

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

September 12, 2012

Joint Standing Committee on Government and Finance
August 12, 2012

1:00pm - 2:00pm

Senate
Kessler, Chair
Palumbo
Plymale(absent)
Prezioso
Unger (absent)
Facemyer (absent)
Hall

House
Thompson, Chair
Boggs
Caputo
Miley
White
Armstead
Carmichael (absent)

Carmichael

President Kessler presides

President Kessler: "The committee will come to order ... the meeting will come to order. First item on the agenda is the approval of the minutes of July 25, 2012. So moved by the Speaker. Are there any amendments, all in favor say aye, opposed. The ayes appear to have it, the ayes do have it. We have Committee Reports/Requests. Anybody here from the Subcommittee C, Joint Standing Committee on Finance?"

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Nancy Atkins: "Nancy Atkins, Commissioner of Medicaid. Mr. President, Mr. Speaker, members of the Committee, your Medicaid report is in your packet and I would be happy to answer any questions on the report."

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Mike Riley: Commissioner Insurance Commission: "Good afternoon, Mike Riley, Insurance Commissioner. You should have a copy of our report in your packets. Nothing really outstanding however if you like I could go over the cash flow statement on page 11 since we did end the fiscal year. I could just give you an update on where we are on that? Turn to page 11 you will see on the last three columns there is the history of our performance. We ended fiscal year 2012 with \$942M in the bank. Operating revenues a little bit less than we had collected last year at \$250M but that is still above the budget amount and as we mentioned before the big hurdle for this old fund is the investment returns this year. We did earn \$18.2M which represents a return of a little bit less than 2% for the portfolio and certainly something we are working with the investment management board. After investments it gives you total revenue of \$268M and as far as claims expenses, total claims expenses are \$269M paid out \$14M less in claims benefits and \$2M less in admin for the claims portfolio as you expect this decreases and we ended the year with a nominal negative cash position of \$600,000 just our cash outlays just slightly exceeded our cash receipts. As we mentioned obviously the performance of this relies heavily on the investments but I think a good part of the story is if you take the investments out and you just look at sort of our operating expenses, our dedicated revenues versus what we are paying out, the gap continues to shrink. In 2010 expenses exceeded outlays by \$53M, \$34M in 2011 and now its down to \$19M so obviously investments are going to change but the gap is narrowing and we are getting closer to a cash flow basis. That's all I've got and I will be glad to answer any questions."

President Kessler: "Any questions? Yes, Senator Palumbo."

Senator Palumbo: "What do you project that to be next year? Do you have a projection on that yet?"

Mike Riley: "I do not have our budget available right now but obviously I would expect the trend to continue, our portfolio is decreasing, we once had 44,000 claims and we are down to 18,000 claims and the dedicated revenue."

President Kessler: "Any questions? Thank you. Board of Treasury Report is not available. We have Mr. John Thompson from the WV Public Workers Union for a presentation."

John Thompson, International Representative from the United Mine and Electrical Machinists of America: "We have approximately 1200 members employed by the State of West Virginia and UE Local 170 of the West Virginia Public Workers Union. Mr. President, Mr. Speaker, members of the committee. First, I want to thank you for allowing us this time to come before your committee. Its not often that state representatives and state employees get to appear before this committee and I would be remiss if I didn't acknowledge some of our members in the audience today including some DOH employees as well as Donna Morgan, President of our local in West Virginia. Earlier this year, our union did a FOIA request to the Department of Transportation requesting wage information for all the Division of Highways including classifications, seniority date because one of the things we have constantly heard since we have been organizing in the state and Division of Highways employees is that it is a broken wage structure at the Division of Highways ... nobody ever moves up the pay grades in their classifications so what this power point handout that I give you goes through is the summation of this research into this FOIA request and some of the things that I just briefly want to point out to you is that the Transportation Worker II classification is the largest group within the Division of Highways. It is the bulk of the Division of Highways employees with approximately 1700 employees and that classification itself is demonstrative of this broken wage structure. If you go through the Power Point you will see in here over the last four to ten years there has been a tremendous turnover in the Division of Highways and this is largely due to the fact that employees wages have stagnated over the past decade and when you are talking to DOH employees who make as little as \$10 something an hour there is not incentive for them to stick around and work a career in the DOH. So you have a huge turnover which is reflected in the seniority levels in the DOH. To the broken wage structure you can see that during the past decade wages have significantly stalled for employees in the division. And this is largely due to the fact that there has been a wage freeze in the state since 2006 and that state

employees in general haven't received very many pay increases and despite the DOH giving a bump up in the market rate, for all their DOH employees back in 2008 of .96¢ that hasn't caused this turnover to lessen any. Another graph I'd like to point out to you is a few transportation workers earn more than the minimum for their specification. That in itself demonstrates the problem within the DOH that the vast majority of DOH employees are stuck at the bottom of their pay grade and they do not move up and I have members here today who have been working 19, 20, 30 years and who are at the bottom of their pay grade. Somebody being hired off the street today would start out at \$10.80 an hour and a person with 10 years seniority is making \$10.80 an hour so this creates a morale problem within the Division. So what we are proposing and we are hopefully going to be discussing this with Governor Tomblin and Secretary Maddox in the coming months is its time to develop a fair wage structure for DOH employees similar to WV Parkways which has a step wage increase wage structure so that if you are there for a year ,if you are there for five years you are making this much ten years, this much 15 years and at 20 years you are at the top of the pay grade so it shows you how you can move up in the wage structure and it is a more fair and transparent system rather than the current system which is broken. So with that I will conclude my remarks and take any questions from the committee."

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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

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

- **West Virginia Lottery as of July 31, 2012:**
Gross profit for the first month of fiscal year 2013 is \$ 51.6 million.
- **West Virginia Unemployment Compensation Fund as of July 31, 2012:**
Overall ending trust fund balance is \$ 40.5 million above the ending trust fund balance of July 31 last fiscal year.
- **General Revenue Fund as of August 31, 2012:**
The general revenue collections are at 97.26% of the estimate.
- **State Road Fund as of August 31, 2012:**
The state road fund collections are 101.6% of the estimate.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

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

From: Ellen Clark, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: August 24, 2012

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2012

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ending July 31, 2012 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. July is the first month of the new fiscal year 2013. 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 \$ 116,020,000.00 at the end of the first month of fiscal year 2012 - 2013. Table games accounted for \$6.5 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 794 thousand of total gross receipts. Gross lottery revenue has decreased by 4.84% when compared with July 2011 of fiscal year 2011-2012. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July 2012 was \$ 51.6 million; for last fiscal year it was \$ 53.4 million. Expressed as a

percentage, gross profit is 3.43 % lower for July 2012 than for July 2011.

Operating Transfers to the State of West Virginia:

A total of \$ 49,637,000.00 has been accrued to the state of West Virginia for July 2012 fiscal year 2012-2013. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$20,300,000.00
Community and Technical College	\$500,000.00
Department of Education	\$14,507,000.00
Library Commission	\$5,775,000.00
Higher Education-Central Office	\$3,738,000.00
Tourism	\$3,490,000.00
Department of Natural Resources	\$1,610,000.00
Division of Culture and History	\$2,798,000.00
Economic Development Authority	\$1,000,000.00
Department of Education and Arts	\$872,000.00
School Building Authority	\$1,800,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$56,390,000.00

Excess Lottery Fund

Lottery

Lottery continued

General Purpose Fund	\$ 0.00
Economic Development Fund	\$ 1,899,000.00
Higher Education Improvement Fund	\$ 1,500,000.00
WV Infrastructure Council Fund	0.00
Higher Education Improvement Fund	\$24,070,000.00
WV Racing Commission	0.00
Refundable Credit	0.00
WV Development Office	0.00
Department of Education	0.00
State Park Improvement Fund	0.00
School Building Authority	\$ 1,899,000.00
Excess Lottery Surplus	\$ 29,368,000.00
Total State Excess Lottery Revenue Fund	\$ 85,758,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	180,000.00
State Debt Reduction Fund	53,000.00
Tourism Promotion Fund	8,000.00
Total Historic Hotel	\$ 241,000.00

Veterans Instant Ticket Fund \$80,000.00

Table Games State Debt Reduction Fund \$ 2,833,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$712,000.00
Development Office Promo Fund	\$194,000.00
Research Challenge Fund .5%	\$259,000.00

Capitol Renovation and Improvement Fund .6875%	\$356,000.00
Parking Garage Fund .0625%	\$32,000.00
Parking Garage Fund 1%	\$408,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$0.00
Capitol Dome & Cap. Improvements Fund .5%	\$109,000.00
Workers Compensation Debt Reduction Fund 7%	\$2,857,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$4,927,000.00
TOTAL TRANSFERS	*\$93,839,000.00

* CASH BASIS

Total Accrued last FY 2012:	\$ 216,819,000.00
Total Cash Distributions FY 2013:	93,839,000.00
Applied to FY 2012:	93,839,000.00
Applied to FY 2013:	000.00
Accrued for FY 2012 as of July 31:	122,980,000.00
Accrued for FY 2013 as of July 31:	49,637,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

PHONE: 304-558-0500
FAX: 304-558-3321

Earl Ray Tomblin
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending July 31, 2012

DATE: August 20, 2012

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

Financial statements of the Lottery for the month ending July 31, 2012 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$116,019,506 for the month of July.

Transfers of lottery revenue totaling \$93,838,515 made for the month of July to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2012 was 1,596 and 1,515 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM
Attachment

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

Lottery Attachment Financial Statements July 2012 (FY 2013)



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

FINANCIAL STATEMENTS
- UNAUDITED -

July 31, 2012

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
BALANCE SHEETS
(In Thousands)
-Unaudited-

ASSETS	July 31, 2012	June 30, 2012
Current Assets:		
Cash and cash equivalents	\$ 198,619	\$ 241,538
Accounts receivable	39,356	36,671
Inventory	769	510
Other assets	2,227	2,275
Total Current Assets	<u>240,971</u>	<u>280,994</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	2,373	2,373
Capital assets	46,816	46,816
Less accumulated depreciation and amortization	<u>(4,712)</u>	<u>(4,531)</u>
Net Capital Assets	<u>42,104</u>	<u>42,285</u>
Total Noncurrent Assets	<u>44,477</u>	<u>44,658</u>
Total Assets	<u>\$ 285,448</u>	<u>\$ 325,652</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 172,617	\$ 216,819
Estimated prize claims	13,828	13,372
Accounts payable	1,938	3,238
Other accrued liabilities	45,090	40,248
Total Current Liabilities	<u>233,473</u>	<u>273,677</u>
Total Liabilities	<u>233,473</u>	<u>273,677</u>
Net Assets:		
Invested in capital assets	42,104	42,285
Unrestricted	8,181	8,000
Restricted assets (see note 12)	<u>1,690</u>	<u>1,690</u>
Total Net Assets	<u>51,975</u>	<u>51,975</u>
Total Liabilities and Net Assets	<u>\$ 285,448</u>	<u>\$ 325,652</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2012

(In Thousands)
- Unaudited -

	CURRENT MONTH		YEAR TO DATE	
	2012	2011	2012	2011
Lottery revenues				
On-line games	\$ 5,702	\$ 6,066	\$ 5,702	\$ 6,066
Instant games	9,174	9,010	9,174	9,010
Racetrack video lottery	60,841	68,031	60,841	68,031
Limited video lottery	32,977	31,165	32,977	31,165
Table games	6,532	7,147	6,532	7,147
Historic resort	794	507	794	507
	<u>116,020</u>	<u>121,926</u>	<u>116,020</u>	<u>121,926</u>
Less commissions				
On-line games	415	422	415	422
Instant games	642	631	642	631
Racetrack video lottery	34,460	38,533	34,460	38,533
Limited video lottery	16,159	15,271	16,159	15,271
Table games	2,851	3,071	2,851	3,071
Historic resort	380	331	380	331
	<u>54,907</u>	<u>58,259</u>	<u>54,907</u>	<u>58,259</u>
Less on-line prizes	2,729	3,259	2,729	3,259
Less instant prizes	6,109	6,148	6,109	6,148
Less ticket costs	125	208	125	208
Less vendor fees and costs	533	604	533	604
	<u>9,496</u>	<u>10,219</u>	<u>9,496</u>	<u>10,219</u>
Gross profit	<u>51,617</u>	<u>53,448</u>	<u>51,617</u>	<u>53,448</u>
Administrative expenses				
Advertising and promotions	68	660	68	660
Wages and related benefits	975	1,112	975	1,112
Telecommunications	115	33	115	33
Contractual and professional	128	239	128	239
Rental	14	52	14	52
Depreciation and amortization	181	19	181	19
Other administrative expenses	125	156	125	156
	<u>1,606</u>	<u>2,271</u>	<u>1,606</u>	<u>2,271</u>
Other Operating Income	<u>280</u>	<u>61,988</u>	<u>280</u>	<u>61,988</u>
Operating Income	<u>50,291</u>	<u>113,165</u>	<u>50,291</u>	<u>113,165</u>
Nonoperating income (expense)				
Investment income	18	17	18	17
Distributions to municipalities and counties	(646)	(611)	(646)	(611)
Distributions -capital reinvestment	(26)	(30)	(26)	(30)
Distributions to the State of West Virginia	(49,637)	(112,541)	(49,637)	(112,541)
	<u>(50,291)</u>	<u>(113,165)</u>	<u>(50,291)</u>	<u>(113,165)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of period	<u>51,975</u>	<u>39,072</u>	<u>51,975</u>	<u>39,072</u>
Net assets, end of period	<u>\$ 51,975</u>	<u>\$ 39,072</u>	<u>\$ 51,975</u>	<u>\$ 39,072</u>

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

WEST VIRGINIA LOTTERY

**STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2012**

(In Thousands)
-Unaudited-

	2012	2011
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 113,615	\$ 114,975
Cash payments for:		
Personnel costs	(966)	(1,000)
Suppliers	(1,476)	9
Other operating costs	(59,634)	(69,902)
Cash provided by operating activities	<u>51,539</u>	<u>44,082</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(93,839)	(87,129)
Distributions to municipalities and counties	(637)	(604)
Cash used in noncapital financing activities	<u>(94,476)</u>	<u>(87,733)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>(2,494)</u>
Cash flows from investing activities:		
Investment earnings received	<u>18</u>	<u>17</u>
Cash provided by investing activities	<u>18</u>	<u>17</u>
Increase (decrease) in cash and cash equivalents	(42,919)	(46,128)
Cash and cash equivalents - beginning of period	<u>243,911</u>	<u>270,520</u>
Cash and cash equivalents - end of period	<u>\$ 200,992</u>	<u>\$ 224,392</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 50,291	\$ 113,165
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	181	19
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(2,685)	(10,077)
(Increase) decrease in inventory	(259)	64
(Increase) decrease in other assets	48	19
Increase (decrease) in estimated prize claims	456	(284)
Increase (decrease) in accounts payable	(1,300)	1,159
Increase (decrease) in deferred revenue	-	(58,863)
Increase (decrease) in other accrued liabilities	4,807	(1,120)
Cash provided by operating activities	<u>\$ 51,539</u>	<u>\$ 44,082</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 basic 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.

Racetrack video lottery is a self-activated video version of lottery games. 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 racetrack 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 racetrack 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. Racetrack video lottery legislation has established specific requirements for racetrack video lottery and imposed certain restrictions limiting the licensing for operation of racetrack video lottery games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating 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. Each racetrack licensed 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 licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Historic resort lottery games are a combination of self-activated video lottery games as well as table games which are located at a licensed historic resort hotel as defined by the WV Code. Video lotteries at the historic resort are board-operated games that 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 historic resort 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 historic resort lottery revenues:

- Video lottery revenues consisting of "gross terminal income" equivalent to all wagers, net of related prizes: and,
- Historic resort table games revenues consisting of 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 the private and local government entities are reported as commissions. The Lottery Act as amended has established specific requirements for historic resort video and table games lotteries and imposed certain restrictions limiting the licensing for operation of historic resort lottery games in West Virginia, subject to local county elections permitting the same. The legislation further

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

stipulates the distribution of revenues from historic resort lottery games, and requires any licensed historic resort 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 \$566,986 and \$523,398 of at June 30, 2012 and 2011, 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 an other postemployment benefits plan (see Note 16).

NET ASSETS – Net assets are presented as restricted, unrestricted and invested 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 assets 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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 3 - CASH AND CASH EQUIVALENTS

At July 31, 2012 the carrying amounts of deposits (overdraft) with financial institutions were \$490 thousand with a bank balance (overdraft) of \$702 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):

	July 31, 2012	June 30, 2012
Deposits with financial institutions	\$ 490	\$ 477
Cash on hand at the Treasurer's Office	29,773	42,350
Investments with BTI reported as cash equivalents	170,729	201,084
	<u>\$ 200,992</u>	<u>\$ 243,911</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the month ended July 31, 2012 is as follows (in thousands):

Capital Assets:	Historical Cost At June 30, 2012	Additions	Deletions	Historical Cost At July 31, 2012
Construction in Progress	\$ 519	\$ -	\$ -	\$ 519
Land	1,434	-	-	1,434
Buildings	38,084	-	-	38,084
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,816</u>
Accumulated Depreciation:	Historical Cost At June 30, 2012	Additions	Deletions	Historical Cost At July 31, 2012
Buildings	\$ 237	\$ 79	\$ -	\$ 316
Improvements	260	-	-	260
Equipment	4,034	102	-	4,136
	<u>\$ 4,531</u>	<u>\$ 181</u>	<u>\$ -</u>	<u>\$ 4,712</u>

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

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 July 31, 2012 and year-to-date is as follows:

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,603,007	\$ 2,603,007
Hot Lotto	315,527	315,527
Mega Millions	827,910	827,910
Total	\$ 3,746,444	\$ 3,746,444

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,301,529	\$ 1,301,529
Hot Lotto	157,828	157,828
Mega Millions	426,379	426,379
Total	\$ 1,885,736	\$ 1,885,736

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:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

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

At July 31, 2012, the Lotteries share of the prize reserve fund balances were as follows:

Game	Total Prize Reserve	Lottery Share
Powerball	\$ 126,481,109	\$ 2,386,175
Hot Lotto	7,383,082	485,862
Mega Millions	19,729,890	344,549
Total	\$ 153,594,081	\$ 3,216,586

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

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 \$17,414,201 at July 31, 2012, of which the Lottery's share was \$1,537,522.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended July 31, 2012 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 671,557	\$ 760,736	\$ 671,557	\$ 760,736
Credits (prizes) won	(602,339)	(683,623)	(602,339)	(683,623)
Promotional credits played	(8,338)	(9,057)	(8,338)	(9,057)
MWAP Contributions	(39)	(25)	(39)	(25)
Gross terminal income	60,841	68,031	60,841	68,031
Administrative costs	(2,434)	(2,721)	(2,434)	(2,721)
Net Terminal Income	58,407	65,310	58,407	65,310
Less distribution to agents	(34,460)	(38,533)	(34,460)	(38,533)
Racetrack video lottery revenues	<u>\$ 23,947</u>	<u>\$ 26,777</u>	<u>\$ 23,947</u>	<u>\$ 26,777</u>

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

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

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

	July 31, 2012	Year-to-Date
State Lottery Fund	\$ 17,522	\$ 17,522
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	803	803
Development Office Promotion Fund .375 %	219	219
Research Challenge Fund .5 %	292	292
Capitol Renovation & Improvement Fund .6875 %	402	402
Parking Garage Fund .0625 %	37	37
Parking Garage Fund 1 %	500	500
Cultural Facilities & Capitol Resources Fund .5 %	42	42
Capitol Dome & Capitol Improvements Fund .5 %	42	42
Worker's Compensation Debt Reduction Fund 7 %	4,088	4,088
Total nonoperating distributions	<u>\$ 23,947</u>	<u>\$ 23,947</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is 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 July 31, 2012 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 390,381	\$ 366,287	\$ 390,381	\$ 366,287
Credits (prizes) won	(357,404)	(335,122)	(357,404)	(335,122)
Gross terminal income	\$ 32,977	\$ 31,165	\$ 32,977	\$ 31,165
Administrative costs	(660)	(623)	(660)	(623)
Gross Profit	32,317	30,542	32,317	30,542
Commissions	(16,159)	(15,271)	(16,159)	(15,271)
Municipalities and Counties	(646)	(611)	(646)	(611)
Limited video lottery revenues	<u>\$ 15,512</u>	<u>\$ 14,660</u>	<u>\$ 15,512</u>	<u>\$ 14,660</u>

NOTE 8 – TABLE GAMES

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10-Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date ended July 31, 2012 were \$18,663,657. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Table Games Privilege Tax	\$ 6,532	\$ 7,147	\$ 6,532	\$ 7,147
Interest on Table Games Fund				
Administrative costs	(560)	(817)	(560)	(817)
Total Available for Distribution	5,972	6,330	5,972	6,330
<u>Less Distributions:</u>				
Racetrack Purse Funds	467	510	467	510
Thoroughbred & Greyhound Development Funds	373	408	373	408
Racing Association Pension Plan	164	172	164	172
Municipalities/ Counties	1,847	1,981	1,847	1,981
Total Distributions	2,851	3,071	2,851	3,071
State Debt Reduction Fund	\$ 3,121	\$ 3,259	\$ 3,121	\$ 3,259

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended July 31, 2012 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Total credits played	\$ 6,774	\$ 6,233	\$ 6,774	\$ 6,233
Credits (prizes) won	(6,220)	(5,672)	(6,220)	(5,672)
Promotional credits played	(76)	(30)	(76)	(30)
MWAP Contributions	(2)	-	(2)	
Gross terminal income	476	531	476	531
Capital reinvestment	(22)	(25)	(22)	(25)
Administrative costs	(27)	(29)	(27)	(29)
Modernization Fund	(4)	(5)	(4)	(5)
Hotel commissions	(201)	(224)	(201)	(224)
Net terminal income	222	248	222	248
Historic Resort Hotel Fund	141	158	141	158
Human Resource Benefit Fund	81	90	81	90

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-to-date ended July 31, 2012 were \$908,464.

The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2013	2012	2013	2012
Table games privilege tax	\$ 318	\$ (23)	\$ 318	\$ (23)
Administrative Costs	(41)	3	(41)	3
Total Available for Distribution	277	(20)	277	(20)
Historic Resort Hotel Fund	232	(17)	232	(17)
Human Resource Benefit Fund	45	(3)	45	(3)

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs, and two and a half percent (2.5%) is allocated to the Historic Resort Modernization Fund. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

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

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

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 141	\$ 141
Historic Resort Table Games	232	232
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>373</u>	<u>373</u>
Municipalities/ Counties	52	52
State General Revenue Fund	239	239
State Debt Reduction Fund	71	71
State Tourism Promotion Fund	11	11
Total Distributions	<u>\$ 373</u>	<u>\$ 373</u>

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2013 the State Legislature budgeted \$145,017,313 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended July 31, 2012 the Lottery made such distributions and accrued additional distributions of \$39,769,330. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. For the month ended July 31, 2012, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$1,935,565, \$3,120,890, and \$320,825, respectively.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>July 31, 2012</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 500
Bureau of Senior Services	20,300	20,300
Department of Education	14,507	14,507
Library Commission	5,775	5,775
Higher Education-Policy Commission	3,738	3,738
Tourism	3,490	3,490
Natural Resources	1,610	1,610
Division of Culture & History	2,798	2,798
Department of Education & Arts	872	872
Economic Development Authority	1,000	1,000
School Building Authority	1,800	1,800
Total State Lottery Fund	<u>\$ 56,390</u>	<u>\$ 56,390</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 1,899
Higher Education Improvement Fund	1,500	1,500
General Purpose Account	-	-
Higher Education Improvement Fund	24,070	24,070
State Park Improvement Fund	-	-
School Building Authority	1,899	1,899
Refundable Credit	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 29,368	\$ 29,368
Total Budgetary distributions:	\$ 85,758	\$ 85,758
Veterans Instant Ticket Fund	\$ 80	\$ 80

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 712	\$ 712
Development Office Promotion Fund .375%	194	194
Research Challenge Fund .5%	259	259
Capitol Renovation & Improvement Fund .6875%	356	356
Parking Garage Fund .0625 %	32	32
Parking Garage Fund 1 %	408	408
Cultural Facilities & Cap. Resources Fund .5%	-	-
Capitol Dome & Cap. Improvements Fund .5%	109	109
Workers Compensation Debt Reduction Fund 7%	2,857	2,857
Total	\$ 4,927	\$ 4,927
Table Games State Debt Reduction Fund	\$ 2,833	\$ 2,833

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 180	\$ 180
State Debt Reduction Fund	53	53
Tourism Promotion Fund	8	8
Total	\$ 241	\$ 241

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 93,839	\$ 93,839
Accrued nonoperating distributions, beginning	(216,819)	(216,819)
Accrued nonoperating distributions, end	172,617	172,617
	\$ 49,637	\$ 49,637

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 – LEASES

The Lottery leases, under the terms of a cancellable operating lease, various office spaces for field operations. The Lottery also leases various office equipment under agreements considered to be cancellable operating leases. Rental expense for the month ended July 31, 2012 and July 31, 2011 approximated \$14,141 and \$52,001, respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenue for the month and year-to-date ended July 31, 2012 were \$123,370. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2013	826
2014	923
2015	232
Total	\$ 1,981

NOTE 12 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2012 and June 30, 2011 were as follows:

	June 30, 2012	June 30, 2011
Beginning balance	\$ 2,039	\$ 8,355
Additions		
Legislative Appropriations	9,645	-
Deductions		
Asset acquisition	(9,994)	(6,316)
Surplus of excess funds		
Ending balance	\$ 1,690	\$ 2,039

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – COMMITMENTS

For the year ended June 30, 2011, the Lottery Commission has designated \$594,218 of unexpended administrative funds for the acquisition of capital assets, for the year ended June 30, 2012 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2012 and 2011, \$3,193,044 and \$5,921,057, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending July 31, 2012 and year-to-date are as follows (in thousands):

	July 31, 2012	Year-to-Date
Lottery contributions	\$ 105	\$ 105
Employee contributions	34	34
Total contributions	\$ 139	\$ 139

NOTE 15 - RISK MANAGEMENT

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

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

The ARC rate is \$961 and \$903 per employee per month for the years ending June 30, 2012 and 2011 respectively. Through June 30, 2012 and 2011, the Lottery has paid premiums of \$317,694 and \$294,952. As of June 30, 2012 and 2011, the Lottery has recorded a liability of \$4,075,581 and \$2,749,868 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: September 4, 2012

Re: Status of General Revenue Fund and State Road Fund as of
August 31, 2012 (second month fiscal year 2012-2013)

We have reviewed the cash flow of the West Virginia general revenue fund for August 2012, the second month of the fiscal year ending June 30, 2013. The status of the fund collections are as follows:

The net collections were 97.26% of the estimate for the fiscal year. Total collections were 16 million under the estimate.

Personal Income Tax collections were \$ 9 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 1 million over the estimate for the year.

Business and Occupation tax was \$ 2.4 million over the estimate.

Corporate Income and Business Franchise Tax collections were \$2.4 million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were \$ 1.4 million over 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 \$ 489,698,131.39 as of August 31, 2012.

Balance July 1, 2012	523,689,608.81
Cash flow loan to General Revenue on July 1, 2012. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands.	- 62,000,000.00
Shortfall Reserve Fund Transfer per WV Code 11B-2-20 (surplus from fiscal year 2012)	28,178,027.35
Earnings	- 169,504.77
Balance August 31, 2012	489,698.131.39

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 331,325,085.80 as of August 31, 2012.

Balance July 1, 2012	327,698,976.68
Earnings	3,626,109.12
Balance August 31, 2012	331,325,085.80

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of August 31, 2012.

Balance July 1, 2012	45,019,319.21
Revenues	-0-
Balance August 31, 2012	45,019,319.21

GENERAL REVENUE FUND FY 2012-2013

FINAL

By Source and by Month
 Monthly Revenue Estimates
 as of August 31, 2012 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	128,330,000	114,418,870	-13,911,130	255,360,000	245,947,815	-9,412,185
Consumer Sales Tax & Use Tax	92,100,000	96,428,426	4,328,426	200,300,000	201,323,303	1,023,303
Severance Tax	45,000,000	35,943,493	-9,056,507	60,000,000	46,362,490	-13,637,510
Insurance Tax	2,600,000	4,997,483	2,397,483	27,200,000	26,951,166	-248,834
Tobacco Products Tax	9,770,000	11,011,145	1,241,145	19,060,000	19,626,353	566,353
Business and Occupation	9,200,000	7,728,866	-1,471,134	15,700,000	18,129,303	2,429,303
Corp Income /Business Franchise	2,500,000	4,151,564	1,651,564	10,500,000	12,961,713	2,461,713
HB 102 - Lottery Transfers	4,473,000	4,565,455	92,455	4,473,000	4,565,455	92,455
Liquor Profit Transfers	1,250,000	1,597,000	347,000	2,250,000	2,597,000	347,000
Departmental Collections	1,340,000	994,632	-345,368	2,180,000	1,810,042	-369,958
Interest Income	1,000,000	774,683	-225,317	2,000,000	1,169,246	-830,754
Beer Tax and Licenses	760,000	703,267	-56,733	1,600,000	1,586,085	-13,915
Property Transfer Tax	630,000	702,022	72,022	1,350,000	1,452,019	102,019
Miscellaneous Transfers	940,000	1,258,981	318,981	1,080,000	1,258,981	178,981
Senior Tax Credit Reimbur Lot	620,000	843,385	223,385	620,000	843,385	223,385
Property Tax	320,000	365,631	45,631	420,000	445,258	25,258
Miscellaneous Receipts	200,000	419,117	219,117	400,000	778,223	378,223
Business Fran Registration Fees	60,000	76,870	16,870	120,000	142,965	22,965
Liquor License Renewal	21,000	21,054	54	91,000	91,778	778
Charter Tax	0	14,420	14,420	0	22,113	22,113
Telecommunications Tax	0	14,411	14,411	0	21,901	21,901
Video Lottery Transfers	0	56,132	56,132	0	77,318	77,318
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	62,000,000	0
TOTALS	301,114,000	287,086,905	-14,027,095	604,704,000	650,163,911	45,459,911
Minus Cash Flow Transfer		0			62,000,000	
Percent of Estimates		95.34%			107.52%	
TOTALS	301,114,000	287,086,905	-14,027,095	604,704,000	588,163,911	-16,540,089
Percent of Estimates		95.34%			97.26%	
Collections this day		37,092,060				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2012-2013

FINAL

By Source and by Month
 Monthly Revenue Estimates
 as of August 31, 2012 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	35,000,000	35,871,299	871,299	86,000,000	89,577,601	3,577,601
Privilege Tax	17,073,000	17,702,495	629,495	35,479,000	34,266,238	-1,212,762
Licenses & Registration	7,701,000	6,700,262	-1,000,738	17,583,000	16,618,753	-964,247
Highway Litter Control	145,000	211,513	66,513	333,000	415,231	82,231
TOTALS	59,919,000	60,485,570	566,570	139,395,000	140,877,822	1,482,822

Percent of Estimates

100.95%

101.06%

Collections this day

23,436,816

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF August 1, 2012 : \$461,516,330.29

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF August 1, 2012 : \$331,325,085.80

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF August 1, 2012: \$45,019,319.21

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590
304-347-4870

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

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: August 27, 2012

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the July 31, 2012 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. July is the first month of the 2012-2013 fiscal year.

For July 1, 2012 to July 31, 2012 of fiscal year 2012-2013, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2012	\$140,675,916.76
Receipts July 1, 2012 thru June 30, 2013	\$ 33,081,377.73
Disbursements July 1, 2012 thru June 30, 2013	\$ 33,274,242.95
Balance July 31, 2012	\$ 140,483,051.54

ITEMS OF NOTE:

Regular benefits paid for July 1, 2012 - July 31, 2012 were \$5.7 million more than July 2011.

Federal emergency benefits totaled \$10.1 million for the July 2012; for July 2011 federal emergency benefits totaled \$ 13.0 million.

Total disbursements were \$ 51 thousand more in July 2012 than the preceding July 2011.

Receipts for July 2012 were \$ 1.8 million more than in July 2011. Overall ending trust fund balance was \$40.5 million higher on July 31, 2012 than on July 31, 2011.

West Virginia's unemployment rate for the month of July 2012 was 7.2 percent. National unadjusted employment rate was 8.6 percent.

Seasonally adjusted unemployment rates were 7.4 percent for West Virginia and 8.3 percent nationally.

Since July 2011 employment has increased by 700. Employment gains were as follows: 4,000 in educational and health services; 2,800 in construction; 1,800 in leisure and hospitality; 1,200 in professional and business services, and 300 in financial activities. Employment declines were as follows: 3,000 in mining and logging; 2,700 in trade, transportation, and utilities; 2,400 in manufacturing; 900 in government, and 400 in other services.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING MAY 2011 AND MAY 2012**

	MAY 2011	JUNE 2011	JULY 2011	MAY 2012	JUNE 2012	JULY 2012	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$49,106,436.23</u>	<u>\$114,721,986.45</u>	<u>\$101,837,094.21</u>	<u>\$85,531,981.75</u>	<u>\$154,583,262.06</u>	<u>\$140,675,916.78</u>	<u>\$115,125,643.68</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$83,175,228.57	\$1,980,523.73	\$17,384,591.01	\$88,327,495.01	\$1,540,732.88	\$22,499,519.28	\$9,827,403.85
3. Federal Emergency Benefits (EUCOB)	\$13,815,032.80	\$12,315,858.64	\$11,426,173.66	\$9,764,187.07	\$8,955,272.58	\$10,026,392.93	(\$8,810,212.52)
4. Federal Share Extended Benefits (EB)	\$2,148,241.46	\$2,383,414.20	\$1,837,503.73	\$1,290,291.41	\$725,987.49	\$9,789.29	(\$4,342,091.20)
5. Temp Federal Additional Comp (FAC)	\$1,995.90	\$2,089.64	\$1,172.96	\$38.96	\$225.00	\$522.00	(\$4,472.64)
6. UCFE (Federal Agencies)	\$284,152.30	\$288,276.22	\$252,811.15	\$162,000.88	\$124,610.55	\$138,020.52	(\$400,607.62)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. UCX (Military Agencies)	\$0.00	\$791,243.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. WV Insurance Committee-Senate Bill 246	\$482,807.37	\$415,179.94	\$373,310.92	\$468,528.29	\$875,478.44	\$0.00	\$84,234.95
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$33,054.83)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$99,907,458.40</u>	<u>\$18,176,585.86</u>	<u>\$31,274,563.43</u>	<u>\$100,000,541.62</u>	<u>\$12,597,888.43</u>	<u>\$33,081,377.73</u>	<u>(\$3,678,799.91)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$16,967,694.13	\$16,440,918.84	\$16,757,476.54	\$18,758,838.50	\$16,173,940.72	\$22,458,167.67	\$8,224,855.38
Federal Emergency Benefits (EUCOB)	\$14,257,841.78	\$11,891,085.68	\$13,046,803.66	\$9,270,693.09	\$8,910,728.27	\$10,189,033.21	(\$10,845,156.55)
Federal Share Extended Benefits (EB)	\$2,398,777.24	\$2,156,188.19	\$1,821,308.63	\$1,180,889.85	\$693,308.15	\$9,321.29	(\$4,480,742.77)
Emergency Benefits (TEUC)	(\$474.02)	(\$598.98)	(\$200.00)	(\$2,733.00)	(\$1,122.00)	(\$784.00)	(\$3,366.00)
Temp Federal Additional Comp (FAC)	\$1,970.90	\$2,089.64	\$1,220.96	\$38.96	\$225.00	\$415.00	(\$4,802.54)
UCFE (Federal Workers) Benefits	\$219,563.07	\$201,711.60	\$209,985.23	\$124,463.15	\$112,983.93	\$139,423.14	(\$254,389.66)
UCX (Military Workers) Benefits	\$433,482.14	\$366,083.13	\$415,650.42	\$379,010.79	\$358,671.20	\$411,518.81	(\$86,927.09)
Reed Act Funds	\$15,242.94	\$5,000.00	\$293,418.07	\$53,474.13	\$500.00	\$0.00	(\$259,686.66)
Special Administrative Transfer**	\$0.00	\$0.00	\$677,072.27	\$174,577.84	\$257,998.48	\$67,130.03	(\$157,365.94)
Total Monthly Disbursements	<u>\$34,291,908.18</u>	<u>\$31,081,478.10</u>	<u>\$33,222,733.78</u>	<u>\$30,949,281.31</u>	<u>\$26,505,233.73</u>	<u>\$33,274,242.95</u>	<u>(\$7,847,382.07)</u>
Trust Fund Balance	<u>\$114,721,986.45</u>	<u>\$101,837,094.21</u>	<u>\$98,888,923.86</u>	<u>\$154,583,262.09</u>	<u>\$140,675,916.78</u>	<u>\$140,483,051.54</u>	<u>\$119,294,225.84</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.

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 25, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

UC TRUST FUND PROJECTIONS - 2012

September 4, 2012

Month	Revenues	Benefits	Trust Fund Balance
2011			
Balance 1/1/2011			76,901,000
January	7,672,000	25,494,000	59,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,172,000	12,515,000	111,623,000
October	12,476,000	14,286,000	109,813,000
November	23,233,000	14,306,000	118,740,000
December	1,982,000	14,920,000	105,802,000
Totals - 2011	236,450,000	207,549,000	105,802,000

2012

January	12,438,000	21,838,000	96,402,000
February	15,756,000	18,727,000	93,431,000
March	1,964,000	19,227,000	76,168,000
April	29,482,000	20,118,000	85,532,000
May	88,809,000	19,758,000	154,583,000
June	2,266,000	16,241,000	140,608,000
July	22,333,000	22,458,000	140,483,000
August	28,424,000	18,790,000	150,117,000
September	2,353,000	11,552,000	140,918,000
October	13,188,000	13,513,000	140,593,000
November	22,596,000	14,708,000	148,481,000
December	2,130,000	15,467,000	135,144,000
Totals - 2012	241,739,000	212,397,000	135,144,000

The average unemployment rate in West Virginia for CY 2011 was 8.4%

The average projected unemployment rate in West Virginia for CY 2012 is 7.8%

Executive Division
112 California Avenue
Charleston, WV 25305

An agency of the Department of Commerce

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

www.workforcewv.org



Financial Statements

May 2012

West Virginia Legislative Interims
September 2012

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND
 STATEMENT OF CHANGES IN PLAN NET ASSETS
 For the Eleven Months Ending May 31, 2012

	(\$,000 's)		PRIOR YR VARIANCE	
	ACTUAL	BUDGET	\$	%
ADDITIONS				
Employer Premiums	\$3,094	\$3,516	(\$534)	(15%)
Health premiums	115,914	114,182	1,732	2%
Pay Co Premiums	0	0	952	0%
Annual required contributions	119,963	117,698	2,165	2%
Total Employer Premiums			3,749	3%
Member Premiums	64,369	62,454	1,915	3%
Health premiums	23,651	23,318	333	1%
Pay Co Premiums	15,652	15,455	187	1%
Life Insurance Premiums	105,062	101,327	2,636	3%
Total Member Premiums			6,403	7%
Total Premium Additions	223,916	216,828	4,590	2%
Other Additions	1,038	1,287	(249)	(19%)
Retiree Drug Subsidy	(1,512)	29,374	(20,896)	(105%)
Investment Income	223,042	240,586	(26,544)	(11%)
TOTAL ADDITIONS				
			(26,544)	(11%)
DEDUCTIONS				
Payments to Managed Care Org.	46,189	45,352	(837)	(2%)
Life Insurance Expense	15,715	15,455	(260)	(2%)
Medical Claims Expense	55,671	60,438	4,767	8%
Pharmacy Claims Expense	98,787	89,668	(9,119)	(10%)
Administrative Service Fees (External)	8,123	8,199	77	1%
Other Operating Expenses	3,231	3,122	(109)	(3%)
Bad Debt Expense	0	363	363	100%
TOTAL DEDUCTIONS	227,716	223,066	(4,650)	(2%)
			(4,650)	(2%)
NET FUND INCREASE	(4,674)	24,461	(31,185)	(119%)
Net Assets Held in Trust for Past Employees Benefits			(58,944)	(100%)
Beginning of period	472,079	472,079	0	0%
End of period	\$467,405	\$491,570	(\$24,165)	(5%)

Accrual Basis / Unaudited / Internal Use Only

06/27/12 11:02 AM

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET

DRAFT

	July 31	
	2012	2011
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 24,801	\$ 23,007
Advance Deposit with Carrier/Trustee	204,416	193,125
Receivables - Net	5,319	4,205
Prepaid Insurance	4,180	3,979
Total Short Term Assets	238,716	224,316
Long Term Assets		
Investments	138,146	141,323
Total Long Term Assets	138,146	141,323
TOTAL ASSETS	376,862	365,639
LIABILITIES		
Short Term Liabilities		
Accounts payable	5,424	5,701
Claims Payable	132	242
OPEB Liability	374	182
Agents Commissions Payable	1,112	1,195
Unearned Revenue	8,754	9,404
Current Estimated Claim Reserve	53,372	43,259
Total Short Term Liabilities	69,168	59,983
Long Term Liabilities		
Compensated Absences	67	75
Estimated Noncurrent Claim Reserve	83,614	82,968
Total Long Term Liabilities	83,681	83,043
TOTAL LIABILITIES	152,849	143,026
Prior Year Net Assets	221,456	219,975
Current Year Earnings	2,557	2,638
TOTAL NET ASSETS	224,013	222,613
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 376,862	\$ 365,639

DRAFT - Unaudited - Management Purposes Only

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the one month ending

DRAFT

	July 31	
	2012	2011
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 4,242	\$ 4,405
Less - Excess Insurance	(485)	(454)
Total Operating Revenues	<u>3,757</u>	<u>3,951</u>
Operating Expenses		
Claims Expense	1,788	3,035
Property & MS Claims Expense	176	1,012
Personal Services	122	134
General & Administrative Expense	167	265
Total Operating Expenses	<u>2,253</u>	<u>4,446</u>
Operating Income (Loss)	<u>1,504</u>	<u>(495)</u>
Nonoperating Revenues		
Investment Income	1,053	3,133
Total Nonoperating Revenues	<u>1,053</u>	<u>3,133</u>
Net Income	<u>\$ 2,557</u>	<u>\$ 2,638</u>

DRAFT - Unaudited - Management Purposes Only

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9/4/2012

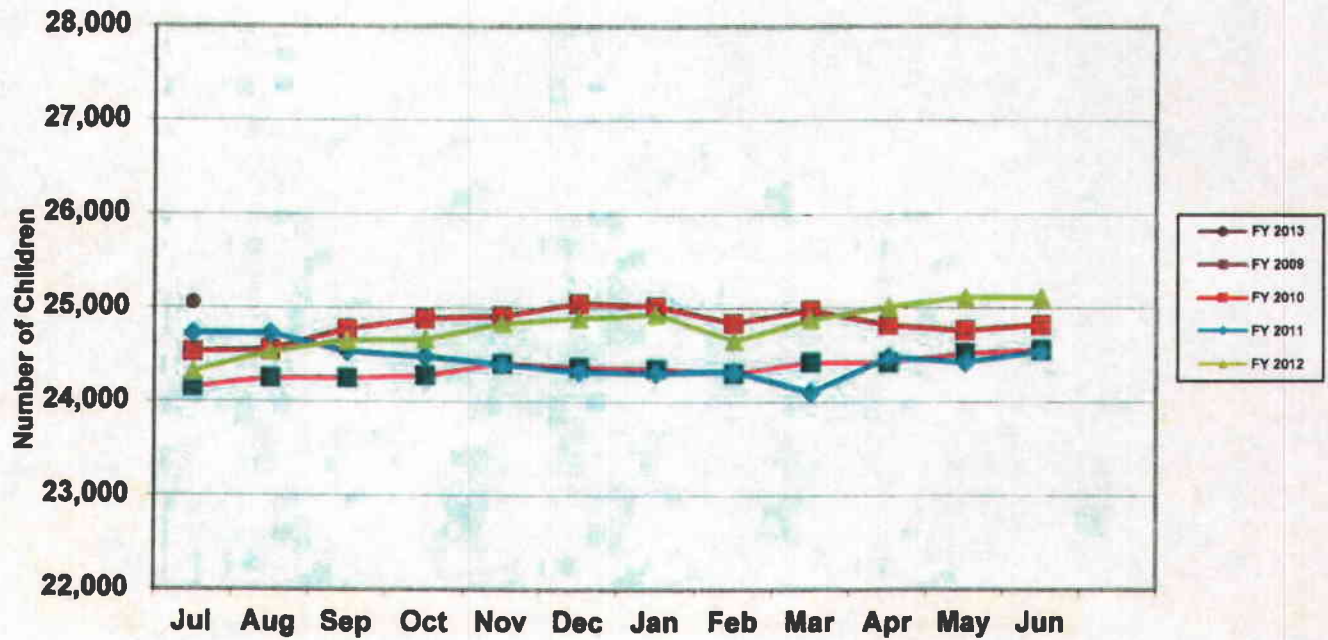


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

**Joint Committee on
Government and Finance
Report**

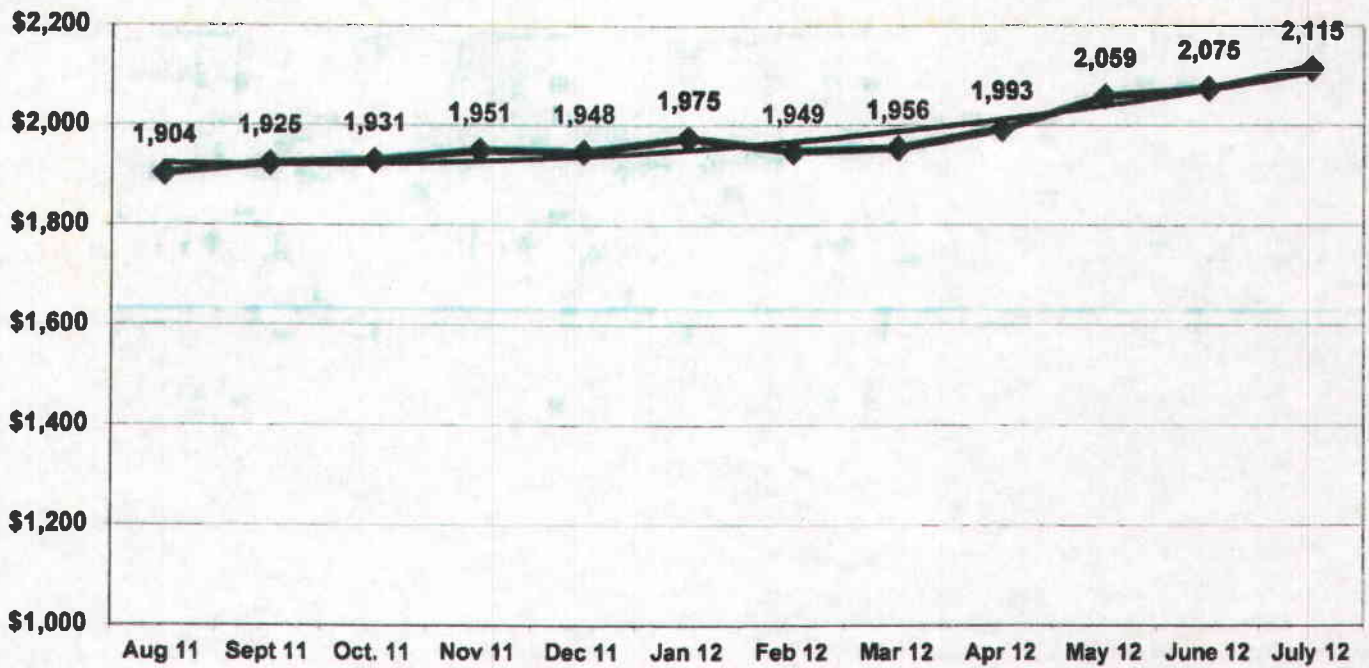
September 2012

WV CHIP Enrollment



July 31st Enrollment 25,062

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
July 2012 and 2011
(Accrual Basis)**

	July 31, 2012	July 31, 2011	Variance	
Assets:				
Cash & Cash Equivalents	\$16,096,319	\$16,024,750	\$71,569	0%
Due From Federal Government	\$4,715,436	\$3,637,465	\$1,077,971	30%
Due From Other Funds	\$1,118,334	\$843,923	\$274,411	33%
Accrued Interest Receivable	\$29,652	\$40,925	(\$11,273)	-28%
Fixed Assets, at Historical Cost	<u>\$94,332</u>	<u>\$66,595</u>	<u>\$27,737</u>	<u>42%</u>
Total Assets	<u>\$22,054,073</u>	<u>\$20,613,658</u>	<u>\$1,440,415</u>	<u>7%</u>
Liabilities:				
Due to Other Funds	\$163,770	\$305,726	(\$141,956)	-46%
Deferred Revenue	\$2,160,939	\$1,647,606	\$513,333	31%
Unpaid Insurance Claims Liability	<u>\$5,670,000</u>	<u>\$4,200,000</u>	<u>\$1,470,000</u>	<u>35%</u>
Total Liabilities	<u>\$7,994,709</u>	<u>\$6,153,332</u>	<u>\$1,841,377</u>	<u>30%</u>
Fund Equity	<u>\$14,059,364</u>	<u>\$14,460,326</u>	<u>(\$400,962)</u>	<u>-3%</u>
Total Liabilities and Fund Equity	<u>\$22,054,073</u>	<u>\$20,613,658</u>	<u>\$1,440,415</u>	<u>7%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the One Month Ending July 31, 2012 and July 31, 2011
(Modified Accrual Basis)

	July 31, 2012	July 31, 2011	Variance	
Revenues				
Federal Grants	3,089,941	2,319,084	770,857	33%
State Appropriations	2,185,115	2,185,103	12	0%
Premium Revenues	73,440	45,091	28,349	63%
Investment Income:				
Investment Earnings	9,674	40,925	(31,251)	-76%
Unrealized Gain On Investments*	19,978	(6,868)	26,866	100%
Total Investment Income	<u>29,652</u>	<u>34,037</u>	<u>(4,385)</u>	<u>-13%</u>
Total Revenues	<u>5,378,148</u>	<u>4,583,315</u>	<u>794,833</u>	<u>17%</u>
Expenditures:				
Claims:				
Outpatient Services	1,299,129	777,196	521,933	67%
Physicians & Surgical	1,052,985	638,381	414,604	65%
Prescribed Drugs	588,807	741,338	(152,531)	-21%
Dental	552,870	527,887	24,983	5%
Inpatient Hospital Services	306,241	437,986	(131,745)	-30%
Outpatient Mental Health	134,395	99,367	35,028	35%
Durable & Disposable Med. Equip.	88,212	93,198	(4,986)	-5%
Vision	67,683	54,004	13,679	25%
Therapy	67,627	42,113	25,514	61%
Inpatient Mental Health	62,863	69,984	(7,121)	-10%
Medical Transportation	49,480	31,300	18,180	58%
Other Services	18,265	15,190	3,075	20%
Less: Collections**	<u>(14,076)</u>	<u>(11,651)</u>	<u>(2,425)</u>	<u>21%</u>
Total Claims	<u>4,274,481</u>	<u>3,516,293</u>	<u>758,188</u>	<u>22%</u>
General and Admin Expenses:				
Salaries and Benefits	56,424	50,108	6,316	13%
Program Administration	94,697	160,456	(55,759)	-37%
Eligibility	31,000	22,000	9,000	41%
Outreach & Health Promotion	6,950	36,650	(29,700)	-81%
Current	15,207	48,513	(31,306)	-67%
Total Administrative	<u>204,278</u>	<u>305,727</u>	<u>(101,449)</u>	<u>-33%</u>
Total Expenditures	<u>4,478,759</u>	<u>3,822,020</u>	<u>656,739</u>	<u>17%</u>
Excess of Revenues				
Over (Under) Expenditures	899,389	761,295	138,094	18%
Fund Equity, Beginning	<u>13,159,975</u>	<u>13,699,031</u>	<u>(539,056)</u>	<u>-4%</u>
Fund Equity, Ending	<u>14,059,364</u>	<u>14,460,326</u>	<u>(400,962)</u>	<u>-3%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2013
For the One Month Ended July 31, 2012**

	<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>Jul-12</u>	<u>Actual Amt Jun-12</u>	<u>Actual Amt May-12</u>
Projected Cost	\$58,620,048	\$4,885,004	\$3,480,575	\$1,404,429	29%	\$4,885,004	\$3,480,575	\$5,177,980	\$5,830,625
Premiums	1,168,599	97,217	\$73,440	(\$23,777)	-24%	97,217	\$73,440	66,085	72,360
Subrogation & Rebates	575,990	47,999	\$14,076	(33,923)	-71%	47,999	14,076	145,915	15,486
Net Benefit Cost	56,877,459	4,783,787	\$3,393,059	\$1,390,729	29%	4,783,787	\$3,393,059	4,965,980	5,742,779
Salaries & Benefits	\$580,500	\$48,375	\$56,424	(\$8,049)	-17%	\$48,375	\$56,424	\$44,719	\$44,074
Program Administration	4,223,273	351,939	\$153,593	198,346	56%	351,939	153,593	145,698	170,500
Eligibility	420,000	35,000	\$4,200	30,800	88%	35,000	4,200	94,706	0
Outreach & Health Prom.	1,000,000	83,333	\$6,184	77,149	93%	83,333	6,184	11,896	218,001
Current Expense	250,000	20,833	\$18,476	2,357	11%	20,833	18,476	17,014	17,264
Total Admin Cost	\$6,473,773	\$539,481	\$238,877	\$300,604	56%	\$539,481	\$238,877	\$314,033	\$449,839
Total Program Cost	\$63,351,232	\$5,323,269	\$3,631,936	\$1,691,333	32%	\$5,323,269	\$3,631,936	\$5,280,013	\$6,192,618
Federal Share 80.83%	51,208,801	4,302,798	\$2,935,694	1,367,104	32%	4,302,798	2,935,694	4,267,835	5,005,493
State Share 19.17%	12,144,431	1,020,471	\$696,242	324,228	32%	1,020,471	696,242	1,012,179	1,187,125
Total Program Cost **	\$63,351,232	\$5,323,269	\$3,631,936	\$1,691,333	32%	\$5,323,269	\$3,631,936	\$5,280,013	\$6,192,618

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2011 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenerio dated 6/30/11 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

WVCHIP Enrollment Report

ATTACHMENT 1

August 2012

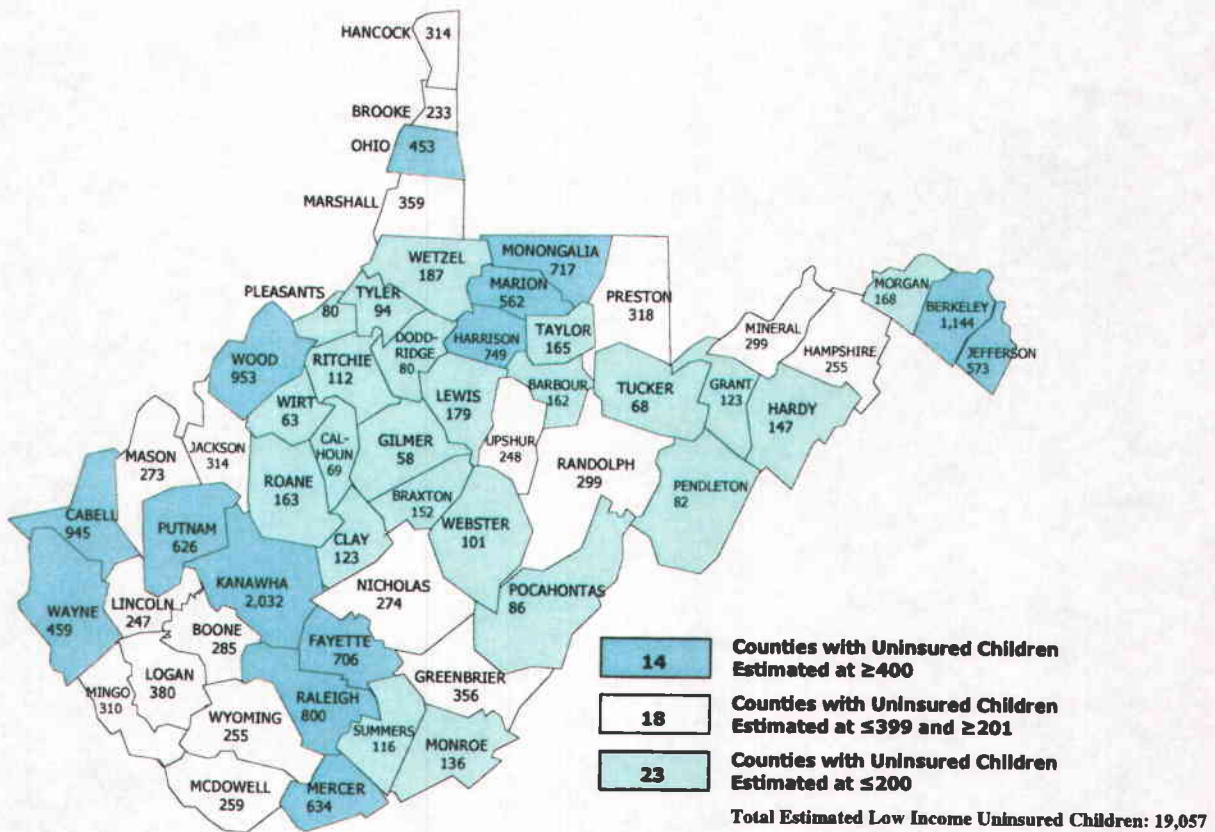
County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2009	2009
	2010 Est. (0-18 Yrs)	Enrollment Aug-12	Enrollment Aug-12	CHIP/Medicaid Enrollment	Enrollment % of Population	Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,600	300	1,540	1,840	51.1%	180	33
Berkeley	26,251	1,371	8,170	9,541	36.3%	1,313	2
Boone	5,615	308	2,413	2,721	48.5%	281	25
Braxton	3,006	211	1,489	1,700	56.5%	150	40
Brooke	4,573	288	1,504	1,792	39.2%	229	31
Cabell	18,879	1,023	8,397	9,420	49.9%	944	4
Calhoun	1,518	123	745	868	57.2%	76	51
Clay	2,215	184	1,331	1,515	68.4%	111	44
Doddridge	1,673	140	644	784	46.9%	84	48
Fayette	9,438	815	4,410	5,225	55.4%	472	13
Gilmer	1,260	71	552	623	49.4%	63	54
Grant	2,555	214	937	1,151	45.1%	128	42
Greenbrier	7,131	621	2,870	3,491	49.0%	357	16
Hampshire	5,392	324	2,051	2,375	44.0%	270	27
Hancock	6,166	377	2,402	2,779	45.1%	308	20
Hardy	3,015	194	1,194	1,388	46.0%	151	39
Harrison	15,202	917	5,315	6,232	41.0%	760	7
Jackson	6,602	444	2,723	3,167	48.0%	330	18
Jefferson	12,679	503	3,095	3,598	28.4%	634	10
Kanawha	39,771	2,322	16,973	19,295	48.5%	1,989	1
Lewis	3,389	294	1,641	1,935	57.1%	169	37
Lincoln	4,930	313	3,715	4,028	81.7%	247	30
Logan	7,496	504	3,765	4,269	57.0%	375	15
Marion	11,227	693	4,302	4,995	44.5%	561	11
Marshall	6,886	366	2,734	3,100	45.0%	344	17
Mason	5,929	298	2,718	3,016	50.9%	296	21
McDowell	4,423	305	3,049	3,354	75.8%	221	32
Mercer	12,764	1,164	6,792	7,956	62.3%	638	9
Mineral	5,868	306	1,959	2,265	38.6%	293	23
Mingo	5,905	388	3,043	3,431	58.1%	295	22
Monongalia	15,294	810	4,264	5,074	33.2%	765	6
Monroe	2,835	224	996	1,220	43.0%	142	41
Morgan	3,596	268	1,302	1,570	43.7%	180	34
Nicholas	5,561	409	2,472	2,881	51.8%	278	26
Ohio	8,444	516	3,050	3,566	42.2%	422	14
Pendleton	1,462	115	517	632	43.2%	73	52
Pleasants	1,551	118	530	648	41.8%	78	50
Pocahontas	1,561	157	728	885	56.7%	78	49
Preston	6,536	487	2,439	2,926	44.8%	327	19
Putnam	13,150	787	3,444	4,231	32.2%	658	8
Raleigh	16,403	1,309	7,298	8,607	52.5%	820	5
Randolph	5,705	500	2,595	3,095	54.3%	285	24
Ritchie	2,205	141	905	1,046	47.4%	110	45
Roane	3,239	320	1,656	1,976	61.0%	162	38
Summers	2,521	210	1,209	1,419	56.3%	126	43
Taylor	3,514	218	1,306	1,524	43.4%	176	35
Tucker	1,371	133	454	587	42.8%	69	53
Tyler	1,924	127	710	837	43.5%	96	47

WVCHIP Enrollment Report

ATTACHMENT 1

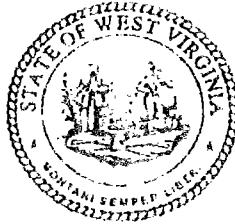
August 2012

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Aug-12	Total Medicaid Enrollment Aug-12	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,996	387	2,336	2,723	54.5%	250	29
Wayne	9,516	518	4,053	4,571	48.0%	476	12
Webster	1,977	152	1,150	1,302	65.8%	99	46
Wetzel	3,466	231	1,581	1,812	52.3%	173	36
Wirt	1,201	94	671	765	63.7%	60	55
Wood	18,956	1,233	8,202	9,435	49.8%	948	3
Wyoming	5,116	395	2,508	2,903	56.7%	256	28
Totals	387,459	25,240	158,849	184,089	47.5%	19,373	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.



COPY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE CABINET SECRETARY

EARL RAY TOMBLIN
GOVERNOR

ROSS TAYLOR
ACTING CABINET SECRETARY

September 7, 2012

The Honorable Jeff Kessler
President, West Virginia Senate
Building 1, Room M227-Capitol Complex
1900 Kanawha Blvd., East
Charleston, WV 25305


The Honorable Richard Thompson
Speaker, House of Delegates
Building 1, Room 228M-Capitol Complex
1900 Kanawha Blvd, East
Charleston, WV 25305

Dear Honorable President Kessler and Speaker Thompson:

In compliance with the requirements of Chapter 5, Article 6, Section 4a of the Code of West Virginia, 1931, as amended, I am providing you with the Authorizing Resolutions and the draft Deed in anticipation of the sale from the West Virginia Water Development Authority to the West Virginia Economic Development Authority of the Water Development Authority's office property located at NorthGate. No broker was involved in this transaction.

Please let me know if you have any questions regarding this transaction, or if I can be of any further assistance.

Sincerely,


ROSS TAYLOR
Acting Cabinet Secretary

Attachment

cc: Aaron Allred, Legislative Auditor
Peter Markham, General Counsel
David A. Warner, Executive Director (WVEDA)
Chris E. Jarrett, Executive Director (WVWDA)

BILL OF SALE

THIS BILL OF SALE, made as of the ____ day of August, 2012, between WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia ("Seller"), and WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY, a West Virginia public corporation ("Purchaser").

RECITALS:

WHEREAS, Seller has agreed to convey and sell to Purchaser, and Purchaser has agreed to purchase, all of Seller's right, title and interest in and to that certain real estate located at 180 Association Drive, Charleston, West Virginia, together with all furniture located thereon as of the date hereof], other than the furniture listed and described on Exhibit A attached hereto] [**CONFIRM**] (collectively, the "Furniture"); and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Seller hereby sells, conveys, transfers and assigns to Purchaser, all of Seller's right, title and interest in and to the Furniture, "AS IS, WHERE IS," in its existing condition. SELLER HEREBY EXPRESSLY DISCLAIMS ANY EXPRESS OR OTHER WARRANTY OF ANY TYPE OR NATURE WHATSOEVER WITH RESPECT TO THE FURNITURE THAT MIGHT ARISE BY IMPLICATION OR OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE.

2. Purchaser hereby accepts the foregoing sale, conveyance, transfer and assignment of the Furniture on the terms and conditions herein contained.

3. Seller and Purchaser hereby covenant and agree to execute and deliver, or to cause to be executed and delivered, and to do or make, or cause to be done or made, upon request of the other party, any and all agreements, instruments, papers, acts or things, supplemental, confirmatory or otherwise, as reasonably may be required for the purpose of, or in connection with, perfecting and completing the transfer of ownership of the Furniture.

4. This Bill of Sale shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

5. This Bill of Sale shall be governed by the laws of the State of West Virginia.

6. This Bill of Sale constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection with the subject matter.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, each party has caused this Bill of Sale to be executed on its behalf by its officer thereunto duly authorized, all as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: _____
Title: Executive Director

WEST VIRGINIA ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Title: Executive Director

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, To-Wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Chris E. Jarrett, the Executive Director of West Virginia Water Development Authority, a governmental instrumentality and body corporate, on behalf of said governmental instrumentality and body corporate.

My commission expires _____.

Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, To-Wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by David A. Warner, the Executive Director of West Virginia Economic Development Authority, a West Virginia public corporation, on behalf of said public corporation.

My commission expires _____.

Notary Public

WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION REGARDING THE PURCHASE OF CERTAIN REAL AND PERSONAL PROPERTY LOCATED IN THE CITY OF CHARLESTON, KANAWHA COUNTY, WEST VIRGINIA BY THE WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the West Virginia Economic Development Authority (the "WVEDA") is a public corporation and governmental instrumentality of the State of West Virginia that is empowered and authorized by the West Virginia Economic Development Authority Act, Chapter 31, Article 15, Section 1, *et seq.*, of the Code of West Virginia, 1931, as amended (the "Act"), in furtherance of the public purposes as found and determined by the Legislature of the State of West Virginia (the "State") and as set forth in Section 6 of the Act, to acquire real and/or property for, as may be necessary or convenient, to carry out the purposes of the WVEDA; and

WHEREAS, the West Virginia Water Development Authority (the "WDA") owns certain real and personal property, and all legal interests related thereto, comprised of an approximately 8,595 square foot condominium with related land rights adjacent to and contiguous with the existing offices of the WVEDA, located on 4.8 acres and certain personal property, including without limitation, office furniture and audio visual equipment, all at 180 Association Drive, NorthGate Business Park, Charleston, West Virginia (the "WDA Property"); and

WHEREAS, the WDA and WVEDA have entered into discussions for the acquisition by the WVEDA of the WDA Property, at a purchase price not to exceed \$1,300,000; and

WHEREAS, this Resolution establishes and sets forth certain terms and provisions under which the WVEDA can consummate the transaction contemplated herein and as set forth above; and

WHEREAS, of the transactions contemplated in this Resolution assist the WVEDA with carrying out the purposes of the WVEDA pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE WVEDA AS FOLLOWS:

1. The acquisition of the WDA Property by the WVEDA for a purchase price not to exceed \$1,300,000, and on such additional terms, conditions, agreements and provisions as the Chairman, Executive Director and legal counsel for the WVEDA determine are necessary, desirable or appropriate with regard to the acquisition of the Real Property is hereby authorized and approved.

2. The Chairman and Executive Director are authorized, empowered and directed to negotiate, execute and deliver for and on behalf of the WVEDA all purchase agreements, option agreements, declarations of restrictive covenants, contracts, instruments, certificate, forms, applications and other documents, and to do all such other acts and things as may be necessary and desirable to purchase the WDA Property, all under such terms and conditions as they may approve as being in the best interests of the WVEDA, and such approval and the necessity

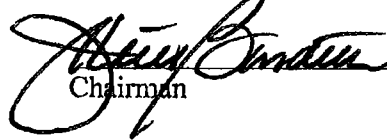
therefor shall be conclusively evidenced by the execution and delivery of these documents by such officer.

3. The WVEDA hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in a meeting of the WVEDA duly noticed and held and that all deliberations of the WVEDA that resulted in formal action were taken in full compliance with all applicable legal requirements.


4. Publication in the *West Virginia Register* of the notice for the regular meeting at which this Resolution was adopted by the WVEDA's Board is deemed sufficient availability to the news media as contemplated by Procedural Rule 117-2-3.5 of the WVEDA.

ADOPTED BY THE BOARD OF THE WVEDA at a regularly scheduled meeting held in Charleston, West Virginia, on July 19, 2012.

**WEST VIRGINIA
ECONOMIC DEVELOPMENT AUTHORITY**


Chairman

ATTEST:


Secretary

[SEAL]

1376235.2

DEED

THIS DEED, dated _____, 2012, by and between **WEST VIRGINIA WATER DEVELOPMENT AUTHORITY**, a West Virginia statutory corporation, herein referred to as "Grantor," and **WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY**, a West Virginia public corporation, herein referred to as "Grantee."

WITNESSETH: That for the sum of \$10.00, cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby **GRANT** and **CONVEY** unto Grantee, subject, however, to the reservations and exceptions hereinafter set out, all that certain condominium unit being known as Condominium Unit One-A, more particularly described in the First Amendment to Declaration Establishing Greenway Condominium Office Building made effective the 10th day of June, 1998, of record in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 2442, page 666, (the "First Amendment") including the rights in the Common Elements and the Limited Common Elements and rights of ingress and egress over Deitrick Drive and Association drive, and the utility rights-of-way and easements associated with said Condominium Unit One-A as shown and set out in the Declaration Establishing Greenway Condominium Office Building dated February 1, 1996, of record in said Clerks Office in Deed Book 2380, page 842, and the First Amendment. Condominium Unit One-A is situate on Lot A, Parcel B, of NorthGate, a commercial development situate in Charleston North Taxing District in the City of Charleston, Kanawha County, West Virginia, which said Lot A, Parcel B, is more particularly bounded and described as follows:

Beginning at a 1" iron pipe in the southern right of way of Association Drive, said 1" iron pipe being the northeastern corner of the property herein conveyed and referenced as Association Drive Station 0+94.64 at 25' left with established grid coordinates of (y) 493,174.133, (x) 1,825,902.611; said point of beginning being on a curve concave to the southeast, having a radius of 175.00 feet and being S 26° 44' 14" W a distance of 1,062.94 feet from Permanent Point No. 1; thence from said beginning leaving Association Drive Right of Way S 11° 22' 42" W a distance of 260.28 feet to a 1" iron pipe; thence S 46° 14' 16" E a distance of 73.85 feet to a 1" iron pipe; thence S 24° 17' 34" W a distance of 65.66 feet to a 4" x 4" concrete monument corner to Lot A and West Virginia American Water Company; thence with the property of West Virginia American Water Company S 24° 17' 34" W a distance of 130.51 feet to a 4" x 4" concrete monument a common corner to Lot A, West Virginia American Water Company and Spring Hill Cemetery; thence N 65° 21' 53" W a distance of 616.11 feet to a railroad spike set in water company access road; thence N 14° 25' 41" W a distance of 115.22 feet to a 1" iron pipe set on Spring Hill Cemetery property; thence N 60° 38' 47" E a distance of 360.03 feet through property owned by Corotoman, Inc. to a 1" iron pipe on the southern right of way of Association Drive on a curve concave to the northeast, having a radius of 225.00 feet and referenced as Association Drive Station 4+66.25 at 25 feet left; thence with said curve easterly 370.29 feet along said curve to the left through a central angle of 94° 17' 34" to a 1" iron pipe set and referenced as Association Drive Station 1+37.11 at 25.00' left (being the beginning of curve concave to the southeast, having a radius of 175.00 feet; thence northeasterly 37.16 feet along said curve to the right through a central angle of 12° 09' 59" to the point of beginning containing 209,449.80 square feet more or less, and 88,000 square feet more or less of usable land as the term is defined in the Declaration of Reservations and Restrictive Covenants for NorthGate which is of record in the Office of the Clerk of the County Commission of Kanawha County in Deed Book 2329, page 1, as more particularly described in a map thereof made by Richard Triggs, Registered Professional Engineer, RPE #9715, dated December 10, 1995, a copy of which map is made of record in the office of the Clerk of the County Commission of Kanawha County, West Virginia, on Deed Book 2380 page 873 – 818 (the "Map").

The Grantor further hereby GRANTS and CONVEYS unto the Grantee all rights, privileges and entitlements relating or appurtenant to Condominium Unit One-A, which is a permitted subdivision of Unit One, Greenway Condominium Office Building as provided and set

out in the Declaration Establishing Greenway Condominium Office Building dated February 1, 1996, recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 2380, page 84, and as amended by the First Amendment, and the related Articles of Incorporation of Greenway Condominium Office Building Unit Owners Association, Inc. and bylaws (the "Condominium Declaration").

The Grantor does further GRANT and CONVEY unto the Grantee the right to use in common with others and not exclusively, Deitrick Boulevard, Kenton Drive and Association Drive, being roads connecting the above-described premises with Greenbrier Street as means of access to and from the above-described property, together with the right to use in common with others such gas, sewer, water, telephone, electric and other utilities as are installed for the use and benefit of the condominium owners of Greenway Condominium Office Building as shown on the Map and the other recorded maps of NorthGate. The easements granted hereby are non-exclusive and the Grantor reserves the right to use said roads, easements, rights-of-way, gas, water, sewer, telephone, electric and other utilities and the right to grant to others the use of the same.

The Grantor further GRANTS and CONVEYS unto the Grantee a non-exclusive easement for ingress and egress over and across that portion of the "turnaround" area adjacent to the westerly side of the parking lot located on Lot A of Parcel B, but which "turnaround" area is located on Lot 5 of NorthGate as shown on the Map and being approximately 42 feet by 117 feet.

This conveyance is made expressly subject, however, to the following:

- (1) Any portion of the Common Area or Limited Common Areas lying within said unit.

(2) Any easements appurtenant to the Common Areas and/or Limited Common Areas and all other condominium units for encroachment resulting from the settling or other causes, except the willful act or acts of other condominium unit owners.

(3) The Condominium Declaration.

(4) The Declaration of Reservations and Restrictive Covenants dated November 22, 1993, of record in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 2329, page 1, as amended by the First Supplementary Declaration Containing First Amended and Restated Declaration of Reservations and Restrictive Covenants dated May 19, 1994, of record in said Clerk's office in Deed Book 2341, page 118, and further amended (as now or hereafter amended, the "Declaration").

The real estate herein conveyed is the same real estate conveyed unto West Virginia Water Development Authority by Corotoman, Inc. by Deed dated June 22, 1998, of record in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 2442, at page 672.

This conveyance is hereby expressly made subject to any and all exceptions, reservations, rights of way, easements, covenants, conditions, restrictions and easements as may be contained in former deeds in the chain of title to the property hereby conveyed.

Subject to the matters noted herein and subject to the lien of the 2012 real estate taxes, the party of the first part covenants with the parties of the second part that it will WARRANT SPECIALLY the title to the real estate herein conveyed.

DECLARATION OF CONSIDERATION OR VALUE: This transfer is exempt from West Virginia excise taxes on property transfers by reason that the Grantor and Grantee herein are political agencies or instrumentalities of the State of West Virginia.

RECITAL OF RESIDENT ENTITY: Pursuant to West Virginia Code § 11-21-71b, Grantor hereby certifies under penalties of perjury that it is a West Virginia statutory corporation and that it is therefore a "resident entity" under § 11-21-71b(a)(4)(A) to which the withholding tax does not apply by virtue of § 11-21-71b(d)(1)(A).

WITNESS the following signature and seal:

**WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY**, a West Virginia statutory corporation

By: _____

Its: _____

STATE OF WEST VIRGINIA,

COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, the _____ of West Virginia Water Development Authority, a West Virginia statutory corporation, as being the act and deed of said corporation.

My commission expires _____.

Notary Public

This document was prepared, without the benefit of a title examination, by Michelle Elmore Wooton, Esq., Jackson Kelly PLLC, Post Office Box 553, Charleston, West Virginia 25322.

RESOLUTION AUTHORIZING THE SALE OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY'S CONDOMINIUM SPACE, FIXTURES AND CERTAIN PERSONAL PROPERTY TO THE WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY, AUTHORIZING THE EXECUTION OF A DEED AND BILL OF SALE; AND TAKING SUCH ACTION AS ARE NECESSARY TO EXECUTE AND FINALIZE SUCH TRANSACTION

WHEREAS, the West Virginia Water Development Authority (the "Authority") is a public corporation and governmental instrumentality of the State of West Virginia that is empowered and authorized by Water Development Authority Act, Chapter 22C, Article 1, Section 1, *et seq.*, of the Code of West Virginia, 1931, as amended (the "Act"), in furtherance of the public purposes as found and determined by the Legislature of the State of West Virginia (the "State") and as set forth in Section 6 of the Act, to acquire real and/or personal property for, as may be necessary or convenient, to carry out the purposes of the Authority; and

WHEREAS, the Authority owns certain real and personal property, and all legal interests related thereto, comprised of an approximately 8,595 square foot condominium with related land rights adjacent to and contiguous with the existing offices of the West Virginia Economic Development Authority (the "EDA"), located on 4.8 acres and certain personal property, including without limitation, office furniture and audio visual equipment, all at 180 Association Drive, Northgate Business Park, Charleston, West Virginia, (the "WDA Property"); and

WHEREAS, the Authority and the EDA have entered into discussions for the acquisition by the EDA of the WDA Property, at a purchase price not to exceed \$1,300,000; and

WHEREAS, the EDA's offer to purchase the WDA Property is within the range of the property's appraised value; and

WHEREAS, this Resolution establishes and sets forth certain terms and provisions under which the Authority can consummate the transaction contemplated herein and as set forth above; and

WHEREAS, the transactions contemplated in this Resolution assist the Authority with carrying out the purposes of the Authority pursuant to the Act.

NOW, THEREFORE, be it resolved by the Water Development Board of the West Virginia Water Development Authority as follows:

1. The sale of the WDA Property by the Authority for a purchase price of \$1,300,000, and on such additional terms, conditions, agreements and provisions as are determined necessary, desirable or appropriate with regard to the sale of the WDA Property is hereby authorized and approved.

2. The Chairman and Executive Director are authorized, empowered and directed to negotiate, execute and deliver for and on behalf of the Authority all purchase agreements, option agreements, declarations of restrictive covenants, contracts, instruments, certificates, forms, applications, deeds, bills of sale and other documents, and to do all such other acts and things as may be necessary and desirable to sell the WDA Property, all under such terms and conditions as they may approve as being in the best interests of the Authority, and such approval and the necessity therefor shall be conclusively evidenced by the execution and delivery of these documents by such officer.

3. The Chairman and Executive Director are further authorized to obtain all approvals, if any, to authorize the sale of the WDA Property.

4. This Resolution shall be effective immediately upon adoption.

Adopted this 26th day of July, 2012.


Secretary/Treasurer

Department of Administration Real Estate Division Leasing Report

For the period of August 1, 2012 through August 31, 2012

NEW CONTRACT OF LEASE

REAL ESTATE DIVISION

RED-003 New Contract of Lease for 10 years consisting of a parking lot at the annual rate of \$300.00, 1200 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL

COUNCIL OF THE THREE RIVERS

CTR-001-SUB Renewal for 1 year consisting of 250 square feet of office space at the current monthly rate of \$175.00, annual cost \$2,100.00, full service, 1321 Plaza East, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF VETERANS AFFAIRS

VET-001 Renewal for 3 years consisting of 332 square feet of office space at the current monthly rate of \$144.00, annual cost \$1,728.00, full service, 3rd Floor of McClung Annex, in the City of Summersville, Nicholas County, West Virginia.

PUBLIC EMPLOYEES GRIEVANCE BOARD

EGB-011 Renewal for 1 year consisting of unlimited use of a hearing room and waiting room area at the current monthly rate of \$500.00, annual cost \$6,000.00, full service, 1614 South Kanawha Street, in the City of Beckley, Raleigh County, West Virginia.

STATE BOARD OF PROFESSIONAL SURVEYORS

LSB-004 Renewal for 5 years consisting of 1,680 square feet of office space at the current annual per square foot rate of \$9.64, annual cost \$16,200.00, water/sewer and electric, 140 Airport Road, in the City of Sutton, Braxton County, West Virginia.

WEST VIRGINIA DEPARTMENT OF AGRICULTURE

AGR-046 Renewal for 3 years consisting of 900 square feet of office space at the current annual per square foot rate of \$11.00, annual cost \$9,900.00, 3453 University Avenue, in the City of Star City, Monongalia County, West Virginia.

AGR-048 Renewal for 5 years consisting of 629 square feet of office space at the current annual per square foot rate of \$8.59, annual cost \$5,400.00, full service, 322 Summers Street, in the City of Hinton, Summers County, West Virginia.

DIVISION OF JUVENILE SERVICES

DJS-017 Renewal for 3 years consisting of 4,691 square feet of office space at the current annual per square foot rate of \$10.50, annual cost \$49,255.56, full service, 515 Central Avenue, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-158 Renewal for 5 years consisting of entire office building with attached garage, hazardous waste storage pad and parking area, at the current monthly rate of \$6,000.00, annual cost \$72,000.00, Elk River Business Park, in the City of Elview, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF VETERANS AFFAIRS

VET-025 Renewal for 3 years consisting of 646 square feet of office space with an increase in the annual per square foot rate from \$5.57 to \$6.50, annual cost \$4,200.00, full service, Elkins-Randolph County Airport, in the City of Elkins, Randolph County, West Virginia.

EDUCATIONAL BROADCASTING AUTHORITY

EBA-003 Renewal for 3 years consisting of tower/monitoring space with an increase in the monthly rate from \$125.00 to \$150.00, annual cost \$1,800.00, Tygart-Lubeck District, in the City of Parkersburg, Wood County, West Virginia.

EBA-072 Renewal for 3 years consisting of tower/monitoring space with an increase in the monthly rate from \$160.00 to \$185.00, annual cost \$2,220.00, Rich Mountain, in the City of Beverly, Randolph County, West Virginia.

DECREASE OF SQUARE FOOTAGE – DOA OWNED

STATE AERONAUTICS COMMISSION

AER-003 Decrease square footage by 292 square feet for a total of 1,311 square feet of office space at the current annual per square foot rate of \$10.93, annual cost \$14,329.20, full service, Building #5, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 August 1-31, 2012

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Real Estate Division	RED-003	Kanawha	0	0.00	300
2	Council of the Three Rivers	CTR-001-SUB	Kanawha	250	0.00	2,100
3	Division of Veterans Affairs	VET-001	Nicholas	332	0.00	1,728
4	Public Employees Grievance Board	EGB-011	Raleigh	0	0.00	6,000
5	State Board of Professional Surveyors	LSB-004	Braxton	1,680	9.64	16,200
6	West Virginia Department of Agriculture	AGR-046	Monongalia	900	11.00	9,900
7	West Virginia Department of Agriculture	AGR-048	Summers	629	8.59	5,403
8	Division of Juvenile Services	DJS-017	Kanawha	4,691	10.50	49,256
9	Department of Environmental Protection	DEP-158	Kanawha	0	0.00	72,000
10	Division of Veterans Affairs	VET-025	Randolph	646	6.50	4,200
11	Educational Broadcasting Authority	EBA-003	Wood	0	0.00	1,800
12	Educational Broadcasting Authority	EBA-072	Randolph	0	0.00	2,220
13	State Aeronautics Commission	AER-003	Kanawha	1,311	10.93	14,329
					57.16	
				Total Rentable Square Feet	<u>10,439</u>	
				Average Annual Rental Rate	<u>9.53</u>	
				Total Annual Rent		<u>185,436</u>

Joint Committee on Government and Finance

September 2012

Department of Health and Human Resources

MEDICAID REPORT

July 2012 Data

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

MONTH OF JULY 2012

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2012	SFY2013	Current Month 7/31/12	Current Month 7/31/12	Year To-Date Thru 7/31/12	8/1/12 Thru 6/30/13
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,452,498	158,114,250	11,471,363	16,305,544	11,471,363	146,642,887
Inpatient Hospital - DSH	56,043,409	56,578,800	-	-	-	56,578,800
Inpatient Hospital - Supplemental Payments	79,066,284	240,087,415	5,301,925	5,301,925	5,301,925	234,785,490
Inpatient Hospital - GME Payments	5,901,754	6,177,477	1,513,530	1,419,300	1,513,530	4,663,947
Mental Health Facilities	80,313,367	86,890,183	9,398,810	8,544,087	9,398,810	77,491,373
Mental Health Facilities - DSH Adjustment Payments	18,887,389	18,886,800	-	-	-	18,886,800
Nursing Facility Services - Regular Payments ⁽²⁾	527,623,016	551,320,912	43,293,543	46,954,650	43,293,543	508,027,369
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	65,316,485	67,038,000	4,637,229	5,740,183	4,637,229	62,400,771
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	116,140,541	121,059,846	9,332,312	11,319,926	9,332,312	111,727,534
Physicians Services - Supplemental Payments	26,661,492	27,943,400	6,566,560	7,624,675	6,566,560	21,376,840
Outpatient Hospital Services - Regular Payments	106,435,299	109,322,282	8,703,414	10,861,325	8,703,414	100,618,868
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	373,946,886	389,826,882	29,665,805	38,790,616	29,665,805	360,161,077
Drug Rebate Offset - National Agreement	(217,354,424)	(218,904,555)	(40,623,555)	(42,314,236)	(40,623,555)	(178,281,000)
Drug Rebate Offset - State Sidebar Agreement	(18,642,310)	(16,380,000)	(3,113,851)	(3,161,839)	(3,113,851)	(13,266,149)
Drug Rebate Offset - MCO National	(431,214)	-	(37,870)	-	(37,870)	37,870
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	-	-
Dental Services	56,047,746	61,762,117	4,341,704	6,181,452	4,341,704	57,420,413
Other Practitioners Services - Regular Payments	12,306,009	13,046,624	956,762	1,296,298	956,762	12,089,862
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,530,364	4,931,126	413,094	564,683	413,094	4,518,032
Lab & Radiological Services	24,887,789	23,419,950	1,805,445	2,457,101	1,805,445	21,614,505
Home Health Services	51,712,631	48,722,337	5,667,973	4,987,509	5,667,973	43,054,364
Hysterectomies/Sterilizations	191,711	216,100	16,692	22,135	16,692	199,408
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,208,359	1,215,098	93,810	120,663	93,810	1,121,288
Rural Health Clinic Services	7,486,074	8,079,315	675,412	777,240	675,412	7,403,903
Medicare Health Insurance Payments - Part A Premiums	17,434,414	18,452,300	1,506,717	1,573,242	1,506,717	16,945,583
Medicare Health Insurance Payments - Part B Premiums	85,509,019	93,260,400	6,542,283	7,873,708	6,542,283	86,718,117
120% - 134% Of Poverty	6,272,977	6,709,500	505,094	725,490	505,094	6,204,406
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	7,381,071	7,785,000	616,715	757,000	616,715	7,168,285

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

MONTH OF JULY 2012

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2012	SFY2013	Current Month 7/31/12	Current Month 7/31/12	Year To-Date Thru 7/31/12	8/1/12 Thru 6/30/13
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	343,161,264	349,618,600	27,564,102	29,121,950	27,564,102	322,054,498
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	409,952	457,200	36,645	43,962	36,645	420,555
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	287,968,353	306,476,800	32,602,298	28,965,548	32,602,298	273,874,502
Home & Community-Based Services (Aged/Disabled)	132,545,813	140,433,800	13,208,048	13,014,048	13,208,048	127,225,752
Home & Community-Based Services (Traumatic Brain Injury)	-	2,720,625	-	261,599	-	2,720,625
Home & Community-Based Services (State Plan 1915(I) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(J) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	15,197	-	-	-	-	-
Personal Care Services - Regular Payments	51,680,337	53,872,809	4,884,139	4,721,635	4,884,139	48,988,670
Personal Care Services - SDS 1915(J)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,166,084	3,427,893	205,788	353,856	205,788	3,222,105
Primary Care Case Management Services	219,829	264,800	14,766	29,760	14,766	250,034
Hospice Benefits ⁽³⁾	23,960,255	25,155,100	1,506,691	2,576,952	1,506,691	23,648,409
Emergency Services Undocumented Aliens	301,542	348,500	10,571	34,760	10,571	337,929
Federally Qualified Health Center	18,669,776	21,327,880	1,379,594	1,982,452	1,379,594	19,948,286
Non-Emergency Medical Transportation	25,549,481	26,054,403	2,279,596	2,514,692	2,279,596	23,774,807
Physical Therapy	2,195,303	2,245,596	184,248	212,942	184,248	2,061,348
Occupational Therapy	360,777	371,964	27,548	35,385	27,548	344,416
Services for Speech, Hearing & Language	554,124	567,665	35,272	61,519	35,272	532,393
Prosthetic Devices, Dentures, Eyeglasses	1,871,995	1,876,807	117,031	190,183	117,031	1,759,776
Diagnostic Screening & Preventive Services	539,322	578,315	44,581	55,394	44,581	533,734
Nurse Mid-Wife	224,671	612,100	14,832	65,769	14,832	597,268
Emergency Hospital Services	5,364	(7,500)	(256)	(1,625)	(256)	(7,244)
Critical Access Hospitals	30,431,181	33,996,660	2,687,658	3,274,923	2,687,658	31,309,002
Nurse Practitioner Services	1,512,698	2,981,049	156,126	290,337	156,126	2,824,923
School Based Services	47,384,340	49,082,468	10,900,792	4,950,183	10,900,792	38,181,676
Rehabilitative Services (Non-School Based)	78,431,034	83,291,528	7,156,099	8,484,587	7,156,099	76,135,429
Private Duty Nursing	4,723,035	4,918,769	435,314	521,673	435,314	4,483,455
Other Care Services	21,189,223	21,796,325	1,800,784	2,221,928	1,800,784	19,995,541
Less: Recoupments	-	-	(202,939)	-	(202,939)	202,939
NET EXPENDITURES:	2,736,399,588	3,018,031,716	216,300,244	238,707,089	216,300,244	2,801,731,472

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

MONTH OF JULY 2012

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2012	SFY2013	Current Month 7/31/12	Current Month 7/31/12	Year To-Date Thru 7/31/12	8/1/12 Thru 6/30/13
Collections: Third Party Liability (line 9A on CMS-64)	(7,028,830)	-	-	-	-	-
Collections: Probate (line 9B on CMS-64)	(473,182)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(1,205)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(7,303,907)	-	-	-	-	-
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,721,592,464	3,018,031,716	216,300,244	238,707,089	216,300,244	2,801,731,472
Plus: Medicaid Part D Expenditures	33,965,811	36,577,300	2,996,585	3,517,048	2,996,585	33,580,715
Plus: State Only Medicaid Expenditures	4,030,062	3,718,920	381,441	357,374	381,441	3,337,479
Plus: Money Follow the Person Expenditures	-	2,872,499	-	276,202	-	2,872,499
TOTAL MEDICAID EXPENDITURES	\$ 2,759,588,337	\$ 3,061,200,434	\$ 219,678,269	\$ 242,857,713	\$ 219,678,269	\$ 2,841,522,165
Plus: Reimbursables ⁽¹⁾	6,590,854	6,927,944	571,373	672,372	571,373	6,356,571
TOTAL EXPENDITURES	\$ 2,766,179,191	\$ 3,068,128,378	\$ 220,249,642	\$ 243,530,085	\$ 220,249,642	\$ 2,847,878,736

(1) This amount will revert to State Only if not reimbursed.
 (2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$2,791,051 is the amount paid to State Facilities year to date.
 (3) Of the amount in the "Hospice Benefits" line, \$1,037,174 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2013

MONTH OF JULY 2012	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2012	Current Month Ended 7/31/12	Year-To-Date Thru 7/31/12	8/1/12 Thru 6/30/13	SFY2013
REVENUE SOURCES					
Beg. Bal. 7/01/12 (5084/1020 prior mth)	\$ 210,933,113	\$ 8,645,986	\$ 8,645,986	\$ -	\$ 8,645,986
MATCHING FUNDS					
General Revenue (0403/189)	218,470,598	11,213,643	11,213,643	204,189,240	215,402,883
MRDD Waiver (0403/466)	88,753,483	5,916,899	5,916,899	82,836,584	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	216,333	2,379,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	529,667	5,826,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	53,334	53,334	746,666	800,000
Title XIX Waiver for Seniors (0403-533)	12,087,500	794,151	794,151	53,126,680	53,920,831
Medical Services Surplus (0403/633)	-	-	-	11,912,263	11,912,263
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	31,222,578	-	-	9,664,882	9,664,882
Lottery Transfer (5405/871)	8,670,000	-	-	32,152,933	32,152,933
Excess Lottery (5365/189)	-	-	-	24,503,890	24,503,890
Trust Fund Appropriation (5185/189)	30,556,594	3,300,000	3,300,000	197,584,590	200,884,590
Provider Tax (5090/189)	162,282,760	32,095,334	32,095,334	177,766,546	209,861,880
Certified Match	24,752,858	4,039,100	4,039,100	21,147,267	25,186,368
Reimbursables - Amount Reimbursed	5,832,222	119,762	119,762	6,808,181	6,927,944
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	-	80,781	80,781	(80,781)	-
CMS - 64 Adjustments	-	-	-	-	-
TOTAL MATCHING FUNDS	\$ 803,313,706	\$ 67,004,991	\$ 67,004,991	\$ 830,564,941	\$ 897,569,932
FEDERAL FUNDS	\$ 2,156,248,278	\$ 158,921,801	\$ 158,921,801	\$ 2,063,250,209	\$ 2,222,172,010
TOTAL REVENUE SOURCES	\$ 2,959,561,984	\$ 225,926,792	\$ 225,926,792	\$ 2,893,815,150	\$ 3,119,741,942
TOTAL EXPENDITURES:					
Provider Payments	\$ 2,928,653,656	\$ 220,249,642	\$ 220,249,642	\$ 2,847,878,736	\$ 3,068,128,378
TOTAL	\$ 30,908,328	\$ 5,677,150	\$ 5,677,150		\$ 51,613,564

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

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Monthly Performance Report

July 31, 2012



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of July 31, 2012

	6/30/2012		7/31/2012		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	13,170,110	100.0	13,322,095	100.0							
Pension Assets	10,300,026	78.2	10,411,676	78.2							
Public Employees' Retirement System	4,353,124	33.1	4,397,847	33.0	1.2	-0.8	1.2	2.3	10.6	2.8	7.5
Teachers' Retirement System	4,969,706	37.6	5,134,066	38.5	1.1	-0.9	1.1	2.1	10.3	2.3	7.1
Teachers' Employers Cont. Collection A/C	142,994	1.1	38,004	0.3			0.0			1.0	
EMS Retirement System	35,161	0.3	35,862	0.3	1.2	-0.8	1.2	2.1	10.5		
Public Safety Retirement System	477,497	3.6	480,276	3.6	1.2	-0.7	1.2	2.3	10.7	2.8	7.5
Judges' Retirement System	126,294	1.0	127,452	1.0	1.2	-0.8	1.2	2.2	10.6	2.8	7.4
State Police Retirement System	78,753	0.6	79,960								
Deputy Sheriffs' Retirement System	116,308	0.9	117,998	0.9	1.2	-0.8	1.2	2.2	10.5	2.8	7.5
Municipal Police & Firefighter Retirement System	189	0.0	211	0.0	1.0	-1.2	1.0	4.7			
Insurance Assets	1,991,081	15.1	2,018,015	15.1							
Workers' Compensation Old Fund	946,854	7.1	960,951	7.2	1.3	0.9	1.3	4.2	7.9	3.4	
Workers' Comp. Self-Insured Guaranty Risk Pool	10,878	0.1	11,056	0.1	1.3	0.6	1.3	3.5	3.5	3.0	
Workers' Comp. Uninsured Employers Fund	9,148	0.1	9,259		1.2			3.3	2.9		
Pneumoconiosis	257,121	2.0	259,615	1.9	1.3	0.5	1.3	3.4	8.2	4.1	
Board of Risk & Insurance Mgmt.	138,164		139,940	1.0	1.3	0.5	1.3	3.6	8.4	5.1	
Public Employees' Insurance Agency	183,321	1.4	185,868	1.4	1.4	1.4	1.4	5.0	8.3	4.7	
WV Retiree Health Benefit Trust Fund	443,144		448,834				1.3	2.4	8.3		
AccessWV	2,451	0.0	2,492	0.0	1.7	2.6	1.7	7.7			
Endowment Assets	879,003	6.7	892,404	6.7							
Wildlife Fund	40,057	0.3	40,559	0.3	1.2	-0.8	1.2	2.2	10.5	2.8	7.6
Prepaid Tuition Trust	77,822	0.6	78,691	0.6	1.1	-0.4	1.1	3.7	10.8	3.7	8.0
Revenue Shortfall Reserve Fund	423,261	3.2	430,427	3.2		2.6	1.7	7.8	9.4		
Revenue Shortfall Reserve Fund - Part B	331,325	2.5	336,112	2.5	1.4	1.2	1.4	5.0	9.6	1.7	
WV DEP Trust	6,538	0.1	6,615	0.1	1.2	-1.3	1.2	1.7			

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of July 31, 2012

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	13,327,770	100.00								
Total Equity Composite	5,778,701	43.36	1.00	-3.52	1.00	-2.75	10.97	-0.15	7.76	
<i>Total Equity Policy Index</i>			<i>1.22</i>	<i>-3.05</i>	<i>1.22</i>	<i>-2.53</i>	<i>9.42</i>	<i>-1.44</i>	<i>7.17</i>	
Excess Return			-0.22	-0.47	-0.22	-0.22	1.55	1.29	0.59	
US Equity Composite	2,804,091	21.04	0.86	-2.19	0.86	6.69	14.75	1.51	7.45	
<i>Russell 3000 Index</i>			<i>0.99</i>	<i>-1.54</i>	<i>0.99</i>	<i>7.33</i>	<i>14.22</i>	<i>1.29</i>	<i>6.80</i>	
Excess Return			-0.13	-0.65	-0.13	-0.64	0.53	0.22	0.65	
Large Cap Composite	2,100,232	15.76	1.44	-0.81	1.44	9.45	14.63	1.50	6.33	
<i>S&P 500 Index</i>			<i>1.39</i>	<i>-0.78</i>	<i>1.39</i>	<i>9.13</i>	<i>14.13</i>	<i>1.13</i>	<i>6.34</i>	
Excess Return			0.05	-0.03	0.05	0.32	0.50	0.37	-0.01	
Non-Large Cap Composite	703,859	5.28	-0.83	-6.13	-0.83	-1.02	16.44	2.31	9.47	
<i>Russell 2500 Index</i>			<i>-0.68</i>	<i>-4.10</i>	<i>-0.68</i>	<i>0.88</i>	<i>15.42</i>	<i>2.24</i>	<i>9.31</i>	
Excess Return			-0.15	-2.03	-0.15	-1.90	1.02	0.07	0.16	
International Equity Composite	2,974,610	22.32	1.13	-4.86	1.13	-11.73	6.96	-2.22	8.94	
<i>MSCI AC World ex US Index</i>			<i>1.44</i>	<i>-4.62</i>	<i>1.44</i>	<i>-11.73</i>	<i>4.63</i>	<i>-3.85</i>	<i>8.46</i>	
Excess Return			-0.31	-0.24	-0.31	0.00	2.33	1.63	0.48	
Fixed Income Composite	3,545,770	26.60	1.49	2.20	1.49	6.16	8.21	6.13	6.21	
<i>Fixed Income Policy</i>			<i>1.49</i>	<i>2.40</i>	<i>1.49</i>	<i>7.29</i>	<i>7.41</i>	<i>7.12</i>	<i>5.76</i>	
Excess Return			0.00	-0.20	0.00	-1.13	0.80	-0.99	0.45	
Core Fixed Income	1,204,394	9.04	1.23	2.19	1.23	7.56	7.90			
<i>Barclays Capital Aggregate</i>			<i>1.38</i>	<i>2.34</i>	<i>1.38</i>	<i>7.25</i>	<i>6.85</i>			
Excess Return			-0.15	-0.15	-0.15	0.31	1.05			
Total Return Fixed Income	2,341,376	17.57	1.62	2.20	1.62	5.43	8.39	6.38	6.80	
<i>Barclays Capital US Universal</i>			<i>1.49</i>	<i>2.40</i>	<i>1.49</i>	<i>7.29</i>	<i>7.41</i>	<i>6.97</i>	<i>6.03</i>	
Excess Return			0.13	-0.20	0.13	-1.86	0.98	-0.59	0.77	
TIPS Composite	741,704	5.57	1.91	3.04	1.91	9.47				
<i>Barclays Capital U.S.TIPS</i>			<i>1.90</i>	<i>3.02</i>	<i>1.90</i>	<i>9.49</i>				
Excess Return			0.01	0.02	0.01	-0.02				
TRS Annuity	53,291	0.40	0.37	1.09	0.37	4.48	4.49			
Cash Composite	359,235	2.70	0.01	0.02	0.01	0.07	0.12	1.03	1.96	
<i>Citigroup 90 Day T-Bill + 15 bps</i>			<i>0.02</i>	<i>0.07</i>	<i>0.02</i>	<i>0.22</i>	<i>0.27</i>	<i>1.05</i>	<i>2.00</i>	
Excess Return			-0.01	-0.05	-0.01	-0.15	-0.15	-0.02	-0.04	
Private Equity Composite	951,117	7.14	1.67	2.99	1.67	12.33	17.04			
Real Estate Composite	650,762	4.88	0.82	2.48	0.82	7.24	9.04			
Hedge Funds Composite	1,247,190	9.36	1.16	-0.21	1.16	0.61	5.52			
<i>LIBOR + 400 bps</i>			<i>0.37</i>	<i>1.11</i>	<i>0.37</i>	<i>4.47</i>	<i>4.36</i>			
Excess Return			0.79	-1.32	0.79	-3.86	1.16			

West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of July 31, 2012

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

Pension Assets

Public Employees' Retirement System	24.5	24.5	26.1	26.5	23.0	23.0	9.3	10.0	6.3	6.0	10.2	10.0	0.6	0.0
Teachers' Retirement System	23.9	24.5	25.5	26.5	22.1	23.0	9.0	10.0	6.2	6.0	10.1	10.0	3.2	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0		0.0			0.0	0.0	10	100.0
EMS Retirement System	24.1	24.5	25.7	26.5	23.5	23.0	9.3	10.0	6.1	6.0	10.1	10.0	1.2	0.0
Public Safety Retirement System	24.6	24.5	26.3	26.5	23.1	23.0	9.4	10.0	6.3	6.0	10.3	10.0	0.0	0.0
Judges' Retirement System	24.6	24.5	26.2	26.5	23.1	23.0	9.4	10.0	6.3	6.0	10.3	10.0	0.1	0.0
State Police Retirement System	24.1	24.5	25.6	26.5	23.5	23.0	9.3	10.0	6.1	6.0	10.1	10.0		0.0
Deputy Sheriffs' Retirement System	24.3	24.5	25.9	26.5	23.1	23.0	9.3	10.0	6.3	6.0	10.2	10.0	0.9	0.0
Municipal Police & Firefighter Retirement System	20.2	24.5	21.9	26.5	19.4	23.0	8.2	10.0	5.0	6.0	7.8	10.0	17.5	0.0

Insurance Assets

Workers' Compensation Old Fund	9.8	9.8	10.4	10.6	70.2	69.6	0.0	0.0	0.0	0.0	0.0	0.0	9.6	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.8	9.8	10.4	10.6	55.0	54.6	0.0	0.0	0.0	0.0	19.7	20.0	5.1	5.0
Workers' Comp. Uninsured Employers Fund			10.5	10.6	50.1	49.6	0.0	0.0	0.0	0.0	19.8	20.0		1
Pneumoconiosis	9.9	9.8	10.5	10.6	55.2	54.6	0.0	0.0	0.0	0.0	19.8	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	9.8	9.8	10.4	10.6	55.1	54.6	0.0	0.0	0.0	0.0	19.7	20.0	5.0	5.0
Public Employees' Insurance Agency	4.9	4.9	5.2	5.3	75.1	74.8	0.0	0.0	0.0	0.0	9.9	10.0	4.9	5.0
WV Retiree Health Benefit Trust Fund	17.2	17.1	18.3	18.6	44.9	44.3	0.0	0.0	0.0	0.0	19.6	20.0	0.0	0.0
AccessWV	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

Endowment Assets

Wildlife Fund	24.4	24.5	26.0	26.5	23.6	23.0	9.4	10.0	6.3	6.0	10.1	10.0	0.2	0.0
Prepaid Tuition Trust	31.9	32.9	17.0	16.1	49.8	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	9.8	10.0	10.3	10.0	79.9	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	35.6	35.0	28.9	30.0	35.5	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Statutory Limitations

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of July 31, 2012

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

Returns are net of management fees. Returns shorter than one year are unannualized.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Monthly Performance Report

July 31, 2012



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of July 31, 2012

	6/30/2012		7/31/2012		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	13,170,110	100.0	13,322,095	100.0							
Pension Assets	10,300,026	78.2	10,411,676	78.2							
Public Employees' Retirement System	4,353,124	33.1	4,397,847	33.0	1.2	-0.8	1.2	2.3	10.6	2.8	7.5
Teachers' Retirement System	4,969,706	37.6	5,134,066	38.5	1.1	-0.9	1.1	2.1	10.3	2.3	7.1
Teachers' Employers Cont. Collection A/C	142,994	1.1	38,004				0.0	0.0	0.1	1.0	
EMS Retirement System	35,161	0.3	35,862	0.3	1.2	-0.8	1.2	2.1	10.5		
Public Safety Retirement System	477,497	3.6	480,276	3.6		-0.7		2.3	10.7	2.8	7.5
Judges' Retirement System	126,294	1.0	127,452	1.0	1.2	-0.8	1.2	2.2	10.6	2.8	7.4
State Police Retirement System	78,753	0.6	79,960	0.6	1.2	-0.9		2.1	10.5	2.9	7.4
Deputy Sheriffs' Retirement System	116,308	0.9	117,998	0.9	1.2	-0.8	1.2	2.2	10.5	2.8	7.5
Municipal Police & Firefighter Retirement System	189	0.0	211	0.0	1.0	-1.2	1.0	4.7			
Insurance Assets	1,991,081	15.1	2,018,015	15.1							
Workers' Compensation Old Fund	946,854	7.1	960,951	7.2	1.3	0.9	1.3	4.2	7.9	3.4	
Workers' Comp. Self-Insured Guaranty Risk Pool	10,878	0.1	11,056	0.1	1.3	0.6	1.3	3.5	3.5	3.0	
Workers' Comp. Uninsured Employers Fund	9,148	0.1	9,259		1.2	0.4			2.9	2.7	
Pneumoconiosis	257,121	2.0	259,615	1.9	1.3	0.5	1.3	3.4	8.2	4.1	
Board of Risk & Insurance Mgmt.	138,164	1.1	139,940	1.0	1.3	0.5	1.3	3.6	8.4	5.1	
Public Employees' Insurance Agency	183,321	1.4	185,868	1.4	1.4	1.4	1.4	5.0	8.3	4.7	
WV Retiree Health Benefit Trust Fund	443,144	3.3	448,834	3.4	1				8.3		
AccessWV	2,451	0.0	2,492	0.0	1.7	2.6	1.7	7.7			
Endowment Assets	879,003	6.7	892,404	6.7							
Wildlife Fund	40,057	0.3	40,559	0.3	1.2	-0.8	1.2	2.2	10.5	2.8	7.6
Prepaid Tuition Trust	77,822	0.6	78,691	0.6	1.1	-0.4	1.1	3.7	10.8	3.7	8.0
Revenue Shortfall Reserve Fund	423,261	3.2	430,427	3.2	1.7	2.6		7.8	9.4		
Revenue Shortfall Reserve Fund - Part B	331,325	2.5	336,112	2.5	1.4	1.2	1.4	5.0	9.6	1.7	
WV DEP Trust	6,538	0.1	6,615	0.1	1.2	-1.3	1.2	1.7			

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of July 31, 2012

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	13,327,770	100.00								
Total Equity Composite	5,778,701	43.36	1.00	-3.52	1.00	-2.75	10.97	-0.15	7.76	
<i>Total Equity Policy Index</i>			1.22	-3.05	1.22	-2.53	9.42	-1.44	7.17	
Excess Return			-0.22	-0.47	-0.22	-0.22	1.55	1.29	0.59	
US Equity Composite	2,804,091	21.04	0.86	-2.19	0.86	6.69	14.75	1.51	7.45	
<i>Russell 3000 Index</i>			0.99	-1.54	0.99	7.33	14.22	1.29	6.80	
Excess Return			-0.13	-0.65	-0.13	-0.64	0.53	0.22	0.65	
Large Cap Composite	2,100,232	15.76	1.44	-0.81	1.44	9.45	14.63	1.50	6.33	
<i>S&P 500 Index</i>			1.39	-0.78	1.39	9.13	14.13	1.13	6.34	
Excess Return			0.05	-0.03	0.05	0.32	0.50	0.37	-0.01	
Non-Large Cap Composite	703,859	5.28	-0.83	-6.13	-0.83	-1.02	16.44	2.31	9.47	
<i>Russell 2500 Index</i>			-0.68	-4.10	-0.68	0.88	15.42	2.24	9.31	
Excess Return			-0.15	-2.03	-0.15	-1.90	1.02	0.07	0.16	
International Equity Composite	2,974,610	22.32	1.13	-4.86	1.13	-11.73	6.96	-2.22	8.94	
<i>MSCI AC World ex US Index</i>			1.44	-4.62	1.44	-11.73	4.63	-3.85	8.46	
Excess Return			-0.31	-0.24	-0.31	0.00	2.33	1.63	0.48	
Fixed Income Composite	3,545,770	26.60	1.49	2.20	1.49	6.16	8.21	6.13	6.21	
<i>Fixed Income Policy</i>			1.49	2.40	1.49	7.29	7.41	7.12	5.76	
Excess Return			0.00	-0.20	0.00	-1.13	0.80	-0.99	0.45	
Core Fixed Income	1,204,394	9.04	1.23	2.19	1.23	7.56	7.90			
<i>Barclays Capital Aggregate</i>			1.38	2.34	1.38	7.25	6.85			
Excess Return			-0.15	-0.15	-0.15	0.31	1.05			
Total Return Fixed Income	2,341,376	17.57	1.62	2.20	1.62	5.43	8.39	6.38	6.80	
<i>Barclays Capital US Universal</i>			1.49	2.40	1.49	7.29	7.41	6.97	6.03	
Excess Return			0.13	-0.20	0.13	-1.86	0.98	-0.59	0.77	
TIPS Composite	741,704	5.57	1.91	3.04	1.91	9.47				
<i>Barclays Capital U.S. TIPS</i>			1.90	3.02	1.90	9.49				
Excess Return			0.01	0.02	0.01	-0.02				
TRS Annuity	53,291	0.40	0.37	1.09	0.37	4.48	4.49			
Cash Composite	359,235	2.70	0.01	0.02	0.01	0.07	0.12	1.03	1.96	
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.07	0.02	0.22	0.27	1.05	2.00	
Excess Return			-0.01	-0.05	-0.01	-0.15	-0.15	-0.02	-0.04	
Private Equity Composite	951,117	7.14	1.67	2.99	1.67	12.33	17.04			
Real Estate Composite	650,762	4.88	0.82	2.48	0.82	7.24	9.04			
Hedge Funds Composite	1,247,190	9.36	1.16	-0.21	1.16	0.61	5.52			
<i>LIBOR + 400 bps</i>			0.37	1.11	0.37	4.47	4.36			
Excess Return			0.79	-1.32	0.79	-3.86	1.16			

West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of July 31, 2012

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

Pension Assets

Public Employees' Retirement System	24.5	24.5	26.1	26.5	23.0	23.0	9.3	10.0	6.3	6.0	10.2	10.0	0.6	0.0
Teachers' Retirement System	23.9	24.5	25.5	26.5	22.1	23.0	9.0	10.0	6.2	6.0	10.1	10.0	3.2	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	24.1	24.5	25.7	26.5	23.5	23.0	9.3	10.0	6.1	6.0	10.1	10.0	1.2	0.0
Public Safety Retirement System	24.6	24.5	26.3	26.5	23.1	23.0	9.4	10.0	6.3	6.0	10.3	10.0	0.0	0.0
Judges' Retirement System	24.6	24.5	26.2	26.5	23.1	23.0	9.4	10.0	6.3	6.0	10.3	10.0	0.1	0.0
State Police Retirement System	24.1	24.5	25.6	26.5	23.5	23.0	9.3	10.0	6.1	6.0	10.1	10.0	1.3	0.0
Deputy Sheriffs' Retirement System	24.3	24.5	25.9	26.5	23.1	23.0	9.3	10.0	6.3	6.0	10.2	10.0	0.9	0.0
Municipal Police & Firefighter Retirement System	20.2	24.5	21.9	26.5	19.4	23.0	8.2	10.0	5.0	6.0	7.8	10.0	17.5	0.0

Insurance Assets

Workers' Compensation Old Fund	9.8	9.8	10.4	10.6	70.2	69.6	0.0	0.0	0.0	0.0	0.0	0.0	9.6	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.8	9.8	10.4	10.6	55.0	54.6	0.0	0.0	0.0	0.0	19.7	20.0	5.1	5.0
Workers' Comp. Uninsured Employers Fund	9.8	9.8	10.5	10.6	50.1	49.6	0.0	0.0	0.0	0.0	19.8	20.0	9.8	10.0
Pneumoconiosis	9.9	9.8	10.5	10.6	55.2	54.6	0.0	0.0	0.0	0.0	19.8	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	9.8	9.8	10.4	10.6	55.1	54.6	0.0	0.0	0.0	0.0	19.7	20.0	5.0	5.0
Public Employees' Insurance Agency	4.9	4.9	5.2	5.3	75.1	74.8	0.0	0.0	0.0	0.0	9.9	10.0	4.9	5.0
WV Retiree Health Benefit Trust Fund	17.2	17.1	18.3	18.6	44.9	44.3	0.0	0.0	0.0	0.0	19.6	20.0	0.0	0.0
AccessWV	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

Endowment Assets

Wildlife Fund	24.4	24.5	26.0	26.5	23.6	23.0	9.4	10.0	6.3	6.0	10.1	10.0	0.2	0.0
Prepaid Tuition Trust	31.9	32.9	17.0	16.1	49.8	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	9.8	10.0	10.3	10.0	79.9	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	35.6	35.0	28.9	30.0	35.5	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Statutory Limitations

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of July 31, 2012

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Agggregate.

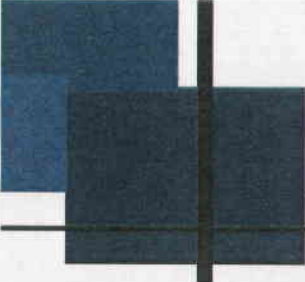
Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

Returns are net of management fees. Returns shorter than one year are unannualized.



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

September 2012

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

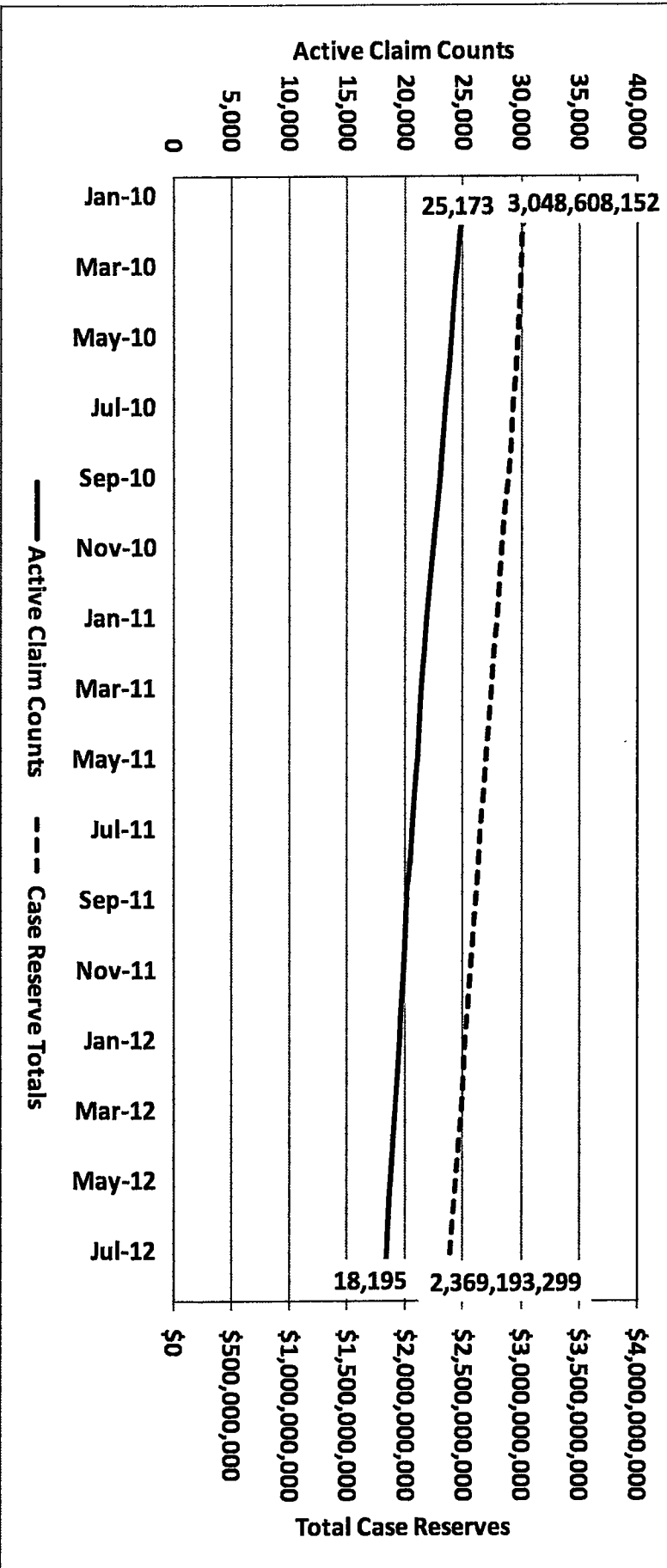
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to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

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

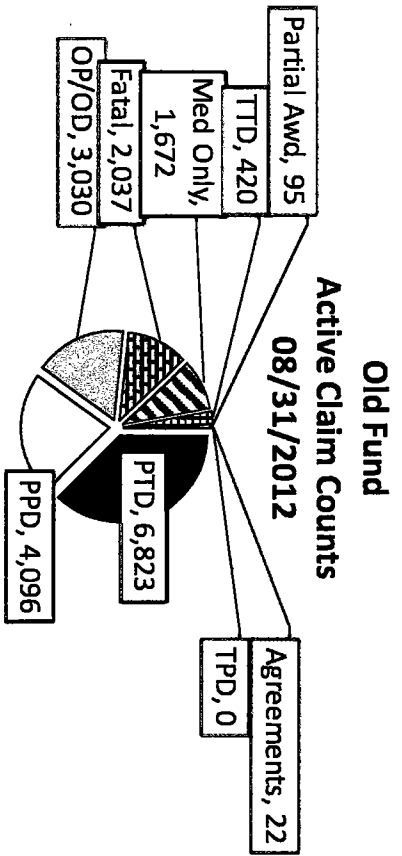
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

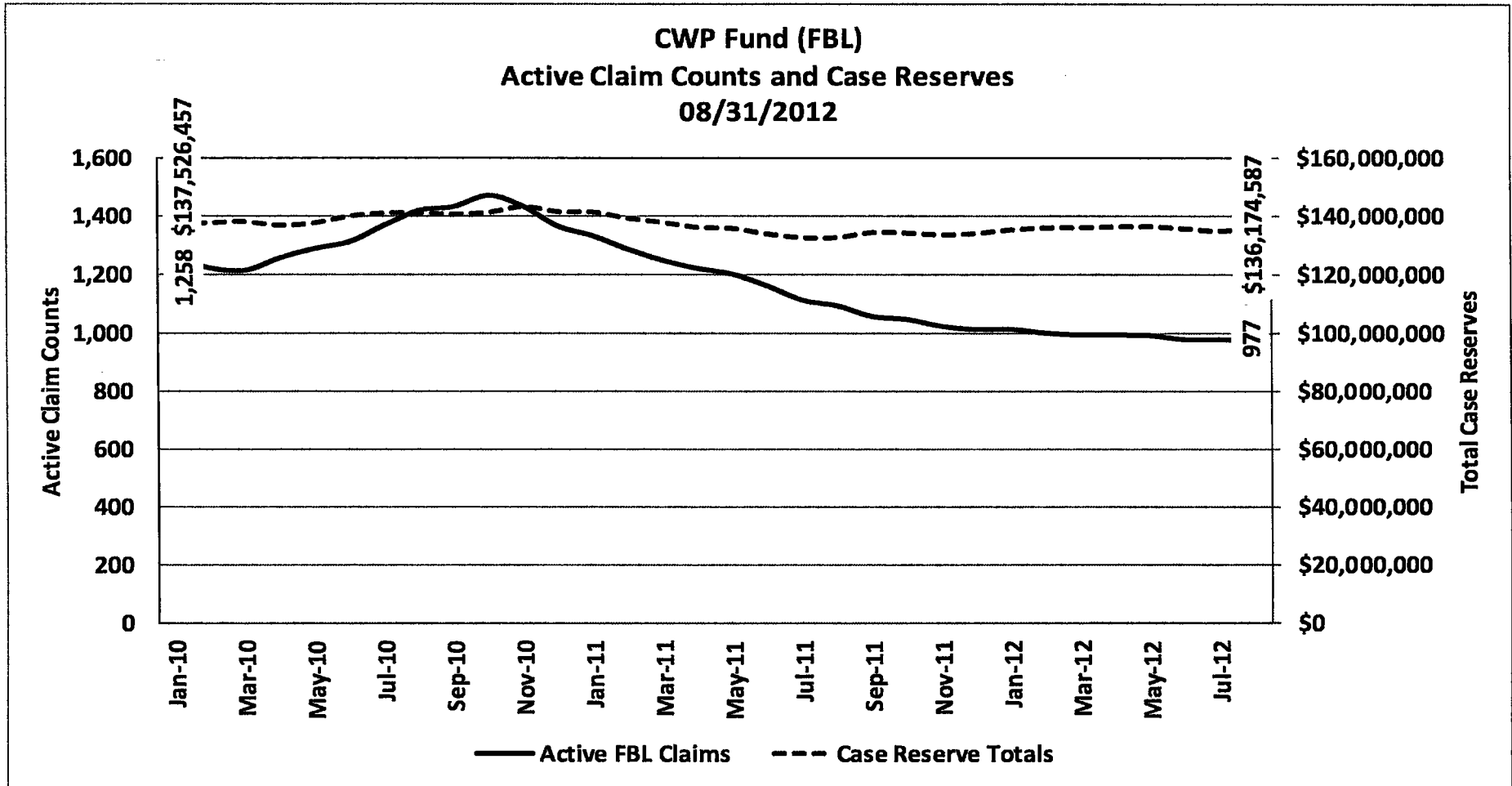
**Old Fund
Active Claim Counts and Case Reserves
08/31/2012**



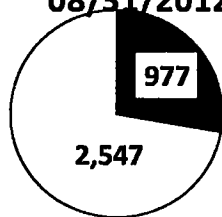
average of 200/month



- Agreements – a legal agreement to settle a payment issue
- Fatal – worker died due to injury or illness
- Med Only – payment of medical benefits without wage replacement
- OP/OD – Occupational Pneumoconiosis or Occupational Disease
- Partial Awd – benefits being paid without official awards
- PPD – Permanent Partial Disability; unlikely to improve with treatment
- PTD – Permanent Total Disability; unable to engage in employment
- TPD – Temporary Partial Disability released to work with restrictions
- TTD – Temporary Total Disability; unable to engage in employment



**CWP Fund (FBL)
Active and Inactive Claims
08/31/2012**



■ Active □ Inactive

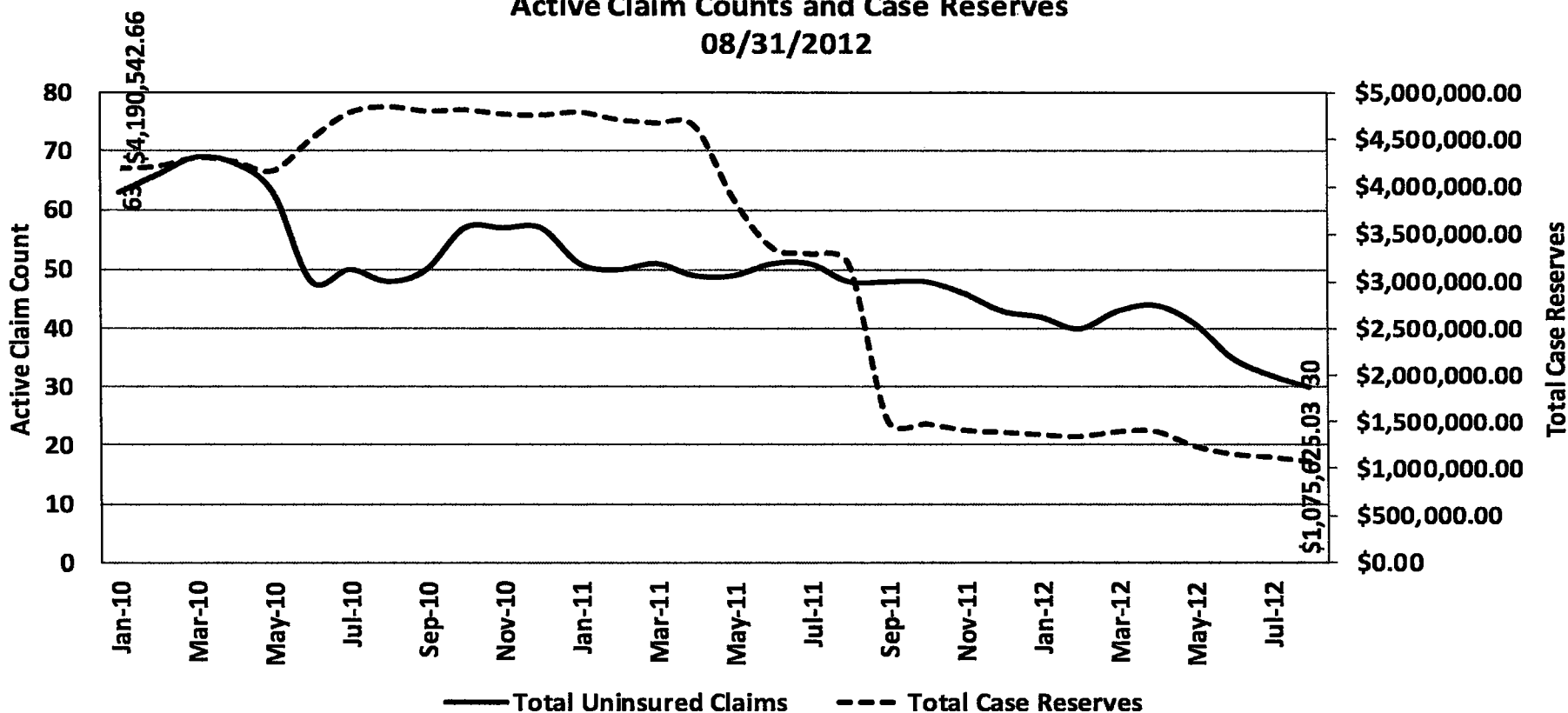
Active – Benefits being paid to claimant/beneficiary

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

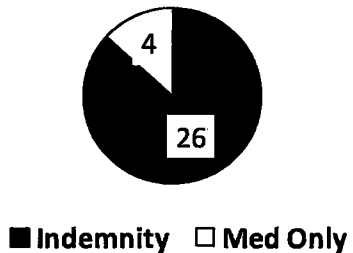
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

Uninsured Fund Active Claim Counts and Case Reserves 08/31/2012



Uninsured Fund Active Claim Counts 08/31/2012

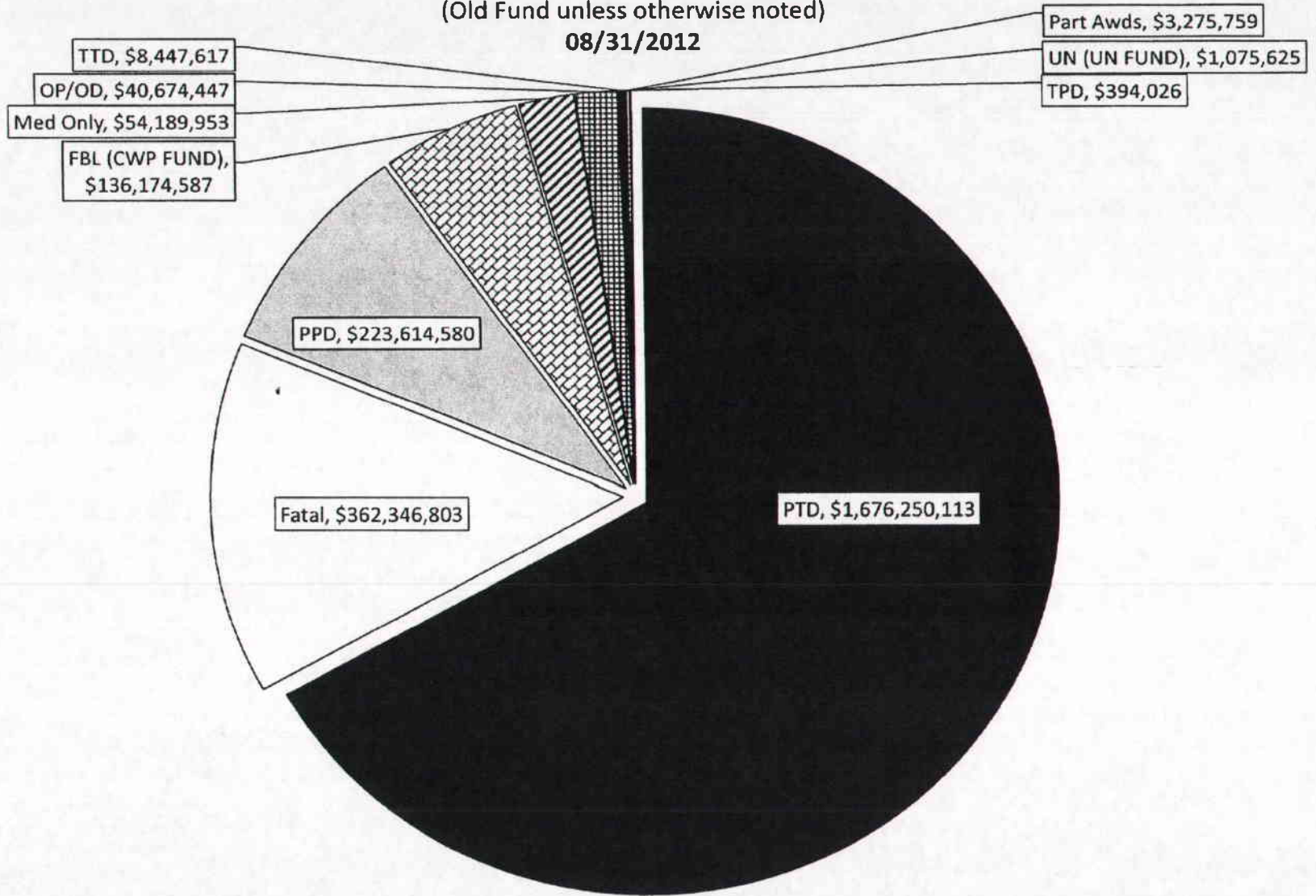


Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

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

Total Case Reserves by Fund
(Old Fund unless otherwise noted)
08/31/2012



OLD FUND CASH STATEMENT – August 31, 2012

		Three Year History for years ended:					
		YTD FY2013	YTD FY2012	Change	FY2012	FY2011	FY2010
Cash Beginning Balances		942,505,408	943,172,539	(667,132)	943,172,539	888,535,954	795,869,972
Revenues							
Personal Income Tax		-	-	-	95,400,000	95,400,000	95,400,000
Severance Tax		14,117,626	15,320,998	(1,203,371)	93,947,355	93,112,747	91,573,307
Debt Reduction Surcharge		9,503,992	7,182,152	2,321,840	39,758,082	41,096,360	39,594,122
Self-Insured Debt Reduction Surcharge		1,923,093	1,761,785	161,308	9,620,197	8,058,590	6,562,051
Video Lottery		7,358,474	8,244,144	(885,671)	11,000,000	11,000,000	11,000,000
Employer Premium		78,345	72,575	5,770	575,167	3,120,389	1,783,840
Other Income - Return of Unclaimed Property		22,907	13,825	9,082	202,103	191,860	95,620
Operating Revenues		33,004,437	32,595,478	408,959	250,502,904	251,979,946	246,008,940
Surplus Note Principal Payments		-	-	-	-	-	43,500,000
Investment / Interest Earnings (Losses)		10,486,949	2,891,650	7,595,299	18,284,929	88,270,887	102,218,697
Total Revenues		43,491,387	35,487,128	8,004,258	268,787,833	340,250,833	391,727,637
Expenditures							
Claims Benefits Paid:							
Medical		5,797,351	6,104,075	(306,724)	39,226,318	41,972,430	55,134,617
Permanent Total Disability		19,987,689	21,920,156	(1,932,467)	124,963,432	136,800,060	152,789,051
Permanent Partial Disability		230,982	451,643	(220,662)	1,822,571	2,513,255	4,890,325
Temporary Disability		29,369	57,615	(28,246)	188,666	384,571	1,322,403
Fatals		4,485,111	4,839,260	(354,149)	28,139,830	29,994,599	34,822,223
104 weeks death benefit		1,067,866	1,036,243	31,623	6,729,656	6,321,554	6,394,618
Settlements		3,436,933	7,653,992	(4,217,058)	56,164,626	50,628,569	24,145,535
Loss Adjustment Expenses		217,095	327,455	(110,360)	2,333,885	4,514,323	3,794,198
Total		35,252,396	42,390,438	(7,138,042)	259,568,984	273,129,360	283,292,970
Less: Claims credits and overpayments		1,447,179	2,099,615	(652,436)	8,161,625	7,666,404	4,327,846
Total Benefits Paid		33,805,217	40,290,824	(6,485,607)	251,407,359	265,462,956	278,965,124
Administrative Expenses		1,931,325	2,291,476	(360,152)	18,047,605	20,151,292	20,096,531
Total Expenditures		35,736,542	42,582,300	(6,845,759)	269,454,964	285,614,248	299,061,655
Excess (Deficiency) of Revenues over Expenditures		7,754,845	(7,095,172)	14,850,017	(667,131)	54,636,585	92,665,982
Cash Ending Balances		950,260,252	936,077,367	14,182,885	942,505,408	943,172,539	888,535,954

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

COAL WORKERS PNEUMOCONIOSIS FUND
August 31, 2012

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
Cash Beginning Balances	254,523,752	262,926,105	(8,402,353)	262,926,105	244,074,613	221,866,212
Revenues						
Investment Earnings (Losses)	2,613,583	178,452	2,435,130	2,745,783	29,283,335	32,224,147
Other Income - Return of Unclaimed Property	-	-	-	-	-	899
Total Revenues	2,613,583	178,452	2,435,130	2,745,783	29,283,335	32,225,046
Expenditures						
Payment of Claims	1,898,593	1,730,045	168,548	11,131,012	10,415,160	9,978,121
Contractual / Professional	3,770	10,121	(6,351)	17,124	16,683	38,524
Total Expenditures	1,902,363	1,740,166	162,198	11,148,136	10,431,843	10,016,645
Excess (Deficiency) of Revenues over Expenditures	711,219	(1,561,713)	2,272,933	(8,402,353)	18,851,492	22,208,401
Cash Ending Balances	255,234,971	261,364,392	(6,129,421)	254,523,752	262,926,105	244,074,613

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

SELF-INSURED GUARANTY RISK POOL
August 31, 2012

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
Cash Beginning Balances	10,829,975	9,744,809	1,085,166	9,744,809	8,112,918	6,969,307
Revenues						
Guaranty Risk Pool Assessments	247,138	225,297	21,842	1,093,066	1,119,674	1,283,687
Investment Earnings (Losses)	109,592	7,118	102,474	125,813	592,165	9,237
Total Revenues	356,731	232,415	124,316	1,218,879	1,711,839	1,292,924
Expenditures						
Payment of Claims	3,887	3,793	94	28,466	28,707	104,821
Contractual / Professional	4,470	24,821	(20,351)	105,247	51,241	44,492
Total Expenditures	8,357	28,614	(20,257)	133,713	79,948	149,313
Excess (Deficiency) of Revenues over Expenditures	348,374	203,801	144,573	1,085,166	1,631,891	1,143,611
Cash Ending Balances	11,178,349	9,948,610	1,229,739	10,829,975	9,744,809	8,112,918

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

SELF-INSURED SECURITY RISK POOL
August 31, 2012

	YTD FY2013	YTD FY2012	Change	Three Year History for years ended:		
				FY2012	FY2011	FY2010
Cash Beginning Balances	203,518	205,705	(2,187)	205,705	173,041	-
Revenues						
Security Risk Pool Assessments	-	-	-	-	115,568	173,041
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,568</u>	<u>173,041</u>
Expenditures						
Payment of Claims	15,570	-	15,570	2,187	73,649	-
Contractual / Professional	-	-	-	-	9,255	-
Total Expenditures	<u>15,570</u>	<u>-</u>	<u>15,570</u>	<u>2,187</u>	<u>82,904</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,570)</u>	<u>-</u>	<u>(15,570)</u>	<u>(2,187)</u>	<u>32,664</u>	<u>173,041</u>
Cash Ending Balances	<u>187,948</u>	<u>205,705</u>	<u>(17,758)</u>	<u>203,518</u>	<u>205,705</u>	<u>173,041</u>

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

UNINSURED EMPLOYERS FUND
August 31, 2012

Three Year History for years ended:

	YTD FY2013	YTD FY2012	Change	FY2012	FY2011	FY2010
Cash Beginning Balances	9,574,065	9,086,330	487,735	9,086,330	8,905,444	8,588,268
Revenues						
Fines and Penalties	129,717	197,117	(67,400)	948,896	939,626	892,806
Investment Earnings (Losses)	90,426	3,731	86,695	99,906	474,728	10,923
Total Revenues	220,143	200,848	19,295	1,048,802	1,414,354	903,729
Expenditures						
Payment of Claims	(14,328)	117,360	(131,688)	553,676	1,224,982	577,819
Contractual/Professional	407	1,261	(854)	7,392	8,486	8,734
Computer Services	15	-	15			
Total Expenditures	(13,905)	118,621	(132,527)	561,067	1,233,468	586,553
Excess (Deficiency) of Revenues over Expenditures	234,048	82,227	151,822	487,735	180,886	317,176
Cash Ending Balances	9,808,113	9,168,557	639,556	9,574,065	9,086,330	8,905,444

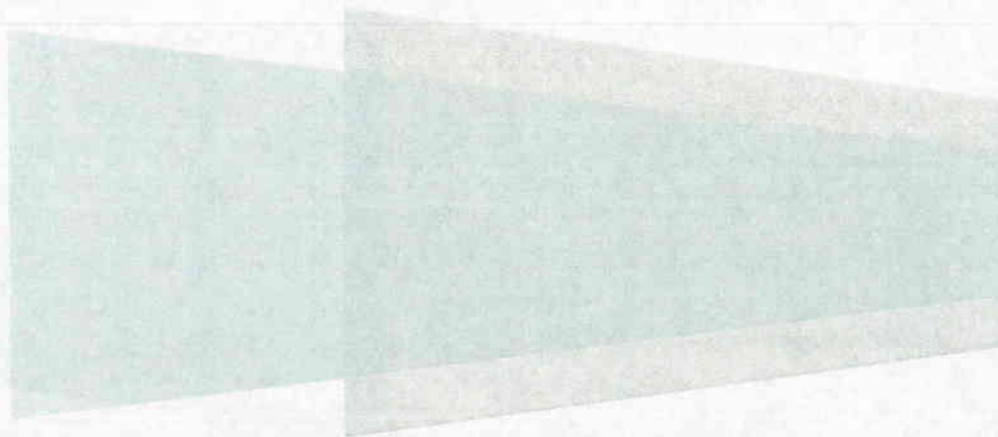
The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right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

West Virginia Offices of the Insurance Commission

OFFICE OF JUDGES' REPORT

TO INDUSTRIAL COUNCIL – September 4, 2012

Rebecca A. Roush, Chief Administrative Law Judge



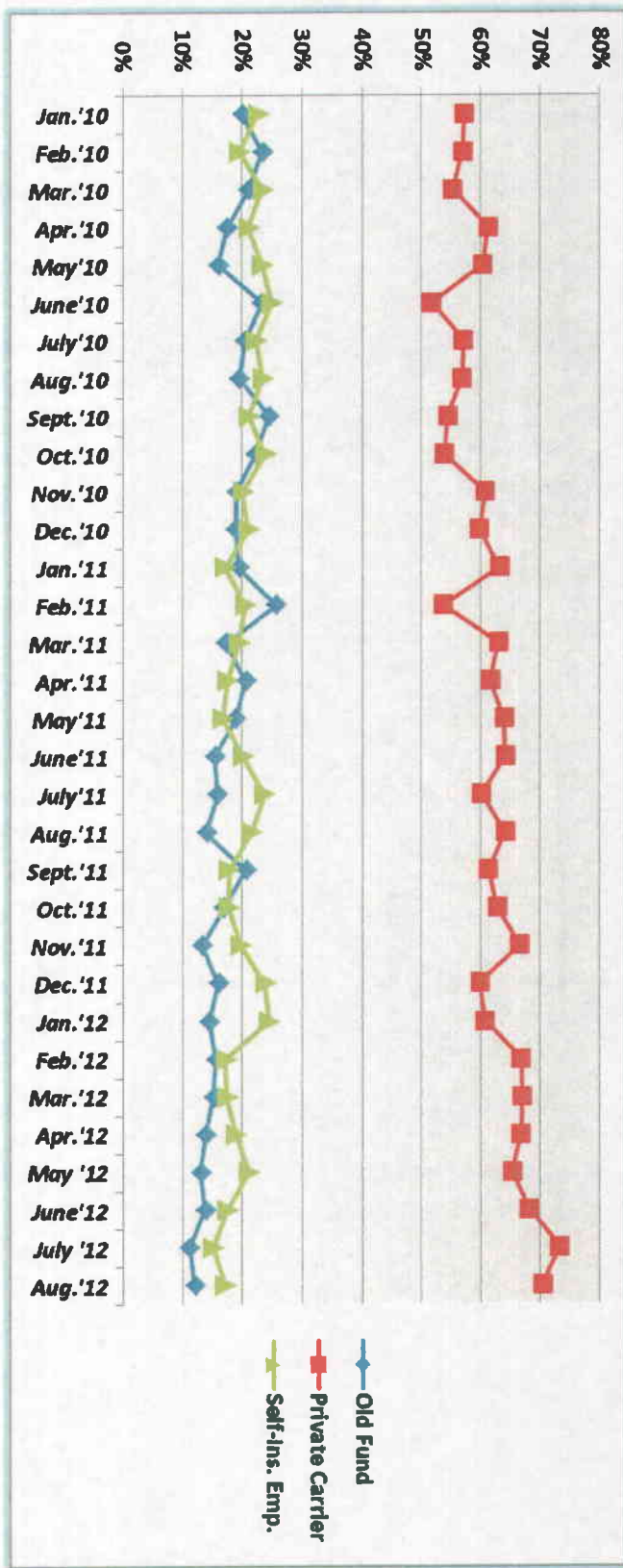
Statistical Analysis

A. Protests Acknowledged: 2011 Aug. 2012
 5045 459 3311

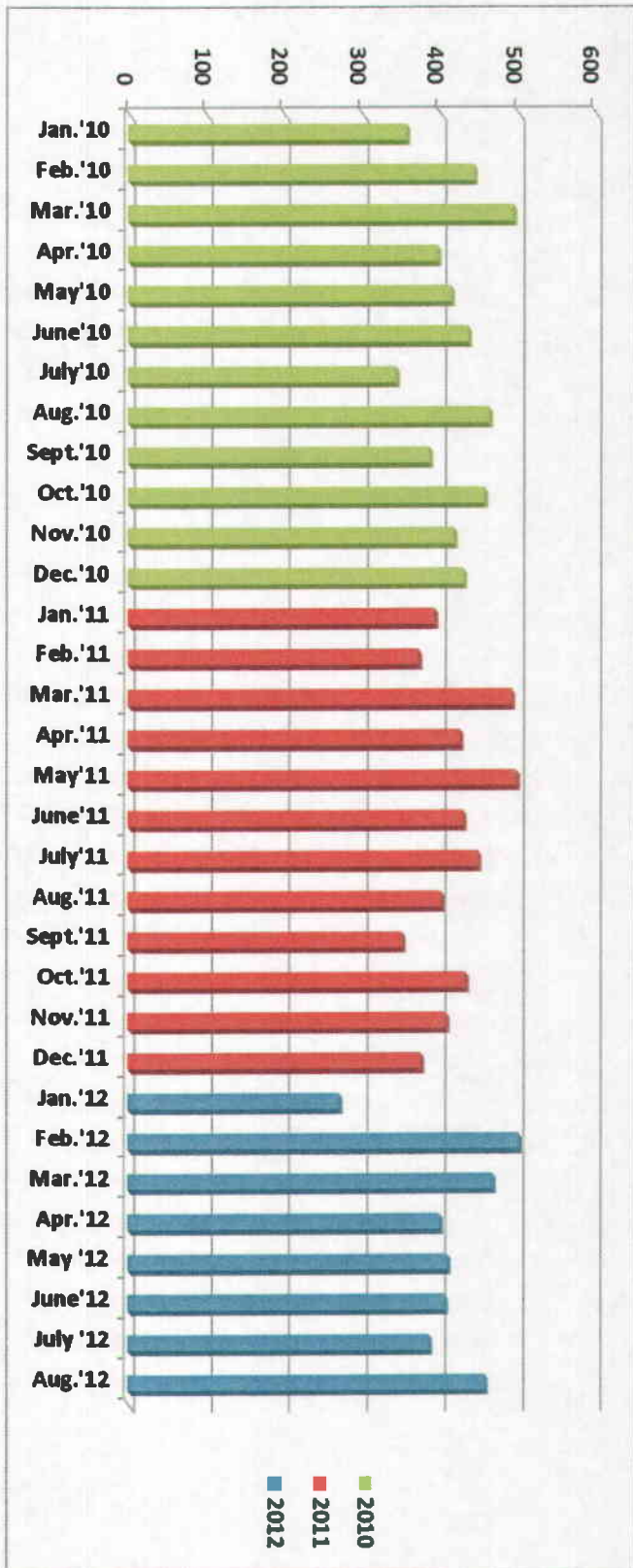
Fund Involved:

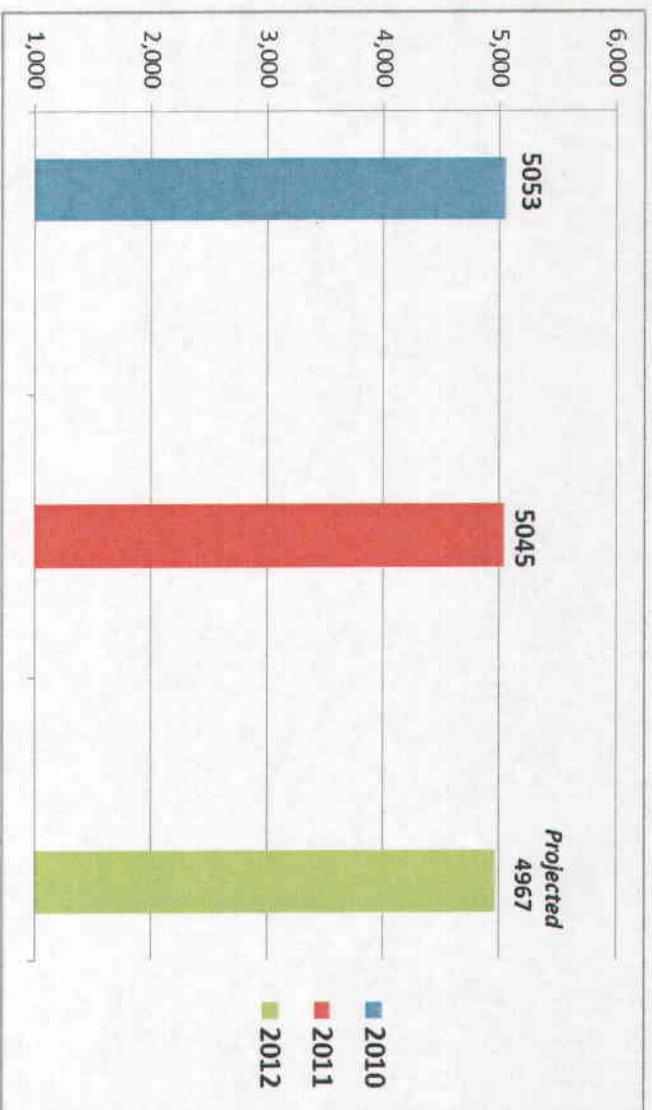
FUND	2011	% of protests	Aug. '12	% of protests	2012	% of protests
Old Fund	903	17.90%	56	12.20%	442	13.35%
Private Carrier	3158	62.60%	324	70.59%	2259	68.23%
Self-Insured	984	19.50%	79	17.21%	610	18.42%
Subtotal	5045		459		3311	
Temporary	1029		57		537	
Total	6074		516		3848	

Protests Acknowledged by Carrier Type



Protests Acknowledged by Month





Protests Including Projection for 2012

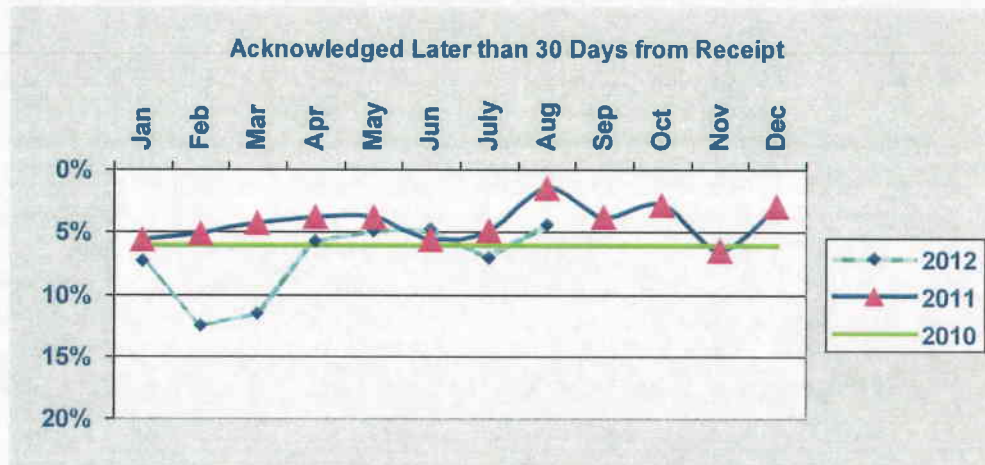
B. Issues Resolved: 2011 Aug. 2012
 5327 452 3266

C. Pending Caseload Report

PENDING AS OF Sept. 4, 2012	3420
PENDING 1 MONTH BEFORE	3429
PENDING 2 MONTHS BEFORE	3521
PENDING 3 MONTHS BEFORE	3515
PENDING 6 MONTHS BEFORE	3436
PENDING 12 MONTHS BEFORE	3670

D. Acknowledgment Timeliness:

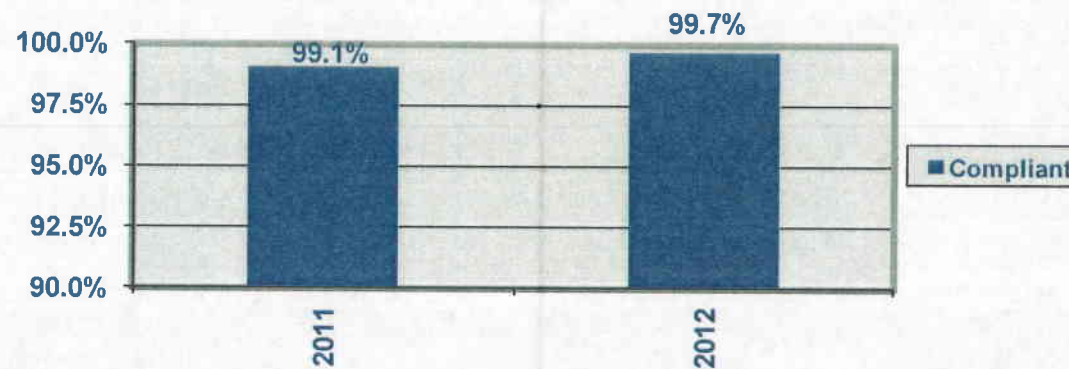
	<u>2011</u>	<u>Aug.</u>	<u>YTD</u>
Protest Ackn. >30 days	4.3%	4.4%	7.3%
Protest Ackn. 24-30 days	2.3%	1.5%	3.2%
Protest Ackn. 11-23 days	31.1%	22.9%	24.6%
Protest Ackn. <11 days	62.3%	71.2%	64.8%



		<u>Aug. '12</u>	<u>2012</u>
E. Protests Resolved:			
	1. Protests decided:	313	2307
	2. Withdrawals:	80	564
	3. "No Evidence" Dismissals:	45	386

F. Final Decision Timeliness		<u>2011</u>	<u>Aug. '12</u>	<u>2012</u>
	1. <30 days:	43.2%	46.3%	50.7%
	2. 30-60 days:	49.8%	52.4%	46.8%
	3. 60-90 days:	6.1%	1.4%	2.2%
	4. +90 days:	0.9%	0.0%	0.3%

Decision Within Rule's Time Limits



G. Time Standard Compliance	<u>2011</u>	<u>Aug.</u>	<u>2012</u>
	92.4%	91.6%	92.3%

Tuesday, September 04, 2012

Time Standard Compliance

Report Dates: From 8/1/2012 thru 8/31/2012

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
PPD	45	44	97.80%	1	2.20%
REOPENING	5	5	100%	0	0%
TRMT/EQUIP CL	53	46	86.80%	6	11.30%
APPLICATION THRESHOLD	1	1	100%	0	0%
TTD	9	8	88.90%	1	11.10%
COMPENSABILITY	27	24	88.90%	3	11.10%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	1	100%	0	0%
DEP BEN FATAL	3	3	100%	0	0%
OPBD	10	9	90%	1	10%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
Total	155	142	91.6%	12	7.7%

Tuesday, September 04, 2012

Final Decision Compliance

Report Dates: From 8/1/2012 thru 8/31/2012

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
FAILURE TO ACT 15 DAY	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
REOPENING	17	8	47.1%	9	52.9%	0	0.0%	0	0.0%
SPECIAL CATEGORY	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
DEP BEN FATAL	5	5	100.0%	0	0.0%	0	0.0%	0	0.0%
OPBD	11	6	54.5%	5	45.5%	0	0.0%	0	0.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	68	25	36.8%	43	63.2%	0	0.0%	0	0.0%
TRMT/EQUIP CL	102	51	50.0%	51	50.0%	0	0.0%	0	0.0%
APPLICATION THRESHOLD	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
TTD	22	15	68.2%	7	31.8%	0	0.0%	0	0.0%
COMPENSABILITY	60	23	38.3%	34	56.7%	3	5.0%	0	0.0%
PTD ENTITLEMENT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
PTD ONSET DATE	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
Totals	296	137	46.3%	155	52.4%	4	1.4%	0	0.0%

Tuesday, September 04, 2012

Motion Resolution Compliance

Report Dates: From 8/1/2012 thru 8/31/2012

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	3	3	100%	0	0%
COMPENSABILITY	205	203	99%	2	1%
FAILURE TO ACT 15 DAY	1	1	100%	0	0%
SPECIAL CATEGORY	12	9	75%	3	25%
TRMT/EQUIP CL	324	316	97.50%	8	2.50%
PPD	181	179	98.90%	2	1.10%
DEP BEN FATAL	17	15	88.20%	2	11.80%
FAILURE TO ACT 30 DAY	4	4	100%	0	0%
OP NON-MED	6	6	100%	0	0%
APPLICATION THRESHOLD	1	0	0%	1	100%
DEP BEN 104	1	1	100%	0	0%
TTD	88	82	93.20%	6	6.80%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	4	4	100%	0	0%
TEMP	1	1	100%	0	0%
REHABILITATION	4	4	100%	0	0%
OPBD	30	30	100%	0	0%
PTD ENTITLEMENT	8	8	100%	0	0%
REOPENING	32	31	96.90%	1	3.10%
TRMT/EQUIP EM	1	1	100%	0	0%
Total	923	898	97.3%	25	2.7%

*Action Date < Motion Date

**Action Date > Motion Date

Tuesday, September 04, 2012

Acknowledgement Goal

Report Dates: From 8/1/2012 thru 8/31/2012

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CFA-CL APP.THRESHOLD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
COMPENSABILITY	Total: 88	3	3.4%	2	2.3%	26	29.5%	57	64.8%
C8A-CL OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS-CL SEC.CONDITION	27	0	0.0%	0	0.0%	4	14.8%	23	85.2%
CHC-CL COMPENSABILITY	9	1	11.1%	0	0.0%	4	44.4%	4	44.4%
CIM-CL SI COMPENSABLE	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIS-CL SI SEC.CONDITION	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPI-CL SI REJECT CLAIM	7	0	0.0%	1	14.3%	1	14.3%	5	71.4%
CPJ-CL REJECT CLAIM	32	2	6.3%	1	3.1%	10	31.3%	19	59.4%
CRZ-CL REJ OCC DISEASE	7	0	0.0%	0	0.0%	5	71.4%	2	28.6%
E8A-EM OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
DEP BEN 104	Total: 5	0	0.0%	0	0.0%	3	60.0%	2	40.0%
CIK-CL SI D/G 104 WKS	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CWK-CL DENY/GRNT 104 WKS	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
DEP BEN FATAL	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CDF-CL DENY/GRNT DTH BEN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
FAILURE TO ACT 10 DAY	Total: 3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
C5N-CL FTA NOT COVERED	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
FAILURE TO ACT 15 DAY	Total: 7	1	14.3%	1	14.3%	0	0.0%	5	71.4%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
C01-CL FTA INJ COMPENSAB	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
C03-CL FTA TREATMENT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7C-CL FTA PAYMENT PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FTA Diagnosis Update-FTA DIAGNOSIS UPATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FTA Multiple Issues-FTA MULTIPLE ISSUES	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
FAILURE TO ACT 30 DAY	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C7D-CL FTA REF FOR EXAM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OP NON-MED	Total: 5	0	0.0%	0	0.0%	3	60.0%	2	40.0%
CIR-CL SI NON-MED ORDER	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CNR-CL NON-MED ORDER	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
OPBD	Total: 23	0	0.0%	0	0.0%	8	34.8%	15	65.2%
CAO-CL ADD BOARD FINDING	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CBF-CL % BOARD FINDING	8	0	0.0%	0	0.0%	2	25.0%	6	75.0%
CSF-CL% SI BOARD FINDING	7	0	0.0%	0	0.0%	3	42.9%	4	57.1%
CSO-CL SI AD.BRD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
EBF-EM % BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
ESF-EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
PPD	Total: 103	4	3.9%	0	0.0%	24	23.3%	75	72.8%
CAA-CL ADDL % AWARD D/G	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CAD-CL % AWARD DENY/GRNT	78	3	3.8%	0	0.0%	19	24.4%	56	71.8%
CEW-CL EXTRA WKS D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG-CL SI %AWARD DNY/GNT	20	1	5.0%	0	0.0%	5	25.0%	14	70.0%
REOPENING	Total: 15	1	6.7%	0	0.0%	4	26.7%	10	66.7%
CIQ-CL SI DY/GNT R/O PPD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIY-CL SI DY/GNT R/O TTD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CJV-CL DNY/GRNT R/O PPD	6	1	16.7%	0	0.0%	0	0.0%	5	83.3%
CRD-CL DENY/GRNT R/O TTD	5	0	0.0%	0	0.0%	3	60.0%	2	40.0%
SPECIAL CATEGORY	Total: 13	0	0.0%	0	0.0%	5	38.5%	8	61.5%
CNW-CL SPL CATEGORY	13	0	0.0%	0	0.0%	5	38.5%	8	61.5%
TRMT/EQUIP CL	Total: 138	9	6.5%	2	1.4%	17	12.3%	110	79.7%
CBX-CL TRMT DENY	109	6	5.5%	2	1.8%	13	11.9%	88	80.7%
CSX-CL SI TRMT DENY	24	3	12.5%	0	0.0%	4	16.7%	17	70.8%
CYY-CL TRMT GRANT	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
TTD	Total: 55	1	1.8%	2	3.6%	12	21.8%	40	72.7%
CCC-CL CLOSING THE CLAIM	37	1	2.7%	1	2.7%	9	24.3%	26	70.3%
CIC-CL SI CLSING THE CLM	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CJS-CL TTD	7	0	0.0%	0	0.0%	1	14.3%	6	85.7%
CPX-CL INITIAL TTD	4	0	0.0%	1	25.0%	2	50.0%	1	25.0%
CSG-CL SI INITIAL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
Totals: Claims 374	459	20	4.4%	7	1.5%	105	22.9%	327	71.2%

Tuesday, September 04, 2012

Resolution of Issues

Report Dates: Decision Date from 8/1/2012 thru 8/31/2012

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
OPBD	21	3	14.30	6	28.60	3	14.30	9	42.90	0	0	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	0	0	1	50	1	50	0	0	0	0	0	0	0	0	0	0
PPD	114	24	21.10	41	36	12	10.50	36	31.60	0	0	1	0.90	0	0	0	0
BENEFIT OVERPAYMENT	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	87	15	17.20	34	39.10	7	8	23	26.40	7	8	1	1.10	0	0	0	0
SPECIAL CATEGORY	5	0	0	1	20	0	0	3	60	0	0	1	20	0	0	0	0
DEP BEN FATAL	5	2	40	3	60	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PTD ONSET DATE	2	0	0	1	50	0	0	0	0	1	50	0	0	0	0	0	0
TRMT/EQUIP CL	145	22	15.20	64	44.10	14	9.70	33	22.80	8	5.50	4	2.80	0	0	0	0
FAILURE TO ACT 30 DAY	3	0	0	0	0	0	0	3	100	0	0	0	0	0	0	0	0
OP NON-MED	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
REOPENING	27	1	3.70	14	51.90	2	7.40	9	33.30	0	0	0	0	1	3.70	0	0
APPLICATION THRESHOLD	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
TTD	36	7	19.40	10	27.80	5	13.90	12	33.30	2	5.60	0	0	0	0	0	0
Totals	452	74	16.4	177	39.2	45	10	130	28.8	18	4	7	1.5	1	0.2	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 8/31/2012	106
Petitions denied on face:	30
Petitions denied by ALJ Decision:	45
Petitions granted:	15
Petitions withdrawn through settlement:	5
Petitions currently pending:	11

Failure to Timely Act Process

Petitions filed 9/1/05 through 8/31/12	
Filed:	369
Denied/dismissed:	152
Withdrawn:	12
Reports to OIC:	176
Pending	29

Expedited Hearings Scheduled													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7	12	8	11	10	15	15	112
2011	10	16	11	15	21	16	11	13	9	8	12	10	152
2012	14	2	18	12	13	5	7	3					74

Pro Se Claimant Information as of August 31, 2012

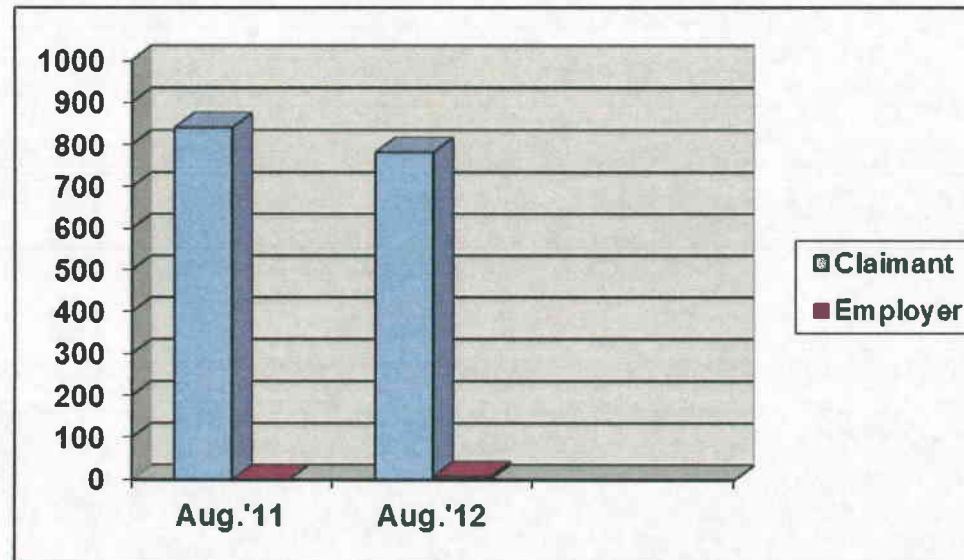
Pending Protests Involving Pro Se Claimants: 464

:

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month	% Protests	Month	% Protests
	Aug.'12		Aug.'11	
Claimant	782	22.87%	841	22.91%
Employer	9	0.02%		
Total	791		841	

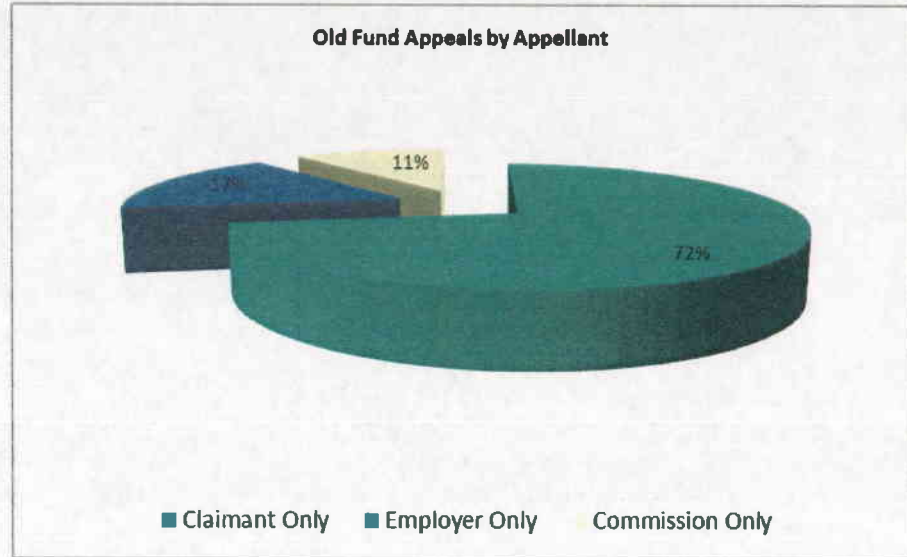
Pending Treatment Issues



**Appeals Received
From August 1, 2012 Thru August 31, 2012**

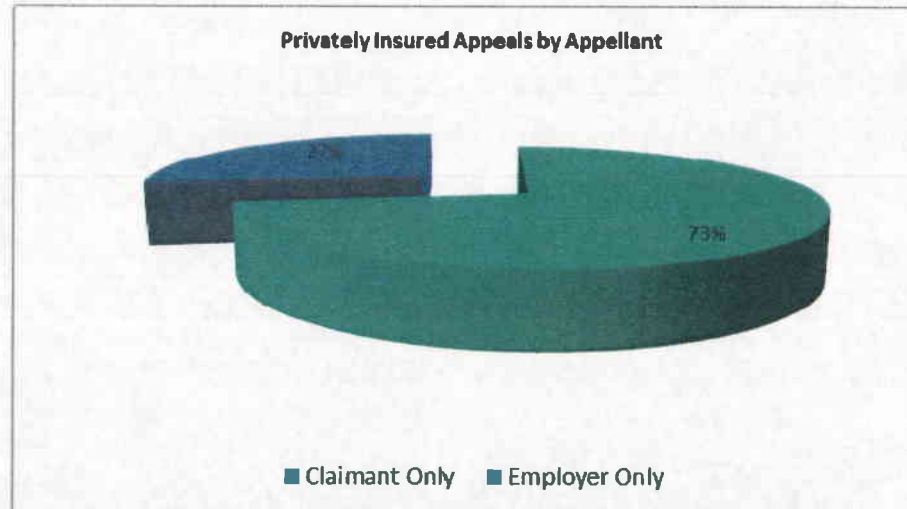
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	13
Employer Only	3
Commission Only	2
Old Fund Total	18



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

Appellant	Count
Claimant Only	61
Employer Only	23
Privately Insured Total	84
Total Appeals	102

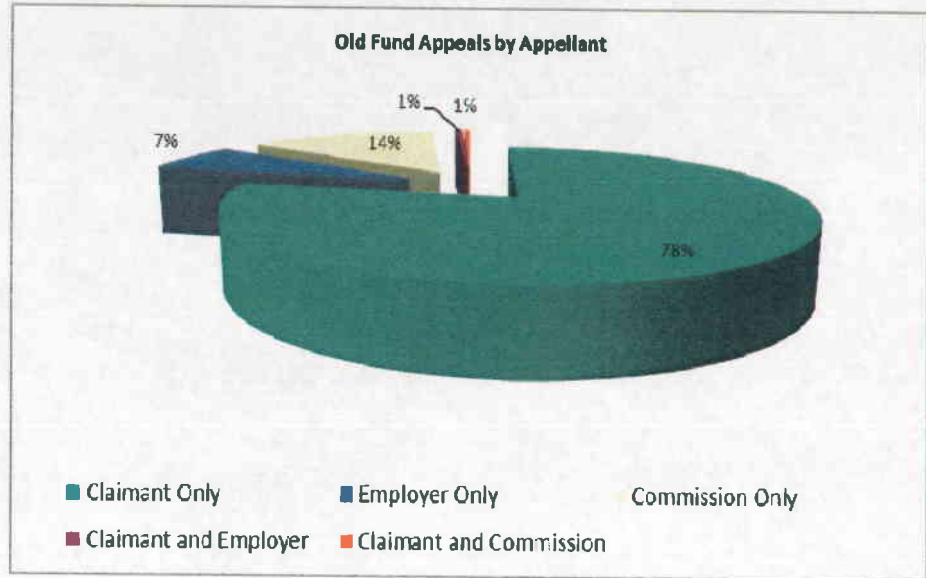


Appeals counted more than once:

**Yearly Appeals Received
From January 1, 2012 Thru August 31, 2012**

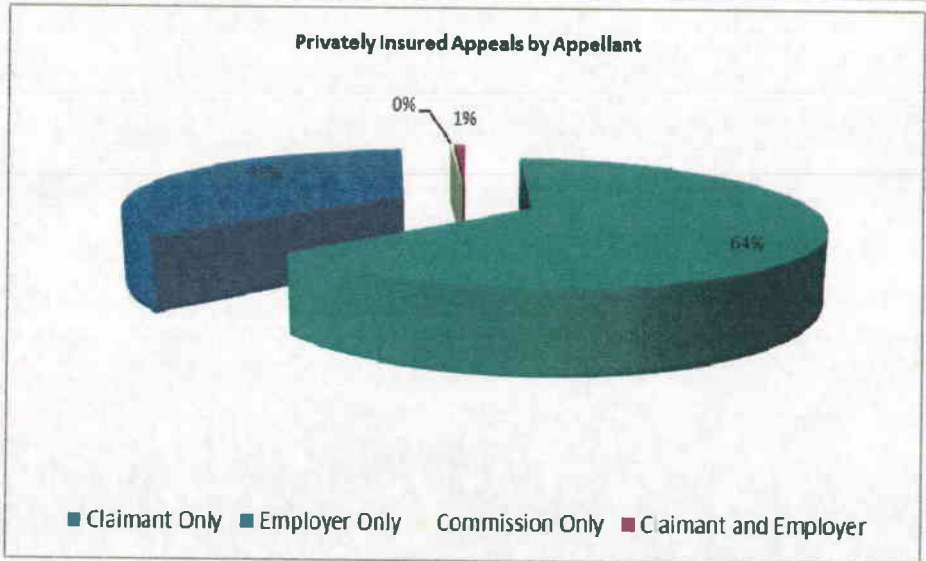
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	156
Employer Only	14
Commission Only	28
Claimant and Employer	1
Claimant and Commission	1
Old Fund Total	200



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

Appellant	Count
Claimant Only	374
Employer Only	207
Commission Only	1
Claimant and Employer	5
Privately Insured Total	587
Total Appeals	787



Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From August 1, 2012 Thru August 31, 2012

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	23	0	0.0	23	100.0
CL % BOARD FINDING	1	0	0.0	1	100.0
CL ADD BOARD FINDING	2	2	100.0	0	0.0
CL CLOSING THE CLAIM	12	0	0.0	12	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL DENY/GRANT PTD	2	2	100.0	0	0.0
CL DENY/GRNT R/O TTD	4	0	0.0	4	100.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0
CL REJECT CLAIM	7	0	0.0	7	100.0
CL SEC.CONDITION	5	0	0.0	5	100.0
CL SI %AWARD DNY/GNT	3	0	0.0	3	100.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	3	2	66.7	1	33.3
CL SI DY/GNT R/O TTD	2	0	0.0	2	100.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	1	0	0.0	1	100.0
CL SI TRMT DENY	11	4	36.4	7	63.6
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SI TTD	2	0	0.0	2	100.0
CL TRMT DENY	19	6	31.6	13	68.4
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	5	0	0.0	5	100.0
EM ADD BOARD FINDING	1	0	0.0	1	100.0
EM SI DENY/GRANT PTD	1	1	100.0	0	0.0
Totals	116	19	16.4	97	83.6

Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2012 Thru September 1, 2012

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	101	7	6.9	94	93.1
CL % BOARD FINDING	8	2	25.0	6	75.0
CL ADD BOARD FINDING	9	8	88.9	1	11.1
CL ADDL % AWARD D/G	11	4	36.4	7	63.6
CL APP.THRESHOLD	1	1	100.0	0	0.0
CL BEN. OVERPAYMENT	2	2	100.0	0	0.0
CL CLOSING THE CLAIM	65	0	0.0	65	100.0
CL COMPENSABILITY	11	0	0.0	11	100.0
CL DENY/GRANT PTD	4	4	100.0	0	0.0
CL DENY/GRNT DTH BEN	11	11	100.0	0	0.0
CL DENY/GRNT R/O TTD	28	1	3.6	27	96.4
CL DNY/GRNT R/O PPD	7	5	71.4	2	28.6
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	1	100.0
CL INITIAL TTD	5	0	0.0	5	100.0
CL NON-MED ORDER	2	2	100.0	0	0.0
CL OIC REJ OC.DISEAS	1	1	100.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL OIC SEC.CONDITION	1	0	0.0	1	100.0
CL ONSET DATE ISSUE	3	3	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	3	2	66.7	1	33.3
CL REJ OCC DISEASE	13	4	30.8	9	69.2
CL REJECT CLAIM	109	3	2.8	106	97.2
CL SEC.CONDITION	53	3	5.7	50	94.3
CL SI %AWARD DNY/GNT	29	3	10.3	26	89.7
CL SI AD.BRD FINDING	1	1	100.0	0	0.0
CL SI ADD% AWARD D/G	2	1	50.0	1	50.0
CL SI APP.THRESHOLD	1	1	100.0	0	0.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI CLSING THE CLM	15	0	0.0	15	100.0
CL SI COMPENSABLE	1	0	0.0	1	100.0
CL SI DENY/GRANT PTD	4	4	100.0	0	0.0
CL SI DY/GNT DTH BEN	11	9	81.8	2	18.2
CL SI DY/GNT R/O PPD	2	2	100.0	0	0.0
CL SI DY/GNT R/O TTD	8	1	12.5	7	87.5
CL SI G/D TP REHAB	1	1	100.0	0	0.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI INITIAL TTD	1	0	0.0	1	100.0
CL SI NON-MED ORDER	2	1	50.0	1	50.0
CL SI PRSTS BEN RATE	2	2	100.0	0	0.0
CL SI REJ OCCDISEASE	8	5	62.5	3	37.5
CL SI REJECT CLAIM	24	0	0.0	24	100.0
CL SI SEC.CONDITION	9	0	0.0	9	100.0
CL SI TRMT DENY	67	26	38.8	41	61.2
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SI TTD	3	0	0.0	3	100.0
CL TRMT DENY	196	66	33.7	130	66.3
CL TRMT GRANT	16	13	81.3	3	18.8
CL TTD	11	0	0.0	11	100.0
CL% SI BOARD FINDING	3	2	66.7	1	33.3
EM % BOARD FINDING	4	0	0.0	4	100.0
EM ADD BOARD FINDING	1	0	0.0	1	100.0
EM COMPENSABILITY	1	0	0.0	1	100.0
EM SI DENY/GRANT PTD	1	1	100.0	0	0.0
EM SI DY/GNT DTH BEN	1	1	100.0	0	0.0
EM% SI BOARD FINDING	1	0	0.0	1	100.0
Totals	879	205	23.3	674	76.7

Appeals Received By Issue
From August 1, 2012 Thru August 31, 2012

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	23	16	69.6	7	30.4	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	12	9	75.0	3	25.0	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	4	3	75.0	1	25.0	0	0.0	0	0.0
CL INITIAL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0	0	0.0	0	0.0
CL REJECT CLAIM	7	5	71.4	2	28.6	0	0.0	0	0.0
CL SEC.CONDITION	5	5	100.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	3	3	100.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	3	3	100.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	11	8	72.7	3	27.3	0	0.0	0	0.0
CL SI TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL TRMT DENY	19	14	73.7	3	15.8	0	0.0	2	10.5
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL TTD	5	2	40.0	3	60.0	0	0.0	0	0.0
EM ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
EM SI DENY/GRANT PTD	1	0	0.0	1	100.0	0	0.0	0	0.0
Totals	116	85	73.3	29	25.0	0	0.0	2	1.7

**WORKERS' COMPENSATION BOARD OF REVIEW
FOR AUGUST 2012**

Appealed By	BOR Disposition	Disposition		Total %	Year to Date	Disp %	Total %
		Count	Disp %				
CLAIMANT	AFFIRMED	49	94.2%	54.4%	383	84.2%	52.6%
	DISMISSED	2	3.8%	2.2%	35	7.7%	4.8%
	MODIFY				3	0.7%	0.4%
	MOOT				1	0.2%	0.1%
	REMAND				12	2.6%	1.6%
	REVERSE	1	1.9%	1.1%	21	4.6%	2.9%
	Total Dispositions	52			455		
CLAIMANT/EMPLOYER	AFFIRMED				7	77.8%	1.0%
	DISMISSED				1	11.1%	0.1%
	REVERSE				1	11.1%	0.1%
	Total Dispositions				9		
EMPLOYER	AFFIRMED	18	52.9%	20.0%	120	55.6%	16.5%
	DISMISSED	4	11.8%	4.4%	28	13.0%	3.8%
	MODIFY	2	5.9%	2.2%	5	2.3%	0.7%
	MODIFY AND REMAND				1	0.5%	0.1%
	REMAND	1	2.9%	1.1%	13	6.0%	1.8%
	REVERSE	9	26.5%	10.0%	49	22.7%	6.7%
	Total Dispositions	34			216		
DIVISION/OIC	AFFIRMED	1	25.0%	1.1%	27	56.3%	3.7%
	DISMISSED				6	12.5%	0.8%
	REMAND				1	2.1%	0.1%
	REVERSE	3	75.0%	3.3%	14	29.2%	1.9%
	Total Dispositions	4			48		
Grand Totals	90			728			

Dispositions By Issues
BOR Orders Mailed From August 1, 2012 Thru August 31, 2012

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	6	5	83.3	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	7	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	4	3	75.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	2	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	16	11	68.8	3	18.8	1	6.3	0	0.0	1	6.3	0	0.0	0	0.0
CL SEC.CONDITION	9	8	88.9	0	0.0	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI PRSTS BEN RATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	2	0	0.0	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	9	5	55.6	4	44.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	20	16	80.0	1	5.0	3	15.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT GRANT	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	101	78	77.2	13	12.9	7	6.9	2	2.0	1	1.0	0	0.0	0	0.0

Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2012 Thru August 31, 2012

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	78	58	74.4	7	9.0	10	12.8	0	0.0	3	3.8	0	0.0	0	0.0
CL % BOARD FINDING	11	11	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	16	12	75.0	3	18.8	1	6.3	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	48	33	68.8	7	14.6	7	14.6	1	2.1	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	10	6	60.0	3	30.0	0	0.0	0	0.0	0	0.0	0	0.0	1	10.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	12	9	75.0	1	8.3	1	8.3	0	0.0	1	8.3	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	23	19	82.6	1	4.3	2	8.7	1	4.3	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	13	9	69.2	3	23.1	1	7.7	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	4	1	25.0	1	25.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL FTA INJ COMPENSAB	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	4	2	50.0	1	25.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	3	1	33.3	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	6	5	83.3	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	13	8	61.5	2	15.4	3	23.1	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	116	86	74.1	15	12.9	8	6.9	1	0.9	6	5.2	0	0.0	0	0.0
CL SEC.CONDITION	52	41	78.8	5	9.6	6	11.5	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	26	21	80.8	0	0.0	1	3.8	1	3.8	3	11.5	0	0.0	0	0.0
CL SI AD.BRD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL SI CLSING THE CLM	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	11	8	72.7	2	18.2	1	9.1	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL SI DY/GNT R/O TTD	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI IEB DETRM'TION	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI INITIAL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI PRSTS BEN RATE	2	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	12	6	50.0	1	8.3	1	8.3	3	25.0	1	8.3	0	0.0	0	0.0
CL SI REJECT CLAIM	27	19	70.4	4	14.8	2	7.4	0	0.0	2	7.4	0	0.0	0	0.0
CL SI SEC.CONDITION	15	14	93.3	1	6.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	52	39	75.0	11	21.2	0	0.0	0	0.0	2	3.8	0	0.0	0	0.0
CL SI TTD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	159	122	76.7	11	6.9	21	13.2	2	1.3	3	1.9	0	0.0	0	0.0
CL TRMT GRANT	16	9	56.3	5	31.3	0	0.0	0	0.0	2	12.5	0	0.0	0	0.0
CL TTD	6	4	66.667	1	16.667	1	16.667	0	0	0	0	0	0	0	0
CL% SI BOARD FINDING	5	5	100	0	0	0	0	0	0	0	0	0	0	0	0
EM % BOARD FINDING	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
Totals	786	584	74.3	90	11.45	75	9.542	10	1.2723	26	3.3079	0	0	1	0.1272

**Workers' Compensation – Revenue Recovery
August 2012**

COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 21,484.18
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 51,482.68
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 25,838.51
# of active accounts uninsured (cumulative)	393
\$ of active accounts uninsured (cumulative)	\$ 1,400,211.38
Telephone contacts	1,500
Walk-ins	8

LIENS	
Liens sent to county clerks for recordation	170
Liens sent to county clerks for release	53
Intent to lien letters sent to employer/owner/officer/member	47

Uninsured Accounts Resolved	273
All Cash Receipts from WC accounts	\$ 98,805.37

INJUNCTIONS	
Affidavits for injunction submitted to legal	13
Hearings attended	0
# of injunction complaints accepted by court	4
# of injunctions granted	0
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	5
Agreements set up	2
Total # of agreements on system (cumulative)	84
Intent to void letters mailed	11
Agreements voided	0

MISCELLANEOUS	
Terminations Processed	55
Rule 11 Letters Mailed	191
Rule 11 hearings	0

BOARD OF TREASURY INVESTMENTS

LEGISLATIVE

CALENDAR NOTE

Board Meeting
August 30, 2012

OPERATING REPORT

AUG 29 2012

JULY 2012

MANAGER

Board of Treasury Investments

1900 Kanawha
Boulevard East
Suite E-122
Charleston WV
25305
(304) 340-1578
www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

Acting Executive
Director
Kara K. Hughes,
CPA, MBA, CFE

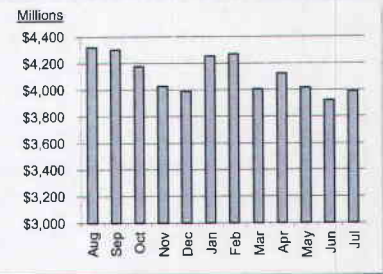
Acting Chief
Financial Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,985,690,000

Last Month
\$3,919,677,000

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



Net Assets for the Past
12 Months

Total Net Income & Gains

Fiscal Year
\$1,514,000



Net Income (Loss) for the
Past 12 Months

Money Market Pools

As of July 31, 2012

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1243%	.1264%	.1221%	41 Days	\$2.8 Billion
WV Gov't Money Market	.0949%	.0942%	.0950%	56 Days	\$293.0 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

JULY 2012

Global Markets Set a Positive Tone

Market Environment

In July, global markets maintained the positive tone established by the major rally on the last day of the second quarter. Even as US GDP growth slipped to 1.5% for the second quarter, employment remained flat, and corporate earnings slowed, and, in Europe, peripheral country recessions deepened and government funding rates rose, and investors took comfort from policy-maker commitments to support the Euro-zone and stimulate in the US, if necessary. In this mixed environment, US stock market investors favored larger company issues, particular those displaying strong earnings growth, to smaller cap stocks. Overseas, both developed market and emerging country stocks rose during the month. Credit issues also posted positive results; in fact, US high yield bonds and emerging markets debt rose even more than their respective equity markets. Broad commodity benchmarks also climbed strongly in July as investors reacted to the impact of the US drought on grain prices and the prospective effect of stimulus on energy and metals.

As a reflection of the challenges still stalking global economies, and despite the rising prices of risk assets, the yields of those government bonds viewed as "safe havens" declined during the month. US Treasury rates once again hit record lows with the 10-year note, briefly yielding 1.38% near the end of the month. Bonds issued by Germany, the UK, and Japan also rallied during the period.

For the last two years, the month of August has seen major stock market sell-offs driven by the Euro-zone debt crisis and US deficit and debt levels (leading to the 2011 downgrade). As we enter August 2012, these challenges remain unresolved while global economic growth is slowing. As a result, market risks remain elevated and expected asset returns remain challenged. Investors are reminded to maintain exposures to asset categories, such as high quality sovereign bonds, that will do well in extreme economic environments. At the same time, risky asset categories such as components of the credit markets, and emerging markets stocks and local currency debt remain attractive especially relative to the very low yields available on low risk assets.

Equity Market Results

July, overall, was a positive month for stocks. Large cap US stocks, as measured by the Russell 1000 Index were up 1.2% for the month, while their small cap counterparts, measured by the Russell 2000 Index, fell 1.4%. Calendar year-to-date, US equities have risen nearly 10.5% as measured by broad market indices.

International equities also posted positive returns for July. Developed markets, as represented by the MSCI EAFE index, rose 1.1% during the month. Smaller, or less developed markets, represented by the MSCI Emerging Markets Index also posted positive returns, rising 1.6%. Calendar year-to-date, developed and emerging markets have generated 4.1% and 3.9%, respectively.

Bond Market Results

Fixed income securities, as previously noted, generated positive returns for investors and outperformed their equity counterparts during July. The broad fixed income market, as represented by the Barclays Capital Aggregate index, rose 1.4% for the month, exceeding the broad US equity market by 0.5%. Intermediate Treasuries posted a 0.6% return during the month, while their longer dated counterparts rose more than 3.2% over the same period. Investment grade bonds, as measured by the Barclays Capital US Credit Index, posted gains of 2.7% during the month as spreads narrowed during this "risk on" period. Once again, short duration instruments left investors with fairly muted returns, generating a 0.01% return in July.

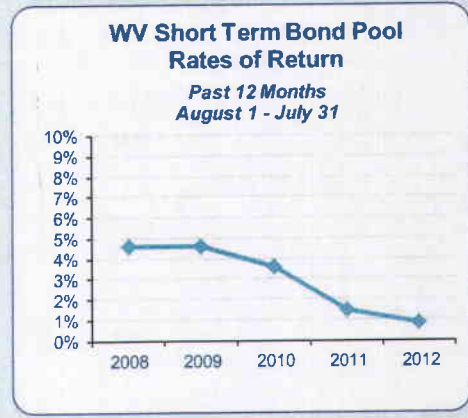
West Virginia Board of Treasury Investments

Financial Highlights as of July 31, 2012

WV Short Term Bond Pool

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

August 1 - July 31	Return	Net Assets At July 31 <i>(In Millions)</i>
2012	0.8%	\$ 499.3
2011	1.5%	\$ 477.9
2010	3.7%	\$ 458.8
2009	4.6%	\$ 339.8
2008	4.6%	\$ 357.7

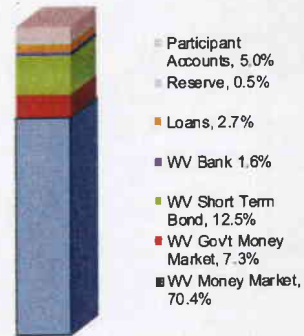


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

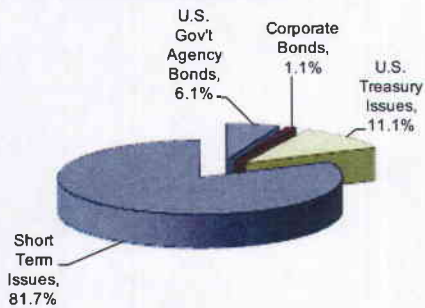
Pool	Net Asset Value	July Net Income	Fiscal YTD Net Income
WV Money Market	\$ 2,807,203	\$ 285	\$ 285
WV Gov't Money Market	292,950	25	25
WV Short Term Bond	499,320	1,085	1,085
WV Bank	62,604	14	14
Loans	105,947	16	16
Reserve	19,046	5	5
Participant Accounts	198,620	84	84
	\$ 3,985,690	\$ 1,514	\$ 1,514

Percent of Total Net Asset Value

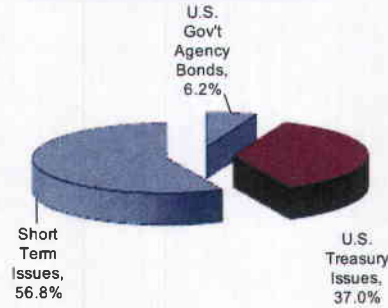


Securities by Type for Operating Pools *(Percentage of Asset Value)*

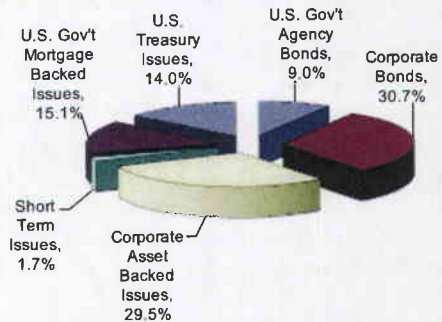
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED

JULY 31, 2012

(IN THOUSANDS)

	WV					Participant
	WV Money	Government	WV Short	WV Bank	Other Pools	Directed
	Market Pool	Money	Term Bond	Pool		Accounts
	Market Pool	Market Pool	Pool	Pool		Accounts
Assets						
Investments:						
At amortized cost	\$ 2,786,968	\$ 299,629		\$ 52,507	\$ 125,765	\$ 145,105
At fair value	-	-	\$ 503,617	-	-	3,654
Cash	-	-		-	-	-
Other assets	1,356	452	1,215	84	103	80
Total assets	<u>2,788,324</u>	<u>300,081</u>	<u>504,832</u>	<u>52,591</u>	<u>125,868</u>	<u>148,839</u>
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	280	34	540	1	2	1
Total liabilities	<u>280</u>	<u>34</u>	<u>540</u>	<u>1</u>	<u>2</u>	<u>1</u>
Net Assets	<u>\$ 2,788,044</u>	<u>\$ 300,047</u>	<u>\$ 504,292</u>	<u>\$ 52,590</u>	<u>\$ 125,866</u>	<u>\$ 148,838</u>
Investment income						
Interest and dividends	\$ 495	\$ 136	\$ 728	\$ 15	\$ 104	\$ 41
Net accretion (amortization)	(48)	(96)	(263)	-	-	(14)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>447</u>	<u>40</u>	<u>465</u>	<u>15</u>	<u>104</u>	<u>27</u>
Expenses						
Fees	140	17	50	1	2	-
Total expenses	<u>140</u>	<u>17</u>	<u>50</u>	<u>1</u>	<u>2</u>	<u>-</u>
Net investment income	<u>307</u>	<u>23</u>	<u>415</u>	<u>14</u>	<u>102</u>	<u>27</u>
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(33)	-	-	(17)
Net gain (loss) from investments	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>(17)</u>
Net increase (decrease) in net assets from operations	<u>307</u>	<u>23</u>	<u>382</u>	<u>14</u>	<u>102</u>	<u>10</u>
Distributions to participants	<u>307</u>	<u>23</u>	<u>415</u>	<u>14</u>	<u>102</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	884,991	31,129	473	14	342	136,492
Redemptions and withdrawals	1,090,256	51,151	222	-	3,343	2,683
Inter-pool transfers in	-	-	-	10,000	-	-
Inter-pool transfers out	10,000	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	<u>(215,265)</u>	<u>(20,022)</u>	<u>251</u>	<u>10,014</u>	<u>(3,001)</u>	<u>133,809</u>
Increase (decrease) in net assets	(215,265)	(20,022)	218	10,014	(3,001)	133,819
Net assets at beginning of period	3,003,309	320,069	504,074	42,576	128,867	15,019
Net assets at end of period	<u>\$ 2,788,044</u>	<u>\$ 300,047</u>	<u>\$ 504,292</u>	<u>\$ 52,590</u>	<u>\$ 125,866</u>	<u>\$ 148,838</u>