transition plan requirement.

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

(3) Monthly number added to MEL 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.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Was previously reported in month/year. Now reported in actual days on the MEL

All data reported by Utilization Management Contractor is effective as of transpire date in web-based system. Data is point-in-time.



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

Intellectual/Developmental Disabilities Waiver Reported October 31, 2014	FY 2014	July-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots approved by CMS	4,534	4,634	4,634	4,634	4,634									4,634
Total number of members served YTD (unduplicated slots used) (1)	4,534	4,634	4,634	4,634	4,634									4,634
Applicants determined eligible (2)	348	52	35	34	35									156
Applicants determined ineligible (3)	292	38	33	31	42									144
<b>ACTIVE MEMBERS</b>														
# of active members at the end of the month (unduplicated slots active) (1)	4,435	4,603	4,607	4,596	4,591									4,591
Discharged members at the end of the calendar month	114	8	11	12	9									40
Discharged members who were discharged by reason	Deceased	49	3	6	5	4								18
	Left program to enter a facility	10	0	0	3	1								4
	Other (6)	55	5	5	4	4								18
<b>MANAGED ENROLLMENT LIST (MEL)</b>														
Total number of applicants on the MEL at the end of the month	972	848	868	899	932									932
Number of applicants added to the MEL (4)	348	52	35	34	35									156
Applicants enrolled (moved from the MEL)	155	176	15	0	6									197
Applicants removed from the MEL due to Death (5)	10	0	0	1	1									2
Applicants on the MEL who are in a Nursing Facility	2 Avg.	3	3	3	3									3
Applicants on the MEL who are in an ICF/IID Group Home	52 Avg.	53	54	57	57									57
Applicants on the MEL receiving Personal Care Services each month	40 Avg.	47	51	54	56									56
Longest on the MEL to date (7)	945	738 Days	769 Days	799 Days	830 Days									830 Days

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

(2 and 3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(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 the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

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

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

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

Traumatic Brain Injury Waiver Reported October 31, 2014	FY 2014	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots Approved By CMS	125	125	125	125	125	125	125	125	125	125	125	125	125	125
Total number of members served YTD (unduplicated slots used) (1)	46	43	44	48	48									48
Applicants determined eligible and became active this month (2)	37	6	1	4	0									11
Applicants determined ineligible (3)	17	0	0	0	0									0
<b>ACTIVE MEMBERS</b>														
Active members at the end of the month (unduplicated slots active)	37	43	44	48	44									44
Closed member at the end of the calendar month	9	0	0	0	4									4
TBI Members whose case was closed by reason	Deceased	1	0	0	0	1								1
	Left program to enter a facility	1	0	0	0	0								0
	Other (4)	7	0	0	0	3								3
<b>MANAGED ENROLLMENT LIST (MEL) *</b>														
Total number of applicants on the MEL at the end of the month	N/A	N/A	N/A	N/A	N/A									N/A
Number of applicants added to the MEL	N/A	N/A	N/A	N/A	N/A									N/A
Applicants enrolled (moved from the MEL due to slot releases)	N/A	N/A	N/A	N/A	N/A									N/A
Applicants removed from the MEL due to death	N/A	N/A	N/A	N/A	N/A									N/A
New Applicants on the MEL who are in a nursing facility	N/A	N/A	N/A	N/A	N/A									N/A
New Applicants on the MEL receiving Personal Care each month	N/A	N/A	N/A	N/A	N/A									N/A
Longest on the MEL to date	N/A	N/A	N/A	N/A	N/A									N/A

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

(2 and 3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility only. Financial eligibility is determined at a later date.

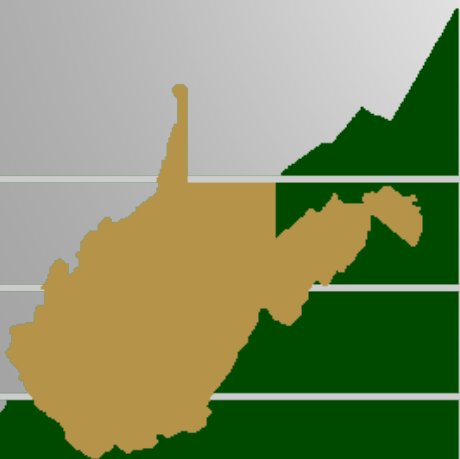
(4) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

\* There is currently no Managed Enrollment List for the TBI Waiver Program.

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

October 31, 2014



**West Virginia Investment Management Board**  
 Participant Plans Allocation & Performance Net of Fees  
 As of October 31, 2014

	6/30/2014		10/31/2014		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>16,877,312</b>	<b>100.0</b>	<b>16,579,972</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>13,389,464</b>	<b>79.3</b>	<b>13,173,056</b>	<b>79.5</b>							
Public Employees' Retirement System	5,629,812	33.4	5,570,754	33.7	0.7	0.5	(0.4)	8.9	11.4	10.8	7.5
Teachers' Retirement System	6,655,376	39.3	6,513,427	39.3	0.7	0.5	(0.4)	8.8	11.4	10.7	7.2
EMS Retirement System	53,343	0.3	52,497	0.3	0.7	0.5	(0.4)	8.9	11.4	10.8	
Public Safety Retirement System	601,077	3.6	586,102	3.5	0.7	0.5	(0.4)	8.8	11.4	10.9	7.5
Judges' Retirement System	165,239	1.0	163,965	1.0	0.7	0.5	(0.4)	8.9	11.4	10.8	7.5
State Police Retirement System	120,572	0.7	121,911	0.7	0.7	0.5	(0.4)	8.9	11.4	10.8	7.5
Deputy Sheriffs' Retirement System	161,491	1.0	161,642	1.0	0.7	0.5	(0.4)	8.9	11.4	10.8	7.5
Municipal Police & Firefighter Retirement System	1,150	0.0	1,383	0.0	0.7	0.5	(0.3)	8.6	10.6		
Municipal Model A	1,404	0.0	1,375	0.0	0.7	0.5	(0.4)	8.6			
<b>Insurance Assets</b>	<b>2,449,418</b>	<b>14.5</b>	<b>2,436,032</b>	<b>14.6</b>							
Workers' Compensation Old Fund	1,197,954	7.0	1,201,148	7.2	0.7	0.2	(0.3)	4.9	5.8	6.2	
Workers' Comp. Self-Insured Guaranty Risk Pool	15,707	0.1	15,604	0.1	0.4	0.2	(0.3)	5.3	6.5	5.0	
Workers' Comp. Self-Insured Security Risk Pool	7,165	0.0	6,961	0.0	0.4	0.2	(0.3)				
Workers' Comp. Uninsured Employers' Fund	10,704	0.1	10,670	0.1	0.4	0.2	(0.3)	5.1	6.4	4.6	
Pneumoconiosis	269,556	1.6	263,837	1.6	0.5	0.2	(0.3)	5.4	6.6	6.9	5.4
Board of Risk & Insurance Management	147,378	0.9	140,081	0.8	0.5	0.3	(0.2)	5.5	6.6	7.0	
Public Employees' Insurance Agency	214,210	1.3	213,663	1.3	0.5	0.2	(0.3)	5.6	6.5	6.8	
WV Retiree Health Benefit Trust Fund	584,257	3.5	581,931	3.5	0.7	0.5	(0.4)	8.8	10.7	9.4	
AccessWV	2,487	0.0	2,137	0.0	0.0	0.0	0.0	0.8	2.0		
<b>Endowment Assets</b>	<b>1,038,430</b>	<b>6.2</b>	<b>970,884</b>	<b>5.9</b>							
Wildlife Fund	52,488	0.3	51,893	0.3	0.7	0.6	(0.4)	8.8	11.3	10.8	7.5
Prepaid Tuition Trust	77,100	0.5	71,445	0.4	1.1	1.4	0.5	7.5	9.4	9.5	7.3
Revenue Shortfall Reserve Fund	477,831	2.8	376,563	2.3	0.7	(0.3)	(0.3)	3.3	2.7	4.7	
Revenue Shortfall Reserve Fund - Part B	381,423	2.3	380,091	2.3	0.8	0.1	(0.3)	4.9	6.0	6.9	
WV DEP Trust	8,717	0.1	8,678	0.1	0.7	0.7	(0.4)	7.9	11.4		
WV DEP Agency	40,871	0.2	82,214	0.5	0.6	0.8	0.2	6.6			

## West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of October 31, 2014

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	16,591,303	100.00								
Total Equity Composite	8,266,088	49.81	0.86	(0.05)	(1.67)	8.88	15.21	13.29	8.50	
+/- Total Equity Policy Index (b)			0.06	0.35	0.25	0.92	1.28	1.56	1.31	
US Equity Composite	4,323,212	26.05	2.98	5.51	3.20	16.50	20.05	17.71	8.97	
+/- Russell 3000 Index			0.23	0.68	0.44	0.43	0.28	0.70	0.42	
Large Cap Composite	3,445,042	20.76	2.92	5.70	4.15	17.90	19.88	17.20	8.48	
+/- S&P 500 Index			0.48	0.65	0.55	0.63	0.11	0.51	0.28	
Non-Large Cap Composite	878,170	5.29	3.19	4.64	0.17	12.14	20.30	19.95	10.39	
+/- Russell 2500 Index			(1.24)	0.68	1.33	1.91	1.27	1.55	0.71	
International Equity Composite	3,942,876	23.76	(1.37)	(5.55)	(6.54)	1.53	10.32	8.83	8.79	
+/- MSCI AC World ex US IMI Index (c)			(0.22)	(0.09)	(0.06)	1.24	2.14	2.32	1.75	
Fixed Income Composite	3,432,512	20.69	0.65	0.67	0.65	4.83	4.43	5.39	4.96	
+/- Barclays Capital Universal (d)			(0.33)	(0.59)	(0.30)	0.45	1.06	0.65	0.07	
Core Fixed Income	1,064,461	6.42	0.87	1.35	1.24	4.41	3.46	4.96		
+/- Barclays Capital Aggregate			(0.11)	(0.05)	0.09	0.27	0.73	0.74		
Total Return Fixed Income	2,368,051	14.27	0.56	0.36	0.39	5.02	4.95	5.64	5.53	
+/- Barclays Capital Universal			(0.42)	(0.90)	(0.56)	0.64	1.58	0.90	0.62	
TIPS Composite	425,626	2.57	0.87	(1.22)	(1.26)	1.84	0.99	4.36		
+/- Barclays Capital U.S. TIPS			0.02	0.02	(0.05)	(0.06)	(0.02)	(0.05)		
Cash Composite	146,682	0.88	0.01	0.03	0.04	0.10	0.13	0.13	1.71	
+/- Citigroup 90 Day T-Bill (e)			0.01	0.03	0.04	0.06	(0.03)	(0.08)	0.00	
Private Equity Composite	1,399,485	8.44	0.82	1.96	1.79	17.67	12.91	14.84		
+/- Russell 3000 + 3% (f, g)								(6.28)		
Real Estate Composite	1,433,159	8.64	1.40	2.09	2.23	11.12	10.07	9.87		
+/- NCREIF + 1% (f)								(1.24)		
Hedge Fund Composite	1,487,751	8.97	(0.53)	0.69	0.77	5.90	7.13	6.21		
+/- HFRI FOF + 1% (h)			(0.06)	0.32	0.68	2.50	3.09	2.06		

**West Virginia Investment Management Board**

Participant Plans Allocation vs. Strategy

As of October 31, 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	28.4	27.5	26.0	27.5	14.9	15.0	10.1	10.0	10.4	10.0	9.7	10.0	0.5	0.0
Teachers' Retirement System	28.5	27.5	26.1	27.5	14.6	15.0	10.2	10.0	10.4	10.0	9.8	10.0	0.4	0.0
EMS Retirement System	28.1	27.5	25.9	27.5	15.1	15.0	10.1	10.0	10.3	10.0	9.7	10.0	0.8	0.0
Public Safety Retirement System	28.8	27.5	26.7	27.5	14.8	15.0	10.2	10.0	10.4	10.0	9.0	10.0	0.1	0.0
Judges' Retirement System	28.4	27.5	26.0	27.5	15.1	15.0	10.1	10.0	10.4	10.0	9.6	10.0	0.4	0.0
State Police Retirement System	28.5	27.5	25.9	27.5	15.1	15.0	10.1	10.0	10.3	10.0	9.3	10.0	0.8	0.0
Deputy Sheriffs' Retirement System	28.4	27.5	26.1	27.5	15.1	15.0	10.1	10.0	10.4	10.0	9.5	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	26.5	27.5	24.3	27.5	14.0	15.0	9.4	10.0	9.9	10.0	8.9	10.0	7.0	0.0
Municipal Model A	28.8	27.5	26.3	27.5	13.9	15.0	10.1	10.0	10.3	10.0	9.9	10.0	0.7	0.0

**Insurance Assets**

Workers' Compensation Old Fund	15.4	15.0	13.5	15.0	65.7	70.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	0.0
Workers' Comp. Self-Insured Guaranty Risk Pool	15.5	15.0	14.2	15.0	45.3	45.0	0.0	0.0	0.0	0.0	20.0	20.0	5.0	5.0
Workers' Comp. Self-Insured Security Risk Pool	15.6	15.0	14.3	15.0	45.6	45.0	0.0	0.0	0.0	0.0	20.1	20.0	4.4	5.0
Workers' Comp. Uninsured Employers Fund	15.5	15.0	14.2	15.0	40.2	40.0	0.0	0.0	0.0	0.0	20.0	20.0	10.1	10.0
Pneumoconiosis	15.7	15.0	13.9	15.0	45.7	45.0	0.0	0.0	0.0	0.0	20.0	20.0	4.7	5.0
Board of Risk & Insurance Mgmt.	15.6	15.0	13.6	15.0	46.4	45.0	0.0	0.0	0.0	0.0	19.0	20.0	5.4	5.0
Public Employees' Insurance Agency	15.6	15.0	14.2	15.0	50.2	50.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	28.4	27.5	26.0	27.5	15.2	15.0	10.1	10.0	10.4	10.0	9.9	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	29.0	27.5	26.2	27.5	13.7	15.0	10.2	10.0	10.6	10.0	9.7	10.0	0.6	0.0
Prepaid Tuition Trust	30.4	30.0	15.0	16.0	53.1	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Revenue Shortfall Reserve Fund - Part B	15.7	15.0	13.5	15.0	70.7	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Trust	38.5	37.0	26.5	28.0	15.2	15.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0
WV DEP Agency	20.0	20.0	19.2	20.0	43.8	40.0	0.0	0.0	0.0	0.0	14.8	20.0	2.2	0.0

## West Virginia Investment Management Board

### Footnotes

As of October 31, 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

December 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.

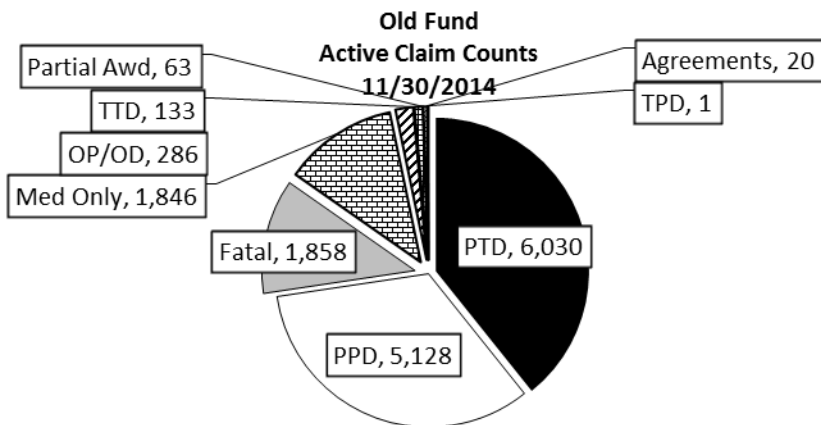
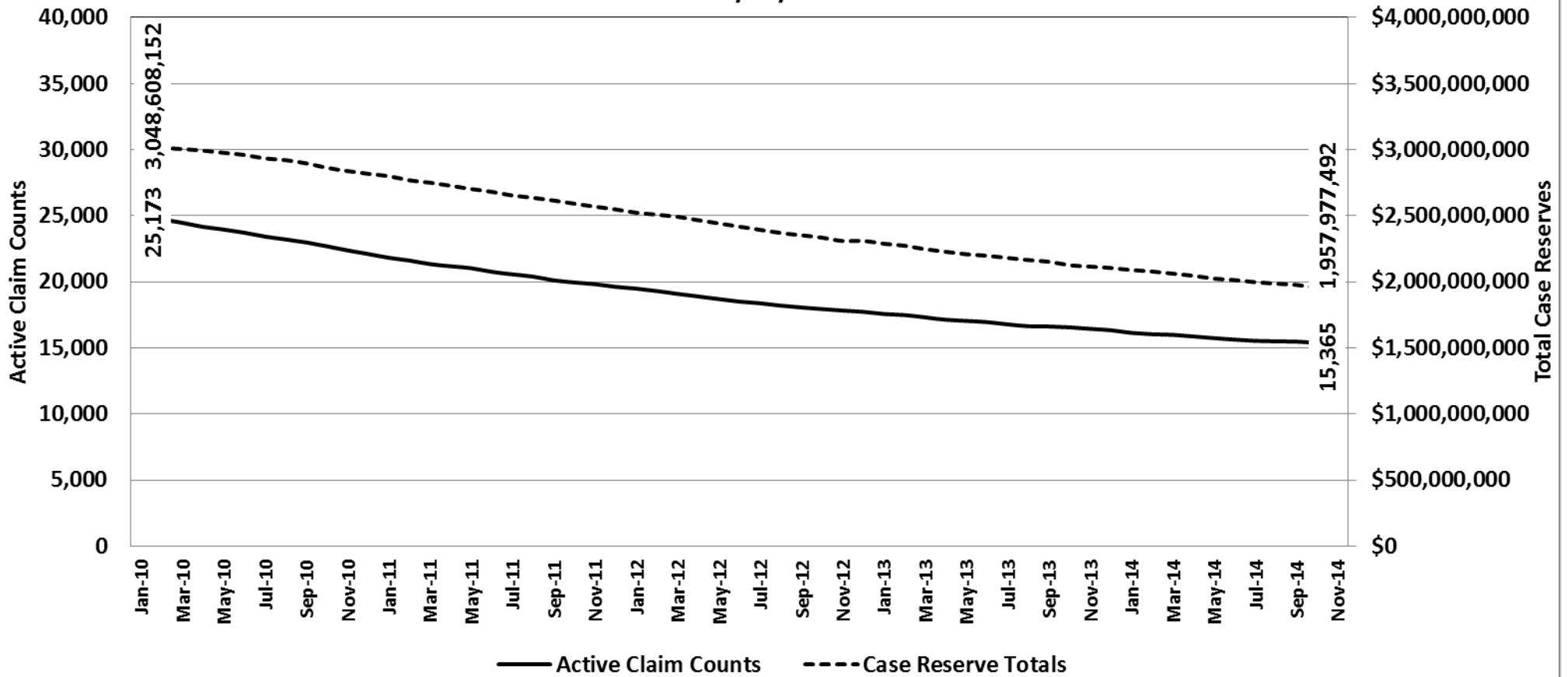
**Self-Insured Security Fund:** State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited 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 11/30/2014



**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

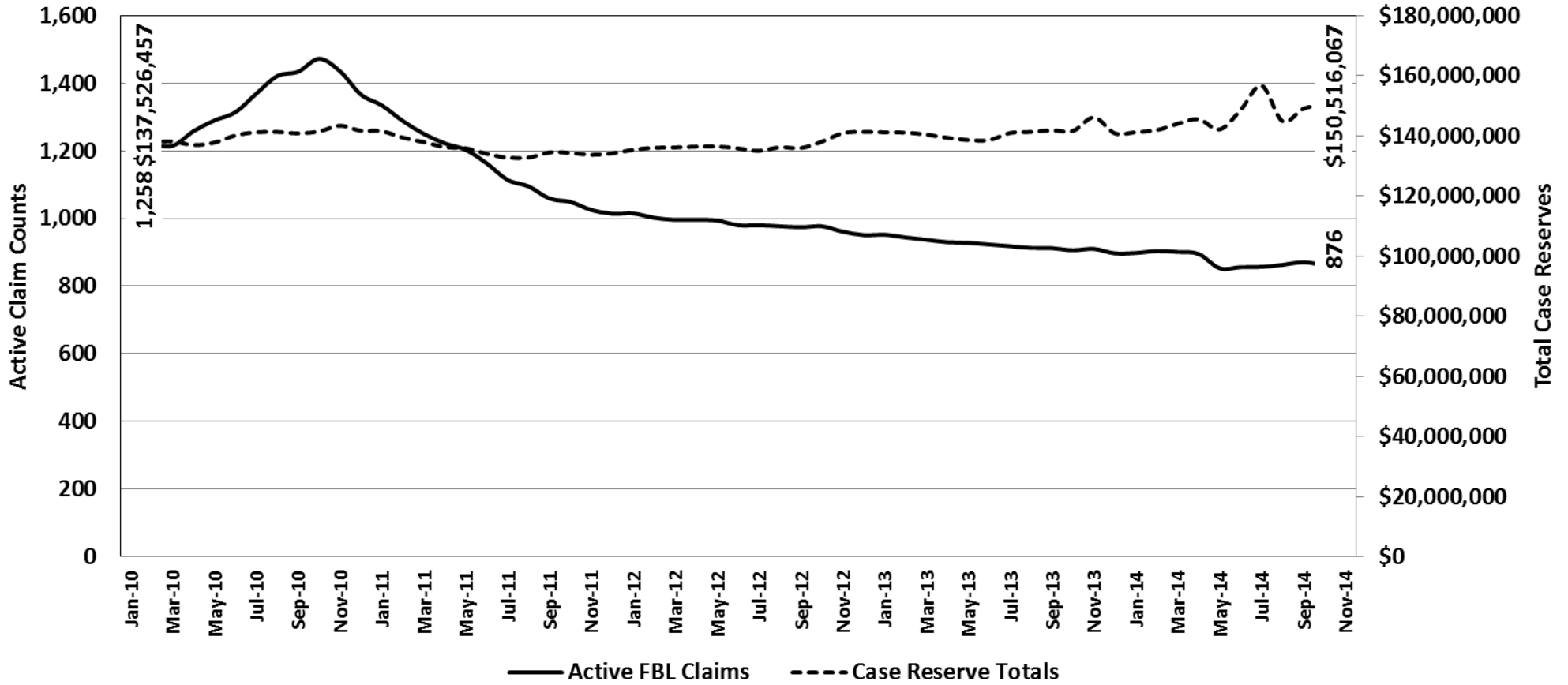
**PPD** - Permanent Partial Disability; unlikely to improve with treatment

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

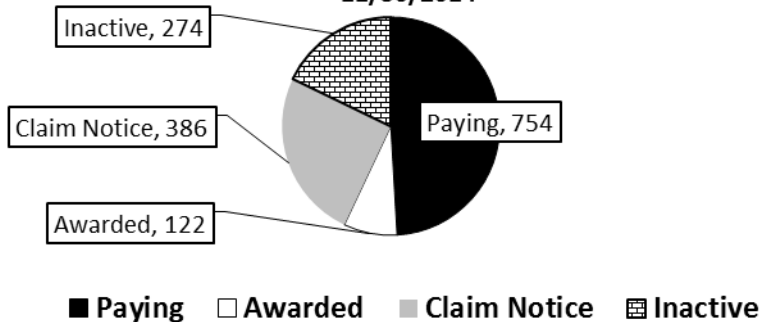
**TPD** - Temporary Partial Disability released to work with restrictions

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

### CWP Fund (FBL) Active Claim Counts and Case Reserves 11/30/2014



**CWP Fund (FBL)  
Active and Inactive Claims  
11/30/2014**



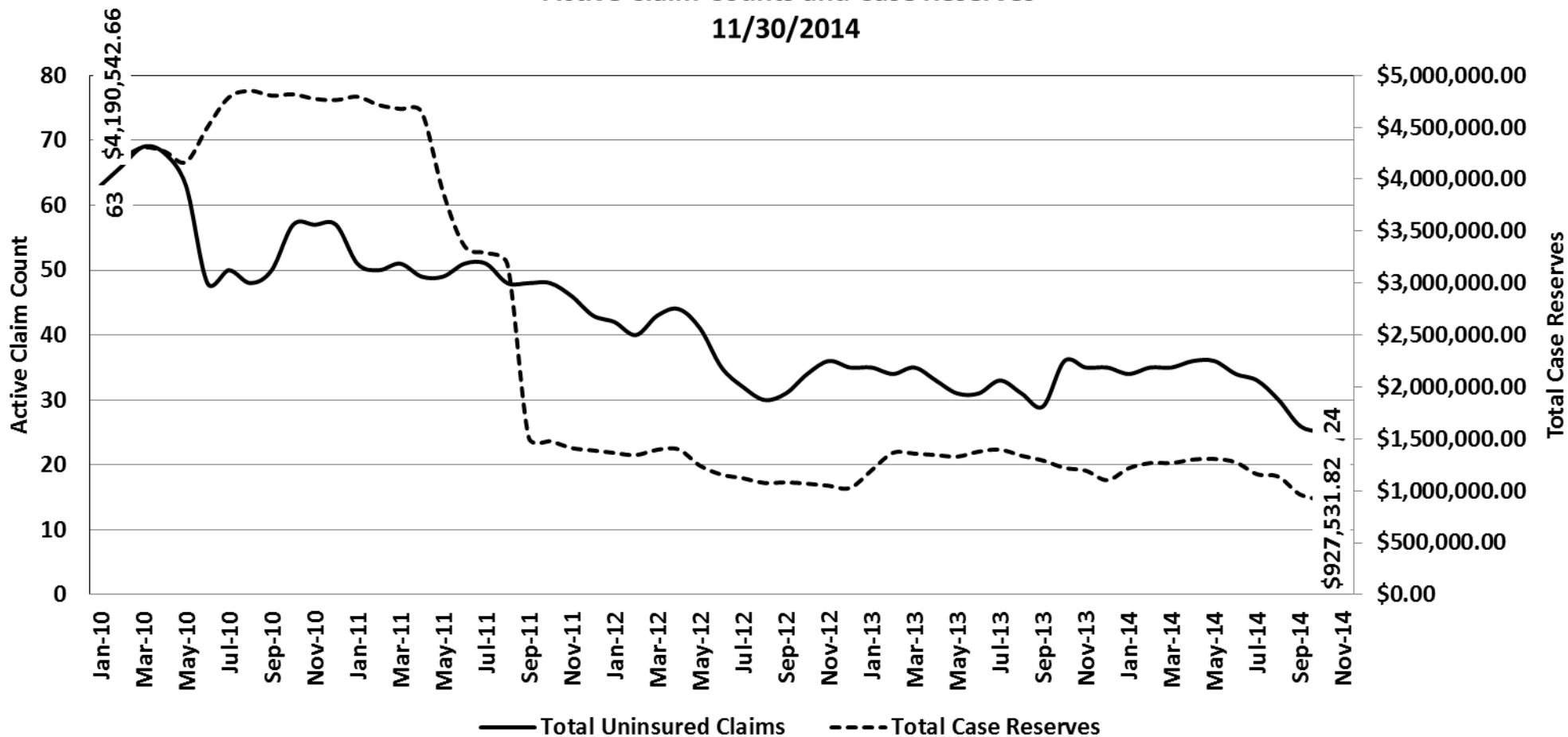
**Active** – Benefits being paid to claimant/beneficiary

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

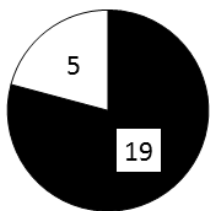
**FBL** - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

**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 11/30/2014



**Uninsured Fund  
Active Claim Counts  
11/30/2014**



■ Indemnity    □ Med Only

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

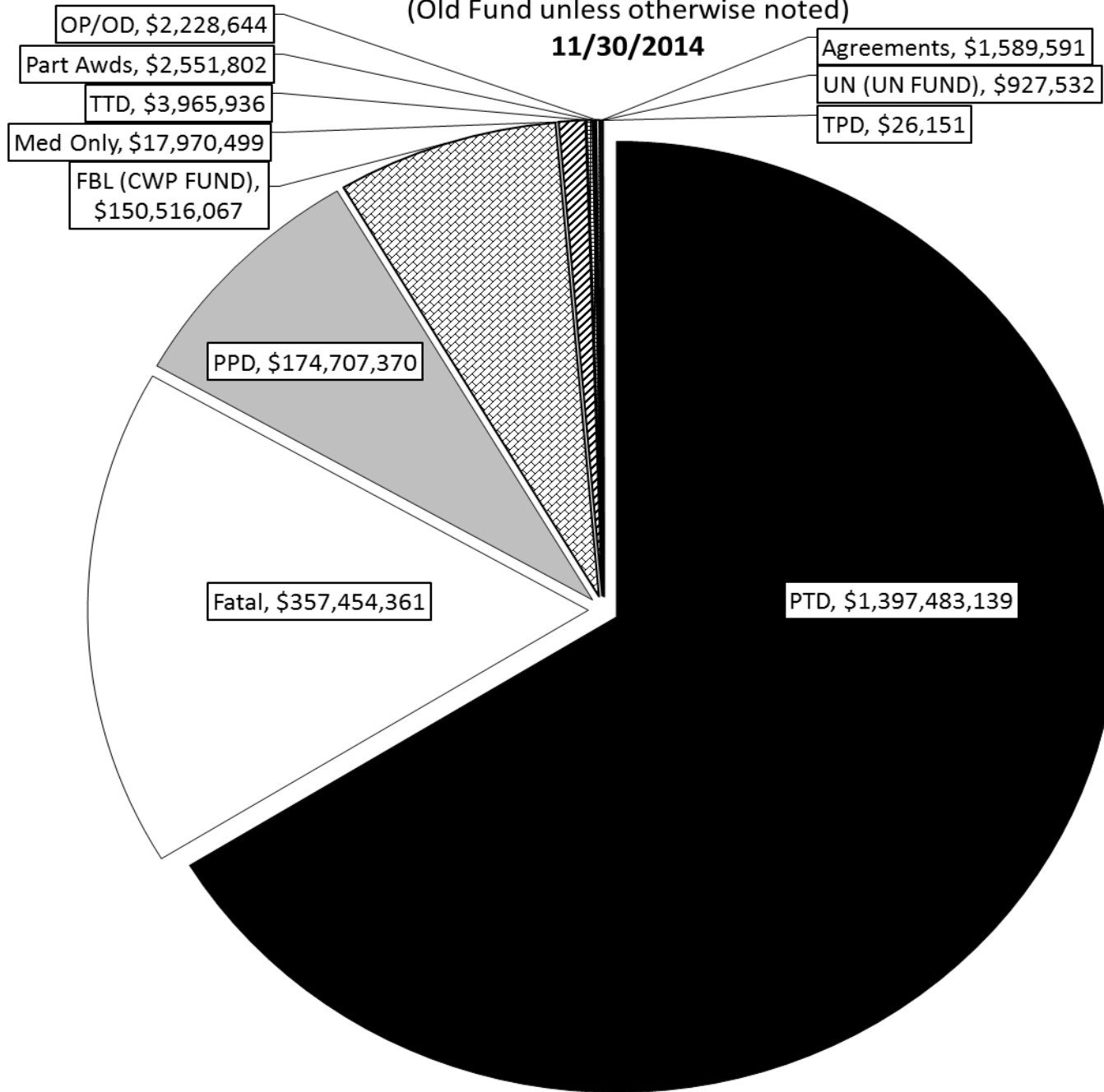
**Med Only** – payment of medical benefits without wage replacement

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



**Total Case Reserves by Fund**  
(Old Fund unless otherwise noted)

**11/30/2014**



OLD FUND CASH STATEMENT

November 30, 2014

	Three Year History for years ended:					
	YTD FY2015	YTD FY2014	Change	FY2014	FY2013	FY2012
<b>Cash Beginning Balances</b>	<b>1,190,142,811</b>	<b>1,061,595,681</b>	<b>128,547,130</b>	<b>1,061,595,681</b>	<b>942,505,408</b>	<b>943,172,539</b>
<b>Revenues</b>						
Personal Income Tax	21,200,000	21,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	46,364,800	40,281,892	6,082,908	109,467,900	94,562,969	93,947,355
Debt Reduction Surcharge	18,376,617	18,600,045	(223,428)	34,138,820	36,853,941	39,758,082
Self-Insured Debt Reduction Surcharge	4,153,950	4,133,215	20,735	8,493,207	8,733,494	9,620,197
Video Lottery	3,922,584	11,000,000	(7,077,416)	11,000,000	11,000,000	11,000,000
Employer Premium	61,657	63,322	(1,665)	284,075	335,102	575,167
Other Income - Return of Unclaimed Property	-	74,177	(74,177)	92,953	48,332	202,103
<b>Operating Revenues</b>	<b>94,079,609</b>	<b>95,352,651</b>	<b>(1,273,042)</b>	<b>258,876,955</b>	<b>246,933,837</b>	<b>250,502,904</b>
Investment / Interest Earnings (Losses)	5,880,497	18,539,421	(12,658,924)	67,734,120	77,380,803	18,284,929
<b>Total Revenues</b>	<b>99,960,106</b>	<b>113,892,072</b>	<b>(13,931,966)</b>	<b>326,611,075</b>	<b>324,314,640</b>	<b>268,787,833</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	12,739,454	13,787,652	(1,048,199)	31,791,671	33,512,816	39,226,318
Permanent Total Disability	44,408,513	47,003,679	(2,595,166)	111,490,282	118,396,619	124,963,432
Permanent Partial Disability	165,198	333,350	(168,152)	720,723	1,137,910	1,822,571
Temporary Disability	-	-	-	7,741	59,227	188,666
Fatals	10,687,184	11,038,552	(351,369)	26,407,057	26,966,847	28,139,830
104 weeks death benefit	2,340,393	2,527,386	(186,994)	6,200,020	6,670,578	6,729,656
Settlements	4,418,850	4,516,919	(98,069)	9,136,495	9,011,730	56,164,626
Loss Adjustment Expenses	875,831	461,890	413,941	1,467,221	998,774	2,333,885
Total	<b>75,635,423</b>	<b>79,669,429</b>	<b>(4,034,006)</b>	<b>187,221,209</b>	<b>196,754,501</b>	<b>259,568,984</b>
Less: Claims credits and overpayments	471,571	1,908,562	(1,436,991)	3,265,629	4,617,178	8,161,625
Total Benefits Paid	75,163,852	77,760,866	(2,597,014)	183,955,580	192,137,323	251,407,359
Administrative Expenses	3,456,478	6,235,120	(2,778,642)	14,108,365	13,087,043	18,047,605
<b>Total Expenditures</b>	<b>78,620,329</b>	<b>83,995,986</b>	<b>(5,375,657)</b>	<b>198,063,945</b>	<b>205,224,366</b>	<b>269,454,964</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>21,339,776</b>	<b>29,896,086</b>	<b>(8,556,310)</b>	<b>128,547,130</b>	<b>119,090,274</b>	<b>(667,131)</b>
<b>Cash Ending Balances</b>	<b>1,211,482,587</b>	<b>1,091,491,767</b>	<b>119,990,820</b>	<b>1,190,142,811</b>	<b>1,061,595,681</b>	<b>942,505,408</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  
November 30, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
<b>Cash Beginning Balances</b>	<b>267,173,190</b>	<b>266,720,430</b>	<b>452,760</b>	<b>266,720,430</b>	<b>254,523,752</b>	<b>262,926,105</b>
<b>Revenues</b>						
Investment Earnings (Losses)	1,751,900	5,743,570	(3,991,670)	17,915,475	24,801,113	2,745,783
<b>Total Revenues</b>	<b>1,751,900</b>	<b>5,743,570</b>	<b>(3,991,670)</b>	<b>17,915,475</b>	<b>24,801,113</b>	<b>2,745,783</b>
<b>Expenditures</b>						
Payment of Claims	5,815,886	5,832,179	(16,293)	17,376,923	12,550,216	11,131,012
Contractual / Professional	362,939	6,594	356,345	85,747	53,287	17,124
Legal	-	-	-	-	932	-
General and Administrative	180	-	180	45	-	-
<b>Total Expenditures</b>	<b>6,179,005</b>	<b>5,838,773</b>	<b>340,232</b>	<b>17,462,715</b>	<b>12,604,435</b>	<b>11,148,136</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(4,427,105)</b>	<b>(95,203)</b>	<b>(4,331,902)</b>	<b>452,760</b>	<b>12,196,678</b>	<b>(8,402,353)</b>
<b>Cash Ending Balances</b>	<b>262,746,086</b>	<b>266,625,227</b>	<b>(3,879,141)</b>	<b>267,173,190</b>	<b>266,720,430</b>	<b>254,523,752</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  
November 30, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
<b>Cash Beginning Balances</b>	<b>15,603,319</b>	<b>14,815,337</b>	<b>787,982</b>	<b>14,815,337</b>	<b>10,829,975</b>	<b>9,744,809</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	34,328	50,482	(16,154)	124,520	851,410	1,093,066
Collateral Proceeds	-	-	-	-	2,399,380	-
Investment Earnings (Losses)	93,828	322,599	(228,771)	1,027,230	1,186,338	125,813
<b>Total Revenues</b>	<b>128,157</b>	<b>373,080</b>	<b>(244,924)</b>	<b>1,151,751</b>	<b>4,437,128</b>	<b>1,218,879</b>
<b>Expenditures</b>						
Payment of Claims	82,108	78,656	3,452	255,607	332,894	28,466
Contractual / Professional	12,942	20,400	(7,458)	107,348	92,122	105,247
Legal	-	49	(49)	815	26,750	-
<b>Total Expenditures</b>	<b>95,050</b>	<b>99,105</b>	<b>(4,055)</b>	<b>363,769</b>	<b>451,765</b>	<b>133,713</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>33,107</b>	<b>273,976</b>	<b>(240,869)</b>	<b>787,981</b>	<b>3,985,363</b>	<b>1,085,166</b>
<b>Cash Ending Balances</b>	<b>15,636,426</b>	<b>15,089,313</b>	<b>547,113</b>	<b>15,603,319</b>	<b>14,815,337</b>	<b>10,829,975</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  
November 30, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
<b>Cash Beginning Balances</b>	<b>7,137,316</b>	<b>6,754,601</b>	<b>382,715</b>	<b>6,754,601</b>	<b>203,518</b>	<b>205,705</b>
<b>Revenues</b>						
Security Risk Pool Assessments	1,497,083	5,172	1,491,911	1,072,311	2,575,705	-
Collateral Proceeds	-	-	-	-	4,657,620	-
Investment Earnings (Losses)	42,468	-	42,468	151,334	-	-
<b>Total Revenues</b>	<b>1,539,550</b>	<b>5,172</b>	<b>1,534,378</b>	<b>1,223,645</b>	<b>7,233,325</b>	<b>-</b>
<b>Expenditures</b>						
Payment of Claims	292,571	397,788	(105,217)	789,254	530,804	2,187
Contractual / Professional	14,092	23,489	(9,397)	48,446	60,413	-
Legal	96	146	(50)	3,230	91,025	-
<b>Total Expenditures</b>	<b>306,759</b>	<b>421,423</b>	<b>(114,664)</b>	<b>840,930</b>	<b>682,242</b>	<b>2,187</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,232,791</b>	<b>(416,251)</b>	<b>1,649,042</b>	<b>382,715</b>	<b>6,551,083</b>	<b>(2,187)</b>
<b>Cash Ending Balances</b>	<b>8,370,108</b>	<b>6,338,350</b>	<b>2,031,758</b>	<b>7,137,316</b>	<b>6,754,601</b>	<b>203,518</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.

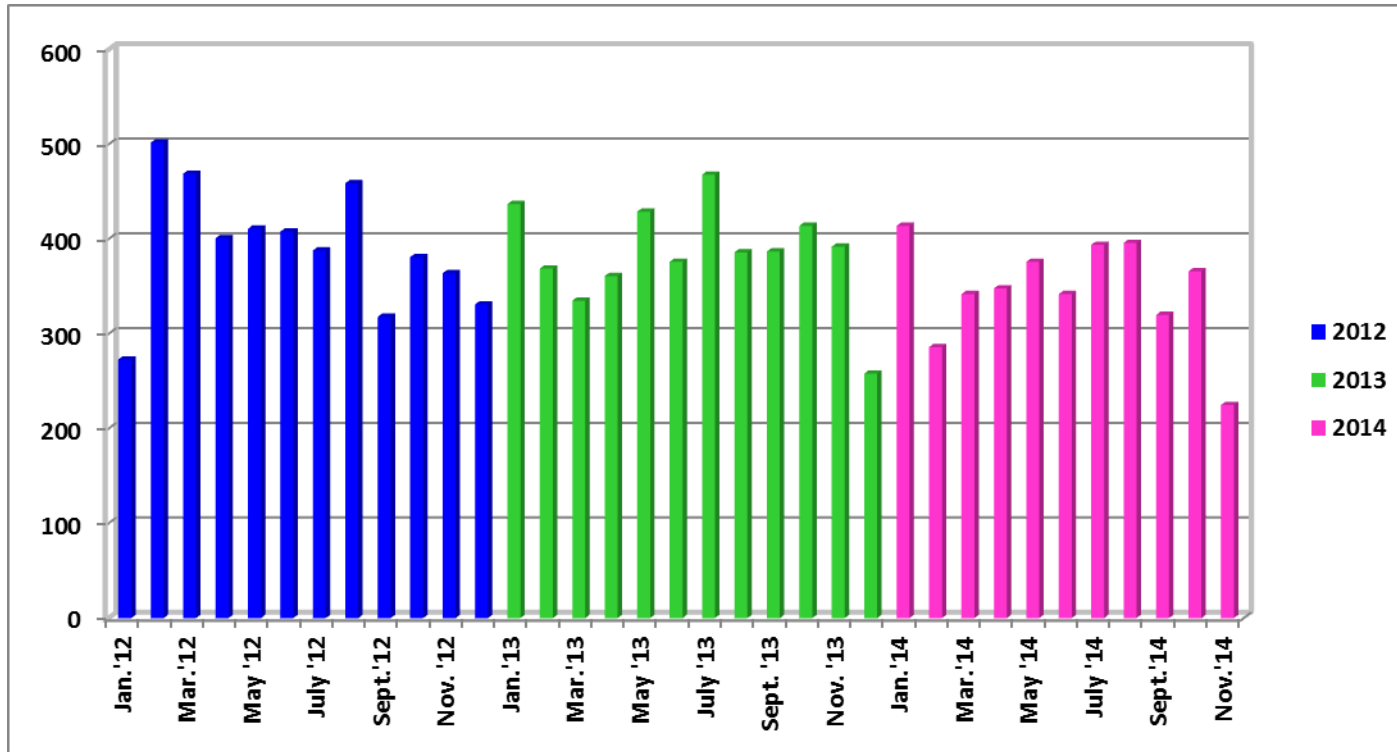
UNINSURED EMPLOYERS FUND  
November 30, 2014

	Three Year History for years ended:					
	YTD FY2015	YTD FY2014	Change	FY2014	FY2013	FY2012
<b>Cash Beginning Balances</b>	11,714,178	10,801,353	912,825	10,801,353	9,574,065	9,086,330
<b>Revenues</b>						
Fines and Penalties	311,743	349,144	(37,401)	768,532	747,771	948,896
Investment Earnings (Losses)	58,946	217,566	(158,620)	682,644	871,603	99,906
<b>Total Revenues</b>	<b>370,689</b>	<b>566,710</b>	<b>(196,021)</b>	<b>1,451,176</b>	<b>1,619,374</b>	<b>1,048,802</b>
<b>Expenditures</b>						
Payment of Claims	485,490	102,798	382,692	286,421	262,002	553,676
Contractual/Professional	4,498	10,147	(5,649)	26,825	15,024	7,392
General and Administrative	15	60	(45)	105	60	-
Insurance	55,000	57,500	(2,500)	225,000	115,000	-
<b>Total Expenditures</b>	<b>545,003</b>	<b>170,505</b>	<b>374,498</b>	<b>538,351</b>	<b>392,086</b>	<b>561,067</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(174,315)</b>	<b>396,205</b>	<b>(570,519)</b>	<b>912,825</b>	<b>1,227,288</b>	<b>487,735</b>
<b>Cash Ending Balances</b>	<b>11,539,863</b>	<b>11,197,558</b>	<b>342,305</b>	<b>11,714,178</b>	<b>10,801,353</b>	<b>9,574,065</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.



# PROTEST COMPARISON BY MONTH/YEAR





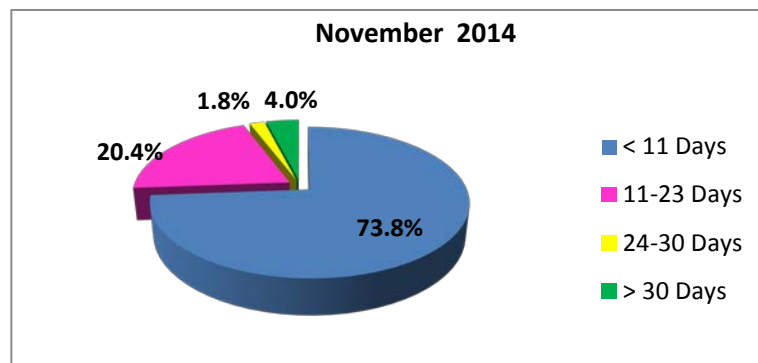
**PROTEST ACKNOWLEDGMENTS – NOVEMBER 2014**

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	Total: 3	0	0	0	0	0	0	3	100
CBO-CL BEN. OVERPAYMENT	2	0	0	0	0	0	0	2	100
CBP-CL SI BEN. OVR PAYMT	1	0	0	0	0	0	0	1	100
COMPENSABILITY	Total: 46	3	6	2	4	10	21	31	67
CCS-CL SEC.CONDITION	9	2	22	0	0	0	0	7	77
CIS-CL SI SEC.CONDITION	3	0	0	0	0	0	0	3	100
CLB-CL COMP ON LIMITED BASIS	2	0	0	0	0	1	50	1	50
CPI-CL SI REJECT CLAIM	4	1	25	0	0	0	0	3	75
CPJ-CL REJECT CLAIM	23	0	0	2	8	8	34	13	56
CRZ-CL REJ OCC DISEASE	5	0	0	0	0	1	20	4	80
DEP BEN FATAL	Total: 5	0	0	0	0	0	0	5	100
CDF-CL DENY/GRNT DTH BEN	5	0	0	0	0	0	0	5	100
FAILURE TO ACT 15 DAY	Total: 4	0	0	1	25	3	75	0	0
C03-CL FTA TREATMENT	1	0	0	0	0	1	100	0	0
FTA Diagnosis Update-FTA DIAGNOSIS UPATE	1	0	0	0	0	1	100	0	0
FTA Multiple Issues-FTA MULTIPLE ISSUES	2	0	0	1	50	1	50	0	0
FAILURE TO ACT 30 DAY	Total: 3	1	33	0	0	2	66	0	0
C7D-CL FTA REF FOR EXAM	2	0	0	0	0	2	100	0	0
C7E-CL FTA CPLY OJ/BR/SC	1	1	100	0	0	0	0	0	0
OP NON-MED	Total: 5	0	0	0	0	0	0	5	100
CNR-CL NON-MED ORDER	5	0	0	0	0	0	0	5	100
OPBD	Total: 12	0	0	0	0	4	33	8	66
CBF-CL % BOARD FINDING	9	0	0	0	0	1	11	8	88
CSF-CL% SI BOARD FINDING	1	0	0	0	0	1	100	0	0
CSO-CL SI AD.BRD FINDING	1	0	0	0	0	1	100	0	0
ESO-EM SI AD.BRD FINDING	1	0	0	0	0	1	100	0	0
PPD	Total: 66	1	1	1	1	11	16	53	80
CAA-CL ADDL % AWARD D/G	5	0	0	0	0	0	0	5	100
CAD-CL % AWARD DENY/GRNT	53	1	1	1	1	9	16	42	79
CIE-CL SI ADD% AWARD D/G	1	0	0	0	0	0	0	1	100
CIG-CL SI %AWARD DNY/GNT	7	0	0	0	0	2	28	5	71
REHABILITATION	Total: 2	0	0	0	0	0	0	2	100
CIV-CL SI DY/GRNT RHB PL	1	0	0	0	0	0	0	1	100
CPB-CL GRNT/DNY VOC REHA	1	0	0	0	0	0	0	1	100

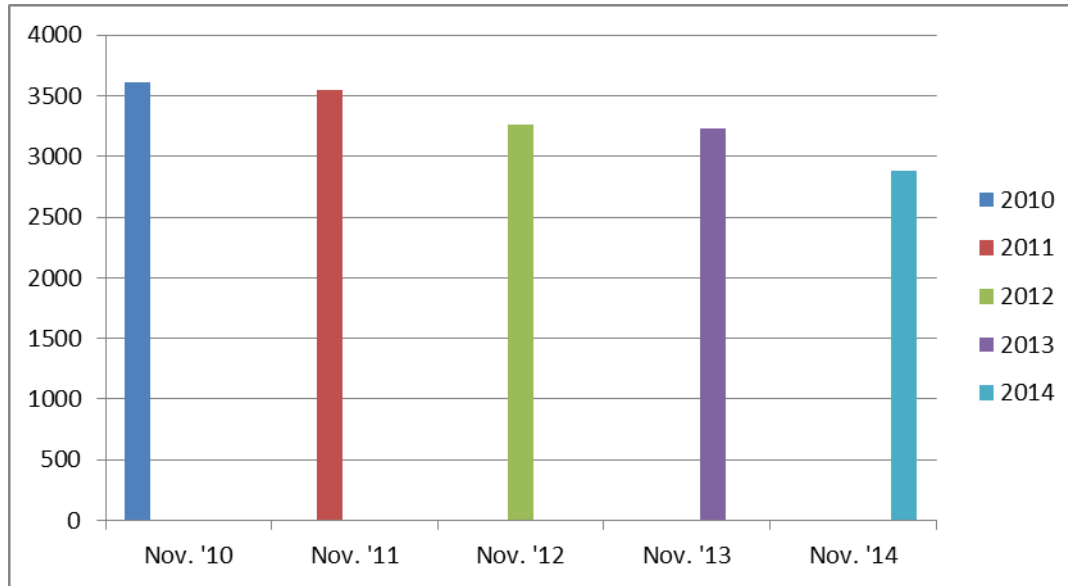
Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
REOPENING	Total: 8	0	0	0	0	1	12	7	87
CIQ-CL SI DY/GNT R/O PPD	1	0	0	0	0	1	100	0	0
CJV-CL DNY/GRNT R/O PPD	1	0	0	0	0	0	0	1	100
CRD-CL DENY/GRNT R/O TTD	6	0	0	0	0	0	0	6	100
SPECIAL CATEGORY	Total: 4	0	0	0	0	2	50	2	50
C1I-CL SI SL CATEGORY	2	0	0	0	0	1	50	1	50
CNW-CL SPL CATEGORY	2	0	0	0	0	1	50	1	50
TRMT/EQUIP CL	Total: 51	3	5	0	0	9	17	39	76
C1Y-CL SI TRMT GRANT	1	0	0	0	0	0	0	1	100
CBX-CL TRMT DENY	37	3	8	0	0	5	13	29	78
CIH-CL SI AUT/RPR HA D/G	1	0	0	0	0	0	0	1	100
CKN-CL D/G PROV CHNG	3	0	0	0	0	1	33	2	66
CSX-CL SI TRMT DENY	8	0	0	0	0	3	37	5	62
CYY-CL TRMT GRANT	1	0	0	0	0	0	0	1	100
TTD	Total: 16	1	6	0	0	4	25	11	68
CCC-CL CLOSING THE CLAIM	13	1	7	0	0	2	15	10	76
CIJ-CL SI TTD	1	0	0	0	0	0	0	1	100
CJS-CL TTD	1	0	0	0	0	1	100	0	0
CPX-CL INITIAL TTD	1	0	0	0	0	1	100	0	0
<b>TOTALS:</b>	<b>225</b>	<b>9</b>	<b>4.0</b>	<b>4</b>	<b>1.8</b>	<b>46</b>	<b>20.4</b>	<b>166</b>	<b>73.8</b>

### PROTEST ACKNOWLEDGMENT TIMELINESS

Acknowledgment Timeliness	2013	Nov. '14	2014
Protest Ack. < 11 Days	78.0%	73.8%	81.6%
Protest Ack. 11 – 23 Days	16.1%	20.4%	12.2%
Protest Ack. 24 – 30 Days	2.3%	1.8%	1.8%
Protest Ack. > 30 Days	3.6%	4.0%	4.4%



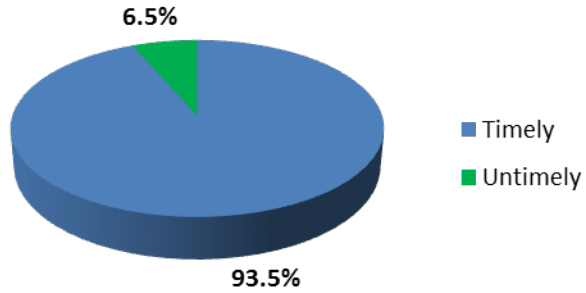
## PENDING CASELOAD COMPARISON BY MONTH/YEAR



<b>Pending as of December 1, 2014</b>	<b>2882</b>
<b>Pending 1 Month Before</b>	<b>2957</b>
<b>Pending 2 Months Before</b>	<b>2989</b>
<b>Pending 3 Months Before</b>	<b>3056</b>
<b>Pending 6 Months Before</b>	<b>3100</b>
<b>Pending 12 Months Before</b>	<b>3228</b>

## TIME STANDARD COMPLIANCE

Time Standard Compliance  
November 2014



2013	November	2014
94.9%	93.5%	94.5%

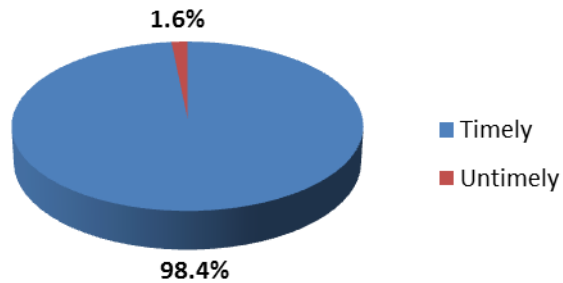
Time Standard Compliance – November 2014

Time Standard Compliance	Issues	Timely		Late	
	Resolved	Count	%	Count	%
BENEFIT OVERPAYMENT	1	1	100	0	100
COMPENSABILITY	15	15	100	0	100
OPBD	1	1	100	0	100
PPD	22	22	100	0	100
PTD ENTITLEMENT	1	0	0	1	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	1	100	0	100
REHABILITATION	1	1	100	0	100
REOPENING	4	3	75	1	75
TRMT/EQUIP CL	21	18	85.7	3	85.7
TTD	10	10	100	0	100
<b>TOTALS:</b>	<b>77</b>	<b>72</b>	<b>93.5</b>	<b>5</b>	<b>6.5</b>

## MOTION RESOLUTION COMPLIANCE

<b>2013</b>	<b>November</b>	<b>2014</b>
<b>97.7%</b>	<b>98.4%</b>	<b>98.5%</b>

Motion Compliance  
Nov. 2014



Motion Resolution Compliance – November 2014

Motion Resolution	Total	TIMELY		UNTIMELY	
	Motions	Count	%	Count	%
APPLICATION THRESHOLD	1	1	100	0	0
BENEFIT OVERPAYMENT	3	3	100	0	0
COMPENSABILITY	135	132	97.8	3	2.2
DEP BEN FATAL	8	7	87.5	1	12.5
FAILURE TO ACT 15 DAY	3	2	66.7	1	33.3
FAILURE TO ACT 30 DAY	2	2	100	0	0
OP NON-MED	3	3	100	0	0
OPBD	28	28	100	0	0
PPD	114	114	100	0	0
PTD ENTITLEMENT	2	1	50	1	50
REHABILITATION	1	1	100	0	0
REOPENING	15	15	100	0	0
SPECIAL CATEGORY	15	15	100	0	0
TEMP	1	1	100	0	0
TRMT/EQUIP CL	179	176	98.3	3	1.7
TTD	69	69	100	0	0
<b>TOTALS:</b>	<b>579</b>	<b>570</b>	<b>98.4</b>	<b>9</b>	<b>1.6</b>

## PROTEST RESOLUTIONS

<b>Protests Resolved:</b>	<b>Nov. 2014</b>	<b>2014</b>
<b>Protests Decided</b>	<b>194</b>	<b>2614</b>
<b>Withdrawals</b>	<b>38</b>	<b>713</b>
<b>"No Evidence" Dismissals</b>	<b>36</b>	<b>368</b>

### Resolution of Issues – November 1, 2014 through November 30, 2014

Time Standard	Decisions		REVERSED		AFFIRMED		AFFIRMED by RULE		DISMISSED		MODIFIED		MOOT		OTHER		REMANDED	
	Issued	Count	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	4	2	50	0	0	0	0	0	2	50	0	0	0	0	0	0	0	0
COMPENSABILITY	60	21	35	27	45	3	5	7	11.7	2	3.3	0	0	0	0	0	0	0
DEP BEN FATAL	5	0	0	4	80	0	0	1	20	0	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	0
FAILURE TO ACT 30 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0
OP NON-MED	5	0	0	3	60	0	0	1	20	1	20	0	0	0	0	0	0	0
OPBD	6	0	0	2	33.3	1	16.7	3	50	0	0	0	0	0	0	0	0	0
PPD	65	9	13.8	10	15.4	19	29.2	26	40	0	0	0	0	0	0	0	1	1.5
PTD ENTITLEMENT	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0
REHABILITATION	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	8	3	37.5	2	25	2	25	1	12.5	0	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	6	0	0	3	50	1	16.7	2	33.3	0	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	97	27	27.8	42	43.3	6	6.2	17	17.5	4	4.1	1	1	0	0	0	0	0
TTD	32	5	15.6	14	43.8	3	9.4	10	31.3	0	0	0	0	0	0	0	0	0
<b>TOTALS:</b>	<b>293</b>	<b>68</b>	<b>23.2</b>	<b>108</b>	<b>36.9</b>	<b>36</b>	<b>12.3</b>	<b>72</b>	<b>24.6</b>	<b>7</b>	<b>2.4</b>	<b>1</b>	<b>0.3</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>0.3</b>	

## FINAL DECISION TIMELINESS

Final Decision Timeliness:	2013	Nov. 2014	2014
< 30 Days	35.5%	22.4%	25.2%
30 – 60 Days	59.6%	56.6%	63.0%
60 – 90 Days	4.6%	19.4%	9.7%
>90 Days	0.3%	1.5%	2.0%

### Final Decision Compliance – November 1, 2014 through November 30, 2014

Final Decision Compliance	Days to Decision								
	Issues	< 30 Days		30 - 60		61 - 90		Over 90	
	Resolved	Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	2	0	0	1	0	1	0	0	0
COMPENSABILITY	51	12	0	28	0	10	0	1	0
DEP BEN FATAL	4	2	0	1	0	1	0	0	0
FAILURE TO ACT 15 DAY	5	0	0	0	0	4	0	1	0
FAILURE TO ACT 30 DAY	2	0	0	0	0	2	100	0	0
OP NON-MED	4	2	0	2	0	0	0	0	0
OPBD	2	1	0	1	0	0	0	0	0
PPD	20	3	0	14	0	3	0	0	0
PTD ENTITLEMENT	1	0	0	1	100	0	0	0	0
REHABILITATION	1	0	0	1	100	0	0	0	0
REOPENING	6	0	0	4	0	1	0	1	0
SPECIAL CATEGORY	3	0	0	3	100	0	0	0	0
TRMT/EQUIP CL	75	17	0	45	0	13	0	0	0
TTD	20	7	0	10	0	3	0	0	0
<b>TOTALS:</b>	<b>196</b>	<b>44</b>	<b>22.4</b>	<b>111</b>	<b>56.6</b>	<b>38</b>	<b>19.4</b>	<b>3</b>	<b>1.5</b>

## FAILURE TO TIMELY ACT PROCESS

<b>Failure to Timely Act Process</b>	
<b>Petitions Filed 1/1/14 through 11/30/2014</b>	
<b>Filed:</b>	<b>108</b>
<b>Denied/Dismissed:</b>	<b>63</b>
<b>Reports to OIC:</b>	<b>55</b>
<b>Pending:</b>	<b>23</b>
<i>(Resolutions include petitions filed from previous year)</i>	

## EXPEDITED HEARING PROCESS

YEAR	MONTHLY TOTAL FOR NOVEMBER	YEARLY TOTAL
2012	16	113
2013	9	173
2014	10	136



## PETITIONS FOR ATTORNEY FEES

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

Petitions Received 1/1/14 through 11/30/2014	<b>77</b>
Granted	46
Denied	20
Pending	7
Other ( <i>Forwarded to BOR</i> )	4

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

Petitions Received 1/1/14 through 11/30/2014	<b>9</b>
Granted	5
Denied on face	3
Denied by ALJ decision	2
Withdrawn (including settlements)	2
Pending*	1
<i>(Resolved petitions include 4 filed in prior year)</i>	

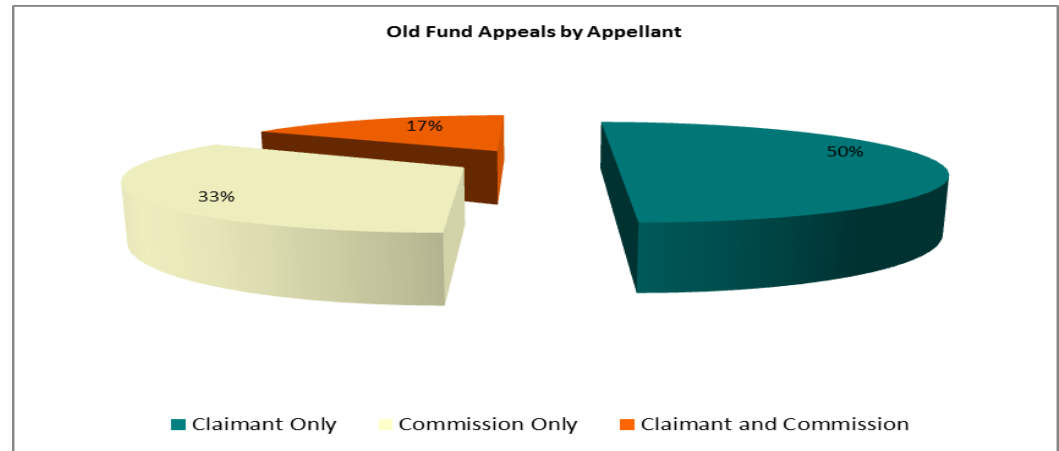
# BOARD OF REVIEW

Appeals Received

From November 1, 2014 Thru November 30, 2014

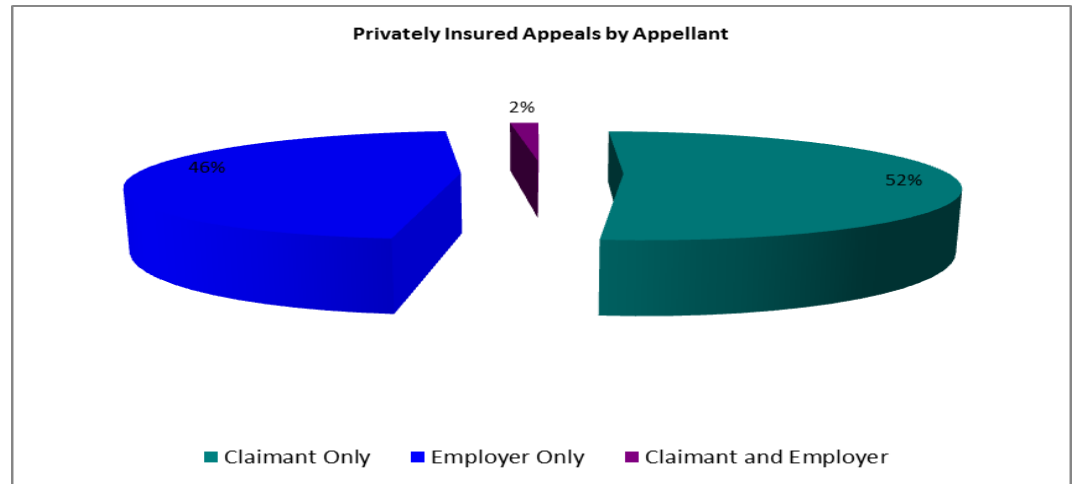
## Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	3
Commission Only	2
Claimant and Commission	1
Old Fund Total	6



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

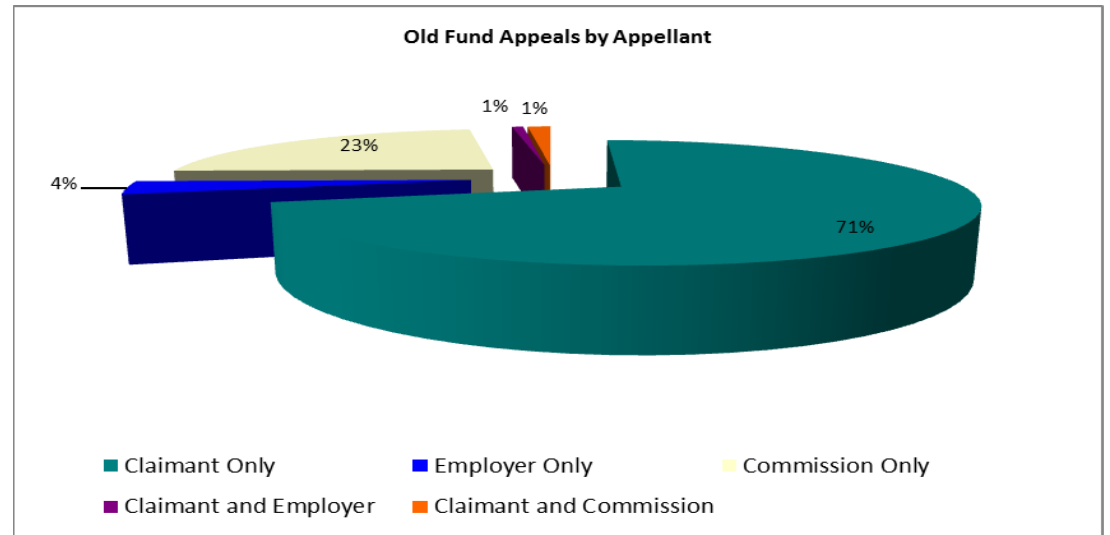
Appellant	Count
Claimant Only	29
Employer Only	26
Claimant and Employer	1
Privately Insured Total	56
Total Appeals	62



Yearly Appeals Received  
From January 1, 2014 thru November 30, 2014

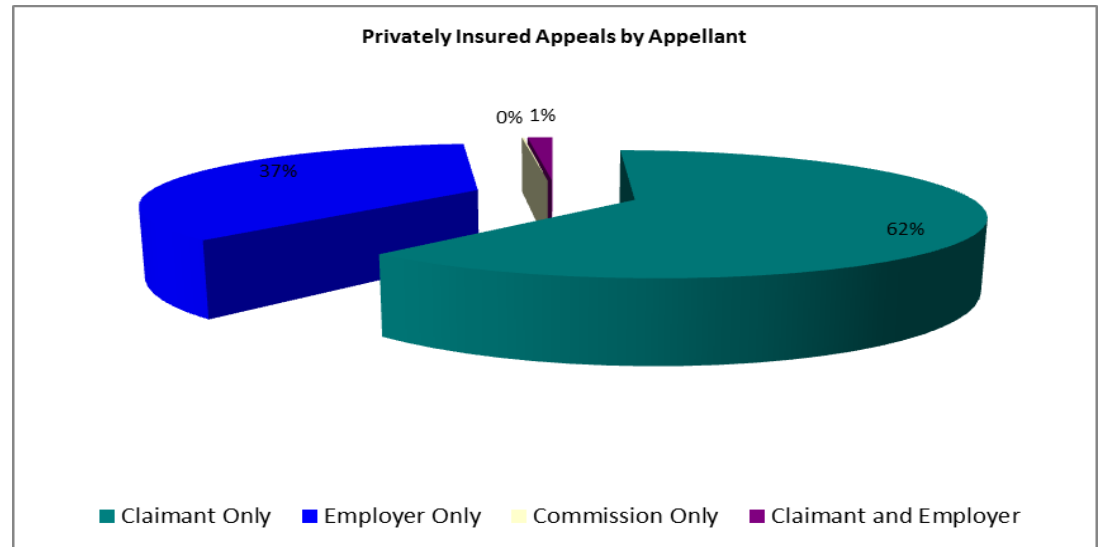
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	98
Employer Only	5
Commission Only	32
Claimant and Employer	1
Claimant and Commission	2
<b>Old Fund Total</b>	<b>138</b>



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

Appellant	Count
Claimant Only	443
Employer Only	264
Commission Only	1
Claimant and Employer	11
<b>Privately Insured Total</b>	<b>719</b>
<b>Total Appeals</b>	<b>857</b>



Appeals counted more than once:

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	10	0	0.0	10	100.0
CL % BOARD FINDING	1	0	0.0	1	100.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	5	0	0.0	5	100.0
CL COMP ON LIMITED BASIS	2	0	0.0	2	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 REJ OCC DISEASE	2	0	0.0	2	100.0
CL REJECT CLAIM	10	0	0.0	10	100.0
CL SEC.CONDITION	7	1	14.3	6	85.7
CL SI %AWARD DNY/GNT	2	0	0.0	2	100.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0
CL SI REJECT CLAIM	3	0	0.0	3	100.0
CL SI SEC.CONDITION	2	0	0.0	2	100.0
CL SI TRMT DENY	4	1	25.0	3	75.0
CL SPL CATEGORY	2	1	50.0	1	50.0
CL TRMT DENY	14	3	21.4	11	78.6
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	2	0	0.0	2	100.0
<b>Totals</b>	<b>76</b>	<b>8</b>	<b>10.5</b>	<b>68</b>	<b>89.5</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 November 30, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	114	4	3.5	110	96.5
CL % BOARD FINDING	7	1	14.3	6	85.7
CL ADD BOARD FINDING	2	0	0.0	2	100.0
CL ADDL % AWARD D/G	13	1	7.7	12	92.3
CL APP.THRESHOLD	4	3	75.0	1	25.0
CL BEN. OVERPAYMENT	3	1	33.3	2	66.7
CL CLOSING THE CLAIM	65	0	0.0	65	100.0
CL COMP ON LIMITED BASIS	5	0	0.0	5	100.0
CL COMPENSABILITY	7	0	0.0	7	100.0
CL D/G PROV CHNG	4	0	0.0	4	100.0
CL DENY/GRANT PTD	3	3	100.0	0	0.0
CL DENY/GRNT 104 WKS	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	10	7	70.0	3	30.0
CL DENY/GRNT R/O TTD	31	2	6.5	29	93.5
CL DNY/GRNT R/O PPD	11	6	54.5	5	45.5
CL DNY/GRNT R/O PTD	2	2	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL FTA ACT UPON PPD	1	0	0.0	1	100.0
CL GRNT/DNY TP REHAB	2	0	0.0	2	100.0
CL GRNT/DNY VOC REHA	4	0	0.0	4	100.0
CL INITIAL TTD	3	0	0.0	3	100.0
CL NON-MED ORDER	10	4	40.0	6	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	7	4	57.1	3	42.9
CL REJ OCC DISEASE	21	1	4.8	20	95.2
CL REJECT CLAIM	134	1	0.7	133	99.3
CL SEC.CONDITION	81	7	8.6	74	91.4
CL SI %AWARD DNY/GNT	31	2	6.5	29	93.5
CL SI AD.BRD FINDING	1	1	100.0	0	0.0
CL SI ADD% AWARD D/G	6	3	50.0	3	50.0
CL SI CLSING THE CLM	9	0	0.0	9	100.0
CL SI COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	7	6	85.7	1	14.3
CL SI DY/GNT R/O PPD	2	0	0.0	2	100.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI DY/GNT R/O TTD	5	0	0.0	5	100.0
CL SI DY/GRNT RHB PL	1	0	0.0	1	100.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0
CL SI NON-MED ORDER	3	3	100.0	0	0.0
CL SI REJ OCCDISEASE	3	0	0.0	3	100.0
CL SI REJECT CLAIM	30	1	3.3	29	96.7
CL SI SEC.CONDITION	16	1	6.3	15	93.8
CL SI TRMT DENY	43	8	18.6	35	81.4
CL SI TTD	4	0	0.0	4	100.0
CL SPL CATEGORY	18	3	16.7	15	83.3
CL TRMT DENY	229	60	26.2	169	73.8
CL TRMT GRANT	6	6	100.0	0	0.0
CL TTD	12	0	0.0	12	100.0
CL% SI BOARD FINDING	4	1	25.0	3	75.0
EM % BOARD FINDING	1	0	0.0	1	100.0
EM NON-MED ORDER	1	0	0.0	1	100.0
EM OIC COMPENSABLE	1	0	0.0	1	100.0
NonPrstable Protest	1	0	0.0	1	100.0
Not All Parties cc'd	3	2	66.7	1	33.3
PRT NOT CC-NoEMP ORD	1	1	100.0	0	0.0
UnTimely Protest	1	0	0.0	1	100.0
<b>Totals</b>	<b>992</b>	<b>150</b>	<b>15.1</b>	<b>842</b>	<b>84.9</b>

Appeals Received By Issue  
From November 1, 2014 Thru November 30, 2014

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	11	7	63.6	4	36.4	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	5	3	60.0	2	40.0	0	0.0	0	0.0
CL COMP ON LIMITED BASIS	2	1	50.0	1	50.0	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	1	50.0	1	50.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	1	50.0	1	50.0	0	0.0	0	0.0
CL REJECT CLAIM	10	2	20.0	8	80.0	0	0.0	0	0.0
CL SEC.CONDITION	8	4	50.0	3	37.5	0	0.0	1	12.5
CL SI %AWARD DNY/GNT	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	3	1	33.3	2	66.7	0	0.0	0	0.0
CL SI SEC.CONDITION	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI TRMT DENY	4	2	50.0	2	50.0	0	0.0	0	0.0
CL SPL CATEGORY	2	2	100.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	16	9	56.3	5	31.3	0	0.0	2	12.5
CL TRMT GRANT	1	0	0.0	0	0.0	0	0.0	1	100.0
CL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
<b>Totals</b>	<b>80</b>	<b>44</b>	<b>55.0</b>	<b>32</b>	<b>40.0</b>	<b>0</b>	<b>0.0</b>	<b>4</b>	<b>5.0</b>

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

Appealed By	BOR Disposition	Disposition		Year to Date		Disposition	
		Count	Disp %	Total %	Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	42	89.4%	58.3%	417	82.7%	50.1%
	DISMISSED	4	8.5%	5.6%	34	6.7%	4.1%
	MODIFY				6	1.2%	0.7%
	MODIFY AND REMAND				2	0.4%	0.2%
	MOOT				1	0.2%	0.1%
	REMAND				16	3.2%	1.9%
	REVERSE	1	2.1%	1.4%	28	5.6%	3.4%
	Total Dispositions	47			504		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	1	50.0%	1.4%	6	50.0%	0.7%
	DISMISSED				1	8.3%	0.1%
	MODIFY				1	8.3%	0.1%
	REVERSE	1	50.0%	1.4%	4	33.3%	0.5%
	Total Dispositions	2			12		
<b>EMPLOYER</b>	AFFIRMED	9	60.0%	12.5%	176	63.3%	21.1%
	DISMISSED	3	20.0%	4.2%	35	12.6%	4.2%
	MODIFY	1	6.7%	1.4%	14	5.0%	1.7%
	REMAND	1	6.7%	1.4%	9	3.2%	1.1%
	REVERSE	1	6.7%	1.4%	44	15.8%	5.3%
	Total Dispositions	15			278		
<b>DIVISION/OIC</b>	AFFIRMED	4	50.0%	5.6%	17	43.6%	2.0%
	DISMISSED	1	12.5%	1.4%	4	10.3%	0.5%
	MODIFY	1	12.5%	1.4%	2	5.1%	0.2%
	REMAND				2	5.1%	0.2%
	REVERSE	2	25.0%	2.8%	14	35.9%	1.7%
	Total Dispositions	8			39		
<b>Grand Totals</b>		72			833		



Dispositions by Issues  
BOR Orders Mailed From November 1, 2014 Thru November 30, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	15	9	60.0	0	0.0	5	33.3	0	0.0	1	6.7	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	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	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	3	2	66.7	0	0.0	1	33.3	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	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GRNT RHB PL	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TTD	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	24	22	91.7	1	4.2	0	0.0	1	4.2	0	0.0	0	0.0	0	0.0
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	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>75</b>	<b>60</b>	<b>80.0</b>	<b>3</b>	<b>4.0</b>	<b>8</b>	<b>10.7</b>	<b>3</b>	<b>4.0</b>	<b>1</b>	<b>1.3</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	105	77	73.3	7	6.7	14	13.3	3	2.9	4	3.8	0	0.0	0	0.0
CL % BOARD FINDING	9	8	88.9	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	4	2	50.0	1	25.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	46	32	69.6	7	15.2	5	10.9	1	2.2	0	0.0	0	0.0	1	2.2
CL COMP ON LIMITED BASIS	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL COMPENSABILITY	8	5	62.5	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL D/G PROV CHNG	3	2	66.7	0	0.0	0	0.0	1	33.3	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	18	14	77.8	2	11.1	0	0.0	1	5.6	1	5.6	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	30	26	86.7	1	3.3	2	6.7	0	0.0	1	3.3	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	7	6	85.7	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	2	1	50.0	1	50.0	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 FTA ACT UPON PPD	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY TP REHAB	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	7	5	71.4	1	14.3	0	0.0	0	0.0	1	14.3	0	0.0	0	0.0
CL NON-MED ORDER	8	3	37.5	0	0.0	2	25.0	1	12.5	2	25.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	3	3	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	13	7	53.8	2	15.4	3	23.1	0	0.0	1	7.7	0	0.0	0	0.0
CL REJ OCC DISEASE	21	12	57.1	2	9.5	4	19.0	1	4.8	2	9.5	0	0.0	0	0.0
CL REJECT CLAIM	112	83	74.1	10	8.9	11	9.8	5	4.5	3	2.7	0	0.0	0	0.0
CL SEC.CONDITION	73	59	80.8	8	11.0	3	4.1	1	1.4	1	1.4	0	0.0	1	1.4
CL SI %AWARD DNY/GNT	29	21	72.4	3	10.3	4	13.8	0	0.0	1	3.4	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 ADD% AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI 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	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMP ON LIMITED BASIS	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
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	7	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	3	3	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	13	12	92.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	7.7
CL SI DY/GRNT RHB PL	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	5	5	100	0	0	0	0	0	0	0	0	0	0	0	0
CL SI REJECT CLAIM	22	20	90.909	1	4.5455	1	4.5455	0	0	0	0	0	0	0	0
CL SI SEC.CONDITION	15	14	93.333	1	6.6667	0	0	0	0	0	0	0	0	0	0
CL SI SL CATEGORY	2	2	100	0	0	0	0	0	0	0	0	0	0	0	0
CL SI TRMT DENY	56	46	82.143	7	12.5	1	1.7857	1	1.7857	1	1.7857	0	0	0	0
CL SI TTD	6	5	83.333	0	0	0	0	1	16.667	0	0	0	0	0	0
CL SPL CATEGORY	14	9	64.286	2	14.286	2	14.286	1	7.1429	0	0	0	0	0	0
CL TRMT DENY	227	167	73.568	28	12.335	19	8.37	4	1.7621	8	3.5242	0	0	1	0.4405
CL TRMT GRANT	6	5	83.333	1	16.667	0	0	0	0	0	0	0	0	0	0
CL TTD	12	10	83.333	0	0	1	8.3333	1	8.3333	0	0	0	0	0	0
CL% SI BOARD FINDING	3	2	66.667	0	0	0	0	1	33.333	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
NonPrstable Protest	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0
Not All Parties cc'd	3	2	66.667	1	33.333	0	0	0	0	0	0	0	0	0	0
PRT NOT CC-NoEMP ORD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
UnTimely Protest	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>955</b>	<b>720</b>	<b>75.393</b>	<b>98</b>	<b>10.262</b>	<b>79</b>	<b>8.2723</b>	<b>26</b>	<b>2.7225</b>	<b>28</b>	<b>2.9319</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0.4188</b>

# REVENUE RECOVERY

## Workers' Compensation - November 2014

<b>COLLECTION ACTIVITY</b>	Current Month	Fiscal Year 2015
<b>Receipts - Old Fund</b> (Employer out of business)	\$ 1,698.15	\$ 19,914.14
<b>Receipts - PC &amp; NU</b> (Private Carrier Cancellation & Rogue Employers)	\$ 59,387.44	\$ 278,743.30
<b>Receipts - Payment Agreements</b> (Old Fund and UEF Combined)	\$ 6,094.44	\$ 49,168.86
# of active accounts uninsured (cumulative) /(average)	333	848
\$ of active accounts uninsured (cumulative) / (average)	\$ 1,269,564.00	3,200,536.90
Telephone contacts	1,137	6,404
Walk-ins	4	32

<b>LIENS</b>	Current Month	Fiscal Year 2015
Liens sent to county clerks for recordation	69	525
Liens sent to county clerks for release	15	163
Intent to lien letters sent to employer/owner/officer/member	78	462

<b>Uninsured Accounts Resolved</b>	209	998
<b>All Cash Receipts from WC accounts</b>	\$ 67,180.03	\$ 345,826.30

<b>INJUNCTIONS</b>	Current Month	Fiscal Year 2015
Affidavits for injunction submitted to legal	8	28
Hearings attended	0	5
# of injunction complaints accepted by court	2	9
# of injunctions granted	0	4
# of agreed orders entered	0	0
<b>PAYMENT AGREEMENTS</b>	Current Month	Fiscal Year 2015
# of repayment agreements applications	3	16
Agreements set up	3	16
Total # of agreements on system (cumulative) / (average)	50	125
Intent to void letters mailed	4	20
Agreements voided	1	8

<b>MISCELLANEOUS</b>	Current Month	
Terminations Processed	47	274
Rule 11 Letters Mailed	159	907
Rule 11 hearings	0	2

# BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTE

Board Meeting  
January 29, 2015

## OPERATING REPORT

### OCTOBER 2014

#### Board of Treasury Investments

1900 Kanawha  
Boulevard East  
Suite E-122  
Charleston WV  
25305  
(304) 340-1564  
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

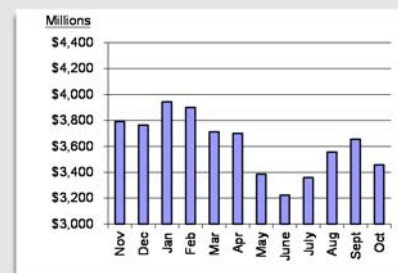
Executive  
Director  
Kara K. Hughes,  
CPA, MBA, CFE  
  
Chief Financial  
Officer  
Karl Shanholtzer,  
CFA, CPA, CIA

### Total Net Assets Under Management

**\$3,457,246,000**

Last Month  
**\$3,655,275,000**

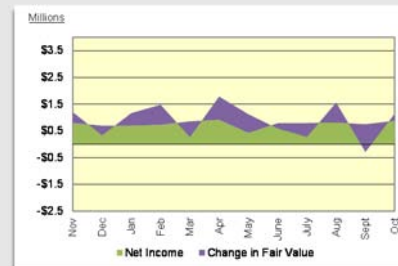
Beginning of Fiscal Year  
**\$3,223,614,000**



Net Assets for the Past 12 Months

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$2,693,000**



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

### Money Market Pools

As of October 31, 2014

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.1054%	48 Days	\$2.1 Billion
WV Gov't Money Market	0.0162%	59 Days	\$283.8 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

### OCTOBER 2014

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#### Markets Experiencing Some Turbulence

##### Market Environment

Markets experienced a turbulent ride in October, but wound up in a familiar place by month end with domestic equities positive and Treasury yields lower. A wave of volatility spurred by global growth concerns permeated through markets and was first felt in currencies that resulted in a sharp equity sell-off early in the month. US markets faced a correction, but a reversal in losses was spurred on by eased growth worries and a better than expected estimated GDP growth of 3.5% in the third quarter. The Federal Reserve's commitment to ending quantitative easing was mostly met with positive market reaction as its activities were interpreted as moderately hawkish, causing a small rise in Treasury yields at month end. US small cap issues surged to post gains of 6.6%, represented by the Russell 2000. The rebound was felt less strongly in international developed equities as the MSCI EAFE Index returned -1.5% while the S&P 500 was up 2.4% on the month. Recessionary worries remained prominent in Europe as speculation mounted that the ECB would consider buying credit securities as early as December, as part of an expansion of its asset purchasing program.

Despite the late uptick in yields, most broad US fixed income indices were up for the month as well. Emerging market stocks and bonds were mixed, but mostly positive with the MSCI EM Index returning 1.2% and the JP Morgan GBI-EM Global Diversified Index up 1.6%. Oil prices continued their decline as both WTI Crude and European Brent fell to and then hovered near \$80 per barrel, down from peaks around \$110 per barrel in June. Though the US dollar fluctuated, it remained strong relative to recent history, especially compared to the Japanese yen, which experienced a sharp depreciation due to the Bank of Japan's surprise announcement of further monetary stimulus.

Though high volatility can be concerning, we believe it is prudent to avoid overreaction to October's episode as it was quite normal in magnitude, compared to historical short-term equity drawdowns. However, we do believe that investors should remain positioned for some reversion to the mean in volatility levels, particularly as divergent central banking policies play out. We continue to be constructive on unconstrained and non-traditional fixed income products as an avenue to access positive return. Similarly, we believe global asset allocation products with flexible mandates represent sensible building blocks in portfolio construction as they can be well positioned to be defensive and add value during periods of shifting volatility.

##### Equity Market Results

US equity market return indices posted positive results during October. US markets were led by resurgent small cap stocks and rose 6.59% as measured by the Russell 2000 Index. Large cap US equities also registered solid gains, advancing 2.25% during the month. Year-to-date results for the Russell 3000 Index, a broad measure of the US equity markets, have risen 9.89%.

International equity markets posted mixed results during the month. Developed international markets, represented by the MSCI EAFE Index, fell 1.45%, while their less established brethren, represented by the MSCI Emerging Markets Index, rose 1.18%. Year-to-date, the results from international equities have been mixed, with the MSCI EAFE Index falling 2.81%, while the MSCI Emerging Markets has risen 3.63%.

##### Bond Market Results

In a reversal from September, US bond market investors enjoyed strong results during October. The Barclays Capital Aggregate Index, a leading index for bond investors, rose 0.98%, fully offsetting the previous month's decline. Year-to-date, the Barclays Aggregate index has generated a respectable 5.12% return. International bonds, as represented by the Citigroup World Government Bond Index (WGBI) hedged, rose 0.67%, increasing its year-to-date results to 6.23%. Cash-like instruments generated miniscule returns, with the BofA ML 3-month T-bill generating a 0.00% return. Year-to-date, the 3-month T-bill has risen 0.03%.

# West Virginia Board of Treasury Investments

## Financial Highlights as of October 31, 2014

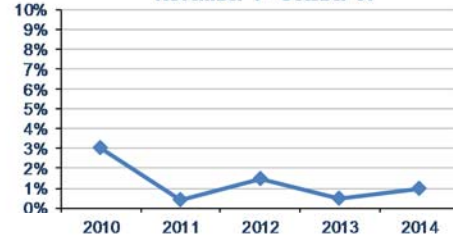
### WV Short Term Bond Pool

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

<u>November 1 - October 31</u>	<u>Return</u>	<u>Net Assets At Oct 31 (In Millions)</u>
2014	1.0%	\$ 781.9
2013	0.4%	\$ 717.7
2012	1.5%	\$ 500.5
2011	0.4%	\$ 455.7
2010	3.0%	\$ 462.2

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

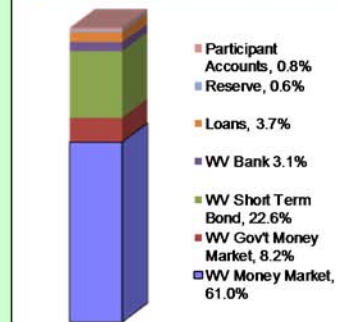
**WV Short Term Bond Pool Rates of Return**  
Past 12 Months  
November 1 - October 31



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

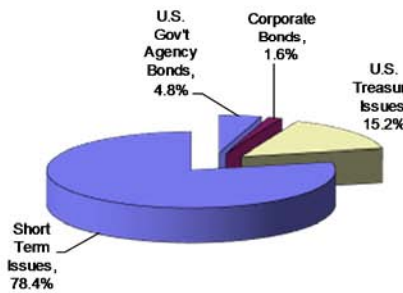
<u>Pool</u>	<u>Net Asset Value</u>	<u>Oct Net Income (Loss)</u>	<u>Fiscal YTD Net Income(Loss)</u>
WV Money Market	\$ 2,106,574	\$ 202	\$ 818
WV Gov't Money Market	283,751	4	19
WV Short Term Bond	781,889	886	1,703
WV Bank	107,062	11	37
Loans	128,975	3	48
Reserve	20,684	4	17
Participant Accounts	28,311	32	51
	<u>\$ 3,457,246</u>	<u>\$ 1,142</u>	<u>\$ 2,693</u>

**Percent of Total Net Asset Value**

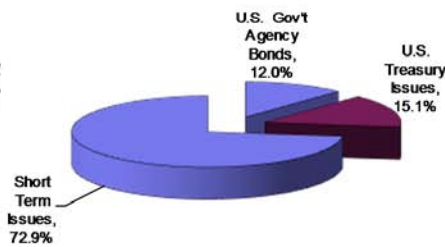


### Securities by Type for Operating Pools (Percentage of Asset Value)

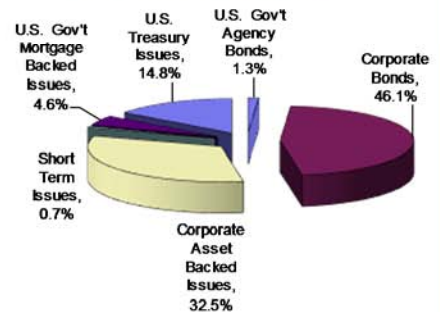
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



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

**OCTOBER 31, 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	\$ 2,104,366	\$ 283,603	\$ -	\$ 107,026	\$ 149,640	\$ 24,408	\$2,669,043
At fair value	-	-	784,220	-	-	3,739	787,959
Other assets	2,551	190	2,274	39	23	164	5,241
Total assets	<u>2,106,917</u>	<u>283,793</u>	<u>786,494</u>	<u>107,065</u>	<u>149,663</u>	<u>28,311</u>	<u>3,462,243</u>
<b>Liabilities</b>							
Accrued expenses, dividends payable & payables for investments purchased	343	42	4,605	3	4	-	4,997
Total liabilities	<u>343</u>	<u>42</u>	<u>4,605</u>	<u>3</u>	<u>4</u>	<u>-</u>	<u>4,997</u>
<b>Net Position</b>							
Held in trust for investment pool participat	2,106,574	283,751	781,889	107,062	149,659	-	3,428,935
Held in trust for individual investment account holders	-	-	-	-	-	28,311	28,311
Total net position	<u>\$ 2,106,574</u>	<u>\$ 283,751</u>	<u>\$ 781,889</u>	<u>\$ 107,062</u>	<u>\$ 149,659</u>	<u>\$ 28,311</u>	<u>\$3,457,246</u>
<b>Additions</b>							
Investment income:							
Interest and dividends	\$ 548	\$ 48	\$ 884	\$ 14	\$ 23	\$ 34	\$ 1,551
Net (amortization) accretion	(200)	(25)	(154)	-	-	(23)	(402)
Provision for uncollectible loans	-	-	-	-	(12)	-	(12)
Total investment income	<u>348</u>	<u>23</u>	<u>730</u>	<u>14</u>	<u>11</u>	<u>11</u>	<u>1,137</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	148	19	85	3	4	-	259
Total investment expenses	<u>148</u>	<u>19</u>	<u>85</u>	<u>3</u>	<u>4</u>	<u>-</u>	<u>259</u>
Net investment income	200	4	645	11	7	11	878
Net realized gain (loss) from investments	2	-	-	-	-	-	2
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>241</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>262</u>
Net increase (decrease) in net position from operations	202	4	886	11	7	32	1,142
Participant transaction additions:							
Purchase of pool units by participants	832,315	51,230	-	7,998	4	-	891,547
Reinvestment of pool distributions	202	4	513	11	7	-	737
Contributions to individual investment accounts	-	-	-	-	-	13	13
Total participant transaction additions	<u>832,517</u>	<u>51,234</u>	<u>513</u>	<u>8,009</u>	<u>11</u>	<u>13</u>	<u>892,297</u>
Total additions	832,719	51,238	1,399	8,020	18	45	893,439
<b>Deductions</b>							
Distributions to pool participants:							
Net investment income	200	4	645	11	7	-	867
Net realized gain (loss) from investments	2	-	-	-	-	-	2
Total distributions to pool participants	<u>202</u>	<u>4</u>	<u>645</u>	<u>11</u>	<u>7</u>	<u>-</u>	<u>869</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,019,170	62,362	-	7,998	1,069	-	1,090,599
Withdrawals from individual investment accounts	-	-	-	-	-	-	-
Total participant transaction deductions	<u>1,019,170</u>	<u>62,362</u>	<u>-</u>	<u>7,998</u>	<u>1,069</u>	<u>-</u>	<u>1,090,599</u>
Total deductions	<u>1,019,372</u>	<u>62,366</u>	<u>645</u>	<u>8,009</u>	<u>1,076</u>	<u>-</u>	<u>1,091,468</u>
Net increase (decrease) in net position from operations	(186,653)	(11,128)	754	11	(1,058)	45	(198,029)
Inter-pool transfers in	-	-	-	7,989	-	-	7,989
Inter-pool transfers out	(7,989)	-	-	-	-	-	(7,989)
Net inter-pool transfers in (out)	<u>(7,989)</u>	<u>-</u>	<u>-</u>	<u>7,989</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(194,642)	(11,128)	754	8,000	(1,058)	45	(198,029)
Net position at beginning of period	2,301,216	294,879	781,135	99,062	150,717	28,266	3,655,275
Net position at end of period	<u>\$ 2,106,574</u>	<u>\$ 283,751</u>	<u>\$ 781,889</u>	<u>\$ 107,062</u>	<u>\$ 149,659</u>	<u>\$ 28,311</u>	<u>\$3,457,246</u>