

The Honorable Mitch Carmichael, Chair

**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**June 5, 2017**



Interim Committee on Government and Finance  
Monday June 5, 2017 -2:00-3:00 p.m.

Attended:

President Carmichael  
Senator Ferns  
Senator Hall  
Senator Blair  
Senator Trump  
Speaker Armstead  
Delegate Cowles  
Delegate Nelson, E.  
Delegate Miley  
Delegate Miller, C.

Submittor: Terri Stowers  
(304) 347-4813

Speaker Armstead Presides

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**June 5, 2017**

2:00 - 3:00pm

Senate Finance Room

1. Approval of February 7, 2017 minutes
2. Committee Reports/Requests:
3. Monthly/Quarterly Reports Received:

Workforce WV Unemployment Compensation Trust Fund Distribution  
(**Connie Kirk**, UI Director for Workforce West Virginia)

Monthly/Quarterly Reports from PEIA, BRIM, Real Estate Report  
(**John Myers**, Secretary, Department of Administration)

Department of Health & Human Resources, Medicaid Report & Medicaid Waiver, CHIP  
(**Melanie Pagliaro**, Director of Legislative Services)

Investment Management Board Distribution  
(**Tom Sauvageot**, Fixed Income & Real Estate Investment Officer)

Workers' Compensation  
(**Allan McVey**, Insurance Commissioner)

Board of Treasury Report Distribution

4. Other Business
5. Adjournment

# JOINT COMMITTEE ON GOVERNMENT AND FINANCE

February 7, 2017

4:00 pm – 5:00 pm

<b>Senate</b>	<b>House</b>
Carmichael, Chair	Armstead, Chair
Blair	Cowles
Ferns	Miller, C.
Hall	Nelson, E.
Plymale	Shott
Prezioso	Boggs
Trump	Miley(Absent)

**President Carmichael:** “The meeting will come to order. The first item on the Agenda is the approval of the January 11, 2017 minutes. Chairman Cowles is recognized.”

**Delegate Cowles:** “Mr. President I move the approval of the minutes as presented.”

**President Carmichael:** “Chairman Cowles moves that the minutes be approved. Discussion? All in favor say aye, those opposed no. The ayes appear to have it, the ayes do have it. The minutes are approved.”

**President Carmichael:** “The first item on the agenda is the committee reports. The first up is status reports on Lottery, Unemployment Compensation Fund, General Revenue Fund & State Road Fund. Mr. Spencer is here to answer any questions. Are there questions? Any questions for Mr. Spencer from Lottery? If not, the next item on the agenda is Workforce West Virginia Unemployment Compensation Trust Fund. Connie Kirk, Acting Unemployment Director of Workforce West Virginia is here to answer questions. Are there questions for Ms. Kirk? Questions? Ms. Kirk, you may proceed.”

**Connie Kirk:** “I am Connie Kirk, Acting Director for Unemployment Compensation and I am just here to report on the trust fund. As of January 2017, the trust fund balance was \$22,420,993.00.”

**President Carmichael:** “Thank you. Are there any questions for Ms. Kirk? Yes. Senator Trump.”

**Senator Trump:** “Thank you Mr. President. Maybe I am not seeing it in here. Okay, no it is here. You have full year projections for 2017?”

**Connie Kirk:** “Yes.”

**Senator Trump:** “Thank you.”

**President Carmichael:** “Further questions? Chairman Nelson.”

**Delegate Eric Nelson:** “Thank you Mr. President. So, we are getting numbers from one page... it has three months for last year and three months for the most current year. And, then we do have a two year... but the numbers don’t match. I would like some explanation at some point.”

**Connie Kirk:** “The numbers on the report that you have in your hand...”

**Delegate Nelson:** “Yes.”

**Connie Kirk:** “They are actual projections.”

**Delegate Nelson:** “Well, I am talking about 2016, so those are actual... And the numbers that you have on the prior page are three months of actual 2016 numbers and they don’t match up.”

**Connie Kirk:** “In our agency, there are two people that actually prepare those reports. One is done in the fiscal area and the other gentleman is a former acting UI Director. There are probably dissimilarities between the one that prepares the actual numbers is based off the federal report 2112 and there could be a variation of what they are actually including in one and what they are not including in another.”

**Delegate Nelson:** “What set of books do we really believe in? Okay, so you are looking at March projections were due to be 3M dollars deficient and that’s prior to the effect of any loan that may be outstanding?”

**Connie Kirk:** “That doesn’t include the 50M that we borrowed. That’s just based on what we have in there, not counting that money.”

**Delegate Nelson:** “When do you expect, under current projections to repay that loan?”

**Connie Kirk:** “We will repay it when it’s due in April.”

**Delegate Nelson:** “Okay. Thank you, Mr. President.”

**President Carmichael:** “Thank you. Further questions? If not, I have one question. I am curious... The unemployment rate in WV, how does that from a national prospective rank?”

**Connie Kirk:** “Just one second... I have that report in here. Our rate as of... and this report was done on January 18, for December, and the state rate was 5.9 and the national rate is 4.7. The 5.9 is coming down because it was 6 percent the month before. And, I

pulled some reports before I came and the initial claims and weeks claimed from the beginning of January 2017, up until now, are starting to show a decline of anywhere between 21%-30%. So, we are actually seeing the unemployment go down still.”

**President Carmichael:** “Well, thank you. As of ranking, in terms of states, 1-50, where does West Virginia rank in terms of unemployment? Do you have that data?”

**Connie Kirk:** “I don’t have that number but I can assure you we are up toward the top.”

**President Carmichael:** “Alright, I was just curious. Thank you. Other questions from the Committee? If not, thank you Ms. Kirk.”

**Connie Kirk:** “Okay.”

**President Carmichael:** “The next item on our Agenda are reports from PEIA, BRIM and the Real Estate Division. John Myers is here to answer questions and present the material. Thank you, Mr. Myers.”

**John Myers:** “Thank you. My name is John Myers and I am the newly appointed Secretary of Administration. Thank you for having us here today. We have provided in your packets today reports from PEIA, BRIM and the Real Estate Division. I have folks from each of those agencies here with me and should you have any questions, we would be happy to take those at this time.”

**President Carmichael:** “Thank you and welcome to the Committee. Are their questions for Mr. Myers? Chairman Shott.”

**Delegate Shott:** “Thank you Mr. President. My first question deals with BRIM. Are you the person I need to ask that to?”

**John Myers:** “Would you mind if I bring Mary Jane Pickens up?”

**Delegate Shott:** “No, not at all. Good Afternoon.”

**Mary Jane Pickens:** “Good afternoon. Mary Jane Pickens from BRIM.”

**Delegate Shott:** “I noticed that there is a \$7M operating loss last year coupled with the transfer of over \$2M dollars out of the fund, about a \$10M difference. How does that affect premium rates going forward or is that something that the total net position of \$180M will absorb and what do you anticipate the effect of that to be?”

**Mary Jane Pickens:** “Actually, to answer that question, if it is ok with the Committee, we have our CFO Steve Schumacher who is probably a better person than I to answer that question.”

**President Carmichael:** “Leave of the Committee, Mr. Schumacher.”

**Mr. Schumacher:** “Steve Schumacher, CFO for BRIM. The rates are retrospective so what happens is we build the rates based on what the actuaries tell us they anticipate the losses will be. So, if we see adverse development in a prior year, there is really no way to recover that through current premiums. Typically, you wouldn’t do that. So, what you are seeing is part of that adverse development dropping down to the bottom line. It will not be built into the rates per se going forward because most of those increases we have seen over the last four or five years are really from a prior period of reserve increases. And, since we have already done the premiums for those years, we are in a position at least to have sufficient capital to absorb those and we don’t anticipate that we will build those into any kind of rates going forward.”

**Delegate Shott:** “What level do you normally feel comfortable at regarding your reserves? You have \$180M basically, as I read this statement, in reserve. What level do you feel that premium adjustments are necessary?”

**Mr. Schumacher:** “Well, we typically would try to keep at least one year’s worth of projected premium as reserves and we are within that range at this point. So, in the coming year, I do not anticipate that would be a problem, probably not even in the next year if we saw the trends continue as they are.”

**Delegate Shott:** “So, for the coming fiscal year your insurance will not expect any significant premium increase?”

**Mr. Schumacher:** “We will see some increases and the reason being is that the actuaries give us the numbers that they project the losses on and those numbers overall went up about 7½% from the prior year. So, we are anticipating that there will probably be about a seven to 7-8% increase in rates, but it’s really primarily given by what the actuaries provide us for those loss estimates.”

**Delegate Shott:** “Thank you. Appreciate it.”

**Mr. Schumacher:** “You are welcome.”

**President Carmichael:** “Any further questions? Chairman Shott?”

**Delegate Shott:** “I had one on Real Estate.”

**President Carmichael:** “Are there any further questions for the gentleman who was just at the podium? If not, we have a question for the real estate.”

**Delegate Shott:** “Are you the person to ask that question to?”

**John Myers:** “You can ask and if I don’t know I can bring Jon Amores up.”

**Delegate Shott:** “I noticed that we had 20 year lease among the leases that are being presented. I just wondered how typical a state entering into a 20 year lease is. Is this an anomaly or is this something that is fairly routine?”

**John Myers:** “I don’t know that that’s been a common practice but I elect Jon to explain the details of this particular one.”

**Delegate Shott:** “That would be helpful, thank you.”

**President Carmichael:** “Leave of the Committee, Mr. Amores.”

**Jon Amores:** “Jon Amores, Executive Director, West Virginia Real Estate Division and if what you are referring to is the DEP contract of lease?”

**Delegate Shott:** “Yes.”

**Jon Amores:** “It is atypical, but it is the result of a construction project in which the agency has built the building for their specific purpose and the intent, ofcourse, is to try to amortize that cost over time. Our traditional state form lease still does allow for the state to terminate the lease within thirty days’ notice. But, the term is for twenty years.”

**Delegate Shott:** “So, there is an early out provision basically.”

**Jon Amores:** “Yes, there is.”

**President Carmichael:** “Further questions, Chairman Shott? If not, other questions of Mr. Myers? Alright, thank you Mr. Myers.”

**Mr. Myers:** “Thank you.”

**President Carmichael:** “The next item on our agenda is the Department of Health and Human Resources, Medicaid Report, Medicaid Waiver and CHIP. Melanie Pagliario is here to make her presentation and answer questions. Melanie...”

**Melanie Pagliario:** “Mr. Speaker, Mr. President, Melanie Pagliario Legislative Liaison to DHHR. You have your reports in your packet; Medicaid, Medicaid Waiver, & CHIP if you have any questions, I would be glad to take those and get back with you.”

**President Carmichael:** “Thank you. Are there questions for Ms. Pagliario? Speaker Armstead.”

**Speaker Armstead:** “Melanie, I just wanted to check. Have you had any communications from Washington in terms of Medicare and the state’s share and what’s taking place? I mean, we have had some communication, but, I didn’t know if there is communication



between DHHR and Washington at all about how this is going to affect this year's budget. What is the status of that in terms of DHHR?"

**Melanie Pagliario:** "We are still in discussions. We anticipate that there is going to be a block grant but we are just waiting to see. We follow it weekly on conference calls to see what is going on but we do not have anything definite yet."

**Speaker Armstead:** "Do you anticipate anything for this upcoming fiscal year budget that is going to have to be adjusted as a result? I know we are getting into that 5% payment that we are going to have to do. Is that part of those discussions in terms of how that would be affected?"

**Melanie Pagliario:** "Yes, Secretary Crouch has formed a team internally and we have been meeting bi-weekly and trying to come up with ideas to see what we are going to do and what we are going to propose. But, we are still waiting to hear what the definite answer is, so we are trying to plan but we don't really know yet until we hear from them. But, there are discussions back and forth between us and the feds and discussions internally about options a,b,& c and how they come about."

**Speaker Armstead:** "Alright, thank you."

**Melanie Pagliario:** "Thank you."

**President Carmichael:** "Ok, Mr. Speaker, other questions? If not, thank you very much. The next item on our Agenda is the Investment Management Board distribution, Craig Slaughter is here to present to the committee and answer any questions. Mr. Slaughter."

**Craig Slaughter:** "Good afternoon. Craig Slaughter, Executive Director of the Investment Management Board. You have the December 31, 2016 report in your packet and it looks pretty good for this fiscal year so far. Through December, we are up about 5.6% for the defined benefit pension plans and I can tell you that January was a good month. We are probably up another 1/1/2-2 %. We will see when the numbers finally come out. So, we are probably somewhere north of 7% for the fiscal year with seven months into the fiscal year. So, as long as things hold up, things point well to the next fiscal year...next fiscal year's budget, maybe."

**President Carmichael:** "Thank you Mr. Slaughter. Are there any questions of Mr. Slaughter? After you present a report like that, there's no questions, right? Thank you."

**Craig Slaughter:** "Thank you."

**President Carmichael:** "The next item on the Agenda is the Worker's Compensation Fund. Andrew Pauley is here, Acting Insurance Commissioner, to present and answer questions... Mr. Pauley."

**Andrew Pauley:** “Mr. President, Mr. Speaker... Andrew Pauley, I’m Acting Insurance Commissioner. You should have our report in your packets. And, not much changed from last month. I’d be happy to answer any questions.”

**President Carmichael:** “Thank you. Are there any questions of Mr. Pauley? If not, thank you very much. The next item on the Agenda is the Board of Treasury Report distribution. Is this something we.... Other business? We have a financial audit from the Division of Highway packet. Is there someone here to present this material and discuss it? Yes.”

**Rob Adams:** “Good afternoon distinguished members of the Committee. My name is Rob Adams and I am with the accounting firm of Gibbons and Kawash. We are here before you today presenting the final audit report of the June 30, 2016 Division of Highways. We are concluding the second year of a two year bid proposal process through which the Joint Committee on Finance engages an independent audit of the actual financial statements. The scope of this audit covers traditionally what you know as the State Road Fund and the government wide application of the State Road Fund. We concluded our audit and issued our report January 11, 2017. Our report was known as what is called an unmodified report. That’s in the front of the financial statement package. That’s the highest level of assurance that a CPA can put on a set of financial statements. The financial statements are prepared by management. The packet that you see in front of you includes management’s discussion’s analysis which is a required component of required supplementary information under governmental accounting standards. We also issued our report over internal control and other matters in accordance with government auditing standards. That report included three findings. Those three findings are in the conclusion of your packet and those are labeled 2016.001-2016.003. The first two findings are repetitive findings from previous fiscal year. The third finding relates to a significant audit adjustment that we uncovered during the course of our audit procedures relating to the accounting for accounts receivable and federal aid revenues. We appreciate the cooperation that those folks in the division gave us. An audit is kind of a disruptive process. We also worked closely with the legislative audit committee group and have met frequently with them during the process of this audit. I would be happy to answer any questions you may have about any of the deliverables you have in front of you in your packet.”

**President Carmichael:** “Thank you for your presentation. Are there questions of our presenter? Questions? If not, one more chance? If not, thank you very much for your presentation.”

**Rob Adams:** “Thank you.”

**President Carmichael:** “Is there any further business to come before the committee? If not, I recognize Speaker Armstead for a motion to adjourn.”

**Speaker Armstead:** “Mr. President, I move we adjourn.”

**President Carmichael:** “All those in favor of the motion will say Aye. Those opposed no. The ayes appear to have it, the ayes do have it. The meeting is adjourned.”

# WEST VIRGINIA LEGISLATURE

*Office of the Legislative Auditor*



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

*304-347-4870*

June 1, 2017

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

- West Virginia Lottery as of April 30, 2017:  
Gross profit for July 2016 - April 2017 was \$416.3 million.
- West Virginia Unemployment Compensation Fund as of April 30, 2017:  
Total disbursements were \$57 million lower than last fiscal year. Overall ending trust fund balance was \$4 million lower on April 30, 2017, than on April 30, 2016.
- General Revenue Fund as of May 31, 2017:  
The general revenue collections ended the eleventh month of fiscal year 2016-2017 at 98.9% of the estimate for the year.
- State Road Fund as of May 31, 2017:  
The state road fund collections ended the eleventh month of fiscal year 2016-2017 at 108.5 % 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: June 2, 2017

Re: Review of West Virginia Lottery Financial Information  
As of April 30, 2017

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for April 30, 2017, 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 \$898 million for July - April 2017. Table games accounted for \$33 million of this total. Historic Resort Hotel video lottery and table games accounted for \$4.3 million of total gross receipts. Gross lottery revenue has decreased by 6% when compared with July - April of fiscal year 2015-2016. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July - April 2017 was \$416.3 million; for July - April of last fiscal year it was \$440.4 million. Expressed as a percentage, gross profit is 5.5% lower for fiscal year 2017 than for fiscal year 2016.

Lottery continued

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

A total of \$397,741,000.00 has been accrued to the state of West Virginia for fiscal year 2016-2017. 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:

**State Lottery Fund:**

Bureau of Senior Services	\$59,139,000.00
Community and Technical College	\$4,998,000.00
Department of Education	\$18,006,000.00
Library Commission	\$11,429,000.00
Higher Education-Policy Commission	\$7,157,000.00
Tourism	\$6,216,000.00
Department of Natural Resources	\$3,096,000.00
Division of Culture and History	\$4,332,000.00
Department of Education and Arts	\$1,186,000.00
General Revenue Fund	13,700,000.00
Economic Development Authority	\$9,998,000.00
School Building Authority	\$18,000,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$157,257,000.00</b>

**Excess Lottery Fund**

Economic Development Fund	\$18,986,000.00
Higher Education Improvement Fund	\$15,000,000.00
General Purpose Fund	\$55,427,000.00
Higher Education Improvement Fund	\$24,729,000.00
State Park Improvement Fund	\$4,264,000.00
School Building Authority	\$18,992,000.00
Refundable Credit	\$9,591,000.00
WV Racing Commission	\$1,705,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$30,000,000.00
WV Lottery Statutory Transfers	\$48,296,000.00
General Revenue	\$12,800,000.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$23,054,000.00
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$262,844,000.00</b>

Total Budgetary Distributions:	\$420,101,000.00
Veterans Instant Ticket Fund	\$450,000.00
<b>TOTAL TRANSFERS</b>	<b>*\$420,551,000.00</b>

\* CASH BASIS

Total Accrued last FY 2016:	\$135,265,000.00
Total Cash Distributions FY 2017:	\$420,551,000.00
Applied to FY 2016:	\$135,265,000.00
Applied to FY 2017:	\$285,286,000.00
Accrued for FY 2017 as of April 30:	\$112,455,000.00



P.O. BOX 2067  
CHARLESTON, WV 25327

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

Jim Justice  
Governor

Alan H. Larrick  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance  
FROM: Alan H. Larrick, Director  
RE: Monthly Report on Lottery Operations  
Month Ending April 30, 2017

A handwritten signature in blue ink, appearing to be "AHL", located to the right of the "RE:" line.

DATE: May 16, 2017

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

Financial statements of the Lottery for the month ending April 30, 2017 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$89,941,148 for the month of April.

Transfers of lottery revenue totaling \$36,655,910 made for the month of April to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of April 30, 2017 was 1,498 and 1,335 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.

AHL  
Attachment

pc: Honorable Jim Justice, Governor  
Dave Hardy, Cabinet Secretary – Dept. of Revenue  
John Perdue, Treasurer  
J. B. McCuskey, Auditor  
Members of the West Virginia Lottery Commission



## MEMORANDUM

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FROM: Alan H. Larrick, Director

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AHL  
Attachment

pc: Honorable Jim Justice, Governor  
Dave Hardy, Cabinet Secretary – Dept. of Revenue  
John Perdue, Treasurer  
J. B. McCuskey, Auditor  
Members of the West Virginia Lottery Commission



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**April 30, 2017**

**WEST VIRGINIA LOTTERY**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>STATEMENT OF NET POSITION.....</b>	<b>3</b>
<b>STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION.....</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>6 – 22</b>
<b>SCHEDULE OF NET REVENUES.....</b>	<b>23</b>

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

	April 30, 2017	June 30, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 127,708	\$ 166,621
Accounts receivable	34,437	26,643
Inventory	704	380
Other assets	1,490	1,788
Total Current Assets	<u>164,339</u>	<u>195,432</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	-	-
Capital assets	55,695	55,960
Less accumulated depreciation and amortization	<u>(11,753)</u>	<u>(11,086)</u>
Net Capital Assets	<u>43,942</u>	<u>44,874</u>
Total Noncurrent Assets	<u>43,942</u>	<u>44,874</u>
Total Assets	<u>\$ 208,281</u>	<u>\$ 240,306</u>
Deferred outflows of resources	<u>\$ 2,573</u>	<u>\$ 2,573</u>
Total assets and deferred outflows	<u>\$ 210,854</u>	<u>\$ 242,879</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 112,455	\$ 135,265
Estimated prize claims	15,511	15,981
Accounts payable	1,312	1,961
Other accrued liabilities	27,206	35,302
Total Current Liabilities	<u>156,484</u>	<u>188,509</u>
Deferred inflows	<u>\$ 1,998</u>	<u>1,998</u>
Net Position:		
Restricted by enabling legislation	-	-
Net Investment in capital assets	43,942	44,874
Unrestricted	<u>8,430</u>	<u>7,498</u>
Total Net Position	<u>52,372</u>	<u>52,372</u>
Total net position, liabilities, and deferred inflows	<u>\$ 210,854</u>	<u>\$ 242,879</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 TEN MONTH PERIOD ENDED APRIL 30, 2017**

(In Thousands)  
- Unaudited -

	CURRENT MONTH		YEAR TO DATE	
	FY 2017	FY 2016	FY 2017	FY 2016
Lottery revenues				
On-line games	\$ 4,893	\$ 6,178	\$ 59,633	\$ 72,820
Instant games	8,263	8,278	78,408	86,833
Racetrack video lottery	43,901	46,920	433,388	449,275
Limited video lottery	29,577	31,326	289,579	302,647
Table games	3,036	3,619	32,964	36,287
Historic resort	271	615	4,286	5,432
	<u>89,941</u>	<u>96,936</u>	<u>898,258</u>	<u>953,294</u>
Less commissions				
On-line games	338	425	4,163	5,089
Instant games	578	580	5,489	6,079
Racetrack video lottery	21,212	22,601	225,682	232,946
Limited video lottery	14,493	15,350	141,894	148,297
Table games	1,287	1,534	13,972	15,377
Historic resort	160	350	2,258	2,795
	<u>38,068</u>	<u>40,840</u>	<u>393,458</u>	<u>410,583</u>
Less on-line prizes	2,318	3,280	30,002	36,550
Less instant prizes	5,432	5,456	51,478	57,400
Less ticket costs	103	251	1,134	1,357
Less vendor fees and costs	843	720	5,852	6,975
	<u>8,696</u>	<u>9,707</u>	<u>88,466</u>	<u>102,282</u>
Gross profit	<u>43,177</u>	<u>46,389</u>	<u>416,334</u>	<u>440,429</u>
Administrative expenses				
Advertising and promotions	365	569	4,107	3,734
Wages and related benefits	847	922	8,505	8,526
Telecommunications	12	75	887	814
Contractual and professional	385	375	3,910	3,896
Rental	26	37	303	363
Depreciation and amortization	108	89	1,081	890
Other administrative expenses	91	102	1,262	1,036
	<u>1,834</u>	<u>2,169</u>	<u>20,055</u>	<u>19,259</u>
Other Operating Income	<u>7,914</u>	<u>7,973</u>	<u>10,208</u>	<u>9,965</u>
Operating Income	<u>49,257</u>	<u>52,193</u>	<u>406,487</u>	<u>431,135</u>
Nonoperating income (expense)				
Investment income	133	125	691	552
Distributions to municipalities and counties	(580)	(614)	(5,676)	(5,932)
Distributions -capital reinvestment	(870)	(963)	(3,761)	(4,226)
Distributions to the State of West Virginia	(47,940)	(50,741)	(397,741)	(421,529)
	<u>(49,257)</u>	<u>(52,193)</u>	<u>(406,487)</u>	<u>(431,135)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>52,372</u>	<u>54,156</u>	<u>52,372</u>	<u>54,156</u>
Net position, end of period	<u>\$ 52,372</u>	<u>\$ 54,156</u>	<u>\$ 52,372</u>	<u>\$ 54,156</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE TEN MONTH PERIOD ENDED APRIL 30, 2017**

(In Thousands)

-Unaudited-

	2017	2016
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 900,672	\$ 962,450
Cash payments for:		
Personnel costs	(8,335)	(8,226)
Suppliers	(10,968)	(10,200)
Other operating costs	(484,736)	(514,559)
Cash provided by operating activities	<u>396,633</u>	<u>429,465</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(420,551)	(421,372)
Distributions to municipalities and counties	(5,640)	(5,905)
Distributions to racetrack from racetrack cap. reinv. fund	(9,964)	(14,800)
Cash used in noncapital financing activities	<u>(436,155)</u>	<u>(442,077)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(149)</u>	<u>(8,172)</u>
Cash flows from investing activities:		
Investment earnings received	<u>758</u>	<u>571</u>
Cash provided by investing activities	<u>758</u>	<u>571</u>
Increase (decrease) in cash and cash equivalents	(38,913)	(20,213)
Cash and cash equivalents - beginning of period	<u>166,621</u>	<u>164,722</u>
Cash and cash equivalents - end of period	<u>\$ 127,708</u>	<u>\$ 144,509</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 406,487	\$ 431,135
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,081	890
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(7,794)	(809)
(Increase) decrease in inventory	(324)	(3)
(Increase) decrease in other assets	231	125
Increase (decrease) in estimated prize claims	(470)	260
Increase (decrease) in accounts payable	(649)	(426)
Increase (decrease) in other accrued liabilities	(1,929)	(1,707)
Cash provided by operating activities	<u>\$ 396,633</u>	<u>\$ 429,465</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 \$569,988 and \$563,913 of at June 30, 2016 and 2015, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan (see Note 16).

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NET POSITION** – Net position is presented as restricted, unrestricted and net investment in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At April 30, 2017 the carrying amounts of deposits (overdraft) with financial institutions were \$483 thousand with a bank balance (overdraft) of \$521 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia’s agent in the State’s name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

	April 30, 2017	June 30, 2016
Deposits with financial institutions	\$ 483	\$ 1,430
Cash on hand at the Treasurer's Office	22,481	7,386
Investments with BTI reported as cash equivalents	104,744	157,805
	\$ 127,708	\$ 166,621

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

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

**NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the month ended April 30, 2017 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2016	Additions	Deletions	Historical Cost At April 30, 2017
Construction in Progress	\$ 1,164	\$ 149	\$ -	\$ 1,313
Buildings	46,207	-	-	46,207
Land	1,434	-	-	1,434
Improvements	260	-	(260)	-
Equipment	6,895	-	(154)	6,741
	<u>\$ 55,960</u>	<u>\$ 149</u>	<u>\$ (414)</u>	<u>\$ 55,695</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2016	Additions	Deletions	Historical Cost At April 30, 2017
Buildings	\$ 4,064	\$ 986	\$ -	\$ 5,050
Improvements	260	-	(260)	-
Equipment	6,762	95	(154)	6,703
	<u>\$ 11,086</u>	<u>\$ 1,081</u>	<u>\$ (414)</u>	<u>\$ 11,753</u>

**NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY**

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended April 30, 2017 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	\$ 2,082,662	\$ 28,192,756
Hot Lotto	461,666	3,921,382
Mega Millions	640,480	9,384,689
Total	\$ 3,184,808	\$ 41,498,827
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,041,527	\$ 14,097,956
Hot Lotto	230,910	1,961,032
Mega Millions	320,245	4,755,209
Total	\$ 1,592,682	\$ 20,814,197

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

	<u>PowerBall</u>	<u>Hot Lotto</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	\$45,000,000

At April 30, 2017, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 115,609,463	\$ 1,625,725
Hot Lotto	6,070,116	440,010
Mega Millions	37,114,482	541,564
Total	<u>\$ 158,794,061</u>	<u>\$ 2,607,299</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 \$15,121,199 at April 30, 2017, of which the Lottery's share was \$1,401,961.

**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. Sixty-six percent (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) 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, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

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

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

The remaining net terminal revenue (51%) 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, Maryland, and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended April 30, 2017 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2017	2016	2017	2016
Total credits played	\$ 495,038	\$ 523,724	\$ 4,828,969	\$ 4,977,780
Credits (prizes) won	(444,446)	(469,882)	(4,333,679)	(4,464,594)
Promotional credits played	(6,689)	(6,901)	(61,843)	(63,701)
MWAP Contributions	(2)	(21)	(59)	(210)
Gross terminal income	43,901	46,920	433,388	449,275
Administrative costs	(809)	(842)	(13,184)	(13,341)
Net Terminal Income	43,092	46,078	420,204	435,934
Less distribution to agents	(21,212)	(22,601)	(225,682)	(232,946)
Racetrack video lottery revenues	<u>\$ 21,880</u>	<u>\$ 23,477</u>	<u>\$ 194,522</u>	<u>\$ 202,988</u>

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

	April 30, 2017	Year-to-Date
State Lottery Fund	\$ 5,825	\$ 96,129
State Excess Lottery Revenue Fund	15,196	94,778
Capital Reinvestment Fund	859	3,615
Total nonoperating distributions	<u>\$ 21,880</u>	<u>\$ 194,522</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**  
**-Unaudited-**

**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 April 30, 2017 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2017	2016	2017	2016
Total credits played	\$ 365,739	\$ 380,936	\$ 3,543,932	\$ 3,636,974
Credits (prizes) won	(336,162)	(349,610)	(3,254,353)	(3,334,327)
Gross terminal income	\$ 29,577	\$ 31,326	\$ 289,579	\$ 302,647
Administrative costs	(592)	(626)	(5,792)	(6,053)
Gross Profit	28,985	30,700	283,787	296,594
Commissions	(14,493)	(15,350)	(141,894)	(148,297)
Municipalities and Counties	(580)	(614)	(5,676)	(5,932)
Limited video lottery revenues	\$ 13,912	\$ 14,736	\$ 136,217	\$ 142,365

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

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

**NOTE 8 – TABLE GAMES (continued)**

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

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 April 30, 2017 were \$8,673,866 and \$94,183,552, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2017	2016	2017	2016
Table Games Privilege Tax	\$ 3,036	\$ 3,619	\$ 32,964	\$ 36,287
Interest on Table Games Fund	2	1	18	7
Administrative costs	(260)	(310)	(2,826)	(3,110)
Total Available for Distribution	<u>2,778</u>	<u>3,310</u>	<u>30,156</u>	<u>33,184</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	195	233	2,119	2,333
Thoroughbred & Greyhound Development Funds	156	186	1,695	1,866
Racing Association Pension Plan	76	91	830	913
Municipalities/ Counties	860	1,024	9,328	10,265
Total Distributions	<u>1,287</u>	<u>1,534</u>	<u>13,972</u>	<u>15,377</u>
Excess Lottery Fund	<u>\$ 1,491</u>	<u>\$ 1,776</u>	<u>\$ 16,184</u>	<u>\$ 17,807</u>



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

**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.

A summary of historic resort hotel video lottery revenues for the month ended April 30, 2017 and fiscal year-to-date follows (in thousands):

	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Total credits played	\$ 6,617	\$ 7,257	\$ 56,539	\$ 53,666
Credits (prizes) won	(6,121)	(6,663)	(52,514)	(49,179)
Promotional credits played	(256)	(84)	(923)	(725)
MWAP Contributions	-	-	-	-
Gross terminal income	<u>240</u>	<u>510</u>	<u>3,102</u>	<u>3,762</u>
Capital reinvestment	(11)	(24)	(146)	(177)
Excess Lottery Fund	(2)	(4)	(28)	(34)
Administrative costs	(13)	(27)	(168)	(203)
Hotel commissions	<u>(102)</u>	<u>(216)</u>	<u>(1,312)</u>	<u>(1,591)</u>
Net terminal income	112	239	1,448	1,757
Historic Resort Hotel Fund	71	152	921	1,118
Human Resource Benefit Fund	41	87	527	639

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

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

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 April 30, 2017 were \$88,917 and \$3,383,923, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Table games privilege tax	\$ 31	\$ 105	\$ 1,184	\$ 1,670
Administrative Costs	<u>(4)</u>	<u>(14)</u>	<u>(152)</u>	<u>(215)</u>
Total Available for Distribution	27	91	1,032	1,455
Historic Resort Hotel Fund	23	77	863	1,217
Human Resource Benefit Fund	4	14	169	238

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) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) 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;
- 5) 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;
- 6) 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	\$ 71	\$ 921
Historic Resort Table Games	23	863
Interest on Historic Resort Hotel Fund	<u>-</u>	<u>2</u>
Historic Resort Hotel Fund Net Income	94	1,786
Municipalities/ Counties	13	250
Excess Lottery Fund	81	1,536
Total Distributions	<u>\$ 94</u>	<u>\$ 1,786</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, 2017 the State Legislature budgeted \$135,557,444 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 April 30, 2017 the Lottery has accrued additional distributions of \$112,454,734. The Lottery is a non-appropriated state agency and therefore does not 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>April 30, 2017</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 4,998
Bureau of Senior Services		59,139
Department of Education		18,006
Library Commission		11,429
Higher Education-Policy Commission		7,157
Tourism		6,216
Natural Resources		3,096
Division of Culture & History		4,332
Department of Education & Arts		1,186
General Revenue Fund		13,700
Economic Development Authority	1,000	9,998
School Building Authority	1,800	18,000
Total State Lottery Fund	\$ 3,299	\$ 157,257

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 18,986
Higher Education Improvement Fund	1,500	15,000
General Purpose Account	8,442	55,427
Higher Education Improvement Fund	3,766	24,729
State Park Improvement Fund	649	4,264
School Building Authority	1,899	18,992
Refundable Credit	3,512	9,591
WV Racing Commission	260	1,705
WV Department of Health and Human Resources	-	-
Teacher's Retirement Savings	-	-
Division of Human Services	-	30,000
WV Lottery Statutory Transfers	7,039	48,296
General Revenue	1,154	12,800
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	3,197	23,054
Total State Excess Lottery Revenue Fund	\$ 33,317	\$ 262,844
Total Budgetary distributions:	\$ 36,616	\$ 420,101
Veterans Instant Ticket Fund	\$ 39	\$ 450
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 36,655	\$ 420,551
Accrued nonoperating distributions, beginning	(101,170)	(135,265)
Accrued nonoperating distributions, end	112,455	112,455
	\$ 47,940	\$ 397,741

**NOTE 11 – LEASES**

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended April 30, 2017 and April 30, 2016 approximated \$303,084 and \$363,003 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended April 30, 2017 and April 30, 2016 approximated \$831,853 and \$422,004 respectively.

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

**NOTE 12 – COMMITMENTS**

For the years ended June 30, 2016 and 2015 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2016 and 2015, \$9,655,947 and \$8,416,061, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

**NOTE 13 - RETIREMENT BENEFITS**

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement.

Covered employees hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 13.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending April 30, 2017 and fiscal year-to-date are as follows (in thousands):

	April 30, 2017	Year-to-Date
Employee contributions	\$ 25	\$ 282
Lottery contributions	135	803
Total contributions	\$ 160	\$ 1,085

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

**NOTE 15 - RISK MANAGEMENT**

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

**WORKERS' COMPENSATION INSURANCE**

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

**PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)**

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

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

**BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)**

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

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

**NOTE 16– OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

Funding Policy

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

The ARC rate is \$429 and \$389 per employee per month for the years ending June 30, 2016 and 2015 respectively. Through June 30, 2016 and 2015, the Lottery has paid premiums of \$284,421 and \$287,861. As of June 30, 2016 and 2015, the Lottery has recorded a liability of \$4,990,361 and \$4,631,089 on its balance sheet for OPEB.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE  
 LOTTERY FUND AND EXCESS LOTTERY FUND  
 FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2017  
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	8,263	7,917	78,407	79,166
On-line games	4,892	5,417	59,632	54,166
Racetrack video lottery	43,901	37,709	433,387	375,134
Limited video lottery	29,577	30,557	289,578	292,309
Racetrack table games	3,036	2,772	32,965	31,741
Historic resort	271	331	4,288	4,588
Total gross revenues	<b>89,940</b>	<b>84,703</b>	<b>898,257</b>	<b>837,104</b>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	977	1,000	10,859	10,000
On-line games	1,559	1,545	17,759	15,441
Racetrack Video Lottery	5,834	5,556	96,445	94,045
Total Lottery Fund net revenues	8,370	8,101	125,063	119,486
Excess Lottery Fund				
Racetrack Video Lottery	15,217	12,260	94,864	66,518
Limited Video Lottery	14,005	14,374	136,815	137,503
Limited Video Lottery Fees	7,645	7,500	8,817	7,500
Racetrack table games	1,491	1,360	16,183	15,571
Historic resort	83	121	1,564	1,706
Total Excess Lottery Fund Net Revenues	38,441	35,615	258,243	228,798
Total Net Revenues	<b>46,811</b>	<b>43,716</b>	<b>383,306</b>	<b>348,284</b>



WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*



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

304-347-4870

Memorandum

To: Honorable Chairmen and Members of the Joint Committee on  
Government and Finance

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

Date: June 1, 2017

Re: Status of General Revenue Fund and State Road Fund as of  
May 31, 2017 (FY 17)

We have reviewed the cash flow of the West Virginia general revenue fund as of May 31, 2017 which is the end of the eleventh month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 98.9% of the estimate for the fiscal year. Total collections were \$42.7 million below the estimate for the fiscal year.

Personal Income Tax collections were \$68.4 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$66.5 million below the estimate for the year.

Severance Tax was \$39.6 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$20 million below the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were 108.5% of the estimate for the fiscal year. Total collections were \$51.5 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 \$268,307,000.34 as of May 31, 2017.

Balance July 1, 2016	391,572,994.64
Earnings	-123,265,994.30
Balance May 31, 2017	268,307,000.34

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$419,024,004.21 as of May 31, 2017.

Balance July 1, 2016	387,130,049.09
Earnings	31,893,955.12
Balance May 31, 2017	419,024,004.21

The Personal Income Tax Reserve Fund had a \$0 cash balance as of May 31, 2017.

Balance July 1, 2016	8,000,000.00
One-time draw for budget resolution	-8,000,000.00
Balance May 31, 2017	0.00

**GENERAL REVENUE FUND FY 2016-2017**

**By Source and by Month  
Monthly Revenue Estimates  
as of May 31, 2017 OASIS**

	MONTH ESTIMATES	NET MONTH COLLECTIONS	<b>FINAL</b> MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	106,877,000	123,254,698	16,377,698	1,699,895,000	1,631,475,463	-68,419,537
Consumer Sales Tax & Use Tax	100,227,000	106,855,801	6,628,801	1,156,173,000	1,089,720,247	-66,452,753
Severance Tax	33,439,000	49,240,338	15,801,338	234,405,000	273,997,904	39,592,904
Corp Income /Business Franchise	1,500,000	4,997,260	3,497,260	111,400,000	91,382,301	-20,017,699
Insurance Tax	1,600,000	14,172,736	12,572,736	118,830,000	119,086,321	256,321
Tobacco Products Tax	17,100,000	14,457,069	-2,642,931	180,300,000	177,697,571	-2,602,429
Business and Occupation	12,700,000	14,210,168	1,510,168	105,500,000	102,076,115	-3,423,885
Liquor Profit Transfers	2,090,000	2,329,750	239,750	15,870,000	23,646,706	7,776,706
Departmental Collections	1,100,000	1,311,650	211,650	17,900,000	17,845,651	-54,349
Property Transfer Tax	890,000	793,522	-96,478	9,620,000	10,903,361	1,283,361
Property Tax	300,000	377,718	77,718	7,100,000	7,139,133	39,133
Beer Tax and Licenses	848,000	1,030,427	182,427	6,970,000	6,988,931	18,931
Miscellaneous Transfers	50,000	0	-50,000	980,000	590,946	-389,054
Interest Income	750,000	864,004	114,004	7,250,000	5,231,614	-2,018,386
Senior Tax Credit Reimbur Lot	1,225,000	409,078	-815,922	10,000,000	10,000,000	0
HB 102 - Lottery Transfers	10,066,000	9,573,386	-492,614	53,479,000	65,000,000	11,521,000
Miscellaneous Receipts	370,000	289,827	-80,173	7,800,000	8,194,066	394,066
Business Fran Registration Fees	40,000	65,891	25,891	590,000	613,285	23,285
Liquor License Renewal	0	0	0	0	0	0
Special Revenue Transfer	0	6,146,078	6,146,078	0	59,317,668	59,317,668
Charter Tax	0	1,200	1,200	0	13,694	13,694
Video Lottery Transfers	0	13,055	13,055	0	449,453	449,453
July-Dec Retro Rev Adj	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
<b>SUBTOTALS</b>	<b>291,172,000</b>	<b>350,393,656</b>	<b>59,221,656</b>	<b>3,744,062,000</b>	<b>3,701,370,430</b>	<b>-42,691,570</b>
Less: <i>Cash Flow Transfer</i>		0	0		0	0
<b>TOTALS</b>	<b>291,172,000</b>	<b>350,393,656</b>	<b>59,221,656</b>	<b>3,744,062,000</b>	<b>3,701,370,430</b>	<b>-42,691,570</b>

Percent of Estimates

120.34%

98.86%

Collections this day

31,310,932



STATE ROAD FUND FY 2016-2017  
 By Source and by Month  
 Monthly Revenue Estimates  
 as of May 31, 2017 OASIS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	<b>FINAL</b> MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	31,600,000	46,096,558	14,496,558	356,600,000	361,750,758	5,150,758
Privilege Tax	16,129,000	17,385,012	1,256,012	173,209,000	186,695,964	13,486,964
Licenses & Registration	7,538,000	10,850,418	3,312,418	76,361,000	83,648,343	7,287,343
Miscellaneous	0	885,647	885,647	0	25,348,983	25,348,983
Highway Litter Control	142,000	177,461	35,461	1,432,000	1,653,410	221,410
<b>TOTALS</b>	<b>55,409,000</b>	<b>75,395,096</b>	<b>19,986,096</b>	<b>607,602,000</b>	<b>659,097,458</b>	<b>51,495,458</b>

Percent of Estimates **136.07%** **108.48%**

Collections this day **18,635,695**

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of April 30, 2017 : \$217,276,604.71  
 Note: \$50 million is temporarily on loan to the unemployment funds

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of April 30, 2017: \$414,455,365.68

PERSONAL INCOME TAX REFUND RESERVE FUND as of April 30, 2017: \$0.00

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: June 2, 2017

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the April 30, 2017 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of April 30, 2017 of fiscal year 2016-2017, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2016	\$ 53,108,141.17
Receipts July 1, 2016 thru June 30, 2017	\$ 180,480,092.12
Disbursements July 1, 2016 thru June 30, 2017	\$ 171,545,130.42
Balance April 30, 2017	\$ 62,043,102.87

ITEMS OF NOTE:

Regular benefits paid for April 2017 were \$ 8.9 million less than April 2016.

Federal emergency benefits totaled \$ -8 thousand for April 2016. For April 2017, federal emergency benefits totaled \$ -36 thousand.

Total disbursements were \$ 57 million less in July 2016 - April 2017 than the preceding July 2015 - April 2016.

Receipts as of April 2017 were \$ 1.1 million more than in July - April 2016. Overall ending trust fund balance was \$ 4 million lower on April 30, 2017 than on April 30, 2016.

Seasonally adjusted unemployment rates for April 2017 were 4.8 percent for West Virginia and 4.4 percent nationally.

Since April 2016, employment has decreased by 2,800. Employment gains included 3,800 in educational and health services. Employment declines included 3,200 in trade, transportation, and utilities, 500 in mining and logging, 400 in financial activities, 500 in government, 400 in professional and business services, 1,300 in manufacturing, 200 in leisure and hospitality, and 100 in other services. Employment in both construction and information was unchanged.

May 4, 2017

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

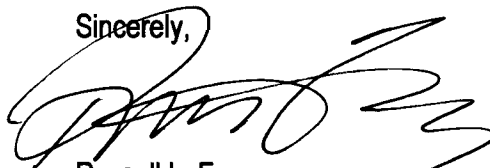
RE: Monthly Status Report

Dear Mr. Spencer:

Please find attached, the Monthly Status Report for the Joint Committee on Government and Finance, Unemployment Compensation Trust Fund for the month of April 2017.

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

Sincerely,



Russell L. Fry  
Acting Executive Director

RLF/gew

Enclosure

pc: Jim Justice

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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING FEBRUARY 2016 AND FEBRUARY 2017**

	FEBRUARY 2016	MARCH 2016	APRIL 2016	FEBRUARY 2017	MARCH 2017	APRIL 2017	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<u>\$60,865,278.13</u>	<u>\$45,841,542.51</u>	<u>\$61,478,005.07</u>	<u>\$74,897,575.04</u>	<u>\$64,585,155.37</u>	<u>\$51,630,018.66</u>	<u>\$22,927,923.36</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$15,974,620.32	\$1,397,140.74	\$28,214,028.48	\$7,744,552.59	\$1,239,068.27	\$25,194,314.69	(\$11,407,853.99)
3. Federal Emergency Benefits (EUCOB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. UCFE (Federal Agencies)	\$129,456.82	\$101,993.16	\$59,673.62	\$78,030.15	\$72,187.84	\$54,230.16	(\$86,675.45)
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	\$362,262.51	\$0.00	\$0.00	\$377,995.78	\$0.00	\$15,733.27
11. UCX (Military Agencies)	\$129,441.98	\$100,307.81	\$88,813.62	\$79,904.14	\$76,188.45	\$64,480.77	(\$97,990.05)
12. WV Senate Bill 55B	\$0.00	\$38,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$38,000,000.00)
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<u>\$16,233,519.12</u>	<u>\$39,961,704.22</u>	<u>\$28,362,515.72</u>	<u>\$7,902,486.88</u>	<u>\$1,765,440.34</u>	<u>\$25,313,025.62</u>	<u>(\$49,576,786.22)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$31,152,772.76	\$24,259,464.88	\$23,732,513.32	\$18,064,600.93	\$14,587,882.21	\$14,802,347.95	(\$31,689,919.87)
Federal Emergency Benefits (EUCOB)	(\$134,485.38)	(\$124,571.88)	(\$7,879.70)	(\$7,375.76)	(\$9,958.63)	(\$36,053.79)	\$213,548.78
Federal Share Extended Benefits (EB)	(\$140.00)	(\$315.97)	(\$40.00)	(\$195.00)	(\$155.00)	(\$90.00)	\$55.97
Emergency Benefits (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCFE (Federal Workers) Benefits	\$118,186.19	\$96,854.34	\$67,899.49	\$78,570.24	\$74,712.27	\$55,978.52	(\$63,678.99)
UCX (Military Workers) Benefits	\$120,921.17	\$93,810.29	\$92,286.40	\$79,306.14	\$68,096.20	\$77,758.73	(\$81,856.79)
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Disbursements</b>	<u>\$31,257,254.74</u>	<u>\$24,325,241.66</u>	<u>\$23,874,779.51</u>	<u>\$18,214,906.55</u>	<u>\$14,720,577.05</u>	<u>\$14,899,941.41</u>	<u>(\$31,621,850.90)</u>
<b>Trust Fund Balance</b>	<u>\$45,841,542.51</u>	<u>\$61,478,005.07</u>	<u>\$65,965,741.28</u>	<u>\$64,585,155.37</u>	<u>\$51,630,018.66</u>	<u>\$62,043,102.87</u>	<u>\$4,972,988.04</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.

\*\*Note: UI Trust Fund Balance Includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016	38,000,000.00
Repaid on 5/17/2016	(38,000,000.00)
Borrowed on 12/5/2016	50,000,000.00
Outstanding Loan from Revenue Shortfall Reserve Fund	<u>\$50,000,000.00</u>

## UC TRUST FUND BALANCES & PROJECTIONS FOR 2017

June 1, 2017

Month	Receipts	Disbursements	Trust Fund Balance
<b>2016</b>			
Balance - 1/1/2016			\$ 82,860,688
January	\$ 8,457,305	\$ 30,452,715	\$ 60,865,278
February	\$ 16,233,520	\$ 31,257,255	\$ 45,841,543
March	\$ 1,961,704	\$ 24,325,242	\$ 23,478,005
April	\$ 28,362,516	\$ 23,874,780	\$ 27,965,741
May	\$ 71,241,386	\$ 28,102,837	\$ 71,104,290
June	\$ 1,586,405	\$ 19,582,554	\$ 53,108,141
July	\$ 16,502,024	\$ 22,328,176	\$ 47,281,989
August	\$ 30,886,158	\$ 19,471,122	\$ 58,697,025
September	\$ 1,851,871	\$ 13,874,341	\$ 46,674,555
October	\$ 17,129,992	\$ 16,437,037	\$ 47,367,510
November	\$ 12,095,617	\$ 14,319,014	\$ 45,144,113
December	\$ 1,485,248	\$ 15,074,251	\$ 31,555,110
<b>Totals - 2016</b>	<b>\$ 207,793,746</b>	<b>\$ 259,099,324</b>	<b>\$ 31,555,110</b>

<b>2017</b>			
January	\$ 15,548,229	\$ 22,205,764	\$ 24,897,575
February	\$ 7,902,487	\$ 18,214,907	\$ 14,585,155
March	\$ 1,765,440	\$ 14,720,577	\$ 1,630,018
April	\$ 25,313,026	\$ 14,899,941	\$ 12,043,103
May	\$ 75,986,861	\$ 12,278,948	\$ 75,751,016
June	\$ 1,508,354	\$ 12,505,419	\$ 64,753,951
July	\$ 15,690,124	\$ 14,258,773	\$ 66,185,302
August	\$ 29,366,559	\$ 12,434,259	\$ 83,117,602
September	\$ 1,760,759	\$ 8,860,154	\$ 76,018,207
October	\$ 16,287,196	\$ 10,496,692	\$ 81,808,711
November	\$ 11,500,513	\$ 9,144,122	\$ 84,165,102
December	\$ 1,412,174	\$ 9,626,417	\$ 75,950,859
<b>Totals - 2017</b>	<b>\$ 204,041,722</b>	<b>\$ 159,645,973</b>	<b>\$ 75,950,859</b>

The Trust Fund balances shown here do not include the loan proceeds of \$ 50,000,000 received on November 29, 2016  
The loan was repaid in May 2017.

# **PEIA**

## **June Interim Talking Points**

- **PEIA and RHBT preliminary financial results for April 2017 are available for your review.**
- **PEIA is currently ahead of plan by \$6 million. This is primarily due to marginally lower than forecast medical expenses.**
- **RHBT is currently ahead of plan by \$34 million. This is attributable to higher than forecast investment income and lower than forecast Humana capitations.**
- **The 2017 year-end reserve for the State Fund and non-State Fund are projected to be \$93 and \$30 million respectively.**
- **These reserve levels represent 12% and 20% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**

**West Virginia Public Employees Insurance Agency**  
**Statement of Net Position**  
Sunday, April 30, 2017  
(Dollars in Thousands)  
(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	V A R I A N C E	
			\$	%
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$9,322	\$12,988	(\$3,666)	(28%)
Equity position in internal investment pool	43,342	8,910	34,432	386%
Premiums receivable:				
Due from State of West Virginia		411	(411)	(100%)
Other, less allowance for doubtful accounts	6,510	9,570	(3,060)	(32%)
Due From RHBT	1,580	2,915	(1,335)	(46%)
Accounts receivable:				
Provider refunds, less allowance for doubtful accounts	878	496	382	77%
Prescription rebates	5,679	5,326	353	7%
Other	1,300	217	1,083	499%
Total current assets	68,611	40,833	27,778	68%
Noncurrent assets:				
Equity position in internal investment pools	152,268	176,156	(23,888)	(14%)
Equity position in internal investment pool – restricted	19,003	23,769	(4,766)	(20%)
Capital assets, net of accumulated depreciation	232	48	184	383%
Total noncurrent assets	171,503	199,973	(28,470)	(14%)
<b>Total assets</b>	<b>240,114</b>	<b>240,806</b>	<b>(692)</b>	<b>(0%)</b>
Deferred Outflows of Resources Related to Pensions				
	460	190	270	142%
<b>Liabilities</b>				
Current liabilities:				
Claims payable	72,026	77,376	(5,350)	(7%)
Premium deficiency reserve	6,860	41,528	(34,668)	(83%)
Accounts payable	5,469	7,458	(1,989)	(27%)
Unearned revenue	4,595	8,833	(4,238)	(48%)
Computer Software Reseve	1,472		1,472	0%
Other accrued liabilities	3,096	2,919	177	6%
Total current liabilities	93,518	138,114	(44,596)	(32%)
Noncurrent liabilities:				
Other Liabilities	528	367	161	44%
Other accrued liabilities: Premium stabilization fund	19,003	23,769	(4,766)	(20%)
<b>Total liabilities</b>	<b>113,049</b>	<b>162,250</b>	<b>(49,201)</b>	<b>(30%)</b>
Deferred Inflows of Resources Related to Pensions				
	343	391	(48)	(12%)
<b>Net position</b>				
Invested in capital assets	232	48	184	383%
Unrestricted	126,949	78,305	48,644	62%
<b>Total net position</b>	<b>127,181</b>	<b>78,353</b>	<b>48,828</b>	<b>62%</b>

**West Virginia Public Employees Insurance Agency**  
**Statement of Changes in Plan Net Position**  
**For the Ten Months Ending Sunday, April 30, 2017**  
(Dollars in Thousands)  
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			<b>PREMIUM REVENUE</b>				
\$435,062	\$443,653	\$387,942	Health Insurance - State Gov. - Employers	(\$8,591)	(2%)	\$47,120	12%
108,156	110,543	98,487	Health Insurance - State Gov. - Employees	(2,387)	(2%)	9,669	10%
95,187	94,521	91,147	Health Insurance - Local Gov. - All	666	1%	4,040	4%
1,259	1,846	1,760	Life Insurance	(587)	(32%)	(501)	(28%)
8,333	8,333		Direct Transfer		0%	8,333	0%
11,115	6,540	(2,012)	Interest and Investment Income	4,575	70%	13,127	(652%)
			Litigation Settlement		0%		0%
1,259	2,074	1,734	Other Premium Revenue	(815)	(39%)	(475)	(27%)
4,005	3,945	4,023	Administrative Fees, Net of Refunds	60	2%	(18)	(0%)
<b>664,376</b>	<b>671,455</b>	<b>583,081</b>	<b>TOTAL REVENUE</b>	<b>(7,079)</b>	<b>(1%)</b>	<b>81,295</b>	<b>14%</b>
			<b>OPERATING EXPENSES</b>				
332,794	345,086	346,452	Claims Expense - Medical	12,292	4%	13,658	4%
120,794	101,901	110,761	Claims Expense - Drugs	(18,893)	(19%)	(10,033)	(9%)
34,771	32,372	30,680	Payments to Managed Care Org.	(2,399)	(7%)	(4,091)	(13%)
8,812	9,460	10,450	Administrative Service Fees	648	7%	1,638	16%
1,261	1,850	1,765	Life Insurance Expense	589	32%	504	29%
1,326	1,411	1,420	Wellness and Disease Management	85	6%	94	7%
263	263	287	ACA Comparative Effectiveness Fee		0%	24	8%
1,500	1,500	4,500	ACA Reinsurance Contribution		0%	3,000	67%
1,472	1,432		Computer Software Reserve	(40)	(3%)	(1,472)	0%
3,619	3,504	3,681	Other Operating Expenses	(115)	(3%)	62	2%
128,713	150,000	123,838	WV RHBT Pay Go Premiums	21,287	14%	(4,875)	(4%)
<b>635,325</b>	<b>648,779</b>	<b>633,834</b>	<b>TOTAL EXPENSES</b>	<b>13,454</b>	<b>2%</b>	<b>(1,491)</b>	<b>(0%)</b>
<b>29,051</b>	<b>22,676</b>	<b>(50,753)</b>	<b>YTD SURPLUS (DEFICIT)</b>	<b>6,375</b>	<b>(28%)</b>	<b>79,804</b>	<b>(157%)</b>
98,130	98,130	129,106	Total Net Position, Beginning of Period		0%	(30,976)	(24%)
<b>\$127,181</b>	<b>\$120,806</b>	<b>\$78,353</b>	<b>TOTAL NET POSITION, END OF PERIOD</b>	<b>\$6,375</b>	<b>5%</b>	<b>\$48,828</b>	<b>62%</b>

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF PLAN NET POSITION**  
**Sunday, April 30, 2017**  
**(In Thousands)**

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
<b>ASSETS</b>				
Cash - Operating Fund	\$1,988	\$14,891	(\$12,903)	(87%)
<b>INVESTMENTS</b>				
WV Board of Treasury Investments	96,042	106,584	(10,542)	(10%)
WV Investment Management Board	715,920	604,183	111,737	18%
Total Investments	811,962	710,767	101,195	14%
Due From / (To) WV PEIA	(1,587)	(2,915)	1,328	(46%)
<b>PREMIUM ACCOUNTS RECEIVABLE</b>				
Premium Accounts Receivable	2,070	2,696	(626)	(23%)
Less: Allowance for Doubtful Accounts	(406)	(372)	(34)	9%
Net - Premium Accounts Receivable	1,664	2,324	(660)	(28%)
Premium A/R - Annual Required Contributions	2,357,886	2,279,350	78,536	3%
Less: Allowance for Doubtful Accounts	(2,357,886)	(2,279,350)	(78,536)	3%
Net Premium A/R - ARC	0	0	0	0%
Other Receivables	(2,631)	2,210	(4,841)	(219%)
<b>TOTAL ASSETS</b>	<b>811,396</b>	<b>727,277</b>	<b>84,119</b>	<b>12%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources Related to Pension	241	104	137	132%
<b>LIABILITIES</b>				
Claims payable	10,190	10,390	200	2%
Accounts payable	20	13	(7)	(54%)
Accrued Liabilities	16,498	30,094	13,596	45%
<b>TOTAL LIABILITIES</b>	<b>26,708</b>	<b>40,497</b>	<b>13,789</b>	<b>34%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources Related to Pension	196	223	27	12%
Net Position- PSR	3,240	20,825	(17,585)	(84%)
Net Position- Restricted	781,493	665,836	115,657	17%
<b>NET POSITION RESTRICTED FOR POST EMPLOYMENT BENEFITS</b>	<b>\$784,733</b>	<b>\$686,661</b>	<b>\$98,072</b>	<b>14%</b>

Unaudited / Internal Use / Accrual Basis  
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**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For the Ten Months Ending Sunday, April 30, 2017**  
**(In Thousands)**

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
<b>ADDITIONS</b>							
<b>Employer Premiums:</b>							
\$2,664	\$2,755	\$2,677	Health premiums	(\$91)	(3%)	(\$13)	(0%)
107,315	125,400	103,157	Pay Go Premiums	(18,085)	(14%)	4,158	4%
55	0	90	Annual required contributions	55	0%	(35)	(39%)
<b>110,034</b>	<b>128,155</b>	<b>105,924</b>	<b>Total Employer Premiums</b>	<b>(18,121)</b>	<b>(14%)</b>	<b>4,110</b>	<b>4%</b>
<b>Member Premiums:</b>							
67,850	69,814	65,494	Health premiums	(1,965)	(3%)	2,356	4%
21,400	24,600	20,684	Pay Go Premiums	(3,200)	(13%)	716	3%
19,093	20,687	19,739	Life Insurance Premiums	(1,593)	(8%)	(645)	(3%)
<b>108,343</b>	<b>115,101</b>	<b>105,917</b>	<b>Total Member Premiums</b>	<b>(6,758)</b>	<b>(6%)</b>	<b>2,426</b>	<b>2%</b>
<b>218,377</b>	<b>243,256</b>	<b>211,841</b>	<b>Total Premium Additions</b>	<b>(24,879)</b>	<b>(10%)</b>	<b>6,536</b>	<b>3%</b>
<b>Other Additions:</b>							
950	1,000	1,000	Retiree Drug Subsidy	(50)	(5%)	(50)	(5%)
79,403	35,406	(2,837)	Investment Income	43,997	124%	82,240	(2,899%)
4,167	4,167	0	General Revenue Transfer Premium	0	0%	4,167	100%
25,000	25,000	0	General Revenue Transfer OPEB	0	0%	25,000	100%
<b>327,897</b>	<b>308,829</b>	<b>210,004</b>	<b>TOTAL ADDITIONS</b>	<b>19,068</b>	<b>6%</b>	<b>117,893</b>	<b>56%</b>
<b>DEDUCTIONS</b>							
125,983	137,292	124,253	Payments to Managed Care Org.	11,309	8%	(1,730)	(1%)
18,802	20,469	19,506	Life Insurance Expense	1,667	8%	704	4%
53,225	57,810	54,539	Medical Claims Expense	4,585	8%	1,314	2%
26,299	24,402	25,313	Pharmacy Claims Expense	(1,897)	(8%)	(985)	(4%)
26	26	25	Comparative Effectiveness Research Fee	0	(0%)	(1)	(5%)
167	167	458	ACA Reinsurance Contribution	0	0%	292	64%
1,200	1,583	1,527	Administrative Service Fees (External)	382	24%	327	21%
1,030	235	0	Computer Software Reserve Expense	(795)	(338%)	(1,030)	(67%)
2,100	2,384	2,246	Other Operating Expenses	284	12%	144	6%
0	0	68	Bad Debt Expense	0	0%	68	100%
<b>228,832</b>	<b>244,368</b>	<b>227,935</b>	<b>TOTAL DEDUCTIONS</b>	<b>15,535</b>	<b>6%</b>	<b>(897)</b>	<b>(0%)</b>
<b>99,065</b>	<b>64,461</b>	<b>(17,931)</b>	<b>NET POSITION INCREASE (DECREASE)</b>	<b>34,603</b>	<b>54%</b>	<b>116,996</b>	<b>(652%)</b>
<b>Net Position Restricted for Post Employment Benefits</b>							
685,668	685,668	704,592	Beginning of Period Total Net Position	0	0%	(18,924)	(3%)
<b>\$784,733</b>	<b>\$750,129</b>	<b>\$686,661</b>	<b>End of Period Total Net Position</b>	<b>\$34,603</b>	<b>5%</b>	<b>\$98,072</b>	<b>14%</b>

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For the Ten Months Ending Sunday, April 30, 2017**  
**PSR-Restricted**  
**(In Thousands)**

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
<b>Net Position Restricted for Post Employment Benefits</b>							
\$666,229	\$666,229	\$656,953	Beginning of Period- Restricted	\$0	0%	\$9,276	1%
115,264	80,660	8,883	Net Postion Increase	34,603	43%	106,381	1,198%
<b>781,493</b>	<b>746,889</b>	<b>665,836</b>	<b>End of Period- Restricted</b>	<b>34,603</b>	<b>5%</b>	<b>115,657</b>	<b>17%</b>
19,439	19,439	47,639	Beginning of Period- PSR	0	0%	(28,200)	(59%)
(16,199)	(16,199)	(26,814)	PSR Transfer	0	0%	10,615	(40%)
<b>3,240</b>	<b>3,240</b>	<b>20,825</b>	<b>End of Period- PSR</b>	<b>0</b>	<b>0%</b>	<b>(17,585)</b>	<b>(84%)</b>
685,668	685,668	704,592	Beginning of Period Total Net Position	0	0%	(18,924)	(3%)
<b>\$784,733</b>	<b>\$750,129</b>	<b>\$686,661</b>	<b>End of Period Total Net Position</b>	<b>\$34,603</b>	<b>5%</b>	<b>\$98,072</b>	<b>14%</b>

	Restricted	PSR
Beginning of Period Balance	\$ 666,229	\$ 19,439
Period Net Position Increase (Decrease) from Operations	\$ 99,065	\$ -
YTD PSR Transfer	\$ 16,199	\$ (16,199)
Ending of Period Balance	<b>\$ 781,493</b>	<b>\$ 3,240</b>
		<b>\$ 784,733</b>

\*\*\*Premium Stabilization Transfer:

\$ 19,439,335 All used in FY 2017

	Month	YTD
Original Budge	\$ 1,619,944	\$ 16,199,440



Jim Justice  
Governor



Ted Cheatham  
Director

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June 2, 2017

Joint Committee on Government and Finance  
Senate Finance – 451M  
State Capitol Complex  
Charleston, WV 25305

1. The March 2017 Quarterly Report page A-1 indicates the June 30, 2017 fund balances will be as follows:

	PEIA		RHBT
	State Fund	Non State Fund	OPEB Fund
June 30, 2017	\$93,340,455	\$29,868,822	\$748,477,584

2. Per §5-16-25 the statutorily required reserve for the purposes of offsetting unanticipated claims losses (current FY costs) is the actuarial recommended reserve.

The current recommendation is 14% of the fiscal year expenses for PEIA and RHBT. Per the Quarterly Report, the percentage will be as follows at year end:

June 30, 2017	State Fund Reserve	Non-State Fund Reserve	Total
Reserve Balance	\$93,340,455	\$29,868,822	\$ 123,209,277
Percentage	12%	20%	14%
	reserve/current FY costs		

3. The objective of the OPEB Reserve is to reach a fully funded status of the actuarially accrued liability (AAL). Therefore, the target is 100%. The reserve balance represents 21% of the actuarially required balance:

	RHBT
June 30, 2017	OPEB Reserve
Reserve Balance	\$748,477,584
Percentage	21%
	OPEB Reserve/Actuarial Accrued Liability

4. Anticipated events that may significantly reduce or increase the amount of funds:

The primary anticipated reduction events are the ongoing forecast increases in the cost of healthcare. The below chart indicates the actuarial projected increases in costs for the medical and prescription drugs of the plan. These increased costs represent a total increase of \$295 million over the next four years, requiring an average of \$74 million a year in either increased premiums or benefit reductions.

	FY 2018	FY 2019	FY 2020	FY 2021
Medical Trend	7.5%	8.0%	8.5%	9.0%
Rx Trend	11.5%	12.0%	12.5%	13.0%

5. Total amount of benefit payments paid for the month:

	PEIA	RHBT	Total
April 2017	\$53,269,000	\$19,556,000	\$73,185,000

Sincerely,



Jason A. Haught, CPA  
Chief Financial Officer

**West Virginia Board of Risk and Insurance Management**  
**UNAUDITED STATEMENTS OF NET REVENUE, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Ten Months Ending April 30, 2017**

**Talking Points**

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1. **Premium Revenue** thru April reflects the premiums earned for the first ten months of the fiscal year.
2. **Claims Expense** reflects claims payments made thru April plus reserve changes. Actual claims payments for the current fiscal year to date are higher than the same period last year. Claims reserves increased both years with the reserve increase for FY'17 being \$2.0 million larger than the prior year. The combined net effect of these two components results in the higher overall claims expense for the current year.
3. **Investment Income** for fiscal year 2017 reflects net earnings of \$7.9 million for the first ten months. The returns are \$3.5 million higher versus last year due to better returns on equity holdings for the current fiscal year.
4. In July of 2017, the transfer of \$2.8 million to the Patient Injury Compensation Fund (PICF), as mandated by enactment of HB4261, decreasing BRIM's net position by the same amount through April 30, 2017.
5. BRIM has no un-funded liability and continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management  
 Statements of Net Position  
 April 30th



	2017	2016
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 25,296	\$ 11,272
Advance deposits with insurance company and trustee	198,420	215,955
Receivables	2,313	7,208
Prepaid insurance	1,113	1,140
Restricted cash and cash equivalents	9,552	9,889
Premiums due from other entities	620	597
Total current assets	237,314	246,061
Noncurrent assets:		
Equity position in internal investments pools	90,411	83,598
Restricted investments	52,212	48,293
Total noncurrent assets	142,623	131,891
Total assets	379,937	377,952
<b>Deferred Outflows of Resources</b>		
Pension	387	127
<b>Liabilities</b>		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	50,819	47,890
Unearned premiums	12,996	12,029
Agent commissions payable	890	722
Claims Payable	10	22
Accrued expenses and other liabilities	2,986	3,401
Total current liabilities	67,701	64,064
Estimated unpaid claims and claims adjustment expense net of current portion	119,453	120,373
Compensated absences	91	76
Net pension liability	467	253
Total noncurrent liabilities	120,011	120,702
Total liabilities	187,712	184,766
<b>Deferred Inflows of Resources</b>		
Pension	304	270
Net position:		
Restricted by State code for House Bill 601 Program and mine subsidence coverage	57,123	55,427
Unrestricted	133,836	137,393
Net Assets (Deficiency)	1,349	223
Net position	\$ 192,308	\$ 193,043

*Unaudited*



West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Ten Months Ended April 30th

	<u>2017</u>		<u>2016</u>
	(in thousands)		
<b>Operating Revenues</b>			
Premium Revenues	\$ 59,410	\$	54,038
Less - Excess Insurance	(5,571)		(5,672)
Net Operating Revenues	<u>53,839</u>		<u>48,366</u>
<b>Operating Expenses</b>			
Claims Expense	54,161		49,526
General & Administrative Expense	3,381		3,066
Total Operating Expenses	<u>57,542</u>		<u>52,592</u>
Operating Income (Loss)	<u>(3,703)</u>		<u>(4,226)</u>
<b>Nonoperating Revenues</b>			
Investment Income	7,861		4,449
Appropriation Transfer HB4261	(2,810)		-
Total Nonoperating Revenues	<u>5,051</u>		<u>4,449</u>
Changes in net position	1,348		223
Total net position, beginning of period	190,960		192,820
Total net position, end of period	<u>\$ 192,308</u>	\$	<u>193,043</u>

*Unaudited*

Department of Administration Real Estate Division Leasing Report  
For the period of February 1 - 28, 2017

There were a total of 6 leasing changes for this period and they are as follows:

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

**Department of Administration Real Estate Division Leasing Report**  
For the period of February 1, 2017 through February 28, 2017

**NEW CONTRACT OF LEASE**

**WORKFORCE WEST VIRGINIA**

**WWV-041** New Contract of Lease for 5 years consisting of 6,684 square feet of office space at the annual per square foot rate of \$16.75, annual cost \$111,957.00, 222 Viking Way, in the City of Martinsburg, Berkeley County, West Virginia.

**SMALL BUSINESS DEVELOPMENT CENTER**

**SBD-007-SUB** New Contract of Lease for 3 years consisting of 96 square feet of office space at the monthly rate of \$134.00, annual cost \$1,608.00, full service, 222 Viking Way, in the city of Martinsburg, Berkeley County, West Virginia.

**WEST VIRGINIA DEVELOPMENT OFFICE**

**CID-011-SUB** New Contract of Lease for 3 years consisting of 99 square feet of office space at the monthly rate of \$138.00, annual cost \$1,656.00, full service, 222 Viking Way, in the city of Martinsburg, Berkeley County, West Virginia

**DIVISION OF JUVENILE SERVICES**

**DJS-034** New Contract of Lease for 1 year consisting of 250 square foot storage space at the monthly rate of \$100.00, annual cost \$1,200.00, 18 Blackberry Orchard, in the City of Danville, Boone County, West Virginia.

**RENEWAL WITH DECREASE IN SQUARE FEET AND INCREASE IN RENT**

**STATE AUDITOR'S OFFICE**

**SAO-008** Renewal for 2 years with a decrease of square feet from 19,443 square feet to 11,372 square feet of office space with an increase in the annual per square foot rate from \$9.50 to \$12.00, annual cost \$136,464.00, 200 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

**CANCELLATION**

**WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-087** Lease cancellation consisting of 4,000 square feet of office space, at the annual per square foot rate of \$8.67, annual cost \$34,680.00, full service, 331 Court Street, in the City of Welch, McDowell County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 February 1 - 28, 2017

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	WorkForce West Virginia	WWV-041	Berkeley	6,684	16.75	111,957	5	559,785
2	Small Business Development Center	SBD-007	Berkeley	96	0.00	1,608	3	4,824
3	West Virginia Development Office	CID-011	Berkeley	99	0.00	1,656	3	4,968
4	Division of Juvenile Services	DJS-034	Boone	250	0.00	1,200	1	1,200
5	State Auditor's Office	SAO-008	Harrison	11,372	12.00	136,464	2	272,928

<b>Total Rentable Square Feet</b>	<u>18,501</u>	28.75
<b>Average Annual Rental Rate</b>		14.38
<b>Total Annual Rent</b>		<u>252,885</u>

**CANCELLATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Department of Environmental Protection	DEP-087	McDowell	4,000	8.67	34,680

<b>Total Rentable Square Feet</b>	<u>4,000</u>
<b>Total Annual Rent</b>	<u>34,680</u>



Department of Administration Real Estate Division Leasing Report  
For the period of March 1 - 31, 2017

There were a total of 14 leasing changes for this period and they are as follows:

- 1 – New Contract of Lease – DOA Owned
- 2 – New Contract of Lease
- 8 – Straight Renewal
- 1 – Renewal with Increase in Rent
- 2 – Cancellation

**Department of Administration Real Estate Division Leasing Report**  
For the period of March 1, 2017 through March 31, 2017

**NEW CONTRACT OF LEASE – DOA OWNED**

**GENERAL SERVICES DIVISION**

**GSD-015-SUB** New Contract of Sub-Lease for 3 years consisting of 258 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$3,096.00, and 1,028 square feet of storage space at the annual per square foot rate of \$6.00, annual cost \$6,156.00, for an annual total of \$9,252.00, full service, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

**NEW CONTRACT OF LEASE**

**DIVISION OF JUVENILE SERVICES**

**DJS-036** New Contract of Lease for 1 year consisting of 95 square feet of office space at the monthly rate of \$250.00, annual cost \$3,000.00, full service, Hampshire County Health Department, 16189 Northwestern Pike, in the City of August, Hampshire County, West Virginia.

**DEPARTMENT OF EDUCATION**

**EDU-030** New Contract of Lease for 3 years consisting of 64 square feet of office space at the monthly rate of \$100.00, annual cost \$1,200.00, full service, 134 South Penn Avenue, in the city of Harrisville, Ritchie County, West Virginia.

**STRAIGHT RENEWAL**

**DIVISION OF FORESTRY**

**FOR-076** Renewal for 2 years consisting of tower/monitoring space at the current monthly rate of \$100.00, annual cost \$1,200.00, Susan Carrier Property, in the City of Point Pleasant, Mason County, West Virginia.

**WEST VIRGINIA LOTTERY COMMISSION**

**LOT-006** Renewal for 1 year consisting of 190 square feet of office space at the current monthly rate of \$126.66, annual cost \$1,519.92, full service, South Stone Street, in the City of Wheeling, Ohio County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-209** Renewal for 5 years consisting of 4,800 square feet of office space at the current annual per square foot rate of \$11.00, annual cost \$52,800.00, 505 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF MOTOR VEHICLES**

**DMV-021** Renewal for 1 year consisting of 6,600 square feet of office space at the current annual per square foot rate of \$8.38, annual cost \$55,308.00, 428 Main Street, in the City of Logan, Logan County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **OFFICE OF THE ATTORNEY GENERAL**

**AGO-019** Renewal for 1 year, consisting of 2,568 square feet of office space, and 920 square feet of storage space for a total of 3,488 square feet at the current annual per square foot rate of \$9.65, annual cost \$33,659.20, 2012 Quarrier Street, in the City of Charleston, Kanawha County.

### **WEST VIRGINIA STATE TAX DEPARTMENT**

**TAX-055** Renewal for 5 years consisting of 93 parking spaces at the current monthly rate of \$4,400.00, annual cost \$52,800.00, located at 1017-1019 Lee Street East, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF VETERANS ASSISTANCE**

**VET-042** Renewal for 1 year consisting of 759 square feet of office space at the current annual per square foot rate of \$13.25, annual cost \$10,056.75, full service, 216 Market Street, in the City of Spencer, Roane County, West Virginia.

### **DIVISION OF CORRECTIONS**

**COR-090** Renewal for 2 years consisting of 1,351 square feet of office space at the current annual per square foot rate of \$10.50, annual cost \$14,185.50, 1200 Harrison Avenue in the City of Elkins, Randolph County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

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

**MHS-029** Renewal for 3 years consisting of 7,125 square feet of office space with an increase in the annual per square foot rate from \$6.87 to \$7.08, annual cost \$50,445.00, Lick Creek Road in the City of Danville, Boone County, West Virginia.

## **CANCELLATION**

### **CHILDREN'S HEALTH INSURANCE PROGRAM**

**CHP-003** Lease cancellation consisting of 4,576 square feet of office space, at the annual per square foot rate of \$13.00 annual cost \$59,487.96, full service, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-105** Lease cancellation consisting of 2,500 square feet of office space, at the annual per square foot rate of \$7.50 annual cost \$18,750.00, full service, Putnam Shopping Center, in the Teays Valley, Putnam County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 March 1 - 31, 2017

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	General Services Division	GSD-015	Kanawha	258	12.00	3,096	3	9,288
	General Services Division	GSD-015	Kanawha	1,028	6.00	6,168	3	18,504
2	Division of Juvenile Services	DJS-036	Hampshire	95	0.00	3,000	1	3,000
3	Department of Education	EDU-030	Ritchie	64	0.00	1,200	3	3,600
4	Division of Forestry	FOR-076	Mason	0	0.00	1,200	2	2,400
5	West Virginia Lottery Commission	LOT-006	Ohio	190	0.00	1,520	1	1,520
6	Department of Health and Human Resources	HHR-209	Kanawha	4,800	11.00	52,800	5	264,000
7	Division of Motor Vehicles	DMV-021	Logan	6,600	8.38	55,308	1	55,308
8	Office of the Attorney General	AGO-019	Kanawha	3,488	9.65	33,659	1	33,659
9	West Virginia State Tax Department	TAX-055	Kanawha	0	0.00	52,800	5	264,000
10	Department of Veterans Assistance	VET-042	Roane	759	13.25	10,057	1	10,057
11	Division of Corrections	COR-090	Randolph	1,351	10.50	14,186	2	28,371
12	Office of Miners' Health, Safety and Training	MHS-029	Boone	7,125	7.08	50,445	3	151,335

77.86  
**Total Rentable Square Feet** 25,758  
**Average Annual Rental Rate** 9.73  
**Total Annual Rent** 285,438

**CANCELLATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Children's Health Insurance Program	CHP-003	Kanawha	4,576	13.00	59,488
2	Department of Environmental Protection	DEP-105	Putnam	2,500	7.50	18,750

**Total Rentable Square Feet** 7,076  
**Total Annual Rent** 78,238

Department of Administration Real Estate Division Leasing Report  
For the period of April 1 - 30, 2017

There were a total of 18 leasing changes for this period and they are as follows:

- 1 – New Contract of Lease – DOA Owned
- 2 – Straight Renewal – DOA Owned
- 11 – Straight Renewal
- 1 – Renewal with Increase in Rent
- 1 – Renewal with Decrease in Rent
- 2 – Cancellation

**Department of Administration Real Estate Division Leasing Report**  
For the period of April 1, 2017 through April 30, 2017

**NEW CONTRACT OF LEASE – DOA OWNED**

**DIVISION OF PUBLIC TRANSIT**

**DPT-001-618** # New Contract of Lease for 1 year consisting of 4,147 square feet of office space at the annual per square foot rate of \$10.93, annual cost \$45,326.71, full service, 1900 Kanawha Boulevard, Building #5, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL – DOA OWNED**

**NORTHERN PANHANDLE WORKFORCE DEVELOPMENT BOARD**

**NPW-001-SUB** Renewal for 1 year consisting of 776 square feet of office space at the current annual per square foot rate of \$17.00, annual cost \$13,192, full service, 100 Municipal Plaza Suite 300, in the City of Weirton, Hancock County, West Virginia.

**REGION 2 WORKFORCE INVESTMENT BOARD, INC**

**WB2-004-518** Renewal for 1 year, consisting of 4,936 square feet of office space at the current annual per square foot rate of \$17.00, annual cost \$83,912, full service, 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia

**STRAIGHT RENEWAL**

**ALCOHOL BEVERAGE CONTROL ADMINISTRATION**

**ABC-001** Renewal for 1 year consisting of 16,176 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$202,200.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF FINANCIAL INSTITUTIONS**

**FIN-001** Renewal for 1 year consisting of 7,944 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$99,300.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**OFFICES OF THE INSURANCE COMMISSIONER**

**INS-034** Renewal for 1 year consisting of 37,241 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$465,512.50, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

**OFFICES OF THE INSURANCE COMMISSIONER**

**INS-035** Renewal for 1 year consisting of 8,045 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$100,562.50, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **MUNICIPAL BOND COMISSION**

**MBC-005** Renewal for 1 year consisting of 2,484 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$31,050.00, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

### **RACING COMMISSION**

**RAC-002** Renewal for 1 year consisting of 4,169 square feet of office/storage space at the current annual per square foot rate of \$12.50, annual cost \$52,112.50, full service, 900 Pennsylvania Avenue, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-171** Renewal for 1 year consisting of 416 square feet of storage space at the current monthly rate of \$180, annual cost \$2,160, full service, 104 Van Kirk Drive, in the City of Fairmont, Marion County, West Virginia.

### **OFFICE OF TAX APPEALS**

**OTA-001** Renewal for 3 year consisting of 5,000 square feet of office space at the current annual per square foot rate of \$9.31, annual cost \$46,550.00, 1012 Kanawha Boulevard, in the City of Charleston, Kanawha County, West Virginia.

### **CORNERSTONE SOLUTIONS, INC.**

**JPA-002-SUB** Renewal for 1 year consisting of 200 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$2,400.00, full service, 304 Scott Avenue, in the City of Morgantown, Monongalia County, West Virginia.

### **SMALL BUSINESS DEVELOPMENT CENTER**

**SBD-004** Renewal for 1 year, consisting of 120 square feet of office space at the current monthly rate of \$160.00, annual cost \$1,920.00, 151 Robert C. Byrd Industrial Park, in the City of Moorefield, Hardy County, West Virginia.

### **DIVISION OF REHABILITATION SERVICES**

**DRS-061** Renewal for 3 years, consisting of 2,608 square feet of Office space at the current annual per square foot rate of \$6.90 per month, annual cost \$17,995.20, 319 Market Street, in the City of Spencer, Roane County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **WEST VIRGINIA DIVISION OF CULTURE AND HISTORY**

**DCH-002** Renewal for 1 year consisting of 270 square feet of storage space with an increase in the annual per square foot rate from \$415 to \$440 monthly, annual cost \$(5,280.00), (full service), 200 Piedmont Road, in the City of Charleston, Kanawha County, West Virginia.

## **RENEWAL WITH DECREASE IN RENT**

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

**HHR-128** Renewal for three years consisting of 7,650 square feet of office space with a decrease in the annual per square foot rate from \$8.50 to \$8.00, annual cost \$61,200.00, U.S. Route 52, South, in the City of Welch, McDowell County, West Virginia.

## **CANCELLATION**

### **WEST VIRGINIA COMMISSION FOR NATINOAL AND COMMUNITY SERVICE**

**NCS-004** Lease cancellation consisting of 4,136 square feet of office space, at the annual per square foot rate of \$9.03 annual cost \$37,348, (full service), at 710 Central Avenue, in the City of Charleston, Kanawha County, West Virginia.

### **DIVISION OF CORRECTIONS**

**COR-094** Lease cancellation consisting of 120 square feet of office space, at monthly rate of \$500.00 annual cost \$6,000.00, full service Room 122, on the first floor of the Kyle and Ann Fort Arts and Science Building on the campus of New River Community and Technical College located at 101 Church St, in the City of Lewisburg, WV, Greenbrier County, West Virginia.



Real Estate Division  
 Monthly Summary of Lease Activity  
 April 1 - 30, 2017

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Division of Public Transit	DPT-001	Kanawha	4,147	10.93	45,327	1	45,327
2	Northern Panhandle Workforce Development Bd	NPW-001	Hancock	776	17.00	13,192	1	13,192
3	Region 2 Workforce Investment Board, Inc.	WB2-004	Cabell	4,936	17.00	83,912	1	83,912
4	Alcohol Beverage Control Administration	ABC-001	Kanawha	16,176	12.50	202,200	1	202,200
5	Division of Financial Institutions	FIN-001	Kanawha	7,944	12.50	99,300	1	99,300
6	Offices of the Insurance Commissioner	INS-034	Kanawha	37,241	12.50	465,513	1	465,513
7	Offices of the Insurance Commissioner	INS-035	Kanawha	8,045	12.50	100,563	1	100,563
8	Municipal Bond Commission	MBC-005	Kanawha	2,484	12.50	31,050	1	31,050
9	Racing Commission	RAC-002	Kanawha	4,169	12.50	52,113	1	52,113
10	Department of Environmental Protection	DEP-171	Marion	416	0.00	2,160	1	2,160
11	Office of Tax Appeals	OTA-001	Kanawha	5,000	9.31	46,550	3	139,650
12	Cornerstone Solutions, Inc.	JPA-002	Monongalia	200	12.00	2,400	1	2,400
13	Small Business Development Center	SBD-004	Hardy	120	0.00	1,920	1	1,920
14	Division of Rehabilitation Services	DRS-061	Roane	2,608	6.90	17,995	3	53,986
15	West Virginia Division of Culture and History	DCH-002	Kanawha	270	0.00	5,280	1	5,280
16	Department of Health and Human Resources	HHR-128	McDowell	7,650	8.00	61,200	3	183,600

156.14  
**Total Rentable Square Feet** 102,182  
**Average Annual Rental Rate** 12.01  
**Total Annual Rent** 1,230,673

**CANCELLATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	WV Comm. for National and Community Service	NCS-004	Kanawha	4,136	9.03	37,348
2	Division of Corrections	COR-035	Greenbrier	120	0.00	6,000

**Total Rentable Square Feet** 4,256  
**Total Annual Rent** 43,348

**Joint Committee on Government and Finance**

**June 2017**

**Department of Health and Human Resources**

**MEDICAID REPORT  
March 2017 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2017

	MONTH OF MARCH 2017					
	ACTUALS SFY2016	TOTAL SFY2017	ACTUALS Current Month Ended 3/31/2017	ESTIMATE Current Month Ended 3/31/2017	ACTUALS Year To-Date Thru 3/31/2017	PROJECTED 4/1/2017 Thru 6/30/2017
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	186,720,433	191,663,554	9,192,952	14,745,169	109,181,215	82,482,340
Inpatient Hospital - DSH	54,542,207	53,803,200	-	-	40,588,231	13,214,969
Inpatient Hospital - Supplemental Payments	88,772,449	126,027,542	34,107,482	43,847,865	88,569,557	37,457,985
Inpatient Hospital - GME Payments	9,200,784	8,027,882	-	-	6,143,180	1,884,702
Mental Health Facilities	60,774,362	76,856,261	4,477,083	5,914,798	39,940,378	36,915,883
Mental Health Facilities - DSH Adjustment Payments	18,887,044	18,886,800	-	-	14,164,634	4,722,166
Nursing Facility Services - Regular Payments <sup>(2)</sup>	630,230,973	644,177,879	50,151,666	53,701,443	485,567,234	158,610,645
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,590,373	69,718,700	5,479,985	5,809,892	52,414,350	17,304,350
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	117,140,779	107,471,018	5,294,420	8,269,557	58,870,074	48,600,944
Physicians Services - Supplemental Payments	33,313,589	21,769,930	-	-	16,992,332	4,777,598
Physician and Surgical Services - Evaluation and Management	129,275	-	4	-	2,528	(2,528)
Physician and Surgical Services - Vaccine Codes	288	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	107,370,522	97,980,515	5,698,574	7,539,840	61,329,635	36,650,880
Outpatient Hospital Services - Supplemental Payments	85,182,603	208,258,173	99,441,037	95,675,104	196,672,256	11,585,917
Prescribed Drugs	310,642,861	299,765,411	9,757,146	23,334,267	181,428,641	118,336,770
Drug Rebate Offset - National Agreement	(247,362,655)	(238,221,600)	(7,819,660)	(15,484,404)	(132,538,469)	(105,683,131)
Drug Rebate Offset - State Sidebar Agreement	(9,422,134)	(13,890,000)	(291,690)	(902,850)	(5,546,995)	(8,343,005)
Drug Rebate Offset - MCO National	(89,719,160)	(46,188,000)	(7,661,306)	(3,002,220)	(158,086,083)	111,898,083
Drug Rebate Offset - MCO State Sidebar Agreement	(7,465,402)	(4,285,200)	(837,497)	(278,538)	(7,566,908)	3,281,708
Dental Services	17,904,695	18,576,878	1,294,949	1,431,563	11,333,334	7,243,544
Other Practitioners Services - Regular Payments	10,762,231	12,001,150	463,083	928,566	5,507,174	6,493,976
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	3,328,805	4,401,083	144,924	341,029	1,614,907	2,786,176
Lab & Radiological Services	26,879,927	22,300,416	1,054,337	1,716,188	12,229,244	10,071,172
Home Health Services	42,832,510	46,917,519	2,289,300	3,663,124	28,101,858	18,815,660
Hysterectomies/Sterilizations	234,860	215,096	2,774	16,546	38,463	176,633
Pregnancy Terminations <sup>(4)</sup>	-	274,326	31,918	21,102	71,605	202,721
EPSDT Services	1,557,174	1,920,918	105,935	147,886	1,180,484	740,434
Rural Health Clinic Services	9,206,515	12,285,791	412,591	945,175	4,645,384	7,640,406
Medicare Health Insurance Payments - Part A Premiums	18,084,672	18,042,000	1,620,737	1,503,500	13,997,455	4,044,545
Medicare Health Insurance Payments - Part B Premiums	96,216,407	111,651,355	9,513,824	9,304,280	81,283,527	30,367,828
120% - 134% Of Poverty	7,659,976	6,920,700	816,998	532,362	6,739,961	180,739
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	9,743,197	10,599,800	1,385,283	815,369	7,585,053	3,014,747

**WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
BUREAU FOR MEDICAL SERVICES  
EXPENDITURES BY PROVIDER TYPE  
SFY2017**

	MONTH OF MARCH 2017		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2016	SFY2017	Current Month Ended 3/31/2017	Current Month Ended 3/31/2017	Year To-Date Thru 3/31/2017	4/1/2017 Thru 6/30/2017		
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	1,286,596,440	1,501,169,123	159,726,007	125,097,427	1,227,907,246	273,261,877		
Medicaid MCO - Evaluation and Management	1,760	-	-	-	-	-		
Medicaid MCO - Vaccine Codes	89	-	-	-	-	-		
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Group Health Plan Payments	577,361	645,800	46,266	49,677	464,087	181,713		
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-		
Home & Community-Based Services (MR/DD)	331,969,032	370,267,300	23,484,934	28,482,100	234,495,103	135,772,197		
Home & Community-Based Services (Aged/Disabled)	103,740,104	109,486,361	7,988,393	8,471,418	78,631,569	30,854,791		
Home & Community-Based Services (Traumatic Brain Injury)	1,288,545	1,338,311	117,072	102,924	1,137,102	201,209		
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	75,461,043	81,069,514	5,861,263	6,245,366	55,948,654	25,120,860		
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-		
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-		
Targeted Case Management Services - State Wide	2,684,324	3,134,547	217,233	241,151	1,792,553	1,341,994		
Primary Care Case Management Services	118,509	-	-	-	24	(24)		
Hospice Benefits <sup>(3)</sup>	24,326,119	28,764,002	2,217,104	2,212,616	20,035,944	8,728,058		
Emergency Services Undocumented Aliens	726,066	567,619	22,874	43,663	358,888	208,731		
Federally Qualified Health Center	26,234,192	36,013,699	1,137,171	2,770,737	15,873,825	20,139,874		
Non-Emergency Medical Transportation	33,057,538	31,937,126	2,948,714	2,459,718	26,707,900	5,229,227		
Physical Therapy	2,760,390	2,429,083	94,572	186,949	1,580,210	848,873		
Occupational Therapy	636,335	754,433	64,141	58,033	494,038	260,395		
Services for Speech, Hearing & Language	572,905	585,848	30,390	45,070	393,385	192,463		
Prosthetic Devices, Dentures, Eyeglasses	1,889,277	1,840,232	89,477	141,752	1,215,166	625,066		
Diagnostic Screening & Preventive Services	896,178	699,236	28,233	53,787	371,528	327,708		
Nurse Mid-Wife	292,426	418,463	14,688	32,189	108,274	310,189		
Emergency Hospital Services	192	-	-	-	-	-		
Critical Access Hospitals	45,094,773	41,345,935	2,531,475	3,181,609	27,928,948	13,416,987		
Nurse Practitioner Services	3,879,118	4,269,983	284,168	328,525	2,503,554	1,766,429		
School Based Services	10,725,290	27,116,380	9,212,995	2,085,882	13,444,593	13,671,788		
Rehabilitative Services (Non-School Based)	72,279,284	81,100,199	4,856,219	6,243,932	49,333,854	31,766,345		
Private Duty Nursing	7,572,074	8,116,442	568,211	625,262	6,299,188	1,817,254		
Freestanding Birth Centers	-	52,723	-	4,056	-	52,723		
Health Home for Enrollees w Chronic Conditions	283,848	310,938	14,264	23,918	170,849	140,088		
Other Care Services	23,840,734	24,979,301	1,613,408	1,938,929	15,676,064	9,303,237		
Less: Recoupments	-	-	(385,101)	-	(1,550,304)	1,550,304		
<b>NET EXPENDITURES:</b>	<b>3,719,444,105</b>	<b>4,246,341,693</b>	<b>448,911,020</b>	<b>451,663,303</b>	<b>3,003,776,482</b>	<b>1,242,565,211</b>		

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2017

MONTH OF MARCH 2017	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2016	SFY2017	Current Month Ended 3/31/2017	Current Month Ended 3/31/2017	Year To-Date Thru 3/31/2017	4/1/2017 Thru 6/30/2017
Collections: Third Party Liability (line 9A on CMS-64)	(16,895,131)	-	-	-	(3,816,539)	3,816,539
Collections: Probate (line 9B on CMS-64)	(528,556)	-	-	-	(146,209)	146,209
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(136,975)	-	-	-	(128,039)	128,039
Collections: Other (line 9D on CMS-64)	(22,712,394)	-	-	-	(13,845,996)	13,845,996
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>3,679,171,049</b>	<b>4,246,341,693</b>	<b>448,911,020</b>	<b>451,663,303</b>	<b>2,985,839,698</b>	<b>1,260,501,995</b>
Plus: Medicaid Part D Expenditures	38,334,392	43,492,293	3,701,514	3,624,358	31,030,700	12,461,592
Plus: State Only Medicaid Expenditures	643,193	677,984	44,010	52,153	380,438	297,547
Plus: Money Follow the Person Expenditures	1,225,231	2,372,514	186,288	182,501	1,323,883	1,048,630
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 3,719,373,866</b>	<b>\$ 4,292,884,484</b>	<b>\$ 452,842,832</b>	<b>\$ 455,522,315</b>	<b>\$ 3,018,574,719</b>	<b>\$ 1,274,309,764</b>
Plus: Reimbursables <sup>(1)</sup>	3,982,371	4,980,394	399,126	383,107	2,895,264	2,085,130
Plus: NATCEP/PASARR/Eligibility Exams	271,038	280,566	23,047	21,582	211,840	68,726
Plus: HIT Incentive Payments	6,343,904	20,000,000	1,368,500	1,538,462	2,990,529	17,009,471
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,729,971,178</b>	<b>\$ 4,318,145,444</b>	<b>\$ 454,633,505</b>	<b>\$ 457,465,466</b>	<b>\$ 3,024,672,352</b>	<b>\$ 1,293,473,091</b>

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$15,632,023 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$16,527,006 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

(4) Pregnancy Terminations are State Only expenditures and are not currently claimed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2017

	9 Months Actuals			3 Months Remaining	
MONTH OF MARCH 2017	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2016	Current Month Ended 3/31/2017	Year-To-Date Thru 3/31/2017	4/1/2017 Thru 6/30/2017	SFY2017
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	\$ 19,797,518	\$ 4,588,240	\$ 22,715,798	\$ -	\$ 22,715,798
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	367,629,797	40,364,341	272,816,425	147,181,250	419,997,674
MRDD Waiver (0403/466)	88,753,483	7,396,123	51,920,788	36,832,695	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	1,947,000	649,000	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	4,767,000	1,589,000	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,666	536,000	264,000	800,000
Title XIX Waiver for Seniors (0403-533)	11,377,874	1,132,801	7,952,267	5,641,354	13,593,620
Medical Services Surplus (0403/633)	-	-	5,500,000	-	5,500,000
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	29,713,026	-	16,368,206	5,456,068	21,824,274
Lottery Waiver (0420/539)	5,906,641	-	9,106,638	3,035,546	12,142,184
Lottery Transfer (5405/871)	8,670,000	-	6,600,000	2,070,000	8,670,000
Excess Lottery (5365/189)	24,512,140	14,000,000	30,000,000	1,377,985	31,377,985
Lottery Surplus (5405/68199)	10,000,000	-	-	8,000,000	8,000,000
Lottery Surplus (5365/68100)	20,000,000	-	-	30,000,000	30,000,000
Trust Fund Appropriation (5185/189)	66,292,331	27,750,000	118,250,000	31,404,988	149,654,988
Provider Tax (5090/189)	209,832,017	9,412,746	150,750,000	52,531,007	203,281,007
NSGO UPL (5084/6717)	4,378,592	-	929,070	312,333	1,241,403
Certified Match	11,857,611	3,087,119	10,147,062	4,701,928	14,848,990
Reimbursables - Amount Reimbursed	4,138,564	866,815	1,792,891	3,187,503	4,980,394
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	602,343	55,096	471,466	428,534	900,000
CHIP State Share	3,567,160	-	-	-	-
CMS - 64 Adjustments	647,987	-	1,633,393	(1,633,393)	-
<b>TOTAL MATCHING FUNDS</b>	<b>\$ 897,429,083</b>	<b>\$ 109,465,947</b>	<b>\$ 714,204,002</b>	<b>\$ 333,029,798</b>	<b>\$ 1,047,233,800</b>
<b>FEDERAL FUNDS</b>	<b>\$ 2,887,088,843</b>	<b>\$ 355,225,911</b>	<b>\$ 2,321,785,159</b>	<b>\$ 996,539,507</b>	<b>\$ 3,318,324,666</b>
<b>TOTAL REVENUE SOURCES</b>	<b>\$ 3,784,517,927</b>	<b>\$ 464,691,858</b>	<b>\$ 3,035,989,161</b>	<b>\$ 1,329,569,305</b>	<b>\$ 4,365,558,466</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 3,729,971,178	\$ 454,633,505	\$ 3,024,672,352	\$ 1,293,473,091	\$ 4,318,145,444
<b>TOTAL</b>	<b>\$ 54,546,748</b>	<b>\$ 10,058,353</b>	<b>\$ 11,316,809</b>		<b>\$ 47,413,022</b>

Note: FMAP (71.42% applicable Jul. - Sep. 2016) (71.80% applicable Oct. 2016 - Jun. 2017)

**Joint Committee on Government and Finance**

**June 2017**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT  
March 2017 Data**

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

Aged & Disabled Waiver Reported Mar 31, 2017		FY 2016 YTD	Jul 16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY2017 YTD
<b>Slots Approved By CMS (1)</b>		6,385	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151
-Slots Available for Traditional (non TMH-WV) enrollees		6,305	6,071	6,071	6,071	6,071	6,071	6,071	6,071	6,071	6,071				6,071
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		80	80	80	80	80	80	80	80	80	80				80
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		6,385	5,760	5,801	5,873	5,920	5,952	5,975	6,001	6,018	6,096				6,096
Applicants determined eligible this month and added to MEL (3)		1,897	78	77	84	90	116	142	134	103	136				960
Applicants determined ineligible		195	3	7	7	5	6	9	11	11	9				68
<b>ACTIVE MEMBERS</b>															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		5,571	5,726	5,718	5,732	5,708	5,677	5,647	5,590	5,520	5,509				5,509
<b>Active members enrolled during the calendar month</b>		825	234	134	112	71	48	43	40	27	77				786
-Total Active Traditional members enrolled during the calendar month		N/A	230	128	111	65	44	29	29	24	75				735
-Total Active TMH-WV members enrolled during the calendar month		N/A	4	6	1	6	4	14	11	3	2				51
Members discharged during the calendar month		1,045	79	142	98	95	79	73	97	97	88				848
ADW Members whose case was closed by reason	Member is deceased	573	46	87	40	53	52	35	64	52	46				475
	Other (4)	472	33	55	58	42	27	38	33	45	42				373
<b>MANAGED ENROLLMENT LIST (MEL)</b>															
# Eligible applicants closed during the calendar month (removed from MEL)		1,903	165	137	79	50	62	62	55	186	43				839
ADW Applicants removed from the MEL	Applicant offered a slot	919	113	111	58	29	33	38	30	159	14				585
	Applicant became deceased	169	33	2	7	11	5	9	10	12	8				97
	Other (5)	815	19	24	14	10	24	15	15	15	21				157
Applicants on the MEL who are in a nursing facility YTD Column reflects average # members in setting		34	5	13	6	5	9	12	10	15	12				10
Applicants on the MEL receiving Personal Care YTD Column reflects average # members in setting		86	26	26	17	13	11	23	23	5	15				18
Applicants on the MEL at the end of the month		274	187	127	132	172	226	306	385	302	395				395
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		190	195	188	186	152	146	177	188	161	192				176

(1) Of the 6,151 slots approved by CMS, 80 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant.

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

(3) 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) Reported in actual number of days on the MEL.

**NOTE:** All data reported by Utilization Management Contractor is effective as of the transpire date in the 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 March 31, 2017		FY 2016	July-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD2017
Slots approved by CMS		4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634				4,634
Total number of members served YTD (unduplicated slots used) (1)		4,634	4,587	4,588	4,588	4,588	4,619	4,621	4,620	4,620	4,622				4,622
Applicants determined eligible (2)		293	16	14	24	18	21	16	18	16	24				167
Applicants determined ineligible (3)		287	11	20	21	17	25	15	15	18	18				160
<b>ACTIVE MEMBERS</b>															
# of active members at the end of the month (unduplicated slots active) (1)		4,534	4,577	4,564	4,556	4,541	4,557	4,549	4,540	4,525	4,520				4,520
Discharged members at the end of the calendar month		104	11	15	10	16	16	14	9	16	9				116
Discharged members who were discharged by reason	Deceased	53	6	9	6	7	9	9	3	6	3				58
	Left program to enter a facility		2	2	0	0	0	0	2	5	3				14
	a. Hospital									0	0				0
	b. ICF/IID									2	0				2
	c. Nursing Facility									2	3				5
	d. Psychiatric Facility									0	0				0
	e. Rehabilitation Facility									0	0				0
	f. Other Facility	9	2	2	0	0	0	0	2	1	0				7
Other (6)	40	3	3	4	9	7	5	4	4	3				42	
<b>MANAGED ENROLLMENT LIST (MEL)</b>															
Total number of applicants on the MEL at the end of the month		1,260	1,220	1,228	1,250	1,264	1,252	1,260	1,276	1,290	1,301				1,301
Number of applicants added to the MEL (4)		293	16	14	24	18	21	16	18	16	24				167
Applicants enrolled (removed from the MEL)		115	54	2	2	1	32	6	0	1	4				102
Applicants removed from the MEL due to Death (5)		9	0	0	0	1	0	0	2	1	0				4
Applicants removed from the MEL due to Other (6)		7	2	4	0	2	1	2	0	0	9				20
Applicants on the MEL who are in a Nursing Facility		2	1	2	2	1	4	1	1	1	2				2
Applicants on the MEL who are in an ICF/IID Group Home		85	93	96	93	84	93	91	94	96	100				100
Applicants on the MEL receiving Personal Care Services each month		76	82	88	88	96	61	79	39	62	81				81
Longest on the MEL to date (7)		1303 Days	1,334	1,315	1,341	1,372	1,395	1,426	1,457	1,400	1,414				1,414

(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**

<b>Traumatic Brain Injury Waiver Reported March 31, 2017</b>		<b>FY 2016 YTD</b>	<b>Jul 16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>FY2017 YTD</b>
Slots Approved By CMS (1)		74	70	70	70	70	70	70	70	70	70				70
-Slots Available for Traditional (non TMH-WV) enrollees		64	60	60	60	60	60	60	64	64	70				70
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		10	10	10	10	10	10	10	6	6	0				0
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		73	63	63	62	62	62	61	63	63	63				63
Applicants determined eligible this month and added to MEL (3)		NA	1	4	3	3	2	3	0	1	3				20
Applicants determined ineligible		5	0	0	1	1	0	0	0	0	0				2
<b>ACTIVE MEMBERS</b>															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		63	63	63	62	62	60	60	62	60	59				59
Active members enrolled during the calendar month		63	0	0	0	0	0	1	2	0	0				3
-Total Active Traditional members enrolled during the calendar month		62	0	0	0	0	0	0	2	0	0				2
-Total Active TMH-WV members enrolled during the calendar month		1	0	0	0	0	0	1	0	0	0				1
Members discharged during the calendar month		17	0	0	1	0	2	1	0	2	1				7
TBIW Members whose case was closed by reason	Member is deceased	4	0	0	0	0	0	0	0	0	0				0
	Other (4)	13	0	0	1	0	2	1	0	2	1				7
<b>MANAGED ENROLLMENT LIST (MEL)</b>															
# Eligible applicants closed during the calendar month (removed from MEL)		0	0	0	0	0	0	1	5	0	7				7
TBIW Applicants removed from the MEL	Applicant offered a slot	6	0	0	0	0	0	1	4	0	7				7
	Applicant became deceased	0	0	0	0	0	0	0	0	0	0				0
	Other (5)	0	0	0	0	0	0	0	1	0	0				0
Applicants on the MEL who are in a nursing facility		1	1	1	0	0	1	0	0	1	0				0
Applicants on the MEL receiving Personal Care		0	0	1	1	1	0	1	0	0	0				0
Applicants on the MEL at the end of the month		0	1	5	8	11	13	15	10	11	7				7
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		39	3	34	64	95	125	156	187	215	246				125

(1) Of the 70 slots approved by CMS, 10 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. Beginning SFY 2016-2017, the program was over the number of slots available for Traditional enrollees. There are no available Traditional slots beginning SFY 2016-2017, therefore medically eligible applicants that are Traditional will be placed on the MEL.

(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) Reported in actual number of days on the MEL.

**NOTE: All data as reported by the Utilization Management Contractor is point-in-time**

Joint Committee on  
Government and Finance  
Report

*JUNE 2017*

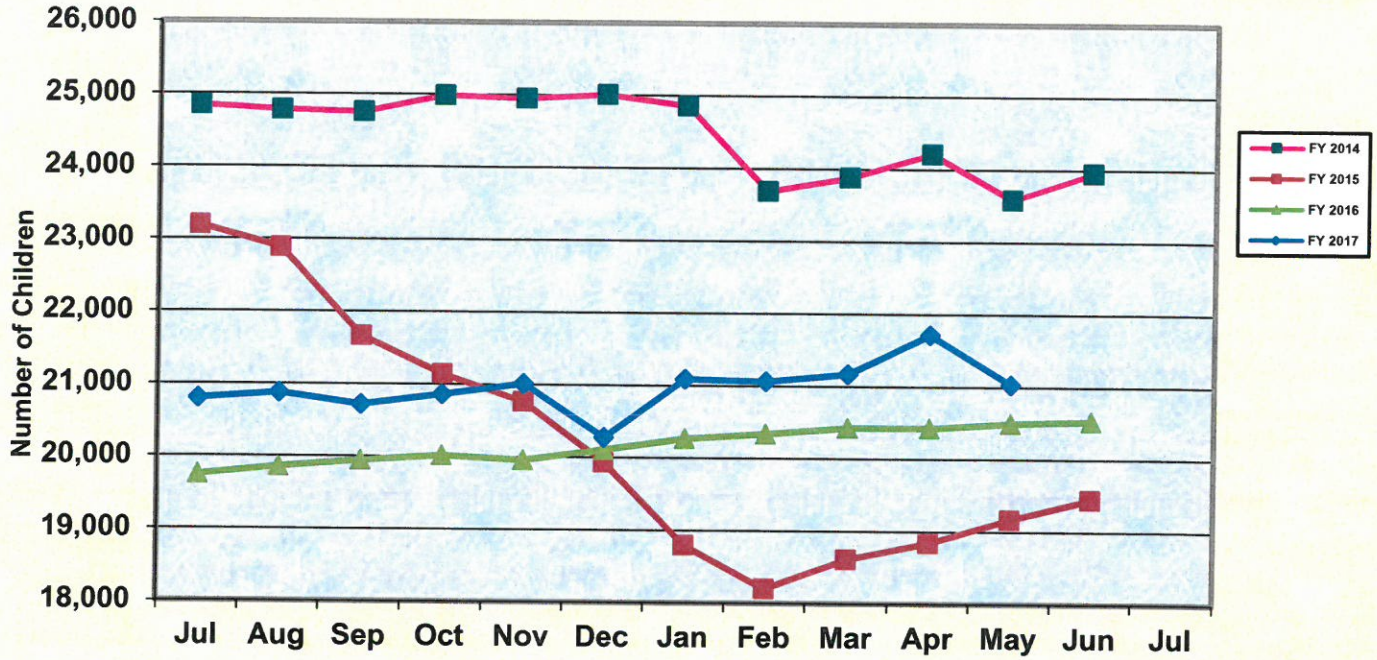
Department of Health and Human Resources

State Children's Health Insurance Program  
UPDATE



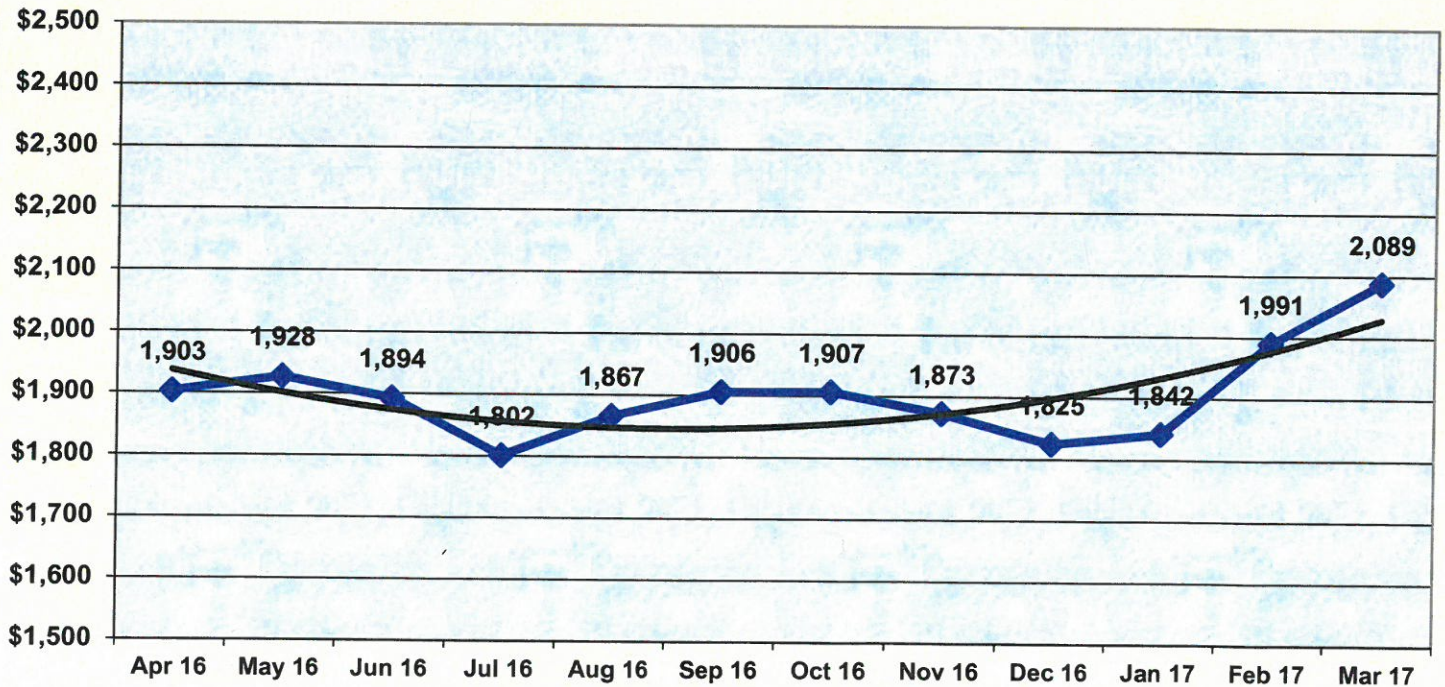


## WV CHIP Enrollment



May 31st Enrollment 21,034

## Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Nine Months Ending March 31, 2017 and March 31, 2016**  
**(Modified Accrual Basis)**

	March 31, 2017	March 31, 2016	Variance	
<b>Revenues</b>				
Federal Grants	37,137,535	33,418,573	3,718,962	11%
State Appropriations	0	0	0	0%
Premium Revenues	1,036,385	1,041,567	(5,183)	0%
Investment Income:				
Investment Earnings	<u>55,899</u>	<u>46,345</u>	<u>9,554</u>	<u>21%</u>
<b>Total Revenues</b>	<b><u>38,229,818</u></b>	<b><u>34,506,485</u></b>	<b><u>3,723,333</u></b>	<b><u>11%</u></b>
<b>Expenditures:</b>				
Claims:				
Physicians & Surgical	12,278,275	6,703,373	5,574,902	83%
Prescribed Drugs	6,834,109	6,606,187	227,922	3%
Outpatient Services	5,428,215	8,512,775	(3,084,560)	-36%
Dental	5,363,673	4,174,550	1,189,123	28%
Inpatient Hospital Services	2,650,442	3,180,737	(530,295)	-17%
Other Services	1,688,454	79,025	1,609,429	2037%
Therapy	1,516,301	541,734	974,567	180%
Inpatient Mental Health	608,843	526,824	82,019	16%
Vision	579,421	477,679	101,742	21%
Durable & Disposable Med. Equip.	318,730	678,138	(359,408)	-53%
Medical Transportation	195,976	121,726	74,250	61%
Outpatient Mental Health	91,286	779,401	(688,115)	-88%
Less: Collections**	<u>(1,050,175)</u>	<u>(1,158,985)</u>	<u>108,810</u>	<u>-9%</u>
Total Claims	<u>36,503,550</u>	<u>31,223,164</u>	<u>5,280,386</u>	<u>17%</u>
General and Admin Expenses:				
Salaries and Benefits	420,437	305,468	114,969	38%
Program Administration	1,678,673	1,599,712	78,961	5%
Eligibility	69,823	26,630	43,193	162%
Outreach & Health Promotion	65,484	10,949	54,535	498%
Current	<u>115,026</u>	<u>97,675</u>	<u>17,351</u>	<u>18%</u>
Total Administrative	<u>2,349,443</u>	<u>2,040,434</u>	<u>309,009</u>	<u>15%</u>
<b>Total Expenditures</b>	<b><u>38,852,993</u></b>	<b><u>33,263,598</u></b>	<b><u>5,589,395</u></b>	<b><u>17%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(623,175)</b>	<b>1,242,887</b>	<b>(1,866,062)</b>	<b>-150%</b>
Unrealized Gain(loss) On Investments*	(512,456)	(25,173)	(487,283)	1936%
<b>Fund Equity, Beginning</b>	<b><u>8,268,031</u></b>	<b><u>10,674,681</u></b>	<b><u>(2,406,650)</u></b>	<b><u>-23%</u></b>
<b>Fund Equity, Ending</b>	<b><u>7,132,400</u></b>	<b><u>11,892,395</u></b>	<b><u>(4,759,995)</u></b>	<b><u>-40%</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 2017  
 For the Nine Months Ended March 31, 2017**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Actual Amt Mar-17</u>	<u>Actual Amt Feb-17</u>	<u>Actual Amt Jan-17</u>
Projected Cost	\$46,142,615	\$34,606,961	\$34,168,024	\$438,938	1%	\$3,845,218	\$5,203,621	\$4,957,658	\$2,528,668
Premiums	\$2,196,180	\$1,647,135	\$1,036,385	(\$610,751)	-37%	183,015	114,985	124,292	132,045
Subrogation & Rebates	\$1,282,512	<u>\$961,884</u>	<u>\$1,043,564</u>	<u>81,680</u>	<u>8%</u>	<u>106,876</u>	<u>7,212</u>	<u>30,510</u>	<u>399,648</u>
Net Benefit Cost	\$42,663,923	\$31,997,942	\$32,088,075	(\$90,133)	0%	3,653,297	5,081,425	4,802,856	1,996,975
Salaries & Benefits	\$702,625	\$526,969	\$420,437	\$106,532	20%	\$58,552	\$40,929	\$40,336	\$44,105
Program Administration	\$1,993,918	\$1,495,439	\$1,506,676	(11,237)	-1%	166,160	82,996	60,767	367,354
Eligibility	\$326,676	\$245,007	\$0	245,007	100%	27,223	0	0	0
Outreach & Health Prom.	\$392,012	\$294,009	\$65,184	228,825	78%	32,668	4,962	8,760	21,013
Current Expense	<u>\$326,676</u>	<u>\$245,007</u>	<u>\$123,181</u>	<u>121,826</u>	<u>50%</u>	<u>27,223</u>	<u>13,845</u>	<u>13,004</u>	<u>25,548</u>
Total Admin Cost	\$3,741,907	\$2,806,430	\$2,115,478	\$690,953	25%	\$311,826	\$142,732	\$122,867	\$458,019
Total Program Cost	<u>\$46,405,830</u>	<u>\$34,804,373</u>	<u>\$34,203,553</u>	<u>\$600,820</u>	<u>2%</u>	<u>\$3,965,122</u>	<u>\$5,224,157</u>	<u>\$4,925,724</u>	<u>\$2,454,994</u>
Federal Share 100%	\$46,405,830	<u>\$34,804,373</u>	\$34,203,553	600,820	2%	\$3,965,122	5,224,157	4,925,724	2,454,994
State Share 0%	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Program Cost **	<u>\$46,405,830</u>	<u>\$34,804,373</u>	<u>\$34,203,553</u>	<u>\$600,820</u>	<u>2%</u>	<u>\$3,965,122</u>	<u>\$5,224,157</u>	<u>\$4,925,724</u>	<u>\$2,454,994</u>

\* Positive percentages indicate favorable variances

\*\* Budgeted Year Based on CCRC Actuary 6/30/2016 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

# WVCHIP Enrollment Report

ATTACHMENT 1

May 2017

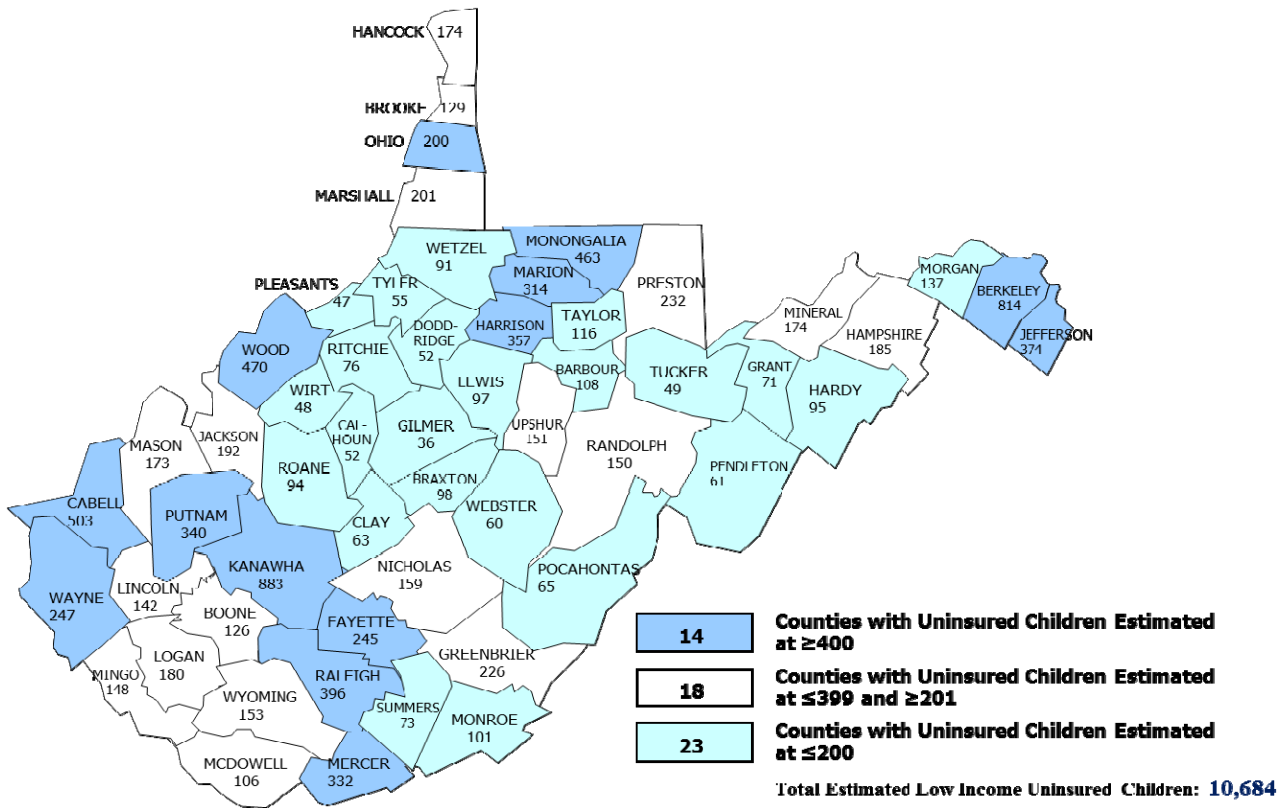
County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment May-17	Enrollment May-17	CHIP/Medicaid Enrollment	% of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	241	1,722	1,963	54.5%	108	33
Berkeley	26,251	1,463	11,899	13,362	50.9%	788	2
Boone	5,615	243	3,380	3,623	64.5%	168	25
Braxton	3,006	143	1,767	1,910	63.5%	90	40
Brooke	4,573	34	1,394	1,428	31.2%	137	31
Cabell	18,879	941	9,539	10,480	55.5%	566	4
Calhoun	1,518	91	908	999	65.8%	46	51
Clay	2,215	136	1,438	1,574	71.1%	66	44
Doddridge	1,673	98	761	859	51.3%	50	48
Fayette	9,438	663	5,508	6,171	65.4%	283	13
Gilmer	1,260	61	632	693	55.0%	38	54
Grant	2,555	126	1,098	1,224	47.9%	77	42
Greenbrier	7,131	562	3,769	4,331	60.7%	214	16
Hampshire	5,392	242	2,477	2,719	50.4%	162	27
Hancock	6,166	503	3,229	3,732	60.5%	185	20
Hardy	3,015	212	1,625	1,837	60.9%	90	39
Harrison	15,202	852	6,710	7,562	49.7%	456	7
Jackson	6,602	345	3,147	3,492	52.9%	198	18
Jefferson	12,679	603	3,995	4,598	36.3%	380	10
Kanawha	39,771	2,057	19,749	21,806	54.8%	1,193	1
Lewis	3,389	231	1,983	2,214	65.3%	102	37
Lincoln	4,930	225	3,248	3,473	70.4%	148	30
Logan	7,496	370	4,681	5,051	67.4%	225	15
Marion	11,227	610	5,438	6,048	53.9%	337	11
Marshall	6,886	266	3,105	3,371	49.0%	207	17
Mason	5,929	246	2,959	3,205	54.1%	178	21
McDowell	4,423	208	3,316	3,524	79.7%	133	32
Mercer	12,764	811	8,068	8,879	69.6%	383	9
Mineral	5,868	253	2,459	2,712	46.2%	176	23
Mingo	5,905	250	4,110	4,360	73.8%	177	22
Monongalia	15,294	840	5,699	6,539	42.8%	459	6
Monroe	2,835	241	1,236	1,477	52.1%	85	41
Morgan	3,596	249	1,505	1,754	48.8%	108	34
Nicholas	5,561	321	3,152	3,473	62.4%	167	26
Ohio	8,444	396	3,657	4,053	48.0%	253	14
Pendleton	1,462	66	634	700	47.9%	44	52
Pleasants	1,551	65	672	737	47.5%	47	50
Pocahontas	1,561	145	861	1,006	64.5%	47	49
Preston	6,536	411	3,230	3,641	55.7%	196	19
Putnam	13,150	675	4,387	5,062	38.5%	395	8
Raleigh	16,403	960	9,643	10,603	64.6%	492	5
Randolph	5,705	487	3,017	3,504	61.4%	171	24
Ritchie	2,205	111	1,129	1,240	56.2%	66	45
Roane	3,239	254	1,888	2,142	66.1%	97	38
Summers	2,521	151	1,450	1,601	63.5%	76	43
Taylor	3,514	182	1,674	1,856	52.8%	105	35
Tucker	1,371	101	603	704	51.3%	41	53
Tyler	1,924	89	838	927	48.2%	58	47



# WVCHIP Enrollment Report

May 2017

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment May-17	Total Medicaid Enrollment May-17	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Upshur	4,996	311	2,983	3,294	65.9%	150	29
Wayne	9,516	346	4,975	5,321	55.9%	285	12
Webster	1,977	98	1,357	1,455	73.6%	59	46
Wetzel	3,466	179	1,924	2,103	60.7%	104	36
Wirt	1,201	61	731	792	66.0%	36	55
Wood	18,956	934	9,580	10,514	55.5%	569	3
Wyoming	5,116	275	2,951	3,226	63.1%	153	28
<b>Totals</b>	<b>387,459</b>	<b>21,034</b>	<b>193,890</b>	<b>214,924</b>	<b>55.5%</b>	<b>11,624</b>	



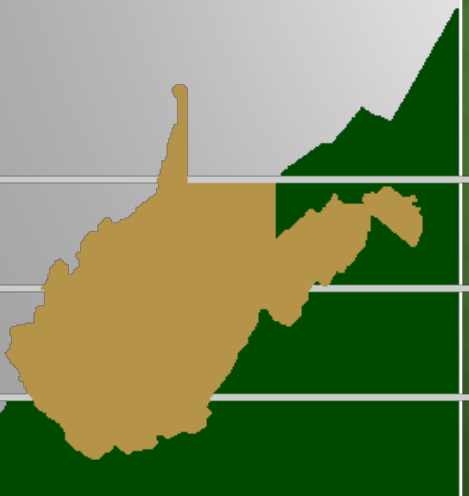
The above map shows the most recent 2013 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer sponsored insurance and should be a more accurate way to target outreach than in previous years.



# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

April 30, 2017



# Participant Plans Allocation & Performance Net of Fees

Period Ending: April 30, 2017

	6/30/2016		4/30/2017		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>16,747,244</b>	<b>100.0</b>	<b>17,876,349</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>13,230,134</b>	<b>79.0</b>	<b>14,407,419</b>	<b>80.6</b>							
Public Employees' Retirement System	5,597,558	33.4	6,173,839	34.5	1.4	4.5	12.7	13.2	6.7	8.9	5.8
Teachers' Retirement System	6,513,312	38.9	7,003,954	39.2	1.4	4.5	12.6	13.1	6.6	8.8	5.5
EMS Retirement System	58,844	0.4	68,359	0.4	1.4	4.5	12.7	13.2	6.7	8.9	
Public Safety Retirement System	578,762	3.5	614,628	3.4	1.4	4.5	12.6	13.1	6.6	8.9	5.8
Judges' Retirement System	167,178	1.0	185,305	1.0	1.4	4.5	12.7	13.2	6.7	8.9	5.8
State Police Retirement System	138,127	0.8	160,892	0.9	1.4	4.5	12.7	13.2	6.7	8.9	5.8
Deputy Sheriffs' Retirement System	171,949	1.0	194,173	1.1	1.4	4.5	12.7	13.2	6.7	8.9	5.8
Municipal Police & Firefighter Retirement System	3,080	0.0	4,834	0.1	1.4	4.4	12.4	12.9	6.5	8.4	
Municipal Model A	1,324	0.0	1,435	0.0	1.4	4.6	12.7	13.2	6.6		
<b>Insurance Assets</b>	<b>2,545,860</b>	<b>15.2</b>	<b>2,631,742</b>	<b>14.7</b>							
Workers' Compensation Old Fund	1,284,843	7.7	1,269,110	7.0	1.0	3.0	7.2	7.8	3.9	4.6	3.8
Workers' Comp. Self-Insured Guaranty Risk Pool	33,418	0.2	33,950	0.2	1.0	2.9	7.8	8.2	4.0	5.0	4.1
Workers' Comp. Self-Insured Security Risk Pool	53,881	0.3	54,505	0.3	1.0	2.9	7.9	8.4	4.0		
Workers' Comp. Uninsured Employers' Fund	10,841	0.1	11,663	0.1	0.9	2.7	7.6	7.8	3.7	4.8	3.9
Pneumoconiosis	246,635	1.5	251,702	1.4	0.9	2.8	7.8	8.2	3.9	5.0	4.4
Board of Risk & Insurance Management	132,322	0.8	142,624	0.8	0.9	2.8	7.8	8.1	3.8	5.0	4.9
Public Employees' Insurance Agency	176,829	1.0	152,268	0.9	0.9	2.8	7.7	8.1	3.9	5.1	4.6
WV Retiree Health Benefit Trust Fund	607,091	3.6	715,920	4.0	1.4	4.5	12.7	13.3	6.7	8.8	
<b>Endowment Assets</b>	<b>971,250</b>	<b>5.8</b>	<b>837,188</b>	<b>4.7</b>							
Berkeley County Development Authority	6,089	0.0	6,866	0.0	1.4	4.5	12.8	13.3			
Wildlife Fund	54,571	0.3	62,060	0.4	1.4	4.5	12.7	13.3	6.7	8.8	5.8
Prepaid Tuition Trust	54,948	0.3	49,104	0.3	1.3	4.0	10.0	10.4	5.9	7.2	5.4
Revenue Shortfall Reserve Fund	336,013	2.0	144,864	0.8	0.5	1.3	1.6	2.6	2.2	1.9	1.5
Revenue Shortfall Reserve Fund - Part B	390,670	2.4	419,024	2.3	1.1	3.1	7.3	7.9	3.9	4.7	3.0
WV DEP Trust	7,808	0.1	8,868	0.1	1.4	4.5	13.6	13.1	5.6	8.1	
WV DEP Agency	121,151	0.7	146,402	0.8	1.1	3.5	9.7	10.0	4.5		

Composite Asset Allocation & Performance Net of Fees

Period Ending: April 30, 2017

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	17,887,312	100.00								
Total Equity Composite	8,987,035	50.24	1.87	6.37	18.75	17.61	6.66	10.82	5.49	
+/- Total Equity Policy Index (b)			0.18	0.53	2.17	1.70	0.79	1.08	1.24	
US Equity Composite	4,158,986	23.25	1.37	5.44	15.83	18.14	9.81	13.48	7.25	
+/- Russell 3000 Index			0.31	0.55	(0.43)	(0.44)	(0.29)	(0.09)	0.02	
Large Cap Composite	3,428,325	19.16	1.31	5.51	14.39	17.36	10.61	13.65	7.20	
+/- S&P 500 Index			0.28	0.35	(1.15)	(0.56)	0.14	(0.03)	0.05	
Non-Large Cap Composite	730,661	4.09	1.63	5.08	22.21	21.67	6.76	12.44	7.62	
+/- Russell 2500 Index			0.86	1.95	3.97	0.98	(1.79)	(0.50)	0.10	
International Equity Composite	4,828,049	26.99	2.31	7.20	21.43	16.98	3.32	8.00	3.64	
+/- MSCI AC World ex US IMI Index (c)			(0.01)	0.43	4.72	3.89	1.68	2.14	1.94	
Fixed Income Composite	3,210,900	17.95	0.82	1.86	3.15	4.44	3.19	3.47	4.43	
+/- Bloomberg Barclays Capital Universal (d)			(0.01)	0.29	2.92	2.37	0.20	0.69	(0.22)	
Core Fixed Income Composite	983,850	5.50	0.84	1.54	(0.59)	1.24	3.14	2.81		
+/- Bloomberg Barclays Capital Aggregate			0.07	0.14	0.39	0.41	0.48	0.54		
Total Return Fixed Income Composite (k)	2,227,050	12.45	0.81	2.00	4.83	5.87	3.19	3.79	4.69	
+/- Bloomberg Barclays Capital Universal			(0.02)	0.43	4.60	3.80	0.20	1.01	0.15	
TIPS Composite	331,480	1.85	0.57	1.01	0.36	1.71	1.74	0.68		
+/- Bloomberg Barclays Capital U.S.TIPS			(0.02)	0.00	(0.01)	(0.02)	(0.03)	(0.01)		
Cash Composite	102,474	0.57	0.06	0.15	0.37	0.42	0.24	0.21	0.75	
+/- Citigroup 90 Day T-Bill (e)			(0.01)	(0.02)	(0.01)	0.00	0.05	0.02	0.01	
Private Equity Composite	1,542,932	8.63	1.97	4.91	11.70	16.79	13.11	12.51		
+/- Russell 3000 + 3% (f, g)								(4.49)		
Real Estate Composite	1,590,458	8.89	0.77	2.23	4.68	8.22	9.76	9.87		
+/- NCREIF + 1% (f)								(1.97)		
Hedge Fund Composite	1,845,995	10.33	0.20	0.80	5.93	6.24	2.97	4.90		
+/- HFRI FOF + 1% (h)			(0.58)	(1.50)	(1.27)	(1.16)	(0.28)	1.47		
Opportunistic Income Composite	276,038	1.54	0.41	1.28	2.53	3.22				
+/- CS Leveraged Loan + 2.5%			(0.23)	(0.44)	(6.70)	(7.44)				

# Participant Plans Allocation vs. Strategy

Period Ending: April 30, 2017

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

## Pension Assets

Public Employees' Retirement System	24.9	27.5	29.0	27.5	13.8	15.0	10.1	10.0	10.3	10.0	9.8	10.0	1.8	0.0	0.3	0.0
Teachers' Retirement System	24.6	27.5	29.0	27.5	13.6	15.0	10.2	10.0	10.7	10.0	9.9	10.0	1.8	0.0	0.2	0.0
EMS Retirement System	25.5	27.5	28.7	27.5	13.9	15.0	10.1	10.0	9.9	10.0	9.8	10.0	1.8	0.0	0.3	0.0
Public Safety Retirement System	25.7	27.5	28.2	27.5	13.5	15.0	10.2	10.0	10.7	10.0	9.8	10.0	1.8	0.0	0.1	0.0
Judges' Retirement System	25.6	27.5	28.7	27.5	13.9	15.0	10.1	10.0	9.9	10.0	9.8	10.0	1.8	0.0	0.2	0.0
State Police Retirement System	25.4	27.5	28.6	27.5	13.9	15.0	10.1	10.0	9.8	10.0	9.7	10.0	1.8	0.0	0.7	0.0
Deputy Sheriffs' Retirement System	25.6	27.5	28.7	27.5	14.0	15.0	10.1	10.0	9.9	10.0	9.8	10.0	1.8	0.0	0.1	0.0
Municipal Police & Firefighter Retirement System	25.6	27.5	28.3	27.5	14.0	15.0	10.0	10.0	9.8	10.0	9.7	10.0	1.8	0.0	0.8	0.0
Municipal Model A	26.6	27.5	29.8	27.5	13.3	15.0	10.2	10.0	10.0	10.0	9.9	10.0	0.0	0.0	0.2	0.0

## Insurance Assets

Workers' Compensation Old Fund	14.5	15.0	16.2	15.0	50.1	50.0	0.0	0.0	0.0	0.0	14.9	15.0	0.0	0.0	4.3	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	14.5	15.0	16.8	15.0	44.3	45.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0	4.6	5.0
Workers' Comp. Self-Insured Security Risk Pool	14.6	15.0	16.8	15.0	44.4	45.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0	4.3	5.0
Workers' Comp. Uninsured Employers Fund	14.5	15.0	16.2	15.0	39.6	40.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0	9.9	10.0
Pneumoconiosis	14.6	15.0	16.3	15.0	44.9	45.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0	4.3	5.0
Board of Risk & Insurance Mgmt.	14.5	15.0	16.2	15.0	44.6	45.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0	4.9	5.0
Public Employees' Insurance Agency	12.4	12.5	13.9	12.5	53.9	55.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	25.6	27.5	28.7	27.5	14.1	15.0	10.1	10.0	9.9	10.0	9.8	10.0	1.8	0.0	0.0	0.0

## Endowment Assets

Berkeley County Development Authority	25.4	27.5	28.7	27.5	14.2	15.0	10.1	10.0	10.0	10.0	9.8	10.0	1.8	0.0	0.0	0.0
Wildlife Fund	25.4	27.5	28.8	27.5	14.1	15.0	10.1	10.0	9.9	10.0	9.8	10.0	1.8	0.0	0.1	0.0
Prepaid Tuition Trust	27.5	27.5	23.3	22.5	47.2	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	14.5	15.0	16.2	15.0	69.3	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	31.0	32.5	34.6	32.5	14.8	15.0	0.0	0.0	0.0	0.0	19.6	20.0	0.0	0.0	0.0	0.0
WV DEP Agency	19.0	20.0	21.8	20.0	38.9	40.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0	0.8	0.0

- (a) As of January 2014, the PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA (IMI), and 40% Bloomberg Barclays Capital Universal. From April 2008 to December 2013, the PERS Policy was 30% Russell 3000, 30% MSCI ACW ex USA (Standard), and 40% Bloomberg Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Bloomberg 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 Bloomberg 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) From October 2015, to March 2017, performance returns from the Opportunistic Income Pool are included in the Total Return Fixed Income Composite.

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

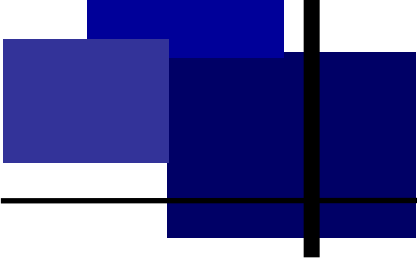
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# **Status Report:**

## **Workers' Compensation**

Joint Committee on Government & Finance

May 2017

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



## Table of Contents:

<b>Introduction</b> .....	3
<b>Definitions</b> .....	4-6
<b>Monthly Claims Count and Reserve Charts</b> .....	7-11
<b>Old Fund Cash Statements</b> .....	12
<b>Coal Workers Pneumoconiosis Fund Cash Statement</b> .....	13
<b>Self-Insured Guaranty Fund Cash Statement</b> .....	14
<b>Self-Insured Security Fund Cash Statement</b> .....	15
<b>Uninsured Employers' Fund Cash Statement</b> .....	16



## 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.

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 (CWP):** State managed fund into which FBL premiums previously 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.

**FBL Awarded Claim:** an FBL claim that has been awarded but has not yet been accepted by the responsible operator/insurer

**FBL Claim Notice:** an FBL claim for which not initial decision has yet been made, but evidence in the claims indicates the potential for an award

**FBL Non-active 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. Denied FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

**FBL Paying Claim:** an FBL claim for which an award has been made and the responsible operator/insurer has accepted liability. Payments are being made to the claimant or dependents.

**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.

**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.)

**Old Fund:** The residual assets and liabilities of the former Worker's Compensation Fund are now reported in a fund known as the Workers' Compensation Old Fund. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claims with a date of injury on or before June 30, 2005.

**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.

**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 consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC 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.

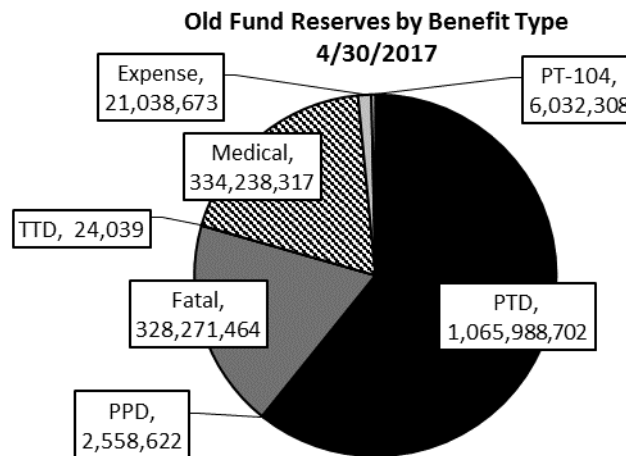
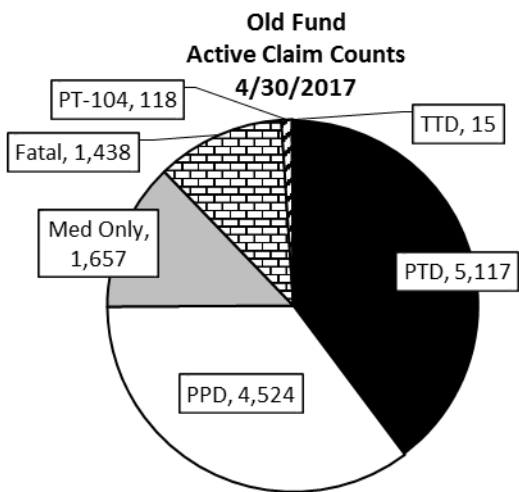
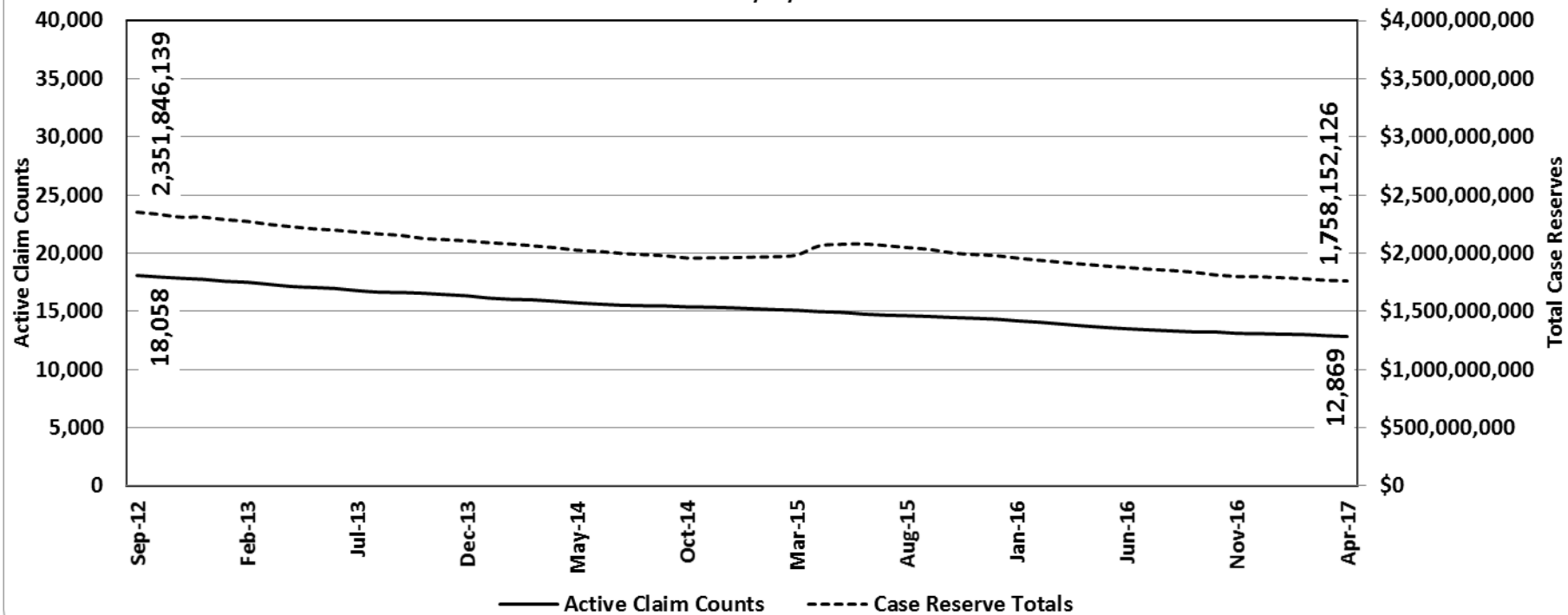
**Self-Insured Security Fund:** State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or 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.

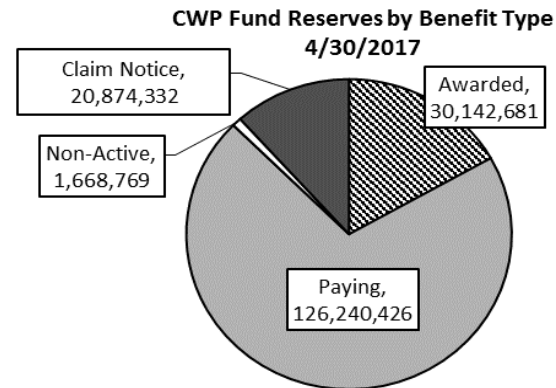
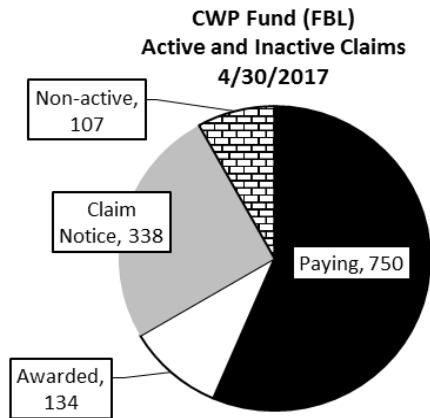
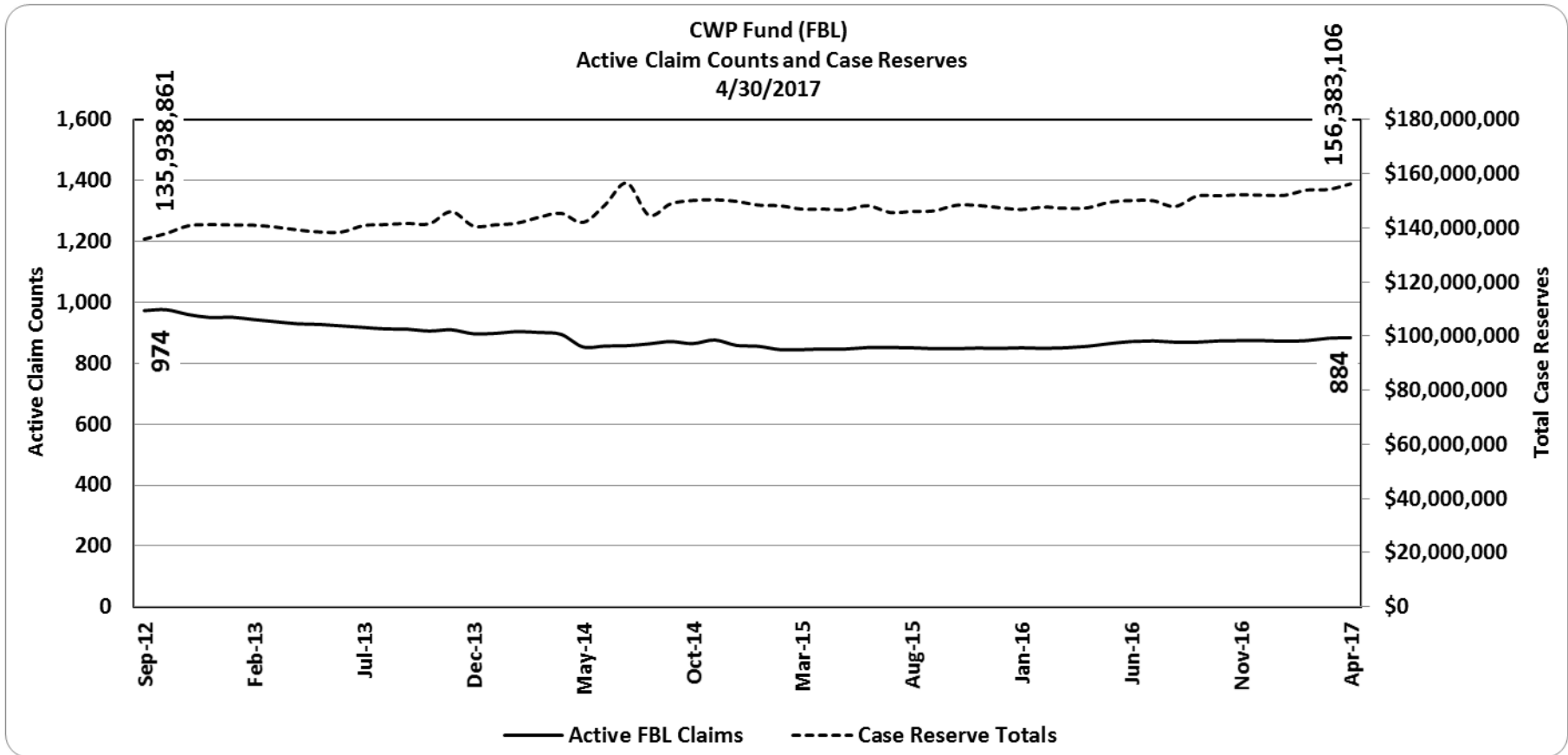
**TPD:** (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average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

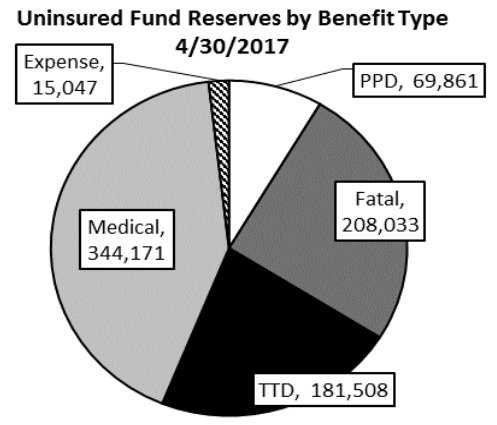
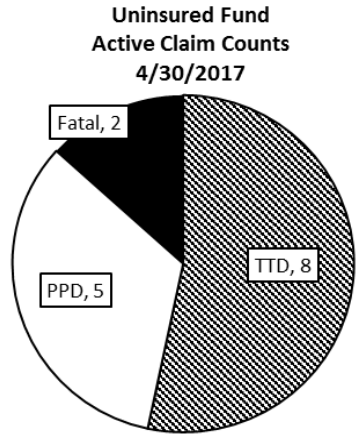
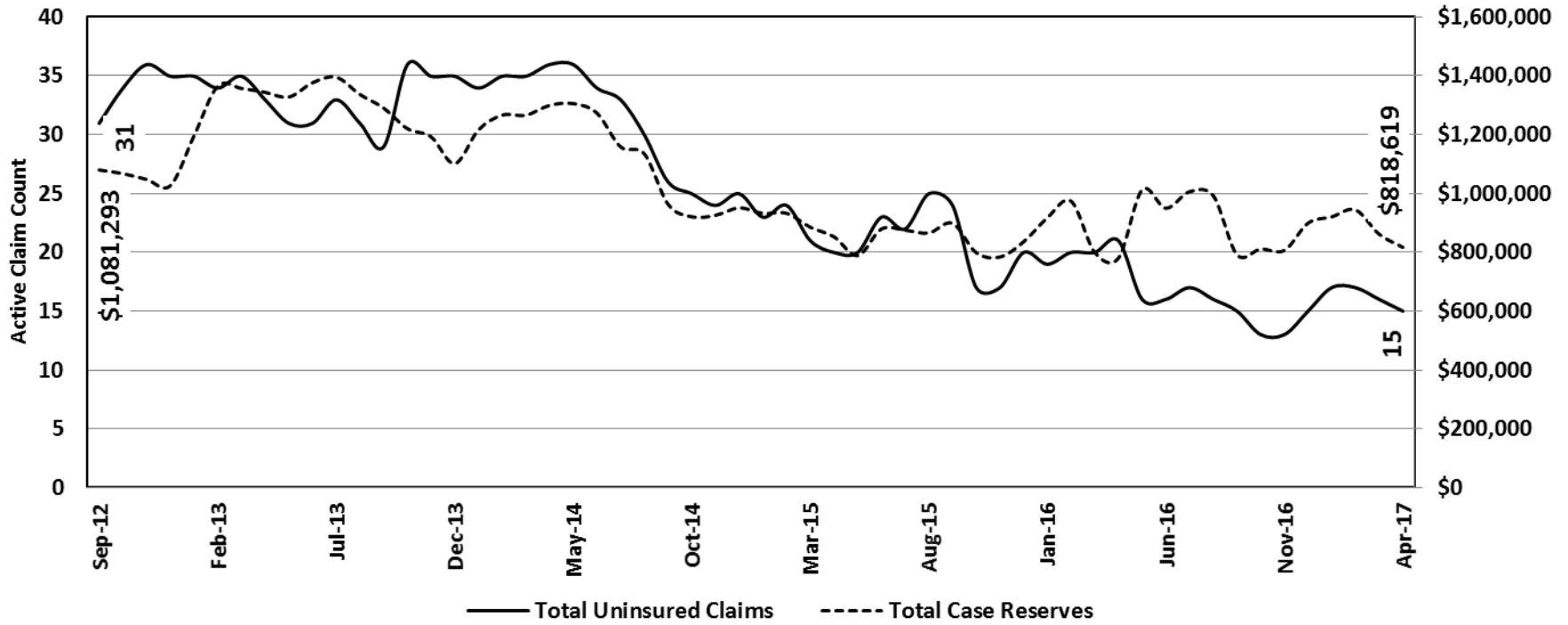
**Uninsured Fund:** State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

**Old Fund  
Active Claim Counts and Case Reserves  
4/30/2017**

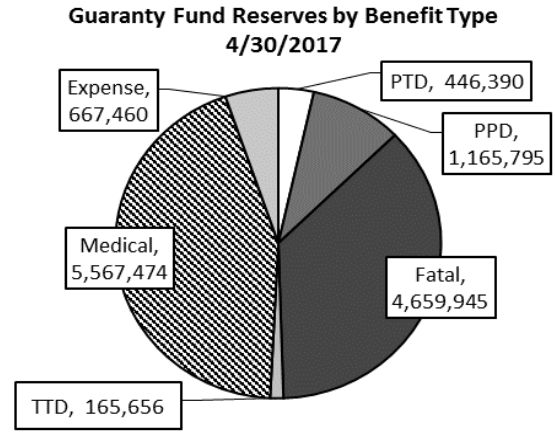
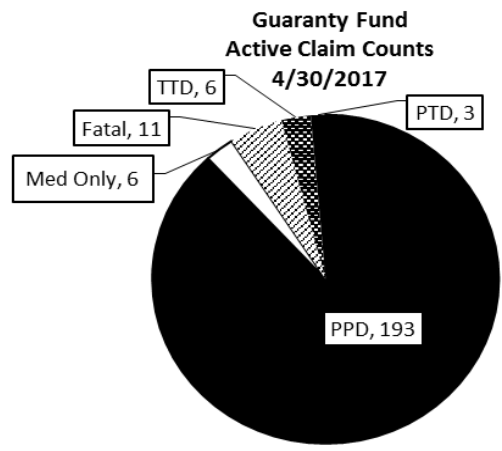
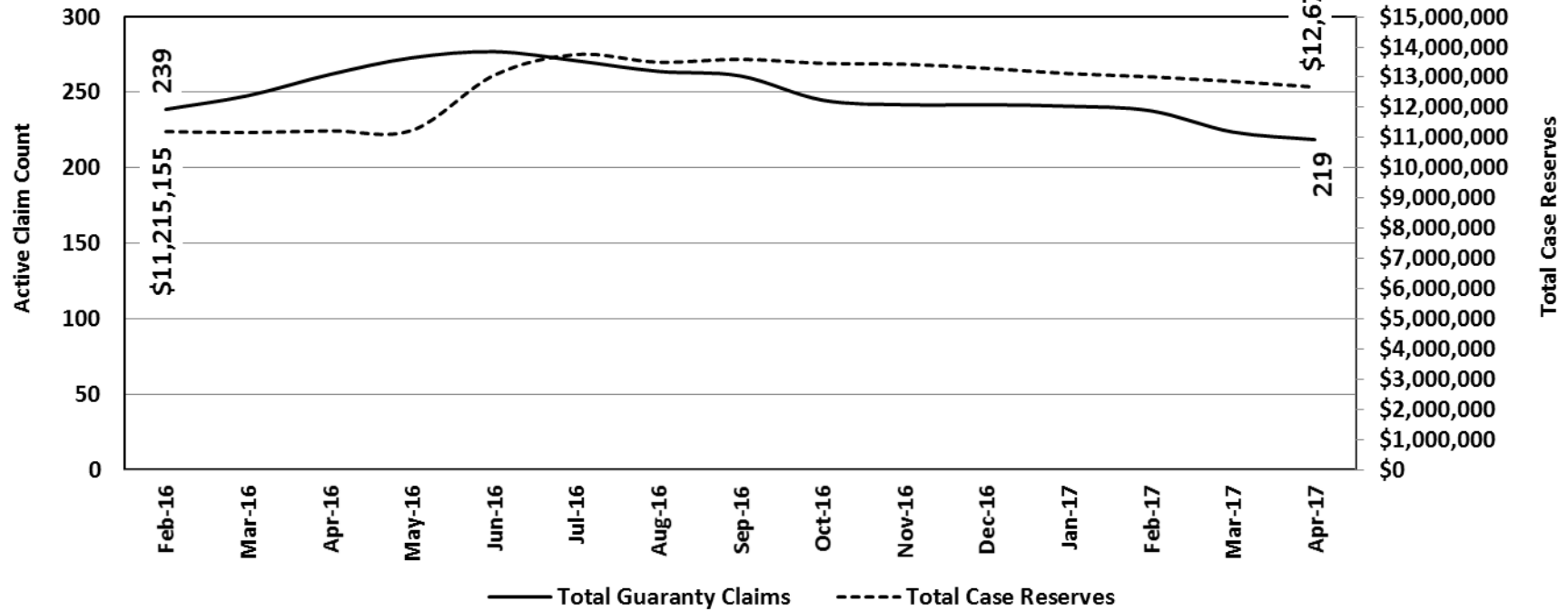




**Uninsured Fund  
Active Claim Counts and Case Reserves  
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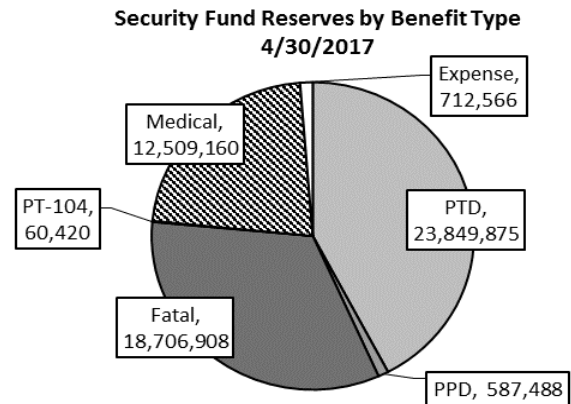
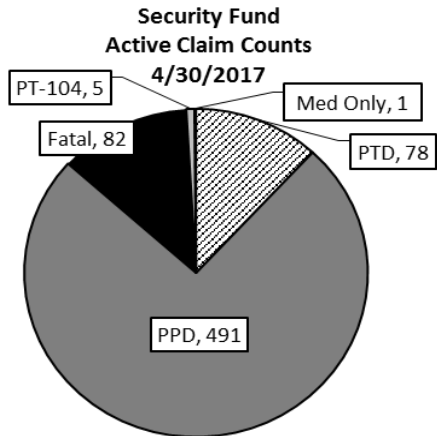
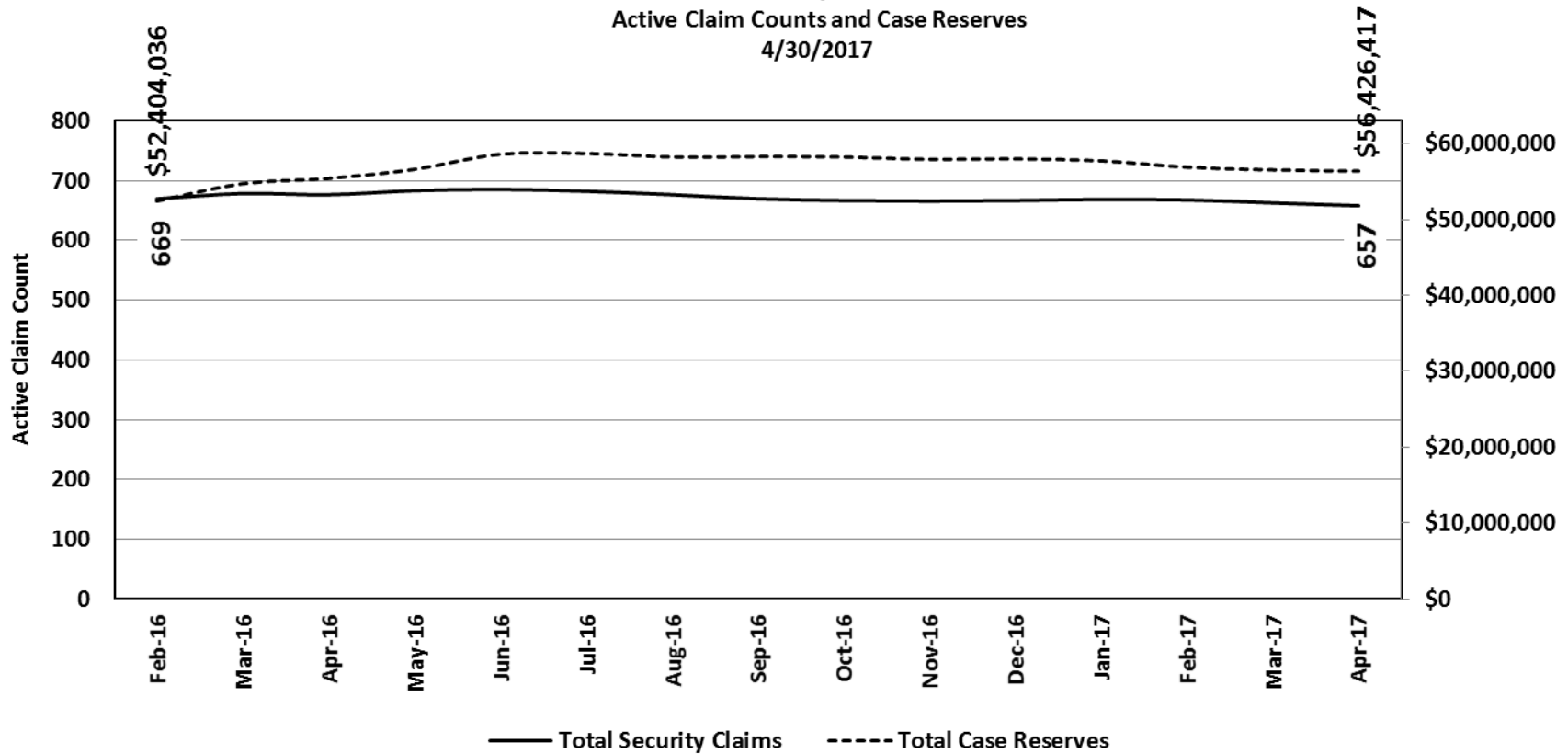


**Guaranty Fund  
Active Claim Counts and Case Reserves  
4/30/2017**





**Security Fund  
Active Claim Counts and Case Reserves  
4/30/2017**



OLD FUND C  
April

Three Year History for years ended:							
	YTD FY2017	YTD FY2016	Change	FY2016	FY2015	FY2014	
<b>Cash Beginning Balances</b>	<b>1,280,647,632</b>	<b>1,311,653,269</b>	<b>(31,005,637)</b>	<b>1,311,653,269</b>	<b>1,190,142,811</b>	<b>1,061,595,681</b>	
<b>Revenues</b>							
Personal Income Tax	-	42,400,000	(42,400,000)	42,400,000	95,400,000	95,400,000	
Severance Tax	13,887,551	73,068,796	(59,181,245)	73,068,796	125,703,925	109,467,900	
Debt Reduction Surcharge	9,755,798	25,211,458	(15,455,660)	25,211,458	34,106,221	34,138,820	
Self-Insured Debt Reduction Surcharge	3,679,871	6,209,330	(2,529,459)	6,209,330	8,859,759	8,493,207	
Video Lottery	3,879,889	6,734,934	(2,855,045)	6,734,934	11,000,000	11,000,000	
Employer Premium	52,726	88,508	(35,782)	111,955	202,532	284,075	
Other Income - Return of Unclaimed Property	354,423	177,513	176,910	184,888	153,763	92,953	
<b>Operating Revenues</b>	<b>31,610,257</b>	<b>153,890,539</b>	<b>(122,280,282)</b>	<b>153,921,361</b>	<b>275,426,199</b>	<b>258,876,955</b>	
Investment / Interest Earnings (Losses)	86,486,258	(19,136,132)	105,622,389	(5,981,504)	34,715,474	67,734,120	
<b>Total Revenues</b>	<b>118,096,515</b>	<b>134,754,407</b>	<b>(16,657,893)</b>	<b>147,939,857</b>	<b>310,141,673</b>	<b>326,611,075</b>	
<b>Expenditures</b>							
Claims Benefits Paid:							
Medical	22,937,902	22,628,059	309,843	26,890,541	29,881,043	31,791,671	
Permanent Total Disability	77,202,655	82,847,390	(5,644,735)	98,784,921	104,948,107	111,490,282	
Permanent Partial Disability	287,804	190,207	97,598	232,699	353,749	720,723	
Temporary Disability	-	8,554	(8,554)	8,554	-	7,741	
Fatales	19,272,117	20,176,411	(904,294)	24,098,586	25,497,598	26,407,057	
104 weeks death benefit	4,897,605	5,881,056	(983,451)	6,990,581	5,883,387	6,200,020	
Settlements	10,287,603	11,247,122	(959,518)	12,718,425	12,206,388	9,136,495	
Loss Adjustment Expenses	1,188,640	1,707,243	(518,602)	1,970,779	2,029,136	1,467,221	
Total	136,074,327	144,686,043	(8,611,716)	171,695,087	180,799,408	187,221,209	
Less: Claims credits and overpayments	4,604,886	2,147,781	2,457,105	3,044,395	2,240,415	3,265,629	
Total Benefits Paid	131,469,441	142,538,261	(11,068,820)	168,650,692	178,558,993	183,955,580	
Administrative Expenses	6,917,916	7,536,952	(619,036)	10,294,801	10,060,064	14,108,365	
<b>Total Expenditures</b>	<b>138,387,357</b>	<b>150,075,213</b>	<b>(11,687,856)</b>	<b>178,945,493</b>	<b>188,619,057</b>	<b>198,063,945</b>	
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(20,290,842)</b>	<b>(15,320,806)</b>	<b>(4,970,037)</b>	<b>(31,005,636)</b>	<b>121,522,616</b>	<b>128,547,130</b>	
<b>Cash Ending Balances</b>	<b>1,260,356,790</b>	<b>1,296,332,463</b>	<b>(35,975,674)</b>	<b>1,280,647,632</b>	<b>1,311,665,427</b>	<b>1,190,142,811</b>	

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND  
April 30, 2017

	YTD FY2017	YTD FY2016	Change	Three Year History for years ended:		
				FY2016	FY2015	FY2014
<b>Cash Beginning Balances</b>	<b>245,945,240</b>	<b>264,657,327</b>	<b>(18,712,088)</b>	<b>264,657,327</b>	<b>267,173,190</b>	<b>266,720,430</b>
<b>Revenues</b>						
Investment Earnings (Losses)	17,216,254	(7,793,118)	25,009,372	(5,091,164)	10,347,881	17,915,475
Other Income - Return of Unclaimed Property	2,552	2,521	31	3,797	876	-
<b>Total Revenues</b>	<b>17,218,806</b>	<b>(7,790,597)</b>	<b>25,009,403</b>	<b>(5,087,367)</b>	<b>10,348,758</b>	<b>17,915,475</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	3,367,201	2,186,451	1,180,749	2,830,426	2,629,364	7,585,579
Permanent Total Disability	6,776,522	6,075,783	700,739	7,548,752	6,857,612	4,965,983
Permanent Partial Disability	-	-	-	-	-	-
Temporary Disability	-	-	-	-	-	-
Fatales	-	-	-	-	-	3,097,078
104 Weeks Death Benefit	-	-	-	-	-	-
Medical Settlement Agreements	-	-	-	-	-	-
Settlement Agreements	-	-	-	-	-	-
Loss Adjustment Expenses	2,999,609	2,148,706	850,903	2,629,468	2,633,172	1,860,237
<b>Total</b>	<b>13,143,331</b>	<b>10,410,940</b>	<b>2,732,391</b>	<b>13,008,646</b>	<b>12,120,148</b>	<b>17,508,876</b>
Less: Claims Credits and Overpayments	116,767	75,835	40,932	130,620	129,338	131,952
Total Benefits Paid	13,026,564	10,335,105	2,691,459	12,878,025	11,990,810	17,376,923
Administrative Expenses	724,068	608,337	115,731	746,696	873,810	85,792
<b>Total Expenditures</b>	<b>13,750,632</b>	<b>10,943,442</b>	<b>2,807,190</b>	<b>13,624,721</b>	<b>12,864,620</b>	<b>17,462,715</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>3,468,174</b>	<b>(18,734,040)</b>	<b>22,202,214</b>	<b>(18,712,088)</b>	<b>(2,515,863)</b>	<b>452,760</b>
<b>Cash Ending Balances</b>	<b>249,413,414</b>	<b>245,923,288</b>	<b>3,490,127</b>	<b>245,945,240</b>	<b>264,657,327</b>	<b>267,173,190</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. Assets of the CWP Fund are invested with the WV Investment Management Board. The investment earnings are presented in the month in which the State Treasurer records the earnings. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL

April 30, 2017

	YTD FY2017	YTD FY2016	Change	Three Year History for years ended:		
				FY2016	FY2015	FY2014
<b>Cash Beginning Balances</b>	<b>33,462,454</b>	<b>16,014,340</b>	<b>17,448,114</b>	<b>16,014,340</b>	<b>15,603,319</b>	<b>14,815,337</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	-	5,000	(5,000)	18,684	89,571	124,520
Collateral Proceeds	-	19,422,025	(19,422,025)	19,422,025	-	-
Investment Earnings (Losses)	2,341,413	(502,623)	2,844,036	(155,883)	612,972	1,027,230
<b>Total Revenues</b>	<b>2,341,413</b>	<b>18,924,402</b>	<b>(16,582,988)</b>	<b>19,284,826</b>	<b>702,542</b>	<b>1,151,751</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	354,327	206,081	148,246	309,470	51,752	49,507
Permanent Total Disability	53,098	33,018	20,079	43,638	-	-
Permanent Partial Disability	849,269	429,163	420,106	612,823	20,788	65,567
Temporary Disability	271,806	217,673	54,133	303,724	114,835	39,169
Fatals	230,842	211,558	19,285	257,806	55,093	55,093
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	3,800	-	3,800	-	-	42,174
Non Awarded Partial Disability	4,407	7,274	(2,867)	9,377	-	-
Loss Adjustment Expenses	213,386	108,153	105,233	163,819	12,414	1,717
<b>Total</b>	<b>1,980,935</b>	<b>1,212,920</b>	<b>768,015</b>	<b>1,700,657</b>	<b>254,882</b>	<b>253,227</b>
Less: Claims Credits and Overpayments	2,141	11,915	(9,774)	17,176	(9,064)	(2,379)
Total Benefits Paid	1,978,794	1,201,005	777,789	1,683,481	263,947	255,607
Administrative Expenses	153,144	126,445	26,700	153,231	27,575	108,162
<b>Total Expenditures</b>	<b>2,131,938</b>	<b>1,327,449</b>	<b>804,489</b>	<b>1,836,711</b>	<b>291,522</b>	<b>363,769</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>209,475</b>	<b>17,596,952</b>	<b>(17,387,477)</b>	<b>17,448,114</b>	<b>411,021</b>	<b>787,981</b>
<b>Cash Ending Balances</b>	<b>33,671,929</b>	<b>33,611,292</b>	<b>60,637</b>	<b>33,462,454</b>	<b>16,014,340</b>	<b>15,603,319</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 assets of the Self-insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL  
April 30, 2017

	YTD FY2017	YTD FY2016	Change	Three Year History for years ended:		
				FY2016	FY2015	FY2014
<b>Cash Beginning Balances</b>	<b>53,859,338</b>	<b>9,208,803</b>	<b>44,650,535</b>	<b>9,208,803</b>	<b>7,137,316</b>	<b>6,754,601</b>
<b>Revenues</b>						
Security Risk Pool Assessments	-	230,340	(230,340)	230,340	1,114,180	1,072,311
Collateral Proceeds	-	47,503,193	(47,503,193)	47,503,193	1,425,061	-
Investment Earnings (Losses)	3,831,434	(371,610)	4,203,044	201,775	310,550	151,334
<b>Total Revenues</b>	<b>3,831,434</b>	<b>47,361,923</b>	<b>(43,530,488)</b>	<b>47,935,308</b>	<b>2,849,791</b>	<b>1,223,645</b>
<b>Expenditures</b>						
Payment of Claims						
Claims Benefits Paid:						
Medical	679,181	257,712	421,469	479,295	71,000	99,954
Permanent Total Disability	1,319,081	897,474	421,607	1,163,198	208,590	229,269
Permanent Partial Disability	-	7,560	(7,560)	7,560	38,698	15,897
Temporary Disability	-	-	-	-	-	-
Fatales	1,115,274	955,367	159,907	1,183,728	404,642	424,536
104 Weeks Death Benefit	122,745	66,467	56,279	92,595	-	8,861
Settlement Agreements	12,071	15,883	(3,812)	21,177	-	-
Loss Adjustment Expenses	126,585	31,819	94,766	54,047	12,113	4,754
<b>Total</b>	<b>3,374,938</b>	<b>2,232,282</b>	<b>1,142,656</b>	<b>3,001,600</b>	<b>735,042</b>	<b>783,271</b>
Less: Claims Credits and Overpayments	8,597	4,396	4,201	4,925	(1,392)	(5,983)
<b>Total Benefits Paid</b>	<b>3,366,341</b>	<b>2,227,885</b>	<b>1,138,456</b>	<b>2,996,676</b>	<b>736,434</b>	<b>789,254</b>
Administrative Expenses	290,869	293,074	(2,206)	288,097	41,870	51,676
<b>Total Expenditures</b>	<b>3,657,210</b>	<b>2,520,960</b>	<b>1,136,250</b>	<b>3,284,773</b>	<b>778,304</b>	<b>840,930</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>174,225</b>	<b>44,840,963</b>	<b>(44,666,738)</b>	<b>44,650,535</b>	<b>2,071,487</b>	<b>382,715</b>
<b>Cash Ending Balances</b>	<b>54,033,563</b>	<b>54,049,766</b>	<b>(16,203)</b>	<b>53,859,338</b>	<b>9,208,803</b>	<b>7,137,316</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 assets of the Self-insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND  
April 30, 2017

	Three Year History for years ended:					
	YTD FY2017	YTD FY2016	Change	FY2016	FY2015	FY2014
<b>Cash Beginning Balances</b>	<b>11,864,792</b>	<b>12,125,188</b>	<b>(260,397)</b>	<b>12,125,188</b>	<b>11,714,178</b>	<b>10,801,353</b>
<b>Revenues</b>						
Fines and Penalties	472,869	539,990	(67,122)	625,093	765,082	768,532
Investment Earnings (Losses)	745,456	(317,015)	1,062,471	(205,615)	408,442	682,644
<b>Total Revenues</b>	<b>1,218,324</b>	<b>222,975</b>	<b>995,349</b>	<b>419,478</b>	<b>1,173,523</b>	<b>1,451,176</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	26,259	39,338	(13,079)	47,718	22,011	88,935
Permanent Total Disability	-	-	-	-	-	51,906
Permanent Partial Disability	47,704	-	47,704	4,738	50,684	12,609
Temporary Disability	22,854	48,291	(25,437)	113,212	22,997	87,423
Fatals	41,692	43,825	(2,133)	52,164	87,881	28,696
104 Weeks Death Benefit	-	-	-	-	-	-
Medical Settlement Agreements	209,315	18,000	191,315	75,000	16,610	-
Settlement Agreements	46,400	149,077	(102,677)	153,577	65,500	9,200
Loss Adjustment Expenses	6,399	3,243	3,156	5,868	3,225	7,710
<b>Total</b>	<b>400,624</b>	<b>301,774</b>	<b>98,849</b>	<b>452,276</b>	<b>268,909</b>	<b>286,480</b>
Less: Claims Credits and Overpayments	28,800	-	28,800	1,558	(320,872)	59
<b>Total Benefits Paid</b>	<b>371,824</b>	<b>301,774</b>	<b>70,049</b>	<b>450,719</b>	<b>589,781</b>	<b>286,421</b>
Administrative Expenses	219,588	172,220	47,368	229,156	172,732	251,930
<b>Total Expenditures</b>	<b>591,412</b>	<b>473,994</b>	<b>117,417</b>	<b>679,875</b>	<b>762,513</b>	<b>538,351</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>626,912</b>	<b>(251,019)</b>	<b>877,932</b>	<b>(260,397)</b>	<b>411,010</b>	<b>912,825</b>
<b>Cash Ending Balances</b>	<b>12,491,704</b>	<b>11,874,169</b>	<b>617,535</b>	<b>11,864,792</b>	<b>12,125,188</b>	<b>11,714,178</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 assets of the UEF are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. 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.

# BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTE

Board Meeting  
July 27, 2017

## OPERATING REPORT

### APRIL 2017

#### Board of Treasury Investments

315 70<sup>th</sup> Street, SE  
Charleston WV  
25304  
(304) 340-1564  
www.wvbt.com

#### Board of Directors

John D. Perdue,  
State Treasurer,  
Chairman

James C. Justice II,  
Governor

John B. McCuskey,  
State Auditor

Richard "Chap"  
Donovan, CPA  
Appointed by the  
Governor

Michael L. Glasser,  
Esq. Attorney  
Appointed by the  
Governor

#### Executive Staff

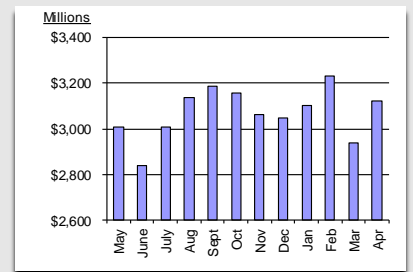
Executive  
Director  
Kara K. Hughes,  
CPA, MBA, CFE  
Chief Financial  
Officer  
Karl Shanholtzer,  
CFA, CPA, CIA

### Total Net Assets Under Management

**\$3,123,680,000**

Last Month  
**\$2,938,721,000**

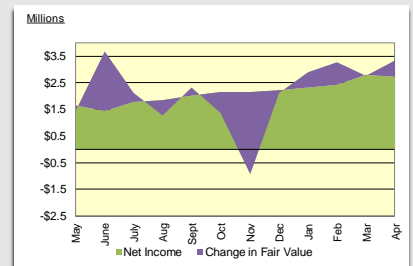
Beginning of Fiscal Year  
**\$2,839,161,000**



Net Assets for the Past 12 Months

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$20,608,000**



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

### Money Market Pools

As of April 30, 2017

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	1.0039%	42 Days	\$1.9 Billion
WV Gov't Money Market	0.6469%	57 Days	\$202.3 Million

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

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

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## THE ECONOMIC STATE

### APRIL 2017

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#### **Markets Continue to Show Resilience**

##### **Market Results**

Global equities continued their steady march upwards in April, driven by a positive uptick in economic indicators and moderating geopolitical concerns. Non-US stocks led the charge with international developed equities posting gains of 2.5%, propelled by a late-month rally in Europe as investors took comfort in Emmanuel Macron's lead in France's presidential election. Emerging market stocks were up 2.2% with robust manufacturing data and a stronger Korean won contributing to gains. US equities, while lagging their international counterparts, year-to-date, were in the black with the S&P 500 returning 1.0% in April, as strong corporate earnings offset a lukewarm first quarter GDP growth estimate of 0.7%.

Investors priced in a more dovish Fed as focus shifted to how the central bank may unwind its balance sheet as a primary mechanism for tightening monetary policy. The 10-year Treasury rate dropped 11 basis points to 2.29%, leading to broad gains in US fixed income. The Barclays US Aggregate Bond Index was up 0.8% on the month. The Barclays US High Yield Index returned 1.2% as index level spreads compressed to 371 basis points. Improving economic fundamentals and easing fears around an interruption in global trade spurred gains of 1.5% in emerging market debt, according to the JP Morgan GBI-EM Global Diversified Index. The Bloomberg Commodity Index declined 1.5% on the month as a resurgence in US oil production and lower domestic demand for gasoline offset efforts by the OPEC to limit global production.

##### **Market Outlook**

As markets continue to show resilience, we maintain a positive outlook towards international assets, and recommend an overweight position in developed and emerging market equities where we are leaning towards small-cap securities. At home, high valuations in equities and tight spreads in credit limit our enthusiasm. We believe spread compression has taken the luster off high-yield debt. To this end, we recommend alternative income investments such as bank loans or dynamic credit strategies.



# West Virginia Board of Treasury Investments

## Financial Highlights as of April 30, 2017

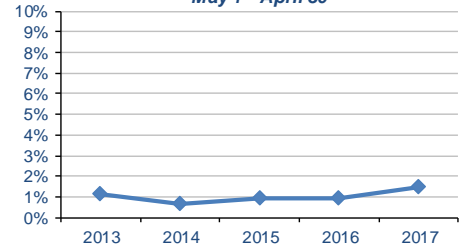
### WV Short Term Bond Pool

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

May 1 - April 30	Return	Net Assets At Apr 30 (In Millions)
2017	1.5%	\$ 754.3
2016	1.0%	\$ 803.1
2015	0.9%	\$ 768.9
2014	0.6%	\$ 767.6
2013	1.1%	\$ 552.1

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

Past 12 Months  
May 1 - April 30

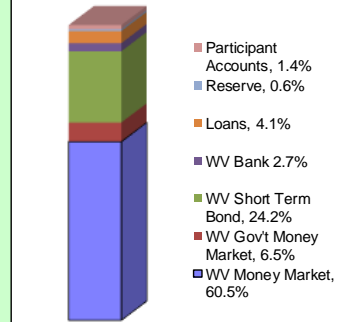


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

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

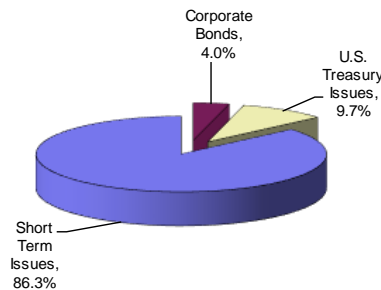
Pool	Net Asset Value	Apr Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 1,890,477	\$ 1,477	\$ 11,646
WV Gov't Money Market	202,298	125	731
WV Short Term Bond	754,303	1,599	7,364
WV Bank	85,742	60	567
Loans	127,822	34	121
Reserve	18,837	8	70
Participant Accounts	44,201	39	109
	<b>\$3,123,680</b>	<b>\$ 3,342</b>	<b>\$ 20,608</b>

#### Percent of Total Net Asset Value

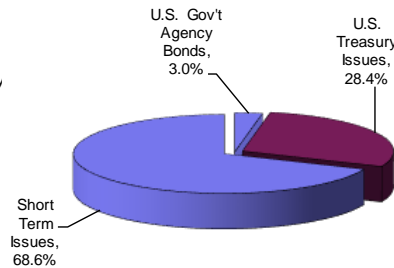


### Securities by Type for Operating Pools (Percentage of Asset Value)

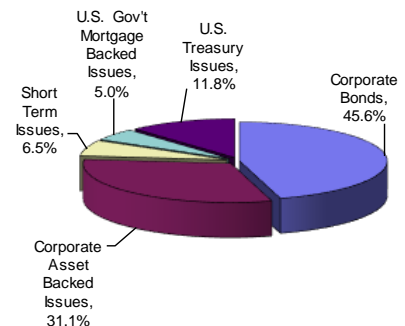
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



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

**APRIL 30, 2017**

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts	Total
<b>Assets</b>							
Investments:							
At amortized cost	\$ 1,889,094	\$ 202,234	\$ -	\$ 85,548	\$ 146,623	\$ -	\$2,323,499
At fair value	-	-	760,567	-	-	43,958	804,525
Other assets	1,958	152	5,838	201	47	244	8,440
Total assets	<u>1,891,052</u>	<u>202,386</u>	<u>766,405</u>	<u>85,749</u>	<u>146,670</u>	<u>44,202</u>	<u>3,136,464</u>
<b>Liabilities</b>							
Accrued expenses, dividends payable & payables for investments purchased	575	88	12,102	7	11	1	12,784
Total liabilities	<u>575</u>	<u>88</u>	<u>12,102</u>	<u>7</u>	<u>11</u>	<u>1</u>	<u>12,784</u>
<b>Net Position</b>							
Held in trust for investment pool participants	1,890,477	202,298	754,303	85,742	146,659	-	3,079,479
Held in trust for individual investment account holders	-	-	-	-	-	44,201	44,201
Total net position	<u>\$ 1,890,477</u>	<u>\$ 202,298</u>	<u>\$ 754,303</u>	<u>\$ 85,742</u>	<u>\$ 146,659</u>	<u>\$ 44,201</u>	<u>\$3,123,680</u>
<b>Additions</b>							
Investment income:							
Interest and dividends	\$ 931	\$ 89	\$ 1,076	\$ 63	\$ 47	\$ 46	\$ 2,252
Net (amortization) accretion	664	54	17	-	-	(16)	719
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>1,595</u>	<u>143</u>	<u>1,093</u>	<u>63</u>	<u>47</u>	<u>30</u>	<u>2,971</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	121	18	88	3	5	-	235
Total investment expenses	<u>121</u>	<u>18</u>	<u>88</u>	<u>3</u>	<u>5</u>	<u>-</u>	<u>235</u>
Net investment income	1,474	125	1,005	60	42	30	2,736
Net realized gain (loss) from investments	3	-	(38)	-	-	-	(35)
Net increase (decrease) in fair value of investments	-	-	632	-	-	9	641
Net increase (decrease) in net position from operations	1,477	125	1,599	60	42	39	3,342
Participant transaction additions:							
Purchase of pool units by participants	930,326	19,306	-	61	3,307	-	953,000
Reinvestment of pool distributions	1,477	125	1,156	60	42	-	2,860
Contributions to individual investment accounts	-	-	-	-	-	94	94
Total participant transaction additions	<u>931,803</u>	<u>19,431</u>	<u>1,156</u>	<u>121</u>	<u>3,349</u>	<u>94</u>	<u>955,954</u>
Total additions	933,280	19,556	2,755	181	3,391	133	959,296
<b>Deductions</b>							
Distributions to pool participants:							
Net investment income	1,474	125	1,005	60	42	-	2,706
Net realized gain (loss) from investments	3	-	(38)	-	-	-	(35)
Total distributions to pool participants	<u>1,477</u>	<u>125</u>	<u>967</u>	<u>60</u>	<u>42</u>	<u>-</u>	<u>2,671</u>
Participant transaction deductions:							
Redemption of pool units by participants	720,312	45,717	5,489	61	42	-	771,621
Withdrawals from individual investment accounts	-	-	-	-	-	45	45
Total participant transaction deductions	<u>720,312</u>	<u>45,717</u>	<u>5,489</u>	<u>61</u>	<u>42</u>	<u>45</u>	<u>771,666</u>
Total deductions	<u>721,789</u>	<u>45,842</u>	<u>6,456</u>	<u>121</u>	<u>84</u>	<u>45</u>	<u>774,337</u>
Net increase (decrease) in net position from operations	211,491	(26,286)	(3,701)	60	3,307	88	184,959
Inter-pool transfers in	1,550	-	-	-	-	-	1,550
Inter-pool transfers out	-	-	-	(1,550)	-	-	(1,550)
Net inter-pool transfers in (out)	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>(1,550)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	213,041	(26,286)	(3,701)	(1,490)	3,307	88	184,959
Net position at beginning of period	<u>1,677,436</u>	<u>228,584</u>	<u>758,004</u>	<u>87,232</u>	<u>143,352</u>	<u>44,113</u>	<u>2,938,721</u>
Net position at end of period	<u>\$ 1,890,477</u>	<u>\$ 202,298</u>	<u>\$ 754,303</u>	<u>\$ 85,742</u>	<u>\$ 146,659</u>	<u>\$ 44,201</u>	<u>\$3,123,680</u>