

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

December 11, 2013

		<h1>West Virginia Legislature</h1>				<input type="text"/>		<input type="button" value="Search"/>
<small>1ST SESSION OF THE 81ST LEGISLATURE</small>								
Senate	House	Joint	Bill Status	WV Code	Audits/ Reports	Educational	Contact	

Interim Committee Attendance - Results

Wednesday, December 11, 2013 - 09:00 AM

Joint Committee on Government and Finance

Attended:

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

Submitter:

Marlene Elliott

Phone:

304-347-4802

[Back to Attendance](#)

[Bill Status](#) | [Bill Tracking](#) | [WV Code](#) | [Bulletin Board](#) | [District Maps](#) | [Senate Roster](#) | [House Roster](#) | [Releases](#) | [Blog](#) | [Links](#) | [Home](#)



This Web site is maintained by the West Virginia Legislature's Office of Reference & Information. | [Terms of Use](#) | [Web Administrator](#) | © 2013 West Virginia Legislature ***

(President Kessler presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
December 11, 2013

9:00 - 10:00 am

Senate Finance Room

1. **Approval of November 20, 2013, minutes**
2. **Committee Reports/Requests:**
3. **Monthly/Quarterly Reports Distribution:**
Status Reports on Lottery and the General Revenue Fund.
4. **Workforce WV Unemployment Compensation Trust Fund Distribution:** *(Beth Nogay Carnbauer, Acting Director)*
5. **Monthly/Quarterly Reports Distribution:** *(Ted Cheatham, Director of PEIA)*
PEIA
BRIM
CHIP
Real Estate Report
6. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**
(Tina Bailes, Deputy Commissioner, Finance, WV Bureau for Medical Service)

Medicaid Report
7. **Investment Management Board Distribution:** *(Tom Sauvageot, Fixed Income and Real Estate Investment Officer)*
8. **Workers' Compensation:** *(Mike Riley, Insurance Commissioner)*
9. **Board of Treasury Report Distribution**
10. **Other Business**
11. **Adjournment**

Joint Committee on Government and Finance

November 20, 2013

1:00pm - 2:00pm

Senate

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

House

Miley, Chair
Boggs
Caputo
Manchin
White
Armstead
Cowles

Speaker Miley presides:

Speaker Miley: "The committee will come to order. President Kessler moves we adopt the minutes from our October 23, 2013 meeting. Is there discussion? All those in favor say aye, all those opposed, the ayes appear to have it, the ayes do have it. I declare the minutes adopted."

Speaker Miley: "President Kessler has a motion to make."

President Kessler: "Mr. Speaker I move that the Joint Committee enter into a contract with the WVU College of Business and Economics to study the economic impact of our state Medicaid Aged and Disabled Waiver program."

Speaker Miley: "Is there discussion? If not, all of those in favor of the motion say aye, all those opposed, the ayes appear to have it, the ayes do have it. I declare the motion adopted."

Speaker Miley: "We will go through the monthly reports. First up is Workforce WV presented by Ms. Carenbauer."

Beth Carenbauer, Acting Director of Unemployment Compensation: "Good afternoon Mr. Speaker, Mr. Speaker and Committee members, I am Beth Carenbauer, the Acting Director of Unemployment Compensation for WV. I am here on behalf of Russell Fry. As of this morning the Unemployment Compensation Trust Fund had a balance of \$126,699,939. We are projecting that we will have Revenues of \$228,428,000 and Benefits of \$237,316,000 with a balance of \$98,277,000. I would happy to take any questions."

Speaker Miley: "Are there any questions of Ms. Carenbauer? Thank you."

Speaker Miley: "Next item on the agenda are reports from PEIA, BRIM, CHIP and Real Estate from Mr. Ross Taylor, Secretary of Finance and Administration."

Ross Taylor: "You all have this month's packet. Just two or three things I would like bring to the Committee's attention. Through September PEIA's ahead of budget which is mainly due to actual expenses are less than what we anticipated. CHIP is pretty much status quo. The only thing for CHIP is we are currently working with DHHR and CMS on transitioning some members that are now eligible to be transferred to Medicaid. BRIM this year, our expenses year-to-date are a little higher than what they were last year during the same period and our investment income is a little less than what it was last year at this time. With leasing there really isn't any thing to update of that. I will entertain any questions."

Speaker Miley: "First question is from Delegate Cowles."

Delegate Cowles: "Thank you Mr. Speaker. I'm sorry did you just say you were transferring some members of PEIA over to Medicaid?"

Mr. Taylor: "I'm sorry if I said PEIA, I meant CHIP."

Delegate Cowles: "I may have misheard too. On PEIA you said you were a little ahead of budget but it seems to me with the Retiree Benefit Trust Plan, it looks like it is \$18M above projections and for the Net Assets Year-to-date Surplus were plus \$12M and Total Net Assets were \$24M above last year. We normally include in our budget a direct line item for \$3.5M taxpayers subsidy into PEIA. That may not be necessary with these good numbers? Is that a fair assumption on my part?"

Mr. Taylor: "Yes sir."

Delegate Cowles: "Thank you. Thank you Mr. Speaker."

Speaker Miley: "Delegate Manchin."

Delegate Manchin: "The Health Access Program is I think is administered by PEIA is that right?"

Mr. Taylor: "That is one that I'm not familiar with. I will let Ted Cheatham, Director of PEIA."

Mr. Cheatham: "No sir that is administered by the Insurance Commissioner."

Delegate Manchin: "Doesn't PEIA have anything to do with it?"

Mr. Cheatham: "The only thing we have to do with it, they tag onto our contract with Health Smart for enrollment and to administer their claims. They use our fee schedule for our physicians and hospitals. But we have nothing to do with the regulation of it or setting policies or premiums or anything."

Delegate Manchin: "They have some separate funding then that doesn't have anything to do with PEIA?"

Mr. Cheatham: "Yes sir that is correct. Nothing to do with PEIA on financials."

Delegate Manchin: "Thank you. Thank you Mr. Chairman."

Speaker Miley: "Any further questions? Thank you."

Speaker Miley: "Next up is Medicaid Report from Ms. Bailes."

Ms. Tina Bailes: "Good afternoon Mr. Speaker, Mr. President and Committee members. I'm Tina Bailes, the Deputy Commissioner for Medicaid. I believe you should have the Medicaid Report in your packet of information as well as the Bureau's responses to questions that were submitted by Delegate Boggs of this Committee. I would be happy to take any questions at this time."

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

Delegate Cowles: "Thank you Mr. Speaker and thank you for your responses from our questions of last time. We are in a partnership with Obama Administration on Obama Care and the Medicaid Expansion and the exchanges. The information that came out recently about the roll out was that 8,800 or so cancellations went out to people with private plans and only 198 enrolled through the Obama Care Exchanges. I don't understand if that includes that Medicaid Expansion or newly eligible Medicaid recipients receiving care today and are they part of that 198?"

Ms. Bailes: "The newly eligible adults will not be able to receive benefits from Medicaid until January 1, 2014. In terms of the cancellation notices, I'm sorry I don't have that information. In terms of what we are anticipating I believe the last number was roughly 60,000 individuals who have indicated that they wish to apply for Medicaid that are currently receiving our SNAP Benefits."

Those individuals would be enrolled effective January 1."

Delegate Cowles: "SNAP automatically qualifies you for the Medicaid?"

Ms. Bailes: "Not automatically. The income levels, yes they could potentially become automatically so yes I think there was additional questions that may have been asked but my understanding is that there is roughly 60,000 of those individuals. The mailings were targeted to those individuals because of the income thresholds."

Delegate Cowles: "Right now if a West Virginian would need to get health insurance and went on the web sit that isn't working very well and tried to sign up and qualify for Medicaid Expansion, would you know that some how that they sent them the Medicaid and do they count in their 198 number?"

Ms. Bailes: "I'm not certain in terms of who was included in the 198 or whether those would be Medicaid or not but there are alternative approaches that individuals can access to apply for Medicaid coverage. DHHR has a web site referenced as In Roads in which they can make application directly for Medicaid. That is one way they can also visit any of the local DHHR offices and make an in person application as well as they could attempt to apply for coverage through HealthCare.Gov web site."

Delegate Cowles: "Thank you. Thank you Mr. Speaker."

Speaker Miley: "Mr. President."

President Kessler: "Thank you Mr. Speaker. Just a quick question to follow up I heard you say over 60,000 people have already applied for the Medicaid Expansion, is that correct?"

Ms. Bailes: "That is correct."

President Kessler: "So despite the fact that 198 West Virginians have applied for insurance through the exchange or market place. Over 60,000 I heard the number from DHHR Secretary yesterday of 65,000 of the potential eligible 93,000. While it may appear that only less than 200 have signed up over 60,000 people have already applied for the Medicaid Expansion."

Ms. Bailes: "That is correct. It is my understanding there was in excess of 100,000 to 115,000 letters that were initially mailed by DHHR to those SNAP recipients. Out of those, the responses were approximately 60,000 to 65,000."

I'm sorry I did not have the updated number on who have been deemed eligible and will move on to Medicaid coverage on January 2."

President Kessler: "That expansion population is covered 100% by the Federal Government for three years?"

Ms. Bailes: "That is correct."

President Kessler: "Without costing the state a dime?"

Ms. Bailes: "Correct."

President Kessler: "We have 60,000 people uninsured now who are going to have insurance at no cost to the state?"

Ms. Bailes: "Until 12/31/16 and then at that point there will be a state contribution required."

President Kessler: "Its like 5% or 10%. What is our current match for Medicaid?"

Ms. Bailes: "Our current match for Medicaid is 71.09%. That's with a federal participation."

President Kessler: "We pay 29%?"

Ms. Bailes: "Correct."

President Kessler: "These folks that are on this, the state would ever pay 10% as opposed to 29%?"

Ms. Bailes: "In 2019 when it fully maximizes out, it would be 10% for those that would be deemed newly eligible."

Speaker Miley: "Further questions of Ms. Bailes? Just to clarify the letter to which Ms. Bailes refers, it is in the back of your packet, #10 on the Agenda. Thank you Ma'am. Do you have any more to present?"

Ms. Bailes: "No."

Speaker Miley: "I'm sorry there is a question. Delegate Armstead."

Delegate Armstead: "Thank you Mr. Speaker. I was wondering in terms of when we hit 2016, have you all identified what the source of the funding is going to be for the 10%, the 5% and 10%?"

Ms. Bailes: "At this point I don't have that information."

Delegate Armstead: "Has there been any discussion of possible sources on that?"

Ms. Bailes: "I'm not aware of those discussions. I know that information has been available. I'm sorry but I don't have that information available. I can get that."

Delegate Armstead: "Thank you."

Speaker Miley: "Further questions of Ms. Bailes? Delegate Boggs."

Delegate Boggs: "Really its just to make a comment. I want to thank you for the information about the waiver program and for providing the information that we requested in the letter to the Committee. If you would please let the Cabinet Secretary know we appreciate it as well."

Ms. Bailes: "I certainly will. Thank you very much."

Speaker Miley: "Any further questions? Thank you Ma'am."

Speaker Miley: "The next item on the agenda is the report from Investment Management Board Distribution by Mr. Slaughter."

Mr. Slaughter: "Craig Slaughter, Executive Director of the West Virginia Investment Management Board. You have the September Performance Report in your packet. As you can see the numbers were great for September. They will be good for October also. It was a great month. So far the stock market has been going up, up and up. That is quite honestly looking forward, that's not altogether great news because its probably getting to a point where it's a little over priced and that doesn't bode well for future returns. That combined with low bond yields and the prospect of tapering in the future. Consequence rise and yield means that fixed income will not produce much for you in the future either. Both of our traditional assets are going to have a constrained return profile as we move forward. We are doing everything we can with the alternative things we can do to counter that but we are limited and that is just the way it is I think. Any questions?"

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

Speaker Miley: "Next item on the Agenda is a report regarding Workers Compensation from Mr. Riley."

Mr. Riley: "Good afternoon. Mike Riley, Insurance Committee. The Committee has a copy of this month's report. Some of the big numbers for October 31st, 16,548 active claims in the Old Fund; 906 active claims in the CWP Fund; and only 36 active claims in the Uninsured Fund. Year-to-date Revenues \$82M. Year-to-date expenses \$68M. Continuing into Cash Flow the June 30th Audit Deficit is now down to \$628M which equates to about a reduction of \$197M for 2013. Still have a defeasance date or when the assets and liabilities equate fiscal year 2017. Bunch of qualifiers, all depends on how the claims develop loss proceed and also how investment returns come in. Be happy to answer any questions."

Speaker Miley: "Further questions of Mr. Riley? Delegate Manchin."

Delegate Manchin: "Mr. Riley I asked the question earlier about Access West Virginia. I was trying to get a feel for and I realize that it is not in Workers Comp but I understand that your offices are administering that program that is for people who are not able to obtain insurance in the open market. I understand that its rapidly coming to an end or drawing close to a conclusion with a few exceptions. As I understand it those folks will now be eligible for coverage under the Affordable Care Act and therefore, you have determined that the program is outlived its usefulness. Where has the money been coming from to fund that program and are we going to see any savings now that it is drawing to an end?"

Mr. Riley: "One thing I would like to clarify. I think it has been in the papers and the original announcement was it was going to close at the end of the year. We have given the issues with the federal exchange. We will be sending out notices and will be expanding that through March 31, the Board voting on that. The money comes from the individuals, the premium itself sustaining and also there has been a hospital assessment. For the past couple of years we haven't done the hospital assessment because it has been financially solvent. Essentially these are folks that were not able to get coverage in the commercial market due to pre-existing conditions and their rates reflected their health risks. It came out of their own pocket. We did have a subsidy program similar to the federal government that is getting to roll out an exchange for the 400%Federal Poverty Level but that was just recently."

Delegate Manchin: "So the state's not been spending any money on that program?"

Mr. Riley: "No sir. Its self sustaining."

Delegate Manchin: "Ok. The hospital assessment that had been going on, how much was that per year?"

Mr. Riley: "About \$1M. It was probably for the first – I can't give you the exact number. I don't think we have done this for the past couple of years, we haven't needed it, the reserves were sufficient."

Delegate Manchin: "Thank you. Thank you Mr. Chairman"

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

Speaker Miley: "Is there any further business to come before the Committee? If not, President Kessler moves we adjourn. All of those in favor say aye, all those oppose no. The ayes appear to have it, that ayes do have it, I declare the meeting adjourned."

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

December 5, 2013

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

- West Virginia Lottery as of October 31, 2013:
Gross profit for July - October 2013 was \$180.2 million.
- West Virginia Unemployment Compensation Fund as of October 31, 2013:
Total disbursements were \$ 15 million less than last fiscal year. Overall ending trust fund balance was \$ 11 million lower on October 31, 2013, than on October 31, 2012.
- General Revenue Fund as of November 27, 2013:
The general revenue collections ended the fourth month of fiscal year 2013-2014 at 96.42% of the estimate for the year.
- State Road Fund as of October 31, 2013:
The state road fund collections ended the fourth month of fiscal year 2013-2014 at 102.09% of the estimate for the year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

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

From: William Spencer, CPA
Acting Director Budget Division
Legislative Auditor's Office

Date: December 1, 2013

Re: Review of West Virginia Lottery Financial Information
As of October 31, 2013

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for October 31, 2013, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$415.3 million for July – October 31, 2013. Table games accounted for \$17.9 million of this total. Historic Resort Hotel video lottery and table games accounted for \$2.6 million of total gross receipts. Gross lottery revenue has decreased by 8.02% when compared with July - October of fiscal year 2012-2013. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July – October 2013 was \$180.2 million; for July - October of last fiscal year it was \$194.4 million. Expressed as a percentage, gross profit is 7.98% lower for fiscal year 2014 than for fiscal year 2013.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$171,029,000.00 has been accrued to the state of West Virginia for fiscal year 2013-2014. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$43,137,000.00
Community and Technical College	\$1,999,000.00
Department of Education	\$22,378,000.00
Library Commission	\$9,348,000.00
Higher Education-Central Office	\$6,181,000.00
Tourism	\$7,273,000.00
Department of Natural Resources	\$2,603,000.00
Division of Culture and History	\$4,261,000.00
Economic Development Authority	\$4,000,000.00
Department of Education and Arts	\$1,477,000.00
School Building Authority	\$7,198,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$109,855,000.00

Excess Lottery Fund

Lottery continued

Economic Development Fund	7,595,000.00
Higher Education Improvement Fund	6,000,000.00
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	28,073,000.00
Refundable Credit	1,063,000.00
General Purpose Fund	0
DHHR	29,111,000.00
State Park Improvement Fund	0
School Building Authority	7,597,000.00
Excess Lottery Surplus	0
Total State Excess Lottery Revenue Fund	\$ 79,439,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	672,000.00
State Debt Reduction Fund	200,000.00
Tourism Promotion Fund	32,000.00
Total Historic Hotel	904,000.00

Veterans Instant Ticket Fund \$92,000.00

Table Games State Debt Reduction Fund \$ 9,069,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	2,664,000.00
Development Office Promo Fund	727,000.00
Research Challenge Fund .5%	969,000.00
Capitol Renovation and Improvement Fund .6875%	1,332,000.00

Lottery continued

Parking Garage Fund .0625%	121,000.00
Parking Garage Fund 1%	500,000.00
Cultural Facilities and Cap. Resources Fund .5%	653,000.00
Capitol Dome & Cap. Improvements Fund .5%	784,000.00
Workers Compensation Debt Reduction Fund 7%	11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$18,750,000.00
TOTAL TRANSFERS	*\$218,109,000.00

* CASH BASIS

Total Accrued last FY 2013:	\$ 239,035,000.00
Total Cash Distributions FY 2014:	218,109,000.00
Applied to FY 2013:	218,109,000.00
Applied to FY 2014:	000.00
Accrued for FY 2013 as of October:	\$ 20,926,000.00
Accrued for FY 2014 as of October 31:	\$ 171,029,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

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

Earl Ray Tomblin
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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

RE: Monthly Report on Lottery Operations
Month Ending October 31, 2013

DATE: November 18, 2013

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

Financial statements of the Lottery for the month ending October 31, 2013 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$99,546,439 for the month of October.

Transfers of lottery revenue totaling \$37,416,591 made for the month of October to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of October 31, 2013 was 1,562 and 1,466 respectively.

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

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

JCM
Attachment

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

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

RE: Monthly Report on Lottery Operations
Month Ending October 31, 2013

DATE: November 15, 2013

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

Financial statements of the Lottery for the month ending October 31, 2013 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$99,546,439 for the month of October.

Transfers of lottery revenue totaling \$37,416,591 made for the month of October to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of October 31, 2013 was 1,562 and 1,466 respectively.

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

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

JCM
Attachment

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



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

October 31, 2013

WEST VIRGINIA LOTTERY

TABLE OF CONTENTS

	Page
STATEMENT OF NET POSITION.....	3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION.....	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 23

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

	October 31, 2013	June 30, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 226,364	\$ 273,418
Accounts receivable	28,546	35,999
Inventory	624	492
Other assets	1,968	2,123
Total Current Assets	<u>257,502</u>	<u>312,032</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,514	1,640
Capital assets	46,992	46,846
Less accumulated depreciation and amortization	<u>(7,304)</u>	<u>(6,626)</u>
Net Capital Assets	<u>39,688</u>	<u>40,220</u>
Total Noncurrent Assets	<u>41,202</u>	<u>41,860</u>
Total Assets	<u>\$ 298,704</u>	<u>\$ 353,892</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 191,955	\$ 239,035
Estimated prize claims	15,191	14,144
Accounts payable	1,190	1,828
Other accrued liabilities	35,502	44,019
Total Current Liabilities	<u>243,838</u>	<u>299,026</u>
Total Liabilities	<u>243,838</u>	<u>299,026</u>
Net Position:		
Restricted by enabling legislation	39,688	40,220
Net Investment in capital assets	1,493	1,640
Unrestricted	13,685	13,006
Total Net Position	<u>54,866</u>	<u>54,866</u>
Total Net Position	<u>\$ 298,704</u>	<u>\$ 353,892</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2013

(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2013	2012	2013	2012
Lottery revenues				
On-line games	\$ 6,484	\$ 5,822	\$ 29,170	\$ 26,059
Instant games	8,162	9,415	35,844	36,390
Racetrack video lottery	48,608	50,928	205,052	227,036
Limited video lottery	31,470	32,477	124,683	132,057
Table games	3,873	5,626	17,921	23,969
Historic resort	949	828	2,649	3,116
	<u>99,546</u>	<u>105,096</u>	<u>415,319</u>	<u>448,627</u>
Less commissions				
On-line games	450	406	2,043	1,828
Instant games	570	659	2,508	2,547
Racetrack video lottery	30,312	32,268	118,922	132,849
Limited video lottery	15,420	15,914	61,095	64,707
Table games	1,691	2,456	7,824	10,464
Historic resort	378	371	1,279	1,441
	<u>48,821</u>	<u>52,074</u>	<u>193,671</u>	<u>213,836</u>
Less on-line prizes	3,023	2,847	14,286	12,885
Less instant prizes	5,403	6,253	23,675	24,211
Less ticket costs	169	160	660	612
Less vendor fees and costs	686	692	2,813	2,670
	<u>9,281</u>	<u>9,952</u>	<u>41,434</u>	<u>40,378</u>
Gross profit	<u>41,444</u>	<u>43,070</u>	<u>180,214</u>	<u>194,413</u>
Administrative expenses				
Advertising and promotions	1,245	744	2,014	1,528
Wages and related benefits	877	901	3,558	3,717
Telecommunications	67	69	236	312
Contractual and professional	505	380	1,557	1,307
Rental	26	16	100	71
Depreciation and amortization	169	173	678	714
Other administrative expenses	91	116	448	445
	<u>2,980</u>	<u>2,399</u>	<u>8,591</u>	<u>8,094</u>
Other Operating Income	<u>210</u>	<u>209</u>	<u>1,861</u>	<u>1,883</u>
Operating Income	<u>38,674</u>	<u>40,880</u>	<u>173,484</u>	<u>188,202</u>
Nonoperating income (expense)				
Investment income	21	21	80	80
Distributions to municipalities and counties	(617)	(637)	(2,444)	(2,588)
Distributions -capital reinvestment	(21)	(24)	(91)	(98)
Distributions to the State of West Virginia	(38,057)	(40,240)	(171,029)	(185,596)
	<u>(38,674)</u>	<u>(40,880)</u>	<u>(173,484)</u>	<u>(188,202)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>54,866</u>	<u>51,975</u>	<u>54,866</u>	<u>51,975</u>
Net position, end of period	<u>\$ 54,866</u>	<u>\$ 51,975</u>	<u>\$ 54,866</u>	<u>\$ 51,975</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2013

(In Thousands)

-Unaudited-

	2013	2012
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 424,633	\$ 456,749
Cash payments for:		
Personnel costs	(3,515)	(3,678)
Suppliers	(4,805)	(4,920)
Other operating costs	(231,703)	(250,044)
Cash provided by operating activities	<u>184,610</u>	<u>198,107</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(218,109)	(226,736)
Distributions to municipalities and counties	(2,434)	(2,589)
Distributions to racetrack from racetrack cap. reinv. fund	(11,181)	(11,975)
Cash used in noncapital financing activities	<u>(231,724)</u>	<u>(241,300)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(146)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>80</u>	<u>81</u>
Increase (decrease) in cash and cash equivalents	(47,180)	(43,112)
Cash and cash equivalents - beginning of period	<u>275,058</u>	<u>243,911</u>
Cash and cash equivalents - end of period	<u>\$ 227,878</u>	<u>\$ 200,799</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 173,484	\$ 188,202
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	678	714
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	7,453	6,238
(Increase) decrease in inventory	(132)	(229)
(Increase) decrease in other assets	155	157
Increase (decrease) in estimated prize claims	1,047	398
Increase (decrease) in accounts payable	(638)	(1,474)
Increase (decrease) in other accrued liabilities	2,563	4,101
Cash provided by operating activities	<u>\$ 184,610</u>	<u>\$ 198,107</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the “State Lottery Fund.” The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission, consisting of seven members and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below.

BASIS OF PRESENTATION – The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments,” and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*,” the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

The Lottery is included in the State’s basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery’s presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management’s estimates.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

The Lottery has contracted with a private vendor to manufacture, distribute, and provide data processing support for instant and on-line games. Under the terms of the agreements, the Lottery pays a percentage of gross revenues or gross profits for the processing and manufacture of the games.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state “jackpot” game; HOT LOTTO®, a multi-state “lotto” game; Mega Millions®, a multi-state “jackpot” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of seven percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent’s on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery’s sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), and licensed historic resort hotels as defined by WV Code. Each licensee as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

OTHER ASSETS – Other assets consist of deposits restricted for payment of certain Multi-State Lottery Association activities and prepaid expenses.

CAPITAL ASSETS – The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

ADVERTISING AND PROMOTIONS – The Lottery expenses the costs of advertising and promotions as they are incurred.

COMPENSATED ABSENCES – The Lottery has accrued \$555,325 and \$566,986 of at June 30, 2013 and 2012, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan (see Note 16).

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At October 31, 2013 the carrying amounts of deposits (overdraft) with financial institutions were \$496 thousand with a bank balance (overdraft) of \$527 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):

	<u>October 31, 2013</u>	<u>June 30, 2013</u>
Deposits with financial institutions	\$ 496	\$ 1,411
Cash on hand at the Treasurer's Office	11,694	53,718
Investments with BTI reported as cash equivalents	<u>215,688</u>	<u>219,929</u>
	<u>\$ 227,878</u>	<u>\$ 275,058</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended October 31, 2013 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At October 31, 2013
Construction in Progress	\$ 549	\$ 146	\$ -	\$ 695
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,846</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 46,992</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At October 31, 2013
Buildings	\$ 1,189	\$ 317	\$ -	\$ 1,506
Improvements	260	-	-	260
Equipment	5,177	361	-	5,538
	<u>\$ 6,626</u>	<u>\$ 678</u>	<u>\$ -</u>	<u>\$ 7,304</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended October 31, 2013 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,329,797	\$ 16,457,712
Hot Lotto	390,599	1,765,201
Mega Millions	<u>785,207</u>	<u>3,019,368</u>
Total	\$ 4,505,603	\$ 21,242,281

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,664,899	\$ 8,228,856
Hot Lotto	195,299	882,600
Mega Millions	<u>399,625</u>	<u>1,536,708</u>
Total	\$ 2,259,823	\$ 10,648,164

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

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

At October 31, 2013, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 110,273,522	\$ 1,900,689
Hot Lotto	7,210,696	497,326
Mega Millions	<u>30,425,476</u>	<u>500,202</u>
Total	<u>\$ 147,909,694</u>	<u>\$ 2,898,217</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$15,254,926 at October 31, 2013, of which the Lottery's share was \$1,599,398.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended October 31, 2013 and fiscal year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 549,114	\$ 580,980	\$ 2,306,336	\$ 2,541,688
Credits (prizes) won	(493,059)	(522,419)	(2,070,168)	(2,283,125)
Promotional credits played	(7,421)	(7,601)	(31,007)	(31,380)
MWAP Contributions	(26)	(32)	(109)	(147)
Gross terminal income	48,608	50,928	205,052	227,036
Administrative costs	(1,944)	(2,037)	(8,202)	(9,081)
Net Terminal Income	46,664	48,891	196,850	217,955
Less distribution to agents	(30,312)	(32,268)	(118,922)	(132,850)
Racetrack video lottery revenues	<u>\$ 16,352</u>	<u>\$ 16,623</u>	<u>\$ 77,928</u>	<u>\$ 85,105</u>

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

	October 31, 2013	Year-to-Date
State Lottery Fund	\$ 13,999	\$ 59,055
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	642	2,707
Development Office Promotion Fund .375 %	175	738
Research Challenge Fund .5 %	233	984
Capitol Renovation & Improvement Fund .6875 %	321	1,353
Parking Garage Fund .0625 %	29	123
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	233	734
Capitol Dome & Capitol Improvements Fund .5 %	233	734
Worker's Compensation Debt Reduction Fund 7 %	487	11,000
Total nonoperating distributions	<u>\$ 16,352</u>	<u>\$ 77,928</u>

NOTE 7 - LIMITED VIDEO LOTTERY

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended October 31, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 373,757	\$ 382,798	\$ 1,478,407	\$ 1,559,634
Credits (prizes) won	(342,287)	(350,321)	(1,353,724)	(1,427,577)
Gross terminal income	\$ 31,470	\$ 32,477	\$ 124,683	\$ 132,057
Administrative costs	(629)	(649)	(2,493)	(2,641)
Gross Profit	30,841	31,828	122,190	129,416
Commissions	(15,420)	(15,914)	(61,095)	(64,708)
Municipalities and Counties	(617)	(637)	(2,444)	(2,588)
Limited video lottery revenues	<u>\$ 14,804</u>	<u>\$ 15,277</u>	<u>\$ 58,651</u>	<u>\$ 62,120</u>

NOTE 8 – TABLE GAMES

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

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

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

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

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended October 31, 2013 and fiscal year-to-date were \$11,683,043 and \$40,137,756, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Table Games Privilege Tax	\$ 3,873	\$ 5,626	\$ 17,921	\$ 23,970
Interest on Table Games Fund	-	-	1	2
Administrative costs	(332)	(482)	(1,536)	(2,055)
Total Available for Distribution	<u>3,541</u>	<u>5,144</u>	<u>16,386</u>	<u>21,917</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	277	402	1,280	1,712
Thoroughbred & Greyhound Development Funds	221	321	1,024	1,370
Racing Association Pension Plan	97	141	451	603
Municipalities/ Counties	<u>1,096</u>	<u>1,592</u>	<u>5,069</u>	<u>6,780</u>
Total Distributions	<u>1,691</u>	<u>2,456</u>	<u>7,824</u>	<u>10,465</u>
State Debt Reduction Fund	<u>\$ 1,850</u>	<u>\$ 2,688</u>	<u>\$ 8,562</u>	<u>\$ 11,452</u>

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

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 .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended October 31, 2013 and fiscal year-to-date follows (in thousands):

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total credits played	\$ 5,153	\$ 5,948	\$ 22,719	\$ 23,933
Credits (prizes) won	(4,720)	(5,465)	(20,827)	(21,961)
Promotional credits played	(59)	(49)	(273)	(226)
MWAP Contributions	-	(1)	(1)	(5)
Gross terminal income	<u>374</u>	<u>433</u>	<u>1,618</u>	<u>1,741</u>
Capital reinvestment	(18)	(20)	(76)	(81)
Modernization Fund	(3)	(4)	(15)	(16)
Administrative costs	(20)	(23)	(87)	(94)
Hotel commissions	<u>(158)</u>	<u>(183)</u>	<u>(684)</u>	<u>(737)</u>
Net terminal income	175	203	756	813
Historic Resort Hotel Fund	111	129	481	517
Human Resource Benefit Fund	64	74	275	296

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended October 31, 2013 and fiscal year-to-date were \$1,641,910 and \$2,946,712, respectively.

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

	<u>Current Month</u>		<u>Year-to-Date</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Table games privilege tax	\$ 575	\$ 458	\$ 1,031	\$ 979
Administrative Costs	(74)	(59)	(133)	(126)
Total Available for Distribution	<u>501</u>	<u>399</u>	<u>898</u>	<u>853</u>
Historic Resort Hotel Fund	419	334	751	713
Human Resource Benefit Fund	82	65	147	140

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

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Hotel Fund

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

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

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 111	\$ 481
Historic Resort Table Games	419	751
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	530	1,232
Municipalities/ Counties	74	173
State General Revenue Fund	339	788
State Debt Reduction Fund	101	234
State Tourism Promotion Fund	16	37
Total Distributions	\$ 530	\$ 1,232

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2014 the State Legislature budgeted \$151,565,243 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended October 31, 2013 the Lottery has accrued additional distributions of \$189,002,174. 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 October 31, 2013, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$647,189, \$1,850,301, and \$455,657, 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>October 31, 2013</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 1,999
Bureau of Senior Services	6,362	43,137
Department of Education	3,300	22,378
Library Commission	1,378	9,348
Higher Education-Policy Commission	912	6,181
Tourism	1,072	7,273
Natural Resources	384	2,603
Division of Culture & History	628	4,261
Department of Education & Arts	218	1,477
Economic Development Authority	1,000	4,000
School Building Authority	1,800	7,198
Total State Lottery Fund	\$ 17,554	\$ 109,855

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 7,595
Higher Education Improvement Fund	1,500	6,000
General Purpose Account	-	-
Higher Education Improvement Fund	9,195	28,073
State Park Improvement Fund	-	-
School Building Authority	1,899	7,597
Refundable Credit	80	1,063
WV Racing Commission	-	-
WV Department of Health and Human Resources	-	29,111
WV Development Office	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 14,573	\$ 79,439
Total Budgetary distributions:	\$ 32,127	\$ 189,294
Veterans Instant Ticket Fund	\$ 26	\$ 92

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 601	\$ 2,664
Development Office Promotion Fund .375%	165	727
Research Challenge Fund .5%	219	969
Capitol Renovation & Improvement Fund .6875%	300	1,332
Parking Garage Fund .0625 %	27	121
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	218	653
Capitol Dome & Cap. Improvements Fund .5%	218	784
Workers Compensation Debt Reduction Fund 7%	1,412	11,000
Total	\$ 3,160	\$ 18,750
Table Games State Debt Reduction Fund	\$ 1,954	\$ 9,069

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 111	\$ 672
State Debt Reduction Fund	33	200
Tourism Promotion Fund	6	32
Total	\$ 150	\$ 904
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 37,417	\$ 218,109
Accrued nonoperating distributions, beginning	(191,315)	(239,035)
Accrued nonoperating distributions, end	191,955	191,955
	\$ 38,057	\$ 171,029

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

NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended October 31, 2013 and October 31, 2012 approximated \$100,255 and \$70,550 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended October 31, 2013 and October 31, 2012 approximated \$457,034 and \$482,316 respectively.

Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2014	619
2015	232
Total	\$ 851

NOTE 12 – RESTRICTED NET POSITION

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – COMMITMENTS

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

NOTE 14 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending October 31, 2013 and fiscal year-to-date are as follows (in thousands):

	October 31, 2013	Year-to-Date
Lottery contributions	\$ 89	\$ 369
Employee contributions	27	113
Total contributions	\$ 116	\$ 482

NOTE 15 - RISK MANAGEMENT

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16– OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Funding Policy

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

The ARC rate is \$257 and \$961 per employee per month for the years ending June 30, 2013 and 2012 respectively. Through June 30, 2013 and 2012, the Lottery has paid premiums of \$332,615 and \$317,694. As of June 30, 2013 and 2012, the Lottery has recorded a liability of \$4,188,445 and \$4,075,581 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

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

Date: December 4, 2013

Re: Status of General Revenue Fund and State Road Fund as of
November 30, 2013 (FY 2013-2014)

We have reviewed the cash flow of the West Virginia general revenue fund as of November 30, 2013 which is the end of the fifth month of the new fiscal year. The status of the fund collections for the month is as follows:

The net collections were 96.42% of the estimate for the fiscal year. Total collections were \$ 57.4 million under the estimate.

Personal Income Tax collections were \$ 37.2 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 3.9 million below the estimate for the year.

Severance Tax was \$ 7 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$1.8 million below the estimate for the fiscal year.

State Road Fund

The state road fund collections were 102.09% of the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$558,465,087.17 as of November 30, 2013.

Balance July 1, 2013	557,992,969.15
Cash flow loan to General Revenue on July 1, 2013. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Paid back September 2013.	- 62,000,000.00 +62,000,000.00
Earnings	-5278522.22
Surplus transfer FY 2013	5,750,640.24
Balance November 30, 2013	558,465,087.17

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 362,213,765.40 as of November 30, 2013.

Balance July 1, 2013	356,472,701.67
Earnings	5741063.73
Balance November 30, 2013	362,213,765.40

The Special Income Tax Reserve Fund had a zero cash balance as of November 30, 2013.

Balance July 1, 2013	-0-
Revenues	-0-
Balance November 30, 2013	-0-

GENERAL REVENUE FUND FY 2013-2014

FINAL

By Source and by Month

Monthly Revenue Estimates

as of November 27, 2013 WV FIMS

	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	108,600,000	106,802,334	-1,797,666	681,250,000	644,022,735	-37,227,265
Consumer Sales Tax & Use Tax	96,900,000	96,236,908	-663,092	503,300,000	499,377,837	-3,922,163
Severance Tax	34,900,000	20,671,010	-14,228,990	165,600,000	158,639,737	-6,960,263
Corp Income /Business Franchise	400,000	3,288,265	2,888,265	70,800,000	71,977,405	1,177,405
Insurance Tax	2,500,000	3,792,400	1,292,400	57,400,000	55,557,376	-1,842,624
Tobacco Products Tax	9,300,000	8,785,700	-514,300	46,000,000	45,037,873	-962,127
Business and Occupation	6,800,000	4,072,430	-2,727,570	42,900,000	37,660,977	-5,239,023
Liquor Profit Transfers	1,000,000	1,000,000	0	5,400,000	5,804,998	404,998
Departmental Collections	940,000	1,053,008	113,008	4,940,000	5,177,874	237,874
Property Transfer Tax	900,000	1,508,992	608,992	4,559,000	5,047,029	488,029
Property Tax	350,000	404,487	54,487	3,553,000	3,822,621	269,621
Beer Tax and Licenses	605,000	601,532	-3,468	3,464,000	3,359,705	-104,295
Miscellaneous Transfers	0	0	0	2,500,000	745,598	-1,754,402
Interest Income	500,000	-65,041	-565,041	2,500,000	-655,299	-3,155,299
Senior Tax Credit Reimbur Lot	0	0	0	1,075,000	1,062,964	-12,036
HB 102 - Lottery Transfers	7,473,000	7,584,000	111,000	7,473,000	7,584,000	111,000
Miscellaneous Receipts	223,000	617,869	394,869	970,000	2,097,053	1,127,053
Business Fran Registration Fees	36,000	128,125	92,125	248,000	364,663	116,663
Liquor License Renewal	21,000	21,054	54	205,000	204,610	-390
Charter Tax	0	1,382	1,382	0	25,143	25,143
Telecommunications Tax	0	0	0	0	-260,588	-260,588
Video Lottery Transfers	0	2,225	2,225	0	86,332	86,332
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	271,448,000	256,506,680	-14,941,320	1,604,137,000	1,546,740,642	-57,396,358
Minus Cash Flow Transfer		0			0	
Percent of Estimates		94.50%			96.42%	
TOTALS	271,448,000	256,506,680	-14,941,320	1,604,137,000	1,546,740,642	-57,396,358
Percent of Estimates		94.50%			96.42%	
Collections this day		15,252,171				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2013-2014
 By Source and by Month
 Monthly Revenue Estimates
 as of November 27, 2013 WVFIMS

FINAL

	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	21,600,000	13,977,395	-7,622,605	177,400,000	178,266,950	866,950
Privilege Tax	12,450,000	14,104,240	1,654,240	76,914,000	84,579,398	7,665,398
Licenses & Registration	4,193,000	3,318,126	-874,874	35,141,000	32,730,591	-2,410,409
Highway Litter Control	79,000	51,724	-27,276	659,000	602,794	-56,207
TOTALS	38,322,000	31,451,486	-6,870,514	290,114,000	296,179,732	6,065,732
Percent of Estimates		82.07%			102.09%	
Collections this day		3,039,965				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF November 30, 2013 : \$558,465,087.17

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF November 30, 2013: \$362,213,765.40

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF November 30, 2013: \$0

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

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

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

Date: December 3, 2013

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the September 30, 2013 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of September 30, 2013 of fiscal year 2013-2014, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2013	\$119,511,755.93
Receipts July 1, 2013 thru June 30, 2014	\$ 99,809,686.71
Disbursements July 1, 2013 thru June 30, 2014	\$ 97,452,888.68
Balance October 31, 2013	\$ 121,868,553.96

ITEMS OF NOTE:

Regular benefits paid for July-October 2013 were \$9.3 million less than July - October 2012.

Federal emergency benefits totaled \$29.8 million for July - October 2013. For July- October 2012, federal emergency benefits totaled \$36.4 million.

Total disbursements were \$ 15 million less in July- October 2013 than the preceding July - October 2012.

Receipts as of October 2013 were \$ 10.8 million less than in July- October 2012. Overall ending trust fund balance was \$11 million lower on October 31, 2013 than on October 31, 2012.

Labor market statistics for September 2013 were not available until late November due to the October federal government shutdown. Seasonally adjusted unemployment rates for September and October 2013 were 6.2 percent for West Virginia and 7.2 and 7.3 percent respectively, nationally.

Since October 2012 employment has increased by 8,100. Employment declines were as follows: 200 in manufacturing; 100 in information; 400 in financial activities; and 300 in trade, transportation, and utilities; and 400 in other services. Employment gains were as follows: 3,100 in mining and logging; 1700 in construction; 1,800 in professional and business services; 1,800 in educational and health services; 300 in leisure and hospitality; and 800 in government.

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

	<u>AUGUST 2012</u>	<u>SEPTEMBER 2012</u>	<u>OCTOBER 2012</u>	<u>AUGUST 2013</u>	<u>SEPTEMBER 2013</u>	<u>OCTOBER 2013</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$140,483,051.54</u>	<u>\$151,846,935.52</u>	<u>\$135,262,361.54</u>	<u>\$125,127,753.78</u>	<u>\$135,489,026.95</u>	<u>\$121,779,466.86</u>	<u>(\$45,196,081.01)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions	\$30,486,112.80	\$1,377,334.99	\$16,879,162.55	\$26,988,693.31	\$1,562,699.97	\$14,853,198.29	(\$5,158,020.86)
3. Federal Emergency Benefits (EUCOB)	\$8,348,130.97	\$7,511,581.75	\$10,497,481.78	\$7,471,487.25	\$7,263,859.85	\$6,417,338.28	(\$5,202,508.06)
4. Federal Share Extended Benefits (ES)	\$412.00	\$67.00	\$181.00	\$0.00	\$0.00	\$707.00	\$47.00
5. Temp Federal Additional Comp (FAC)	\$0.00	\$25.98	\$368.00	\$24.97	\$15.00	\$0.00	(\$354.01)
6. UCFE (Federal Agencies)	\$109,139.66	\$80,545.69	\$87,979.88	\$140,476.48	\$121,638.82	\$175,088.49	\$159,536.54
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	\$938,580.89	\$0.00	\$0.00	\$788,600.39	\$0.00	(\$171,980.40)
11. UCX (Military Agencies)	\$366,920.73	\$352,627.29	\$423,053.37	\$215,067.14	\$248,161.48	\$266,370.27	(\$413,004.58)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$39,308,716.24</u>	<u>\$10,260,743.69</u>	<u>\$27,688,228.50</u>	<u>\$34,795,729.13</u>	<u>\$9,982,973.71</u>	<u>\$21,712,701.31</u>	<u>(\$10,786,284.28)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits	\$19,241,677.33	\$17,624,903.19	\$19,899,745.38	\$16,629,168.80	\$15,675,526.83	\$15,128,983.53	(\$9,332,666.72)
Federal Emergency Benefits (EUCOB)	\$8,201,714.01	\$8,492,117.73	\$8,575,798.71	\$7,434,611.24	\$7,607,973.35	\$8,073,719.83	(\$5,153,324.23)
Federal Share Extended Benefits (ES)	(\$1,756.00)	(\$3,983.00)	(\$58.00)	(\$675.00)	(\$3,159.00)	\$186.00	\$1,949.00
Emergency Benefits (TEUC)	(\$1,359.57)	(\$160.00)	(\$30.00)	(\$70.00)	\$0.00	(\$70.00)	\$1,409.57
Temp Federal Additional Comp (FAC)	\$0.00	\$25.98	\$475.00	\$49.97	\$48.00	\$637.90	\$132.89
UCFE (Federal Workers) Benefits	\$108,859.40	\$88,267.98	\$78,969.42	\$141,135.11	\$125,496.25	\$170,575.14	\$161,999.70
UCX (Military Workers) Benefits	\$383,681.37	\$390,123.25	\$385,588.16	\$215,911.55	\$266,548.24	\$249,637.90	(\$407,285.09)
Reed Act Funds	\$487.71	\$59,735.69	\$0.00	\$0.00	\$82.13	\$84.11	(\$80,057.16)
Special Administrative Transfer**	\$33,408.01	\$193,286.85	\$0.00	\$14,524.29	\$0.00	\$0.00	(\$212,170.57)
Total Monthly Disbursements	<u>\$27,944,832.26</u>	<u>\$26,845,317.67</u>	<u>\$29,940,465.65</u>	<u>\$24,434,455.96</u>	<u>\$23,872,313.80</u>	<u>\$21,823,634.21</u>	<u>(\$15,000,012.61)</u>
Trust Fund Balance	<u>\$151,846,935.52</u>	<u>\$135,262,361.54</u>	<u>\$133,010,123.39</u>	<u>\$135,489,026.95</u>	<u>\$121,779,486.86</u>	<u>\$121,868,553.96</u>	<u>(\$40,982,352.68)</u>

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

UC TRUST FUND PROJECTIONS - 2013

December 3, 2013

Month	Revenues	Benefits	Trust Fund Balance
2012			
Balance 1/1/2012			\$ 105,802,000
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	\$ 30,604,000	\$ 19,241,000	\$ 151,846,000
September	\$ 1,040,000	\$ 17,624,000	\$ 135,262,000
October	\$ 17,637,000	\$ 19,899,000	\$ 133,000,000
November	\$ 16,653,000	\$ 19,058,000	\$ 130,595,000
December	\$ 1,098,000	\$ 24,528,000	\$ 107,165,000
Totals - 2012	\$ 240,080,000	\$ 238,717,000	\$ 107,165,000

2013			
January	\$ 11,962,000	\$ 26,122,000	\$ 93,005,000
February	\$ 14,658,000	\$ 22,521,000	\$ 85,142,000
March	\$ 854,000	\$ 24,150,000	\$ 61,846,000
April	\$ 41,181,000	\$ 21,098,000	\$ 81,929,000
May	\$ 72,251,000	\$ 15,621,000	\$ 138,559,000
June	\$ 1,900,000	\$ 20,948,000	\$ 119,511,000
July	\$ 22,957,000	\$ 17,341,000	\$ 125,127,000
August	\$ 26,968,000	\$ 16,606,000	\$ 135,489,000
September	\$ 2,329,000	\$ 16,039,000	\$ 121,779,000
October	\$ 14,853,000	\$ 14,764,000	\$ 121,868,000
November	\$ 17,441,000	\$ 15,129,000	\$ 124,180,000
December	\$ 1,128,000	\$ 23,855,000	\$ 101,453,000
Totals - 2013	\$ 228,482,000	\$ 234,194,000	\$ 101,453,000

The average unemployment rate in West Virginia for CY 2012 was 7.3%

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

112 California Avenue

Charleston, West Virginia 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

October 2013

West Virginia Legislative Interims
December 2013

West Virginia Public Employees Insurance Agency

Statement of Changes in Plan Net Assets

For the Four Months Ending Thursday, October 31, 2013

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

(\$ 000 's)							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			PREMIUM REVENUE				
\$157,668	\$159,296	\$159,132	Health Insurance - State Gov. - Employers	(\$1,628)	(1%)	(\$1,464)	(1%)
42,172	42,002	42,002	Health Insurance - State Gov. - Employees	170	0%	170	0%
36,927	35,490	35,654	Health Insurance - Local Gov. - All	1,437	4%	1,273	4%
706	1,030	981	Life Insurance	(324)	(31%)	(275)	(28%)
	2,500	1,167	Direct Transfer	(2,500)	(100%)	(1,167)	(100%)
8,191	4,180	6,262	Interest and Investment Income	4,011	96%	1,929	31%
762	816	532	Other Premium Revenue	(54)	(7%)	230	43%
1,545	1,598	1,546	Administrative Fees, Net of Refunds	(53)	(3%)	(1)	(0%)
247,971	246,912	247,276	TOTAL REVENUE	1,059	0%	695	0%
			OPERATING EXPENSES				
119,598	122,362	112,794	Claims Expense - Medical	2,764	2%	(6,804)	(6%)
36,896	41,540	35,205	Claims Expense - Drugs	4,644	11%	(1,691)	(5%)
12,792	13,758	12,979	Payments to Managed Care Org.	966	7%	187	1%
4,404	4,648	4,530	Administrative Service Fees	244	5%	126	3%
706	1,110	1,057	Life Insurance Expense	404	36%	351	33%
860	998	644	Wellness and Disease Management	138	14%	(216)	(34%)
114			ACA Comparative Effectiveness Fee	(114)	0%	(114)	0%
1,633			ACA Reinsurance Contribution	(1,633)	0%	(1,633)	0%
1,538	1,927	1,732	Other Operating Expenses	389	20%	194	11%
53,512	53,607	54,069	WV RHBT Pay Go Premiums	95	0%	557	1%
232,053	239,950	223,010	TOTAL EXPENSES	7,897	3%	(9,043)	(4%)
15,918	6,962	24,266	YTD SURPLUS (DEFICIT)	8,956	129%	(8,348)	(34%)
198,348	198,348	159,243	Total Net Assets, Beginning of Period			39,105	25%
\$214,266	\$205,310	\$183,509	TOTAL NET ASSETS, END OF PERIOD	\$8,956	4%	\$30,757	17%

West Virginia Retiree Trust
STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Four Months Ending Thursday, October 31, 2013

West Virginia Retiree Trust
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Four Months Ending October 31, 2013

ACTUAL	(\$ 000's)			BUDGET VARIANCE		PRIOR YR VARIANCE	
	BUDGET	PRIOR YR		\$	%	\$	%
ADDITIONS							
			Employer Premiums:				
\$1,094	\$1,069	\$1,074	Health premiums	\$25	2%	\$20	2%
44,527	44,709	44,939	Pay Go Premiums	(182)	(0%)	(412)	(1%)
948	0	28	Annual required contributions	948	3,386%	920	3,286%
<u>46,570</u>	<u>45,778</u>	<u>46,040</u>	Total Employer Premiums	<u>792</u>	<u>2%</u>	<u>530</u>	<u>1%</u>
			Member Premiums:				
26,022	25,666	25,364	Health premiums	356	1%	658	3%
8,985	8,899	9,127	Pay Go Premiums	86	1%	(142)	(2%)
7,436	7,517	7,203	Life Insurance Premiums	(81)	(1%)	233	3%
<u>42,443</u>	<u>42,081</u>	<u>41,694</u>	Total Member Premiums	<u>362</u>	<u>1%</u>	<u>749</u>	<u>2%</u>
89,013	87,859	87,734	Total Premium Additions	1,154	1%	1,279	1%
			Other Additions:				
320	500	500	Retiree Drug Subsidy	(180)	(36%)	(180)	(36%)
0	0	1,305	ERRP Revenue	0	0%	(1,305)	(100%)
39,182	12,417	19,763	Investment Income	26,765	135%	19,419	98%
<u>128,515</u>	<u>100,776</u>	<u>109,301</u>	TOTAL ADDITIONS	<u>27,739</u>	<u>25%</u>	<u>19,214</u>	<u>18%</u>
DEDUCTIONS							
44,880	44,147	37,267	Payments to Managed Care Org.	(733)	(2%)	(7,613)	(20%)
7,336	7,517	7,193	Life Insurance Expense	181	3%	(143)	(2%)
22,415	23,895	22,372	Medical Claims Expense	1,480	7%	(43)	(0%)
8,242	8,677	6,870	Pharmacy Claims Expense	435	6%	(1,372)	(20%)
12	0	0	Comparative Effectiveness Research Fee	(12)	0%	(12)	0%
171	0	0	ACA Reinsurance Contribution	(171)	0%	(171)	0%
589	716	598	Administrative Service Fees (External)	127	21%	9	2%
889	1,285	1,022	Other Operating Expenses	395	31%	133	13%
<u>84,535</u>	<u>86,236</u>	<u>75,323</u>	TOTAL DEDUCTIONS	<u>1,702</u>	<u>2%</u>	<u>(9,212)</u>	<u>(12%)</u>
<u>43,980</u>	<u>14,539</u>	<u>33,979</u>	NET FUND INCREASE	<u>29,442</u>	<u>202%</u>	<u>10,002</u>	<u>29%</u>
Net Assets Held in Trust for Post Employment Benefits							
590,230	590,230	492,779	Beginning of period	0	(0%)	97,451	20%
<u>\$634,210</u>	<u>\$604,769</u>	<u>\$526,758</u>	End of period	<u>\$29,442</u>	<u>5%</u>	<u>\$107,452</u>	<u>20%</u>

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



October 31

	2013	2012
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 16,878	\$ 26,266
Advance Deposit with Carrier/Trustee	211,607	207,315
Receivables - Net	6,512	2,746
Prepaid Insurance	3,842	3,890
Total Short Term Assets	238,839	240,217
Long Term Assets		
Investments	139,549	136,249
Total Long Term Assets	139,549	136,249
TOTAL ASSETS	378,388	376,466
LIABILITIES		
Short Term Liabilities		
Accounts payable	6,506	2,386
Claims Payable	28	388
OPEB Liability	372	374
Agents Commissions Payable	328	342
Unearned Revenue	9,650	8,615
Current Estimated Claim Reserve	53,327	49,463
Total Short Term Liabilities	70,211	61,568
Long Term Liabilities		
Compensated Absences	64	67
Estimated Noncurrent Claim Reserve	94,243	93,912
Total Long Term Liabilities	94,307	93,979
TOTAL LIABILITIES	164,518	155,547
Prior Year Net Assets	215,083	221,515
Current Year Earnings (Deficiency)	(1,213)	(596)
TOTAL NET ASSETS	213,870	220,919
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 378,388	\$ 376,466

DRAFT - Unaudited - Management Purposes Only

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



	October 31	
	2013	2012
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 18,110	\$ 16,146
Less - Excess Insurance	(2,160)	(1,942)
Total Operating Revenues	15,950	14,204
Operating Expenses		
Claims Expense	21,985	17,806
Property & MS Claims Expense	1,453	1,629
Personal Services	470	442
General & Administrative Expense	782	822
Total Operating Expenses	24,690	20,699
Operating Income (Loss)	(8,740)	(6,495)
Nonoperating Revenues		
Investment Income	7,527	5,899
Total Nonoperating Revenues	7,527	5,899
Net Income (Loss)	\$ (1,213)	\$ (596)

DRAFT - Unaudited - Management Purposes Only

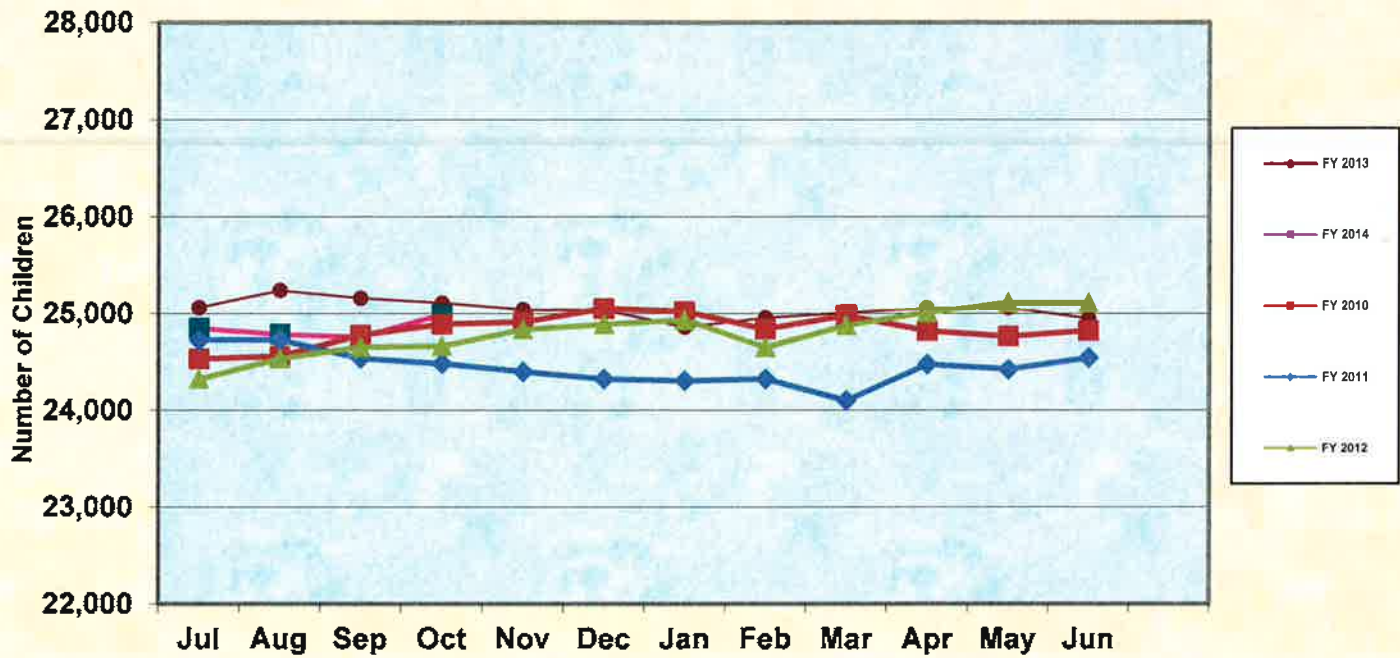


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

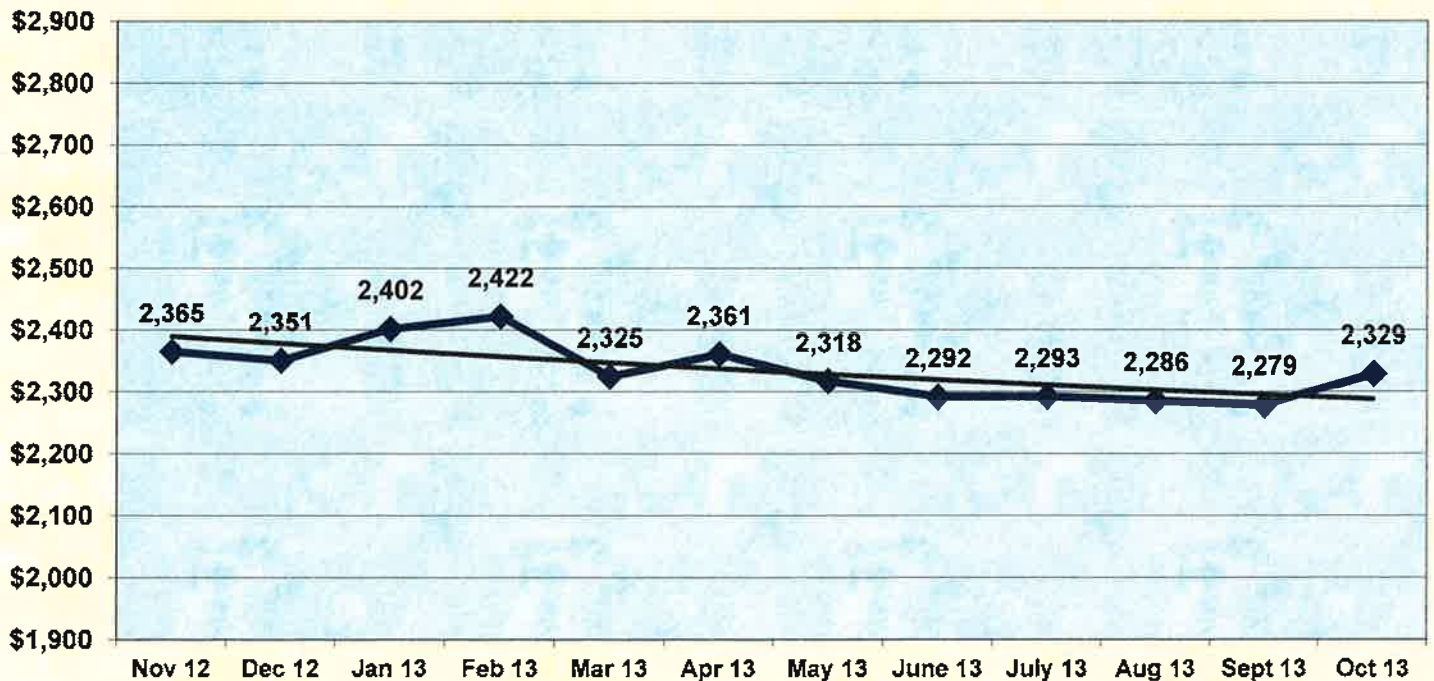
December 2013

WV CHIP Enrollment



October 31st Enrollment 24,990

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
October 2013 and 2012
(Accrual Basis)**

	October 31, 2013	October 31, 2012	Variance	
Assets:				
Cash & Cash Equivalents	\$14,132,700	\$15,603,687	(\$1,470,987)	-9%
Due From Federal Government	\$5,210,549	\$4,047,866	\$1,162,684	29%
Due From Other Funds	\$1,133,504	\$984,915	\$148,588	15%
Accrued Interest Receivable	\$6,156	\$2,720	\$3,436	126%
Fixed Assets, at Historical Cost	<u>\$94,291</u>	<u>\$95,345</u>	<u>(\$1,054)</u>	<u>-1%</u>
Total Assets	<u>\$20,577,200</u>	<u>\$20,734,533</u>	<u>(\$157,333)</u>	<u>-1%</u>
Liabilities:				
Accounts Payable	\$280,314	\$272,781	\$7,533	3%
Deferred Revenue	\$832,774	\$2,588,537	(\$1,755,763)	-68%
Unpaid Insurance Claims Liability	<u>\$5,320,000</u>	<u>\$4,760,000</u>	<u>\$560,000</u>	<u>12%</u>
Total Liabilities	<u>\$6,433,088</u>	<u>\$7,621,318</u>	<u>(\$1,188,230)</u>	<u>-16%</u>
Fund Equity	<u>\$14,144,112</u>	<u>\$13,113,215</u>	<u>\$1,030,897</u>	<u>8%</u>
Total Liabilities and Fund Equity	<u>\$20,577,200</u>	<u>\$20,734,533</u>	<u>(\$157,333)</u>	<u>-1%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Four Months Ending October 31, 2013 and October 31, 2012
(Modified Accrual Basis)

	October 31, 2013	October 31, 2012	Variance	
Revenues				
Federal Grants	16,373,620	15,203,375	1,170,245	8%
State Appropriations	4,194,852	4,588,743	(393,891)	-9%
Premium Revenues	288,782	288,697	85	0%
Investment Income:				
Investment Earnings	<u>24,696</u>	<u>21,306</u>	<u>3,390</u>	<u>16%</u>
Total Revenues	<u>20,881,950</u>	<u>20,102,121</u>	<u>779,829</u>	<u>4%</u>
Expenditures:				
Claims:				
Outpatient Services	4,909,705	5,073,082	(163,377)	-3%
Prescribed Drugs	3,466,488	4,703,153	(1,236,665)	-26%
Physicians & Surgical	3,098,264	3,220,969	(122,705)	-4%
Dental	2,906,999	1,597,800	1,309,199	82%
Inpatient Hospital Services	2,113,964	2,757,791	(643,827)	-23%
Outpatient Mental Health	516,329	448,026	68,303	15%
Durable & Disposable Med. Equip.	475,470	320,282	155,188	48%
Inpatient Mental Health	374,110	409,497	(35,387)	-9%
Vision	324,648	226,577	98,071	43%
Therapy	254,666	224,507	30,159	13%
Medical Transportation	126,478	133,512	(7,034)	-5%
Other Services	39,527	46,788	(7,261)	-16%
Less: Collections**	<u>(436,280)</u>	<u>(163,384)</u>	<u>(272,896)</u>	<u>167%</u>
Total Claims	<u>18,170,368</u>	<u>18,998,600</u>	<u>(828,232)</u>	<u>-4%</u>
General and Admin Expenses:				
Salaries and Benefits	213,579	190,838	22,741	12%
Program Administration	806,516	697,987	108,529	16%
Eligibility	183,395	134,883	48,512	36%
Outreach & Health Promotion	254,427	310,793	(56,366)	-18%
Current	<u>56,691</u>	<u>52,193</u>	<u>4,498</u>	<u>9%</u>
Total Administrative	<u>1,514,608</u>	<u>1,386,694</u>	<u>127,914</u>	<u>9%</u>
Total Expenditures	<u>19,684,976</u>	<u>20,385,294</u>	<u>(700,318)</u>	<u>-3%</u>
Excess of Revenues				
Over (Under) Expenditures	1,196,974	(283,173)	1,480,147	-523%
Unrealized Gain(loss) On Investments*	5,814	49,949	(44,135)	-88%
Fund Equity, Beginning	<u>12,941,324</u>	<u>13,346,439</u>	<u>(405,115)</u>	<u>-3%</u>
Fund Equity, Ending	<u>14,144,112</u>	<u>13,113,215</u>	<u>1,030,897</u>	<u>8%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2014
For the Four Months Ended October 31, 2013**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Actual Amt Oct-13	Actual Amt Sep-13	Actual Amt Aug-13
Projected Cost	\$47,897,012	\$15,965,671	\$19,077,535	(\$3,111,864)	-19%	\$3,991,418	\$6,120,736	\$4,017,263	\$5,240,481
Premiums	969,397	323,132	\$288,782	(\$34,350)	-11%	80,783	82,043	64,711	65,128
Subrogation & Rebates	<u>457,374</u>	<u>152,458</u>	<u>\$436,280</u>	<u>283,822</u>	<u>186%</u>	<u>38,115</u>	<u>13,608</u>	<u>154,755</u>	<u>0</u>
Net Benefit Cost	46,470,241	15,629,834	\$18,352,472	(\$2,722,639)	-17%	3,907,458	6,025,084	3,797,797	5,175,353
Salaries & Benefits	\$710,522	\$236,840.67	\$213,580	\$23,261	10%	\$59,210	\$50,220	\$50,220	\$50,520
Program Administration	3,024,544	1,008,181	\$771,734	236,447	23%	252,045	225,628	192,568	260,264
Eligibility	400,000	133,333	\$121,395	11,938	9%	33,333	4,378	425	0
Outreach & Health Prom.	1,000,000	333,333	\$255,745	77,588	23%	83,333	13,755	216,660	9,026
Current Expense	<u>170,000</u>	<u>56,667</u>	<u>\$58,000</u>	<u>(1,333)</u>	<u>-2%</u>	<u>14,167</u>	<u>18,556</u>	<u>13,748</u>	<u>8,133</u>
Total Admin Cost	\$5,305,066	\$1,768,355	\$1,420,454	\$347,901	20%	\$442,089	\$312,537	\$473,621	\$327,943
Total Program Cost	<u>\$51,775,307</u>	<u>\$17,398,189</u>	<u>\$19,772,926</u>	<u>(\$2,374,738)</u>	<u>-14%</u>	<u>\$4,349,547</u>	<u>\$6,337,621</u>	<u>\$4,271,418</u>	<u>\$5,503,296</u>
Federal Share 79.76%	41,642,879	13,876,795	\$15,860,903	(1,984,107)	-14%	3,469,199	5,054,886	3,435,502	4,426,301
State Share 20.24%	<u>10,132,428</u>	<u>3,521,393</u>	<u>\$3,912,024</u>	<u>(390,630)</u>	<u>-11%</u>	<u>880,348</u>	<u>1,282,734</u>	<u>835,917</u>	<u>1,076,995</u>
Total Program Cost **	<u>\$51,775,307</u>	<u>\$17,398,189</u>	<u>\$19,772,926</u>	<u>(\$2,374,738)</u>	<u>-14%</u>	<u>\$4,349,547</u>	<u>\$6,337,621</u>	<u>\$4,271,418</u>	<u>\$5,503,296</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2013 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenerio dated 6/30/13 Final worksheet Net Paid Program Costs.

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

WVCHIP Enrollment Report

ATTACHMENT 1

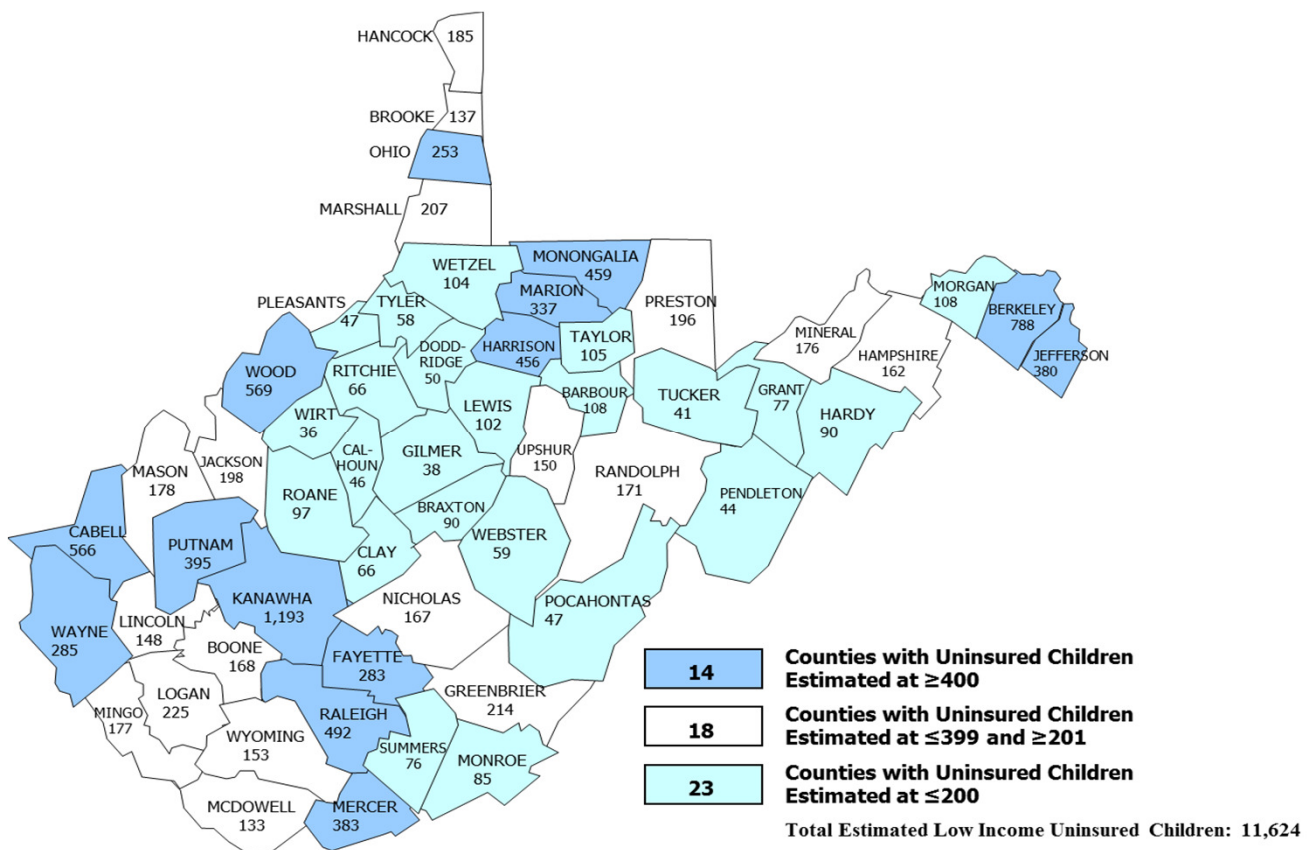
November 2013

County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2010	2010
	2010 Est. (0-18 Yrs)	Enrollment Nov-13	Enrollment Oct-13	CHIP/Medicaid Enrollment	% of Population	Est. Uninsured 3%	# Children Uninsured Ranking*
Barbour	3,600	278	1,510	1,788	49.7%	108	33
Berkeley	26,251	1,410	8,501	9,911	37.8%	788	2
Boone	5,615	322	2,556	2,878	51.3%	168	25
Braxton	3,006	212	1,441	1,653	55.0%	90	40
Brooke	4,573	287	1,496	1,783	39.0%	137	31
Cabell	18,879	1,017	8,205	9,222	48.8%	566	4
Calhoun	1,518	130	734	864	56.9%	46	51
Clay	2,215	179	1,338	1,517	68.5%	66	44
Doddridge	1,673	158	619	777	46.4%	50	48
Fayette	9,438	784	4,521	5,305	56.2%	283	13
Gilmer	1,260	75	531	606	48.1%	38	54
Grant	2,555	188	933	1,121	43.9%	77	42
Greenbrier	7,131	606	2,892	3,498	49.1%	214	16
Hampshire	5,392	298	1,932	2,230	41.4%	162	27
Hancock	6,166	383	2,337	2,720	44.1%	185	20
Hardy	3,015	173	1,264	1,437	47.7%	90	39
Harrison	15,202	961	5,401	6,362	41.9%	456	7
Jackson	6,602	434	2,745	3,179	48.2%	198	18
Jefferson	12,679	557	3,111	3,668	28.9%	380	10
Kanawha	39,771	2,335	17,044	19,379	48.7%	1,193	1
Lewis	3,389	238	1,543	1,781	52.6%	102	37
Lincoln	4,930	366	2,703	3,069	62.2%	148	30
Logan	7,496	490	3,937	4,427	59.1%	225	15
Marion	11,227	707	4,299	5,006	44.6%	337	11
Marshall	6,886	348	2,672	3,020	43.9%	207	17
Mason	5,929	269	2,609	2,878	48.5%	178	21
McDowell	4,423	292	3,021	3,313	74.9%	133	32
Mercer	12,764	1,064	6,744	7,808	61.2%	383	9
Mineral	5,868	294	1,961	2,255	38.4%	176	23
Mingo	5,905	385	3,165	3,550	60.1%	177	22
Monongalia	15,294	805	4,300	5,105	33.4%	459	6
Monroe	2,835	236	1,021	1,257	44.3%	85	41
Morgan	3,596	270	1,346	1,616	44.9%	108	34
Nicholas	5,561	413	2,525	2,938	52.8%	167	26
Ohio	8,444	514	2,880	3,394	40.2%	253	14
Pendleton	1,462	115	505	620	42.4%	44	52
Pleasants	1,551	118	533	651	42.0%	47	50
Pocahontas	1,561	163	667	830	53.2%	47	49
Preston	6,536	445	2,423	2,868	43.9%	196	19
Putnam	13,150	765	3,472	4,237	32.2%	395	8
Raleigh	16,403	1,280	7,601	8,881	54.1%	492	5
Randolph	5,705	513	2,560	3,073	53.9%	171	24
Ritchie	2,205	144	947	1,091	49.5%	66	45
Roane	3,239	319	1,640	1,959	60.5%	97	38
Summers	2,521	195	1,262	1,457	57.8%	76	43
Taylor	3,514	236	1,287	1,523	43.3%	105	35
Tucker	1,371	125	467	592	43.2%	41	53
Tyler	1,924	110	725	835	43.4%	58	47

WVCHIP Enrollment Report

November 2013

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Nov-13	Total Medicaid Enrollment Oct-13	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2010	2010
						Est. Uninsured 3%	# Children Uninsured Ranking*
Upshur	4,996	372	2,351	2,723	54.5%	150	29
Wayne	9,516	515	4,204	4,719	49.6%	285	12
Webster	1,977	148	1,169	1,317	66.6%	59	46
Wetzel	3,466	241	1,494	1,735	50.1%	104	36
Wirt	1,201	96	653	749	62.4%	36	55
Wood	18,956	1,143	8,216	9,359	49.4%	569	3
Wyoming	5,116	418	2,525	2,943	57.5%	153	28
Totals	387,459	24,939	158,538	183,477	47.4%	11,624	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 3%. It should be noted that even this three percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 3% uninsured estimate as a target number for outreach.

Department of Administration Real Estate Division Leasing Report

For the period of November 1 - 30, 2013

NEW CONTRACT OF LEASE

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-187 New Contract of Lease for 5 years consisting of land for an air monitoring tower at the monthly rate of \$300.00, annual cost \$3,600.00, 1313 14th Street, in the City of Huntington, Cabell County, West Virginia.

GENERAL SERVICES DIVISION

GSD-008 New Contract of Lease for 5 year(s) consisting of 21,552 square feet of storage space at the annual per square foot rate of \$4.50, annual cost \$96,984.00, 908 Bullitt Street, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-125 Renewal for 5 years consisting of air monitoring space at the current annual rate of \$1.00, Lessor provides electric, Washington Irving Junior High School roof, in the City of Clarksburg, Harrison County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION – DIVISION OF AIR QUALITY

APC-020 Renewal for 2 years consisting of land for air monitoring space at the current monthly rate of \$50.00, annual cost \$600.00, 134 Nick Way, in the City of New Cumberland, Hancock County, West Virginia.

COAL HERITAGE AUTHORITY

CHH-003 Renewal for 1 year consisting of 450 square feet of storage space at the current monthly rate of \$121.88, annual cost \$1,462.50, Lessor pays Electric, Gas, Water/Sewer and Garbage Removal, 204 Bland Street Room 410, in the City of Bluefield, Mercer County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-003 Renewal for 7 months consisting of 499 square feet of office space at the current monthly rate of \$300.00, annual cost \$3,600.00, full service, 200 North Court Street, in the City of Lewisburg, Greenbrier County, West Virginia.

VET-030 Renewal for 3 years consisting of 2,045 square feet of office space at the current annual per square foot rate of \$10.40, annual cost \$21,268.00, full service, 1321 Plaza East Suite 109, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

WEST VIRGINIA STATE POLICE

PSA-085 Renewal for 1 year consisting of 1,824 square feet of office space at the current annual per square foot rate of \$1.97, annual cost \$3,600.00, full service, Coal River Road, in the City of Pettus, Raleigh County, West Virginia.

PSA-050 Renewal for 1 year consisting of 1,136 square feet of office space at the current annual per square foot rate of \$6.34, annual cost \$7,200.00, Lessor provides sewer, State Route 16, in the City of Grantsville, Calhoun County, West Virginia.

ATTORNEY GENERAL'S OFFICE

AGO-016 Renewal for 18 months consisting of 4,821 square feet of office space at the current annual per square foot rate of \$15.75, annual cost \$75,930.00, Lessor provides water/sewer, janitorial service and trash pickup, 812 Quarrier Street, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

PUBLIC EMPLOYEES GRIEVANCE BOARD

EGB-013 Renewal for 5 years consisting of 1,932 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$12.50, annual cost \$24,150.00, full service, 11 Commerce Drive, in the City of West Over, Monongalia County, West Virginia.

PUBLIC SERVICE DEFENDER

PLS-002 Renewal for 5 years consisting of 4,658 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$12.60, annual cost \$58,690.80, full service, One Players Club Drive, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-116 Renewal for 5 years consisting of tower monitoring space with an increase in annual rate from \$100.00 to \$1,000.00, annual cost \$1,000.00, Marland Heights, in the City of Weirton, Brooke County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 November 1-30, 2013

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Department of Environmental Protection	DEP-187	Cabell	0	0.00	3,600
2	General Services Division	GSD-008	Kanawha	21,552	4.50	96,984
3	Department of Environmental Protection	DEP-125	Harrison	0	0.00	1
4	DEP - Division of Air Quality	APC-020	Hancock	0	0.00	600
5	Coal Heritage Highway	CHH-003	Mercer	450	0.00	1,463
6	Department of Veterans Assistance	VET-003	Greenbrier	499	0.00	3,600
7	Department of Veterans Assistance	VET-030	Kanawha	2,045	10.40	21,268
8	West Virginia State Police	PSA-085	Raleigh	1,824	1.97	3,600
9	West Virginia State Police	PSA-050	Calhoun	1,136	6.31	7,200
10	Attorney General's Office	AGO-016	Kanawha	4,821	15.75	75,931
11	Public Employees Grievance Board	EGB-013	Monongalia	1,932	12.50	24,150
12	Public Service Defender	PLS-002	Kanawha	4,658	12.60	58,691
13	Department of Environmental Protection	DEP-116	Weirton	0	0.00	1,000

		64.03
Total Rentable Square Feet	<u>38,917</u>	
Average Annual Rental Rate		<u>9.15</u>
Total Annual Rent		<u>298,087</u>

Joint Committee on Government and Finance

December 2013

Department of Health and Human Resources

MEDICAID REPORT

October 2013 Data

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

	MONTH OF OCTOBER 2013		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 10/31/13	Current Month Ended 10/31/13	Year To-Date Thru 10/31/13	11/1/13 Thru 6/30/14		
EXPENDITURES:								
Inpatient Hospital - Reg. Payments	155,429,299	199,265,328	16,599,029	15,087,448	62,490,584	136,774,744		
Inpatient Hospital - DSH	56,816,481	56,580,000	-	-	13,877,453	42,702,547		
Inpatient Hospital - Supplemental Payments	114,105,226	96,139,194	5,301,925	5,301,925	38,124,783	58,014,411		
Inpatient Hospital - GME Payments	6,164,764	6,228,590	1,468,489	-	3,012,862	3,215,728		
Mental Health Facilities	87,243,074	114,848,923	7,944,455	8,910,010	29,823,212	85,025,711		
Mental Health Facilities - DSH Adjustment Payments	18,880,975	18,882,000	-	-	4,723,151	14,158,849		
Nursing Facility Services - Regular Payments ⁽²⁾	537,541,608	554,417,908	47,143,187	46,216,108	184,109,341	370,308,567		
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-		
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-		
Intermediate Care Facilities - Private Providers	68,163,593	67,331,000	5,711,564	5,610,917	22,691,060	44,639,940		
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-		
Physicians Services - Regular Payments	117,203,017	160,730,609	8,170,465	8,544,400	31,213,170	129,517,439		
Physicians Services - Supplemental Payments	28,092,471	29,903,100	6,336,109	7,475,775	12,770,561	17,132,539		
Physician and Surgical Services - Evaluation and Management	-	21,962,392	6,852,381	5,750,000	11,416,200	10,546,192		
Physician and Surgical Services - Vaccine Codes	-	221,842	29,619	22,500	47,075	174,767		
Outpatient Hospital Services - Regular Payments	102,898,953	145,154,798	10,198,506	11,002,459	36,196,710	108,958,089		
Outpatient Hospital Services - Supplemental Payments	124,121,376	69,977,047	986,952	986,952	18,676,098	51,300,949		
Prescribed Drugs	331,397,125	356,724,143	26,244,838	25,339,582	87,731,708	268,992,435		
Drug Rebate Offset - National Agreement	(201,903,185)	(202,289,800)	(34,615,718)	(38,276,189)	(82,921,187)	(119,368,613)		
Drug Rebate Offset - State Sidebar Agreement	(16,603,872)	(16,895,800)	(1,909,226)	(3,196,932)	(7,257,101)	(9,638,699)		
Drug Rebate Offset - MCO National	(799,544)	(812,900)	(4,427,274)	(153,813)	(5,436,488)	4,623,588		
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	(113,260)	-	(474,274)	474,274		
Dental Services	55,866,868	78,358,578	6,013,495	5,935,529	18,986,282	59,372,297		
Other Practitioners Services - Regular Payments	11,566,376	18,600,155	1,225,730	1,454,221	3,813,365	14,786,790		
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-		
Clinic Services	4,566,348	6,309,621	401,908	489,163	1,350,494	4,959,127		
Lab & Radiological Services	22,573,569	33,844,618	2,851,199	2,565,880	9,451,227	24,393,391		
Home Health Services	47,334,128	59,832,974	4,359,328	4,578,788	15,235,876	44,597,098		
Hysterectomies/Sterilizations	133,155	221,588	10,648	16,760	49,804	171,784		
Pregnancy Terminations	-	-	-	-	-	-		
EPSDT Services	1,363,840	2,034,978	(64,062)	154,433	116,463	1,918,515		
Rural Health Clinic Services	7,886,514	10,330,901	733,840	787,769	2,506,502	7,824,399		
Medicare Health Insurance Payments - Part A Premiums	18,215,881	19,650,400	1,536,388	1,637,533	6,095,691	13,554,709		
Medicare Health Insurance Payments - Part B Premiums	81,258,370	90,272,700	6,981,974	7,522,725	27,913,623	62,359,077		
120% - 134% Of Poverty	6,160,455	6,509,900	548,207	625,952	2,151,918	4,357,982		
135% - 175% Of Poverty	-	-	-	-	-	-		
Coinsurance And Deductibles	8,417,028	8,653,000	702,423	832,019	2,678,648	5,974,352		

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

	MONTH OF OCTOBER 2013		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 10/31/13	Current Month Ended 10/31/13	Year To-Date Thru 10/31/13	11/1/13 Thru 6/30/14		
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	397,197,343	454,163,627	40,191,062	38,524,577	158,759,545	295,404,082		
Medicaid MCO - Evaluation and Management	-	23,841,350	1,341,693	1,346,495	7,871,140	15,970,210		
Medicaid MCO - Vaccine Codes	-	1,270,236	68,244	68,529	428,944	841,292		
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Group Health Plan Payments	375,282	525,400	32,934	50,519	181,447	343,953		
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-		
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-		
Home & Community-Based Services (MR/DD)	342,155,532	352,000,000	30,557,289	33,846,154	118,396,498	233,603,502		
Home & Community-Based Services (Aged/Disabled)	125,334,180	136,776,586	10,277,040	13,152,125	37,464,136	99,312,450		
Home & Community-Based Services (Traumatic Brain Injury)	156,502	2,720,625	64,341	261,599	176,190	2,544,435		
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-		
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-		
Community Supported Living Services	-	-	-	-	-	-		
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-		
Personal Care Services - Regular Payments	61,699,408	80,252,679	5,995,859	6,077,827	22,769,222	57,483,457		
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-		
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-		
Targeted Case Management Services - State Wide	2,668,659	4,035,719	175,975	306,346	766,233	3,269,486		
Primary Care Case Management Services	163,137	241,420	11,652	18,260	46,968	194,452		
Hospice Benefits ⁽³⁾	24,909,406	33,408,296	2,881,385	2,526,808	9,719,219	23,689,077		
Emergency Services Undocumented Aliens	285,046	362,067	16,375	27,385	66,477	295,590		
Federally Qualified Health Center	18,240,226	24,443,404	1,627,134	1,861,317	5,630,526	18,812,877		
Non-Emergency Medical Transportation	25,112,179	34,840,953	2,140,541	2,635,269	8,856,047	25,984,906		
Physical Therapy	2,102,592	3,161,494	247,969	239,202	796,890	2,364,604		
Occupational Therapy	370,520	481,061	49,337	36,385	151,143	329,918		
Services for Speech, Hearing & Language	408,350	603,122	49,528	45,644	160,197	442,925		
Prosthetic Devices, Dentures, Eyeglasses	1,551,271	2,490,832	172,546	188,933	604,038	1,886,794		
Diagnostic Screening & Preventive Services	553,321	768,682	47,558	58,144	162,635	606,047		
Nurse Mid-Wife	230,458	423,216	25,218	32,010	81,224	341,992		
Emergency Hospital Services	(2,247)	(1,200)	(265)	(115)	(982)	(218)		
Critical Access Hospitals	31,395,064	48,996,857	2,845,880	3,708,817	10,652,377	38,344,481		
Nurse Practitioner Services	2,006,168	3,499,907	105,958	264,962	539,902	2,960,005		
School Based Services	52,157,547	54,149,130	1,294,657	5,208,250	14,235,865	39,913,265		
Rehabilitative Services (Non-School Based)	76,111,131	98,820,482	6,759,142	7,546,702	28,204,203	70,616,279		
Private Duty Nursing	5,290,076	7,034,325	604,225	535,923	2,099,593	4,934,732		
Other Care Services	21,997,876	31,932,187	2,134,133	2,420,755	7,711,971	24,220,216		
Less: Recoupments	-	-	(79,694)	-	(79,694)	79,694		
NET EXPENDITURES:	2,986,562,919	3,414,230,245	236,860,835	246,210,736	987,616,765	2,426,613,480		

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

MONTH OF OCTOBER 2013	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 10/31/13	Current Month Ended 10/31/13	Year To-Date Thru 10/31/13	11/1/13 Thru 6/30/14
Collections: Third Party Liability (line 9A on CMS-64)	(10,619,577)	-	-	-	(1,875,723)	1,875,723
Collections: Probate (line 9B on CMS-64)	(262,779)	-	-	-	(246,651)	246,651
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(21,585)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(9,910,781)	-	-	-	(701,762)	701,762
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,965,748,198	3,414,230,245	236,860,835	246,210,736	984,792,629	2,429,437,616
Plus: Medicaid Part D Expenditures	36,222,591	36,395,195	3,065,214	3,032,933	12,209,781	24,185,414
Plus: State Only Medicaid Expenditures	2,998,425	3,834,747	288,560	294,980	914,914	2,919,834
Plus: Money Follow the Person Expenditures	30,838	4,409,797	67,477	424,019	151,778	4,258,019
TOTAL MEDICAID EXPENDITURES	\$ 3,005,000,052	\$ 3,458,869,984	\$ 240,282,086	\$ 249,962,668	\$ 998,069,102	\$ 2,460,800,882
Plus: Reimbursables ⁽¹⁾	7,514,299	8,055,095	677,097	619,623	2,438,934	5,616,161
TOTAL EXPENDITURES	\$ 3,012,514,351	\$ 3,466,925,079	\$ 240,959,184	\$ 250,582,291	\$ 1,000,508,036	\$ 2,466,417,043

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$7,167,041 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$7,078,883 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2014

4 Months Actuals

8 Months Remaining

MONTH OF OCTOBER 2013	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2013	Current Month Ended 10/31/13	Year-To-Date Thru 10/31/13	11/1/2013 Thru 6/30/14	SFY2014
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 8,645,986	\$ 4,800,688	\$ 34,992,812	\$ -	\$ 34,992,812
MATCHING FUNDS					
General Revenue (0403/189)	193,207,966	28,359,749	86,935,793	250,402,381	337,338,174
MRDD Waiver (0403/466)	88,753,483	6,508,589	24,259,286	64,494,197	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	865,333	1,730,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,118,667	4,237,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	58,667	218,667	581,333	800,000
Title XIX Waiver for Seniors (0403-533)	11,912,263	996,866	3,715,590	9,878,030	13,593,620
Medical Services Surplus (0403/633)	88,305,104	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	33,147,815	-	7,416,615	24,049,843	31,466,458
Lottery Transfer (5405/871)	8,670,000	-	2,200,000	6,470,000	8,670,000
Excess Lottery (5365/189)	24,503,890	17,000,000	29,111,465	20,888,535	50,000,000
Trust Fund Appropriation (5185/189)	173,603,846	9,150,000	48,849,116	16,380,783	65,229,899
Provider Tax (5090/189)	225,902,461	16,397,631	63,007,343	140,515,068	203,522,411
Certified Match	23,243,346	1,121,929	6,818,874	18,900,118	25,718,992
Reimbursables - Amount Reimbursed	7,235,570	-	294,212	7,760,883	8,055,095
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	3,648,128	366,843	992,665	(67,665)	925,000
CMS - 64 Adjustments	660,007	-	(651,053)	651,053	-
TOTAL MATCHING FUNDS	\$ 901,191,865	\$ 85,506,962	\$ 311,145,383	\$ 566,872,560	\$ 878,017,943
FEDERAL FUNDS	\$ 2,171,195,579	\$ 170,516,439	\$ 713,855,304	\$ 1,874,579,887	\$ 2,588,435,190
TOTAL REVENUE SOURCES	\$ 3,072,387,444	\$ 256,023,401	\$ 1,025,000,687	\$ 2,441,452,446	\$ 3,466,453,134
TOTAL EXPENDITURES:					
Provider Payments	\$ 3,012,514,351	\$ 240,959,184	\$ 1,000,508,036	\$ 2,466,417,043	\$ 3,466,925,079
TOTAL	\$ 59,873,093	\$ 15,064,217	\$ 24,492,651		\$ (471,945)

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

Joint Committee on Government and Finance

December 2013

Department of Health and Human Resources

MEDICAID WAIVER REPORT

October 2013 Data

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

WV Aged & Disabled Waiver October 31, 2013		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 to date
Slots approved by CMS (1)		7,210	6,275	6,275	6,275	6,275									6,275
Total number of members served YTD (unduplicated slots used) (2)		7,107	5,732	5,777	5,870	5,932									5,932
Applicants determined eligible (3)		1568	116	137	117	28									398
Applicants determined ineligible (3)		328	26	21	14	1									62
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,436	5,666	5,650	5,674	5,653									5,653
ADW Members whose case was closed in month		1311	126	61	69	83									339
ADW members whose case was closed by reason	Deceased	730	61	61	41	48									211
	Left program to enter a facility (nursing home, ICF/MR)	114	23	3	3	3									32
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	444	41	10	25	3									79
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List (4)		1805	115	106	108	166									495
Applicants with a Medicaid Card		791	48	40	52	73									213
Individuals moved from the Managed Enrollment List into the Program		204	5	45	93	51									194
Individuals removed from the Managed Enrollment due to death (5)		246	26	20	42	130									218
Total Number of individuals on Managed Enrollment list at end of month		2263	2347	2388	2361	2346									2346
Individuals on Managed Enrollment who are in a nursing facility		47	5	6	6	7									24
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		204	7	9	18	23									57

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

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

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

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

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

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

WV Intellectual/Developmental Disability Waiver Reported October 31, 2013		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		4,534	4,534	4,534	4,534	4,534									4,534
Total number of members served YTD (unduplicated slots used) (2)		4,534	4,534	4,534	4,534	4,534									4,534
Applicants determined eligible (3)		386	29	38	34	31									132
Applicants determined ineligible (3)		374	30	33	24	24									111
Applicants added to the Active Member List		196	140	0	0	0									140
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,436	4,523	4,515	4,496	4,485									4,485
I/DDW Members who were discharged this month		162	13	8	19	11									51
I/DDW members whose case was closed by reason	Deceased	69	6	1	2	4									13
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	93	7	1	17	7									32
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List		383	29	38	34	31									132
Applicants with a Medicaid Card		432 Avg.	444	471	482	500									500
Individuals moved from the Managed Enrollment List into the Program		198	140	0	0	0									140
Individuals removed from the Managed Enrollment due to death		3	1	1	1	2									5
Total Number of individuals on Managed Enrollment list at end of month		807	832	744	777	800									800
Individuals on Managed Enrollment who are in a Skilled Nursing facility		2 Avg.	1	1	1	1									1
Individuals on Managed Enrollment who are in an ICF/IID group home		34 Avg.	45	47	50	52									52
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		22 Avg.	33	35	36	36									36

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

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

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

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

Traumatic Brain Injury Waiver Reported October 31, 2013		FY 2013 To Date	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		100	100	100	100	100									100
Total number of members served Year to Date(unduplicated slots used) (2)		20	23	26	27	28									28
Applicants determined eligible (3)		34	4	5	3	3									15
Applicants determined ineligible (3)		11	3	1	2	1									7
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		20	23	26	27	28									28
															0
TBIW members whose case was closed by reason	Deceased	0	0	0	0										0
	Left program to enter a facility	0	0	0	0										0
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	0	0	0	0										0
Managed Enrollment List															
Number of Individuals added to the Managed Enrollment List (4)		N/A	N/A	N/A	N/A	N/A									N/A
Applicants with a Medicaid Card		N/A	N/A	N/A	N/A	N/A									N/A
Individuals removed from the Managed Enrollment List into the Program		N/A	N/A	N/A	N/A	N/A									N/A
Individuals removed from the Managed Enrollment due to death (5)		N/A	N/A	N/A	N/A	N/A									N/A
Total Number of individuals on Managed Enrollment list at end of month		N/A	N/A	N/A	N/A	N/A									N/A
Individuals on Managed Enrollment who are in a nursing facility		N/A	N/A	N/A	N/A	N/A									N/A
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		N/A	N/A	N/A	N/A	N/A									N/A

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

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

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

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

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

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

October 31, 2013



West Virginia Investment Management Board
Participant Plans Allocation & Performance Net of Fees
As of October 31, 2013

	6/30/2013		10/31/2013		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	14,580,737	100.0	15,547,348	100.0							
Pension Assets	11,501,368	78.9	12,307,387	79.2							
Public Employees' Retirement System	4,848,377	33.3	5,202,814	33.5	2.8	4.9	7.9	16.2	10.1	13.6	7.6
Teachers' Retirement System	5,717,583	39.2	6,043,032	38.9	2.8	4.9	7.9	16.2	10.1	13.3	7.3
Teachers' Employers Cont. Collection A/C	-	0.0	59,494	0.4	0.0	0.0	0.0	0.1	0.1	0.1	
EMS Retirement System	42,603	0.3	47,044	0.3	2.8	4.9	7.9	16.1	10.0	13.5	
Public Safety Retirement System	520,323	3.6	549,435	3.5	2.8	4.9	7.9	16.2	10.2	13.7	7.6
Judges' Retirement System	141,476	1.0	151,862	1.0	2.8	4.9	7.9	16.2	10.1	13.6	7.6
State Police Retirement System	96,092	0.6	105,691	0.7	2.9	4.9	7.9	16.1	10.0	13.5	7.6
Deputy Sheriffs' Retirement System	134,410	0.9	146,063	0.9	2.8	4.9	7.9	16.2	10.1	13.6	7.6
Municipal Police & Firefighter Retirement System	504	0.0	695	0.0	2.7	4.5	7.4	14.9	7.6		
Municipal Model A	-	0.0	1,257	0.0	2.8	4.8					
Insurance Assets	2,154,563	14.8	2,257,913	14.5							
Workers' Compensation Old Fund	1,036,241	7.1	1,085,655	7.0	1.5	2.4	3.7	5.1	5.6	9.0	
Workers' Comp. Self-Insured Guaranty Risk Pool	14,487	0.1	15,051	0.1	1.7	2.7	4.2	7.0	6.1	4.0	
Workers' Comp. Uninsured Employers Fund	9,749	0.1	10,146	0.1	1.7	2.7	4.1	7.1	6.0	3.7	
Pneumoconiosis	261,636	1.8	267,656	1.7	1.7	2.7	4.2	7.1	6.1	9.6	5.6
Board of Risk & Insurance Mgmt.	139,875	1.0	139,476	0.9	1.7	2.7	4.1	7.1	6.2	10.7	
Public Employees' Insurance Agency	194,215	1.3	202,406	1.3	1.8	2.8	4.2	6.8	6.1	9.7	
WV Retiree Health Benefit Trust Fund	495,926	3.4	535,055	3.4	2.8	4.9	7.9	15.6	9.2	12.5	
AccessWV	2,434	0.0	2,468	0.0	0.8	0.9	1.4	(2.4)	3.8		
Endowment Assets	924,806	6.3	982,048	6.3							
Wildlife Fund	45,838	0.3	49,610	0.3	2.8	4.9	7.9	16.1	10.1	13.6	7.6
Prepaid Tuition Trust	76,701	0.5	76,074	0.5	2.4	3.8	6.4	11.8	8.7	13.5	7.5
Revenue Shortfall Reserve Fund	446,073	3.0	458,069	2.9	0.7	0.9	1.4	(2.8)	3.7	8.1	
Revenue Shortfall Reserve Fund - Part B	348,811	2.4	362,214	2.3	1.6	2.5	3.8	4.8	5.9	10.0	
WV DEP Trust	7,383	0.1	8,044	0.1	3.2	5.3	9.0	16.8			
WV DEP Agency	-	0.0	28,037	0.2							

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of October 31, 2013

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	15,558,153	100.00								
Total Equity Composite	7,308,572	46.97	4.34	7.87	13.45	27.27	13.20	16.72	8.80	
+/- Total Equity Policy Index (b)			0.38	0.62	0.90	2.33	1.51	2.15	1.08	
US Equity Composite	3,466,721	22.28	4.70	5.33	11.42	29.70	17.60	16.29	8.50	
+/- Russell 3000 Index			0.45	0.22	0.55	0.71	0.71	0.35	0.58	
Large Cap Composite	2,548,449	16.38	4.80	4.91	10.44	27.14	16.84	15.51	7.63	
+/- S&P 500 Index			0.20	0.16	0.36	(0.04)	0.28	0.34	0.17	
Non-Large Cap Composite	918,272	5.90	4.44	6.51	14.22	37.11	20.08	19.45	10.68	
+/- Russell 2500 Index			1.21	0.81	1.62	1.70	1.87	0.41	0.79	
International Equity Composite	3,841,851	24.69	4.01	10.28	15.32	24.84	8.76	16.84	9.94	
+/- MSCI AC World ex US Index			0.33	0.87	1.10	4.04	2.24	3.84	0.99	
Fixed Income Composite	3,700,431	23.79	0.93	1.25	1.54	1.00	4.17	8.77	5.16	
+/- Fixed Income Policy (c)			(0.06)	(0.16)	(0.20)	1.33	0.65	1.85	0.16	
Core Fixed Income	1,318,621	8.48	0.70	1.15	1.26	(0.35)	3.79			
+/- Barclays Capital Aggregate			(0.11)	(0.09)	(0.12)	0.73	0.77			
Total Return Fixed Income	2,381,810	15.31	1.06	1.31	1.69	1.76	4.38	9.41	5.79	
+/- Barclays Capital US Universal			0.07	(0.10)	(0.05)	2.09	0.86	2.49	0.70	
TIPS Composite	652,185	4.19	0.55	0.53	1.26	(6.38)	3.27			
+/- Barclays Capital U.S.TIPS			0.00	0.01	0.00	0.01	(0.04)			
Cash Composite	272,438	1.75	0.01	0.01	0.02	0.15	0.11	0.21	1.82	
+/- Citigroup 90 Day T-Bill + 0.15%			0.00	(0.03)	(0.05)	(0.07)	(0.13)	(0.08)	(0.03)	
Private Equity Composite	1,200,355	7.72	1.63	2.36	3.61	8.25	11.30	13.43		
+/- S&P 500 + 5% (d)								(6.74)		
Real Estate Composite	1,048,610	6.74	1.10	1.55	1.86	10.53	9.54	7.19		
+/- NCREIF + 1% (d)								3.20		
Hedge Funds Composite	1,375,562	8.84	1.73	2.55	3.35	10.94	5.82	7.78		
+/- LIBOR + 4%			1.39	1.51	1.93	6.65	1.47	3.32		

West Virginia Investment Management Board
 Participant Plans Allocation vs. Strategy
 As of October 31, 2013

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

Pension Assets

Public Employees' Retirement System	25.1	25.0	27.8	25.0	19.5	20.0	9.4	10.0	8.1	10.0	9.7	10.0	0.4	0.0
Teachers' Retirement System	25.2	25.0	28.0	25.0	19.1	20.0	9.3	10.0	8.2	10.0	9.8	10.0	0.4	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	24.9	25.0	27.4	25.0	19.7	20.0	9.1	10.0	8.1	10.0	9.6	10.0	1.2	0.0
Public Safety Retirement System	25.1	25.0	28.1	25.0	19.1	20.0	9.6	10.0	8.2	10.0	9.8	10.0	0.1	0.0
Judges' Retirement System	25.0	25.0	27.8	25.0	19.5	20.0	9.4	10.0	7.8	10.0	9.7	10.0	0.8	0.0
State Police Retirement System	25.9	25.0	27.5	25.0	19.5	20.0	8.8	10.0	8.1	10.0	9.5	10.0	0.7	0.0
Deputy Sheriffs' Retirement System	25.4	25.0	27.8	25.0	19.5	20.0	9.2	10.0	8.1	10.0	9.6	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	23.2	25.0	25.9	25.0	17.8	20.0	9.1	10.0	7.6	10.0	9.2	10.0	7.2	0.0
Municipal Model A	25.2	25.0	27.8	25.0	18.7	20.0	9.7	10.0	8.2	10.0	9.7	10.0	0.7	0.0

Insurance Assets

Workers' Compensation Old Fund	10.2	10.0	11.4	10.0	68.2	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.3	10.0	11.5	10.0	53.7	55.0	0.0	0.0	0.0	0.0	19.9	20.0	4.6	5.0
Workers' Comp. Uninsured Employers Fund	10.3	10.0	11.4	10.0	48.7	50.0	0.0	0.0	0.0	0.0	19.9	20.0	9.7	10.0
Pneumoconiosis	10.3	10.0	11.5	10.0	53.9	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.3	5.0
Board of Risk & Insurance Mgmt.	10.1	10.0	11.5	10.0	53.6	55.0	0.0	0.0	0.0	0.0	19.9	20.0	4.9	5.0
Public Employees' Insurance Agency	10.3	10.0	11.4	10.0	58.4	60.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	25.1	25.0	27.8	25.0	19.9	20.0	9.3	10.0	8.2	10.0	9.7	10.0	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	25.2	25.0	27.7	25.0	19.7	20.0	9.3	10.0	8.1	10.0	9.7	10.0	0.3	0.0
Prepaid Tuition Trust	30.8	30.0	17.1	16.0	50.8	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.2	10.0	11.5	10.0	78.3	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	36.3	35.0	30.5	30.0	33.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Agency	0.0	20.0	0.0	20.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0	20.0	100.0	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 October 31, 2013

- (a) 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.
- (b) 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.
- (c) Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.
- (d) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (e) Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.
- (f) Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

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



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

December 2013

Provided by the West Virginia Offices of the Insurance Commissioner



Table of Contents:

Introduction	3
Definitions	4-6
Monthly Claims Count and Reserve Charts	7-10
Old Fund Cash Statements	11
Coal Workers Pneumoconiosis Fund Cash Statement	12
Self-Insured Guaranty Fund Cash Statement	13
Self-Insured Security Fund Cash Statement	14
Uninsured Employers' Fund Cash Statement	15
Office of Judges' Monthly Report to the Industrial Council	16-29
Workers' Compensation Board of Review Monthly Report	30-39
Workers' Compensation Revenue Recovery Monthly Report	40

Introduction

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

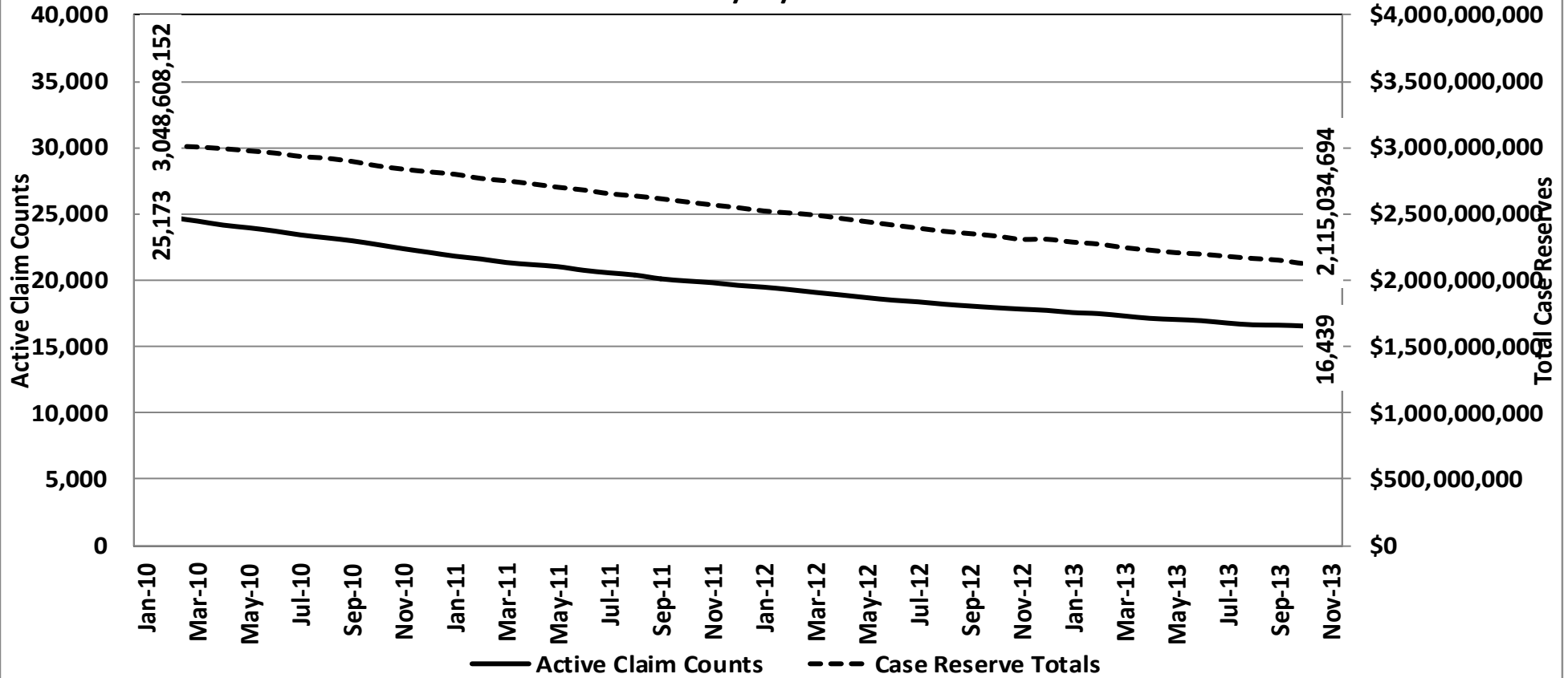
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to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

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

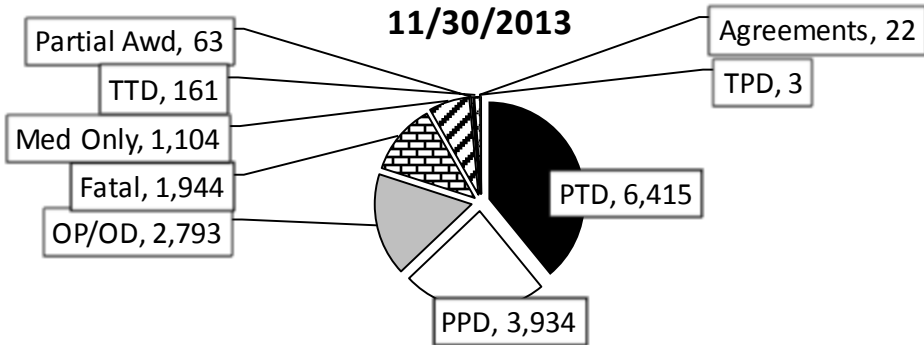
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

Old Fund Active Claim Counts and Case Reserves 11/30/2013

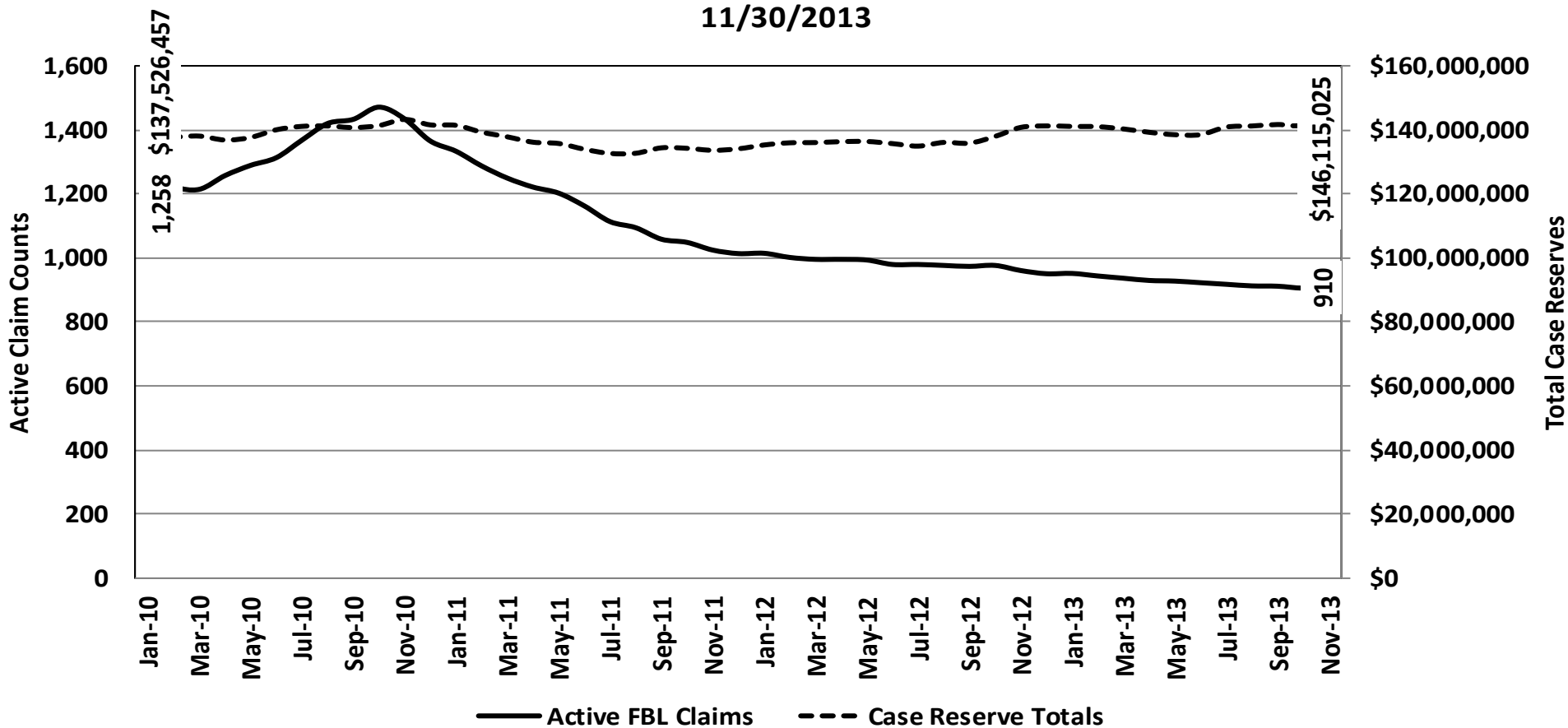


Old Fund Active Claim Counts 11/30/2013

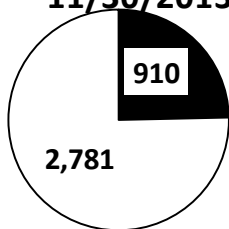


- Agreements** – a legal agreement to settle a payment issue
- Fatal** – worker died due to injury or illness
- Med Only** – payment of medical benefits without wage replacement
- OP/OD** - Occupational Pneumoconiosis or Occupational Disease
- Partial Awd** – benefits being paid without official awards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

**CWP Fund (FBL)
Active Claim Counts and Case Reserves
11/30/2013**



**CWP Fund (FBL)
Active and Inactive Claims
11/30/2013**



■ Active □ Inactive

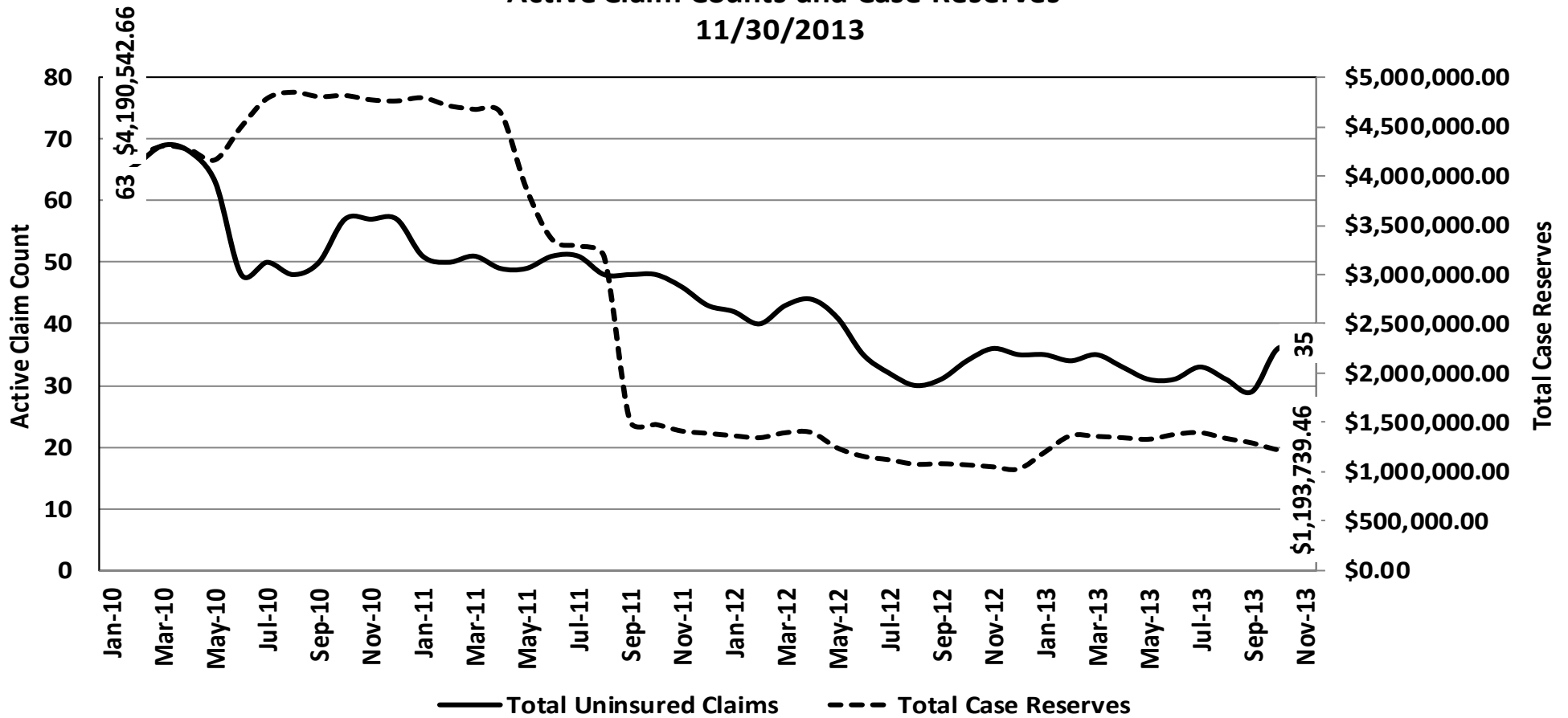
Active – Benefits being paid to claimant/beneficiary

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

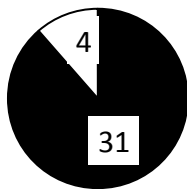
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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 11/30/2013



Uninsured Fund Active Claim Counts 11/30/2013



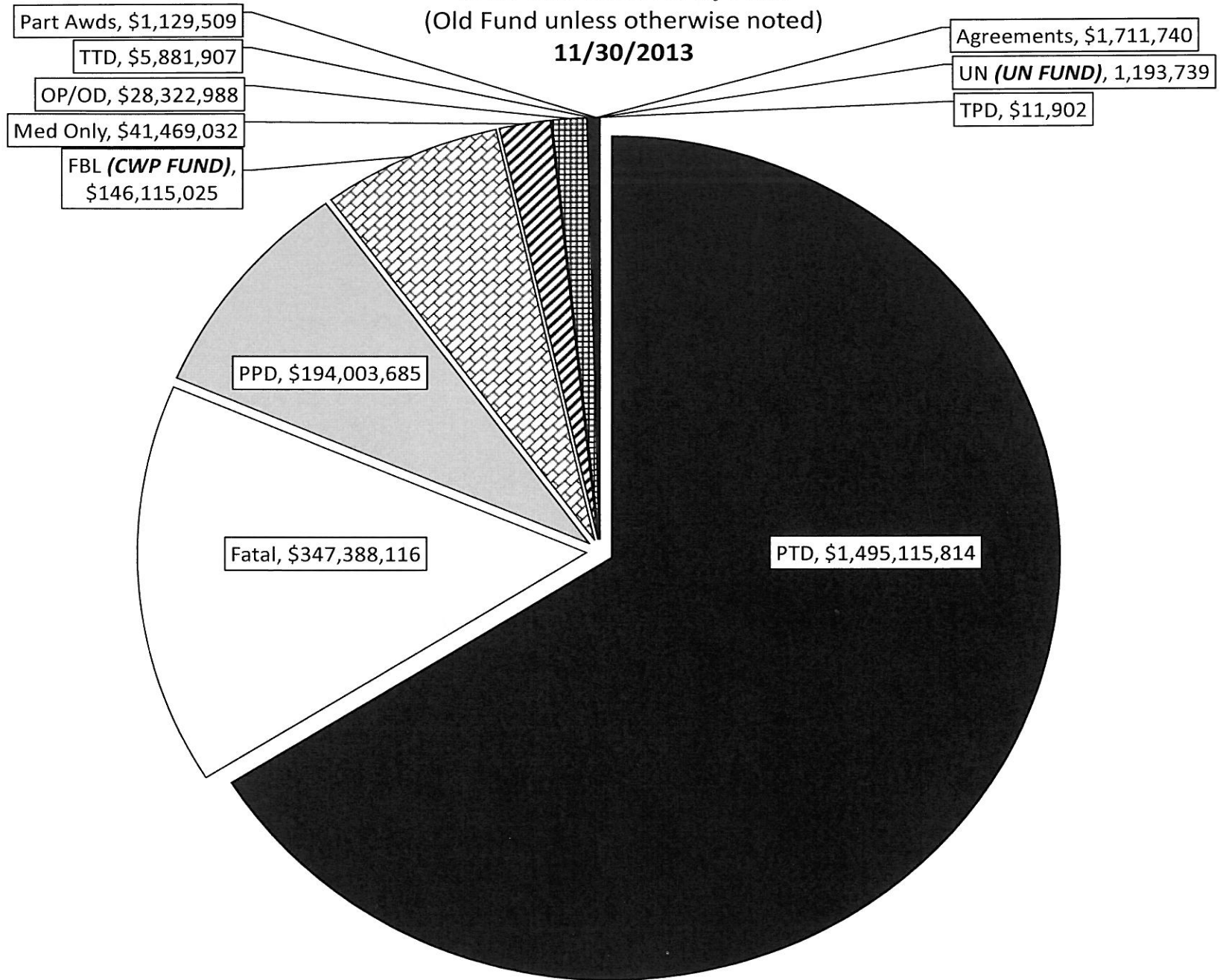
■ Indemnity □ Med Only

Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

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

Total Case Reserves by Fund
(Old Fund unless otherwise noted)
11/30/2013



OLD FUND CASH STATEMENT

November 30, 2013

	Three Year History for years ended:					
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	1,061,595,681	942,505,408	119,090,273	942,505,408	943,172,539	888,535,954
Revenues						
Personal Income Tax	21,200,000	21,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	40,281,892	36,704,992	3,576,900	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	18,600,045	20,055,197	(1,455,152)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	4,133,215	4,255,232	(122,017)	8,733,494	9,620,197	8,058,590
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	63,322	146,190	(82,868)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	74,177	41,909	32,268	48,332	202,103	191,860
Operating Revenues	95,352,651	93,403,520	1,949,131	246,933,837	250,502,904	251,979,946
Investment / Interest Earnings (Losses)	18,539,421	44,937,464	(26,398,043)	77,380,803	18,284,929	88,270,887
Total Revenues	113,892,072	138,340,984	(24,448,912)	324,314,640	268,787,833	340,250,833
Expenditures						
Claims Benefits Paid:						
Medical	13,787,652	14,227,526	(439,874)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	47,003,679	49,739,887	(2,736,208)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	333,350	523,328	(189,978)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	47,474	(47,474)	59,227	188,666	384,571
Fatals	11,038,552	11,240,104	(201,552)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	2,527,386	2,621,329	(93,943)	6,670,578	6,729,656	6,321,554
Settlements	4,516,919	4,770,772	(253,853)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	461,890	355,816	106,074	998,774	2,333,885	4,514,323
Total	79,669,429	83,526,236	(3,856,807)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	1,908,562	2,630,106	(721,544)	4,617,178	8,161,625	7,666,404
Total Benefits Paid	77,760,866	80,896,130	(3,135,264)	192,137,323	251,407,359	265,462,956
Administrative Expenses	6,235,120	6,137,027	98,093	13,087,043	18,047,605	20,151,292
Total Expenditures	83,995,986	87,033,156	(3,037,170)	205,224,366	269,454,964	285,614,248
Excess (Deficiency) of Revenues over Expenditures	29,896,086	51,307,828	(21,411,742)	119,090,274	(667,131)	54,636,585
Cash Ending Balances	1,091,491,767	993,813,236	97,678,532	1,061,595,681	942,505,408	943,172,539

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

COAL WORKERS PNEUMOCONIOSIS FUND

November 30, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
Cash Beginning Balances	266,720,430	254,523,752	12,196,678	254,523,752	262,926,105	244,074,613
Revenues						
Investment Earnings (Losses)	5,743,570	12,269,946	(6,526,376)	24,801,113	2,745,783	29,283,335
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	5,743,570	12,269,946	(6,526,376)	24,801,113	2,745,783	29,283,335
Expenditures						
Payment of Claims	5,832,179	4,554,214	1,277,965	12,550,216	11,131,012	10,415,160
Contractual / Professional	6,594	16,556	(9,963)	53,287	17,124	16,683
Legal	-	-	-	932	-	-
Total Expenditures	5,838,773	4,570,770	1,268,003	12,604,435	11,148,136	10,431,843
Excess (Deficiency) of Revenues over Expenditures	(95,203)	7,699,176	(7,794,379)	12,196,678	(8,402,353)	18,851,492
Cash Ending Balances	266,625,227	262,222,928	4,402,299	266,720,430	254,523,752	262,926,105

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

SELF-INSURED GUARANTY RISK POOL
November 30, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
Cash Beginning Balances	14,815,337	10,829,975	3,985,362	10,829,975	9,744,809	8,112,918
Revenues						
Guaranty Risk Pool Assessments	50,482	566,820	(516,338)	851,410	1,093,066	1,119,674
Collateral Proceeds	-	2,399,380	(2,399,380)	2,399,380	-	-
Investment Earnings (Losses)	322,599	522,928	(200,329)	1,186,338	125,813	592,165
Total Revenues	373,080	3,489,128	(3,116,048)	4,437,128	1,218,879	1,711,839
Expenditures						
Payment of Claims	78,656	135,690	(57,034)	332,894	28,466	28,707
Contractual / Professional	20,400	11,243	9,157	92,122	105,247	51,241
Legal	49	-	49	26,750	-	-
Total Expenditures	99,105	146,933	(47,828)	451,765	133,713	79,948
Excess (Deficiency) of Revenues over Expenditures	273,976	3,342,195	(3,068,220)	3,985,363	1,085,166	1,631,891
Cash Ending Balances	15,089,313	14,172,170	917,143	14,815,337	10,829,975	9,744,809

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

SELF-INSURED SECURITY RISK POOL
November 30, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
Cash Beginning Balances	6,754,601	203,518	6,551,083	203,518	205,705	173,041
Revenues						
Security Risk Pool Assessments	5,172	-	5,172	2,575,705	-	115,568
Collateral Proceeds	-	4,657,620	(4,657,620)	4,657,620	-	-
Total Revenues	5,172	4,657,620	(4,652,448)	7,233,325	-	115,568
Expenditures						
Payment of Claims	397,788	166,297	231,491	530,804	2,187	73,649
Contractual / Professional	23,489	-	23,489	60,413	-	9,255
Legal	146	-	146	91,025	-	-
Total Expenditures	421,423	166,297	255,126	682,242	2,187	82,904
Excess (Deficiency) of Revenues over Expenditures	(416,251)	4,491,323	(4,907,574)	6,551,083	(2,187)	32,664
Cash Ending Balances	6,338,350	4,694,841	1,643,509	6,754,601	203,518	205,705

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

UNINSURED EMPLOYERS FUND
November 30, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
Cash Beginning Balances	10,801,353	9,574,065	1,227,288	9,574,065	9,086,330	8,905,444
Revenues						
			60,129			
Fines and Penalties	349,144	289,015		747,771	948,896	939,626
Investment Earnings (Losses)	217,566	420,029	(202,463)	871,603	99,906	474,728
Total Revenues	566,710	709,044	(142,334)	1,619,374	1,048,802	1,414,354
Expenditures						
			48,302			
Payment of Claims	102,798	54,496		262,002	553,676	1,224,982
Contractual/Professional	10,147	3,569	6,578	15,024	7,392	8,486
General and Administrative	60	15	45	60	-	-
Insurance	57,500	-	57,500	115,000	-	-
Total Expenditures	170,505	58,080	112,425	392,086	561,067	1,233,468
Excess (Deficiency) of Revenues over Expenditures	396,205	650,964	(254,759)	1,227,288	487,735	180,886
Cash Ending Balances	11,197,558	10,225,029	972,528	10,801,353	9,574,065	9,086,330

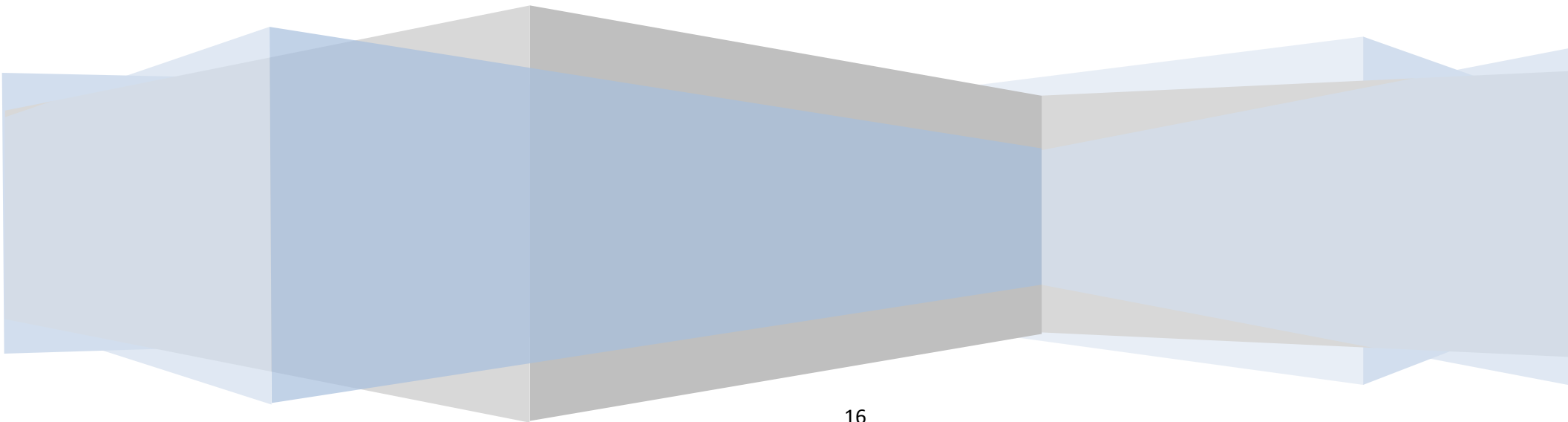
The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right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

West Virginia Offices of the Insurance Commission

OFFICE OF JUDGES' REPORT

TO INDUSTRIAL COUNCIL – DECEMBER 3, 2013

Rebecca A. Roush, Chief Administrative Law Judge

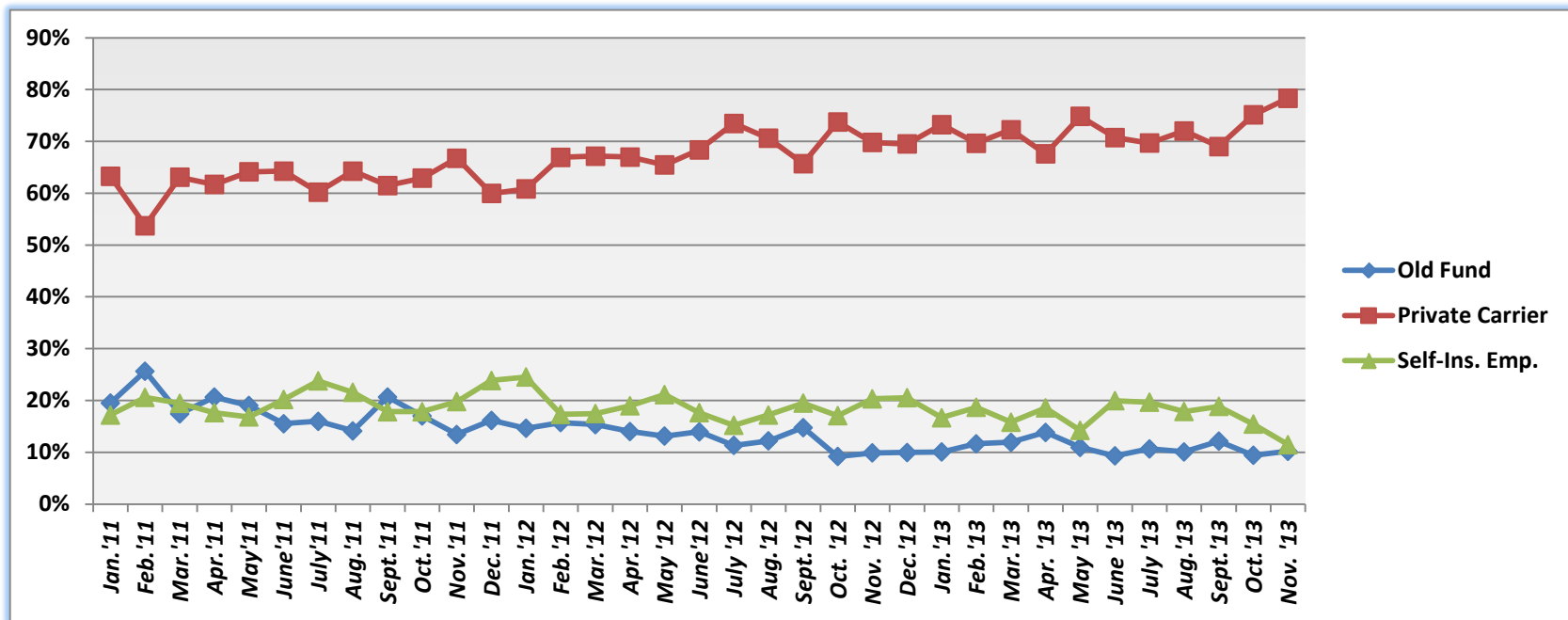


Statistical Analysis

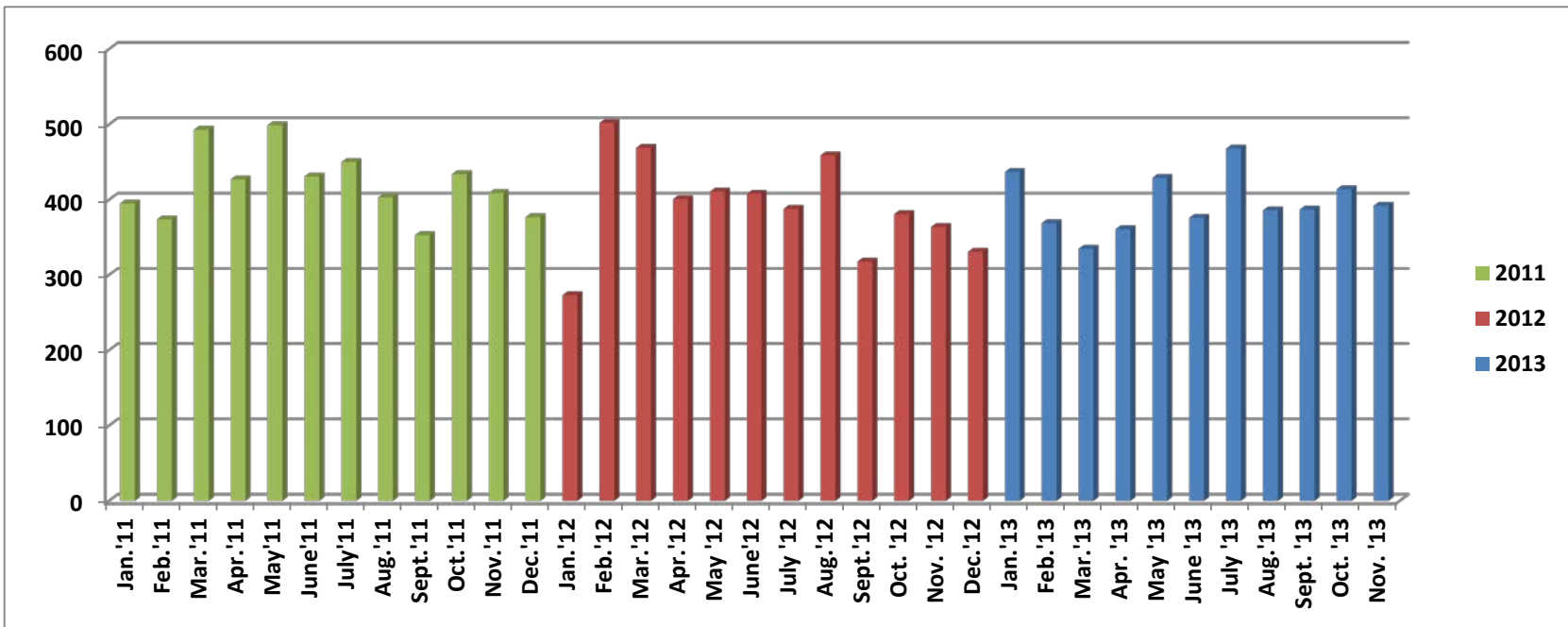
A. Protests Acknowledged: 2012 Nov. 2013
 4705 392 4354

Fund Involved:

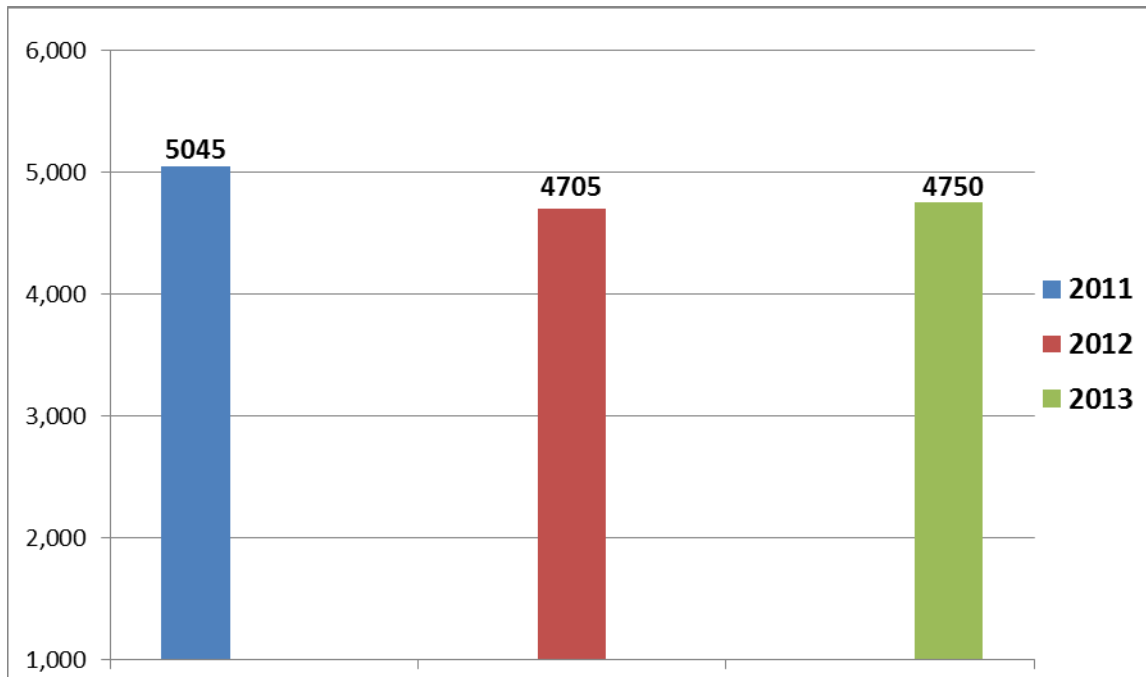
FUND	2012	% of protests	Nov. '13	% of protests	2013	% of protests
Old Fund	593	12.60%	40	10.20%	474	10.89%
Private Carrier	3233	68.72%	307	78.32%	3139	72.09%
Self-Insured	879	18.68%	45	11.48%	741	17.02%
Subtotal	4705		392		4354	
Temporary	708		50		532	
Total	5413		442		4886	



Protests Acknowledged by Carrier Type



Protests Acknowledged by Month



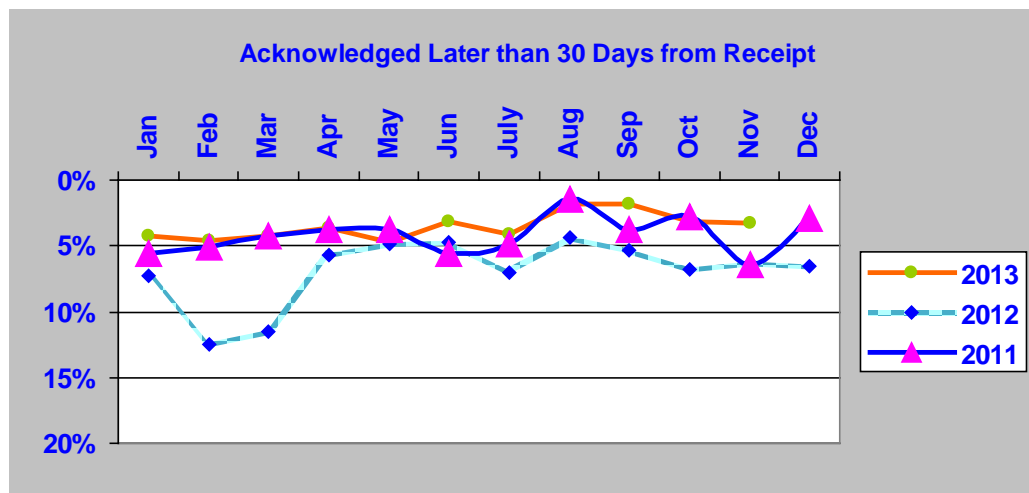
Protests Acknowledged by Year

B. Issues Resolved: 2012 Nov. 2013
4773 350 4294

C. Pending Caseload Report

PENDING AS OF December 2, 2013	3228
PENDING 1 MONTH BEFORE	3190
PENDING 2 MONTHS BEFORE	3166
PENDING 3 MONTHS BEFORE	3147
PENDING 6 MONTHS BEFORE	3148
PENDING 12 MONTHS BEFORE	3261

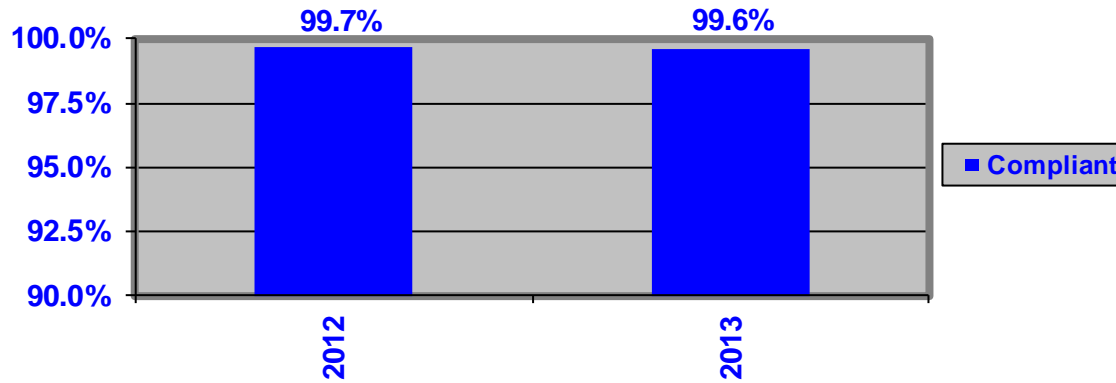
D. Acknowledgment Timeliness: 2012 Nov. 2013
Protest Ackn. >30 days 7.0% 3.3% 3.5%
Protest Ackn. 24-30 days 3.1% 1.5% 2.3%
Protest Ackn. 11-23 days 24.4% 16.3% 16.1%
Protest Ackn. <11 days 65.5% 78.8% 78.1%



		<u>Nov. '13</u>	<u>2013</u>
E. Protests Resolved:			
	1. Protests decided:	239	2754
	2. Withdrawals:	52	793
	3. "No Evidence" Dismissals:	26	411

		<u>2012</u>	<u>Nov. '13</u>	<u>2013</u>
F. Final Decision Timeliness				
	1. <30 days:	46.5%	35.7%	39.0%
	2. 30-60 days:	50.3%	62.4%	57.0%
	3. 60-90 days:	2.9%	1.9%	3.6%
	4. +90 days:	0.3%	0.0%	0.4%

Decision Within Rule's Time Limits



G. Time Standard Compliance	<u>2012</u>	<u>Nov.</u>	<u>2013</u>
	92.5%	96.1%	94.7%

Monday, December 02, 2013

Time Standard Compliance

Report Dates: From 11/1/2013 thru 11/30/2013

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
OPBD	6	6	100%	0	0%
PPD	34	34	100%	0	0%
REOPENING	6	6	100%	0	0%
COMPENSABILITY	12	11	91.70%	1	8.30%
DEP BEN FATAL	1	1	100%	0	0%
TTD	9	8	88.90%	1	11.10%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	1	100%	0	0%
REHABILITATION	2	2	100%	0	0%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
TRMT/EQUIP CL	31	29	93.50%	2	6.50%
Total	103	99	96.1%	4	3.9%

Final Decision Compliance

Report Dates: From 11/1/2013 thru 11/30/2013

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
DEP BEN FATAL	7	3	42.9%	4	57.1%	0	0.0%	0	0.0%
OP NON-MED	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	46	20	43.5%	26	56.5%	0	0.0%	0	0.0%
COMPENSABILITY	56	21	37.5%	34	60.7%	1	1.8%	0	0.0%
REHABILITATION	3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
REOPENING	15	6	40.0%	9	60.0%	0	0.0%	0	0.0%
SPECIAL CATEGORY	4	1	25.0%	3	75.0%	0	0.0%	0	0.0%
BENEFIT OVERPAYMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
BENEFIT RATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	84	25	29.8%	56	66.7%	3	3.6%	0	0.0%
PTD ONSET DATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
TTD	25	9	36.0%	15	60.0%	1	4.0%	0	0.0%
OPBD	7	3	42.9%	4	57.1%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
PTD ENTITLEMENT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
Totals	258	92	35.7%	161	62.4%	5	1.9%	0	0.0%

Monday, December 02, 2013

Motion Resolution Compliance

Report Dates: From 11/1/2013 thru 11/30/2013

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
REHABILITATION	3	3	100%	0	0%
BENEFIT OVERPAYMENT	2	2	100%	0	0%
FAILURE TO ACT 30 DAY	3	3	100%	0	0%
PPD	167	163	97.60%	4	2.40%
PTD ENTITLEMENT	5	3	60%	2	40%
TRMT/EQUIP CL	220	210	95.50%	10	4.50%
OP NON-MED	6	6	100%	0	0%
REOPENING	34	32	94.10%	2	5.90%
SPECIAL CATEGORY	26	25	96.20%	1	3.80%
APPLICATION THRESHOLD	2	2	100%	0	0%
FAILURE TO ACT 15 DAY	8	8	100%	0	0%
OPBD	31	28	90.30%	3	9.70%
TEMP	1	1	100%	0	0%
COMPENSABILITY	196	187	95.40%	9	4.60%
DEP BEN FATAL	14	14	100%	0	0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	5	5	100%	0	0%
TTD	53	52	98.10%	1	1.90%
Total	776	744	95.9%	32	4.1%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 11/1/2013 thru 11/30/2013

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBO-CL BEN. OVERPAYMENT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
BENEFIT RATE	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBR-CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
COMPENSABILITY	Total: 78	5	6.4%	1	1.3%	19	24.4%	53	67.9%
C8A-CL OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS-CL SEC.CONDITION	25	2	8.0%	0	0.0%	3	12.0%	20	80.0%
CIS-CL SI SEC.CONDITION	5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CLB-CL COMP ON LIMITED BASIS	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CPI-CL SI REJECT CLAIM	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPJ-CL REJECT CLAIM	36	2	5.6%	1	2.8%	11	30.6%	22	61.1%
CRZ-CL REJ OCC DISEASE	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
E8C-EM OIC COMPENSABLE	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
DEP BEN FATAL	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CDF-CL DENY/GRNT DTH BEN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 10 DAY	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
C5N-CL FTA NOT COVERED	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
FAILURE TO ACT 15 DAY	Total: 8	0	0.0%	1	12.5%	1	12.5%	6	75.0%
C01-CL FTA INJ COMPENSAB	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C03-CL FTA TREATMENT	5	0	0.0%	1	20.0%	0	0.0%	4	80.0%
FTA Multiple Issues-FTA MULTIPLE ISSUES	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
FAILURE TO ACT 30 DAY	Total: 2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
C7D-CL FTA REF FOR EXAM	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
C7E-CL FTA CPLY OJ/BR/SC	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OP NON-MED	Total: 4	1	25.0%	0	0.0%	1	25.0%	2	50.0%
CIR-CL SI NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNR-CL NON-MED ORDER	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
OPBD	Total: 23	0	0.0%	0	0.0%	5	21.7%	18	78.3%
CAO-CL ADD BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CBF-CL % BOARD FINDING	11	0	0.0%	0	0.0%	3	27.3%	8	72.7%
CSF-CL% SI BOARD FINDING	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
EAO-EM ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF-EM % BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
ESF-EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PPD	Total: 93	2	2.2%	0	0.0%	18	19.4%	73	78.5%
CAA-CL ADDL % AWARD D/G	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CAD-CL % AWARD DENY/GRNT	79	2	2.5%	0	0.0%	17	21.5%	60	75.9%
CIG-CL SI %AWARD DNY/GNT	11	0	0.0%	0	0.0%	0	0.0%	11	100.0%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKC-CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CEB-CL PTD REV. BODY DETERMINATION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPB-CL GRNT/DNY VOC REHA	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REOPENING	Total: 11	1	9.1%	0	0.0%	1	9.1%	9	81.8%
CIY-CL SI DY/GNT R/O TTD	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
CJV-CL DNY/GRNT R/O PPD	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CRD-CL DENY/GRNT R/O TTD	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
SPECIAL CATEGORY	Total: 6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CNW-CL SPL CATEGORY	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
TRMT/EQUIP CL	Total: 111	3	2.7%	3	2.7%	9	8.1%	96	86.5%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CBX-CL TRMT DENY	96	2	2.1%	3	3.1%	8	8.3%	83	86.5%
CID-CL SI EQUIP DNY/GRNT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKN-CL D/G PROV CHNG	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CSX-CL SI TRMT DENY	11	0	0.0%	0	0.0%	1	9.1%	10	90.9%
CYY-CL TRMT GRANT	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
TTD	Total: 47	1	2.1%	0	0.0%	8	17.0%	38	80.9%
CCC-CL CLOSING THE CLAIM	31	1	3.2%	0	0.0%	5	16.1%	25	80.6%
CIC-CL SI CLSING THE CLM	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CIJ-CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJS-CL TTD	8	0	0.0%	0	0.0%	0	0.0%	8	100.0%
CPX-CL INITIAL TTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CSG-CL SI INITIAL TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals: Claims 315	392	13	3.3%	6	1.5%	64	16.3%	309	78.8%

Monday, December 02, 2013

Resolution of Issues

Report Dates: Decision Date from 11/1/2013 thru 11/30/2013

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	70	21	30	28	40	4	5.70	11	15.70	5	7.10	1	1.40	0	0	0	0
OPBD	16	2	12.50	5	31.30	1	6.30	8	50	0	0	0	0	0	0	0	0
PTD ONSET DATE	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BENEFIT OVERPAYMENT	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	15	3	20	9	60	0	0	2	13.30	1	6.70	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0
PPD	81	15	18.50	22	27.20	10	12.30	34	42	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	10	2	20	2	20	0	0	4	40	1	10	1	10	0	0	0	0
DEP BEN FATAL	6	2	33.30	3	50	0	0	1	16.70	0	0	0	0	0	0	0	0
OP NON-MED	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	112	30	26.80	46	41.10	10	8.90	17	15.20	5	4.50	3	2.70	1	0.90	0	0
TTD	29	8	27.60	10	34.50	1	3.40	6	20.70	3	10.30	1	3.40	0	0	0	0
FAILURE TO ACT 30 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0
REHABILITATION	3	0	0	1	33.30	0	0	1	33.30	1	33.30	0	0	0	0	0	0
Totals	350	85	24.3	128	36.6	26	7.4	88	25.1	16	4.6	6	1.7	1	0.3	0	0

Petitions for Attorney Fees

Petitions received 1/1/2013 through 11/30/13	17
Petitions denied on face:	5
Petitions denied by ALJ Decision:	3
Petitions granted:	4
Petitions withdrawn through settlement:	2
Petitions currently pending:	6

** Totals include 3 petitions from 2012*

Failure to Timely Act Process

Petitions filed 1/1/2013 through 11/30/13

Filed:	96
Denied/dismissed:	48
Withdrawn:	0
Reports to OIC:	46
Pending	31

**Resolutions of FTA include petitions filed prior to 2013*

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2011	10	16	11	15	21	16	11	13	9	8	12	10	152
2012	14	2	18	12	13	5	7	3	2	11	16	10	113
2013	14	10	11	22	12	15	19	15	18	17	9		162

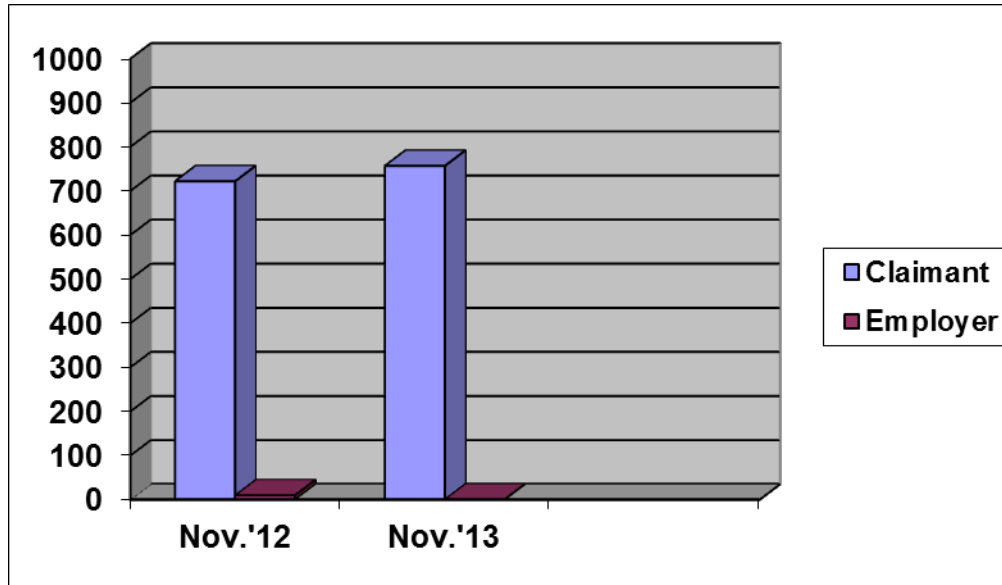
Pro Se Claimant Information as of December 2, 2013

Pending Protests Involving Pro Se Claimants: 446

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month	% Protests	Month	% Protests
	Nov. '13		Nov. '12	
Claimant	757	17.39%	722	22.14%
Employer	0	0%	10	0.03%
Total	757		732	

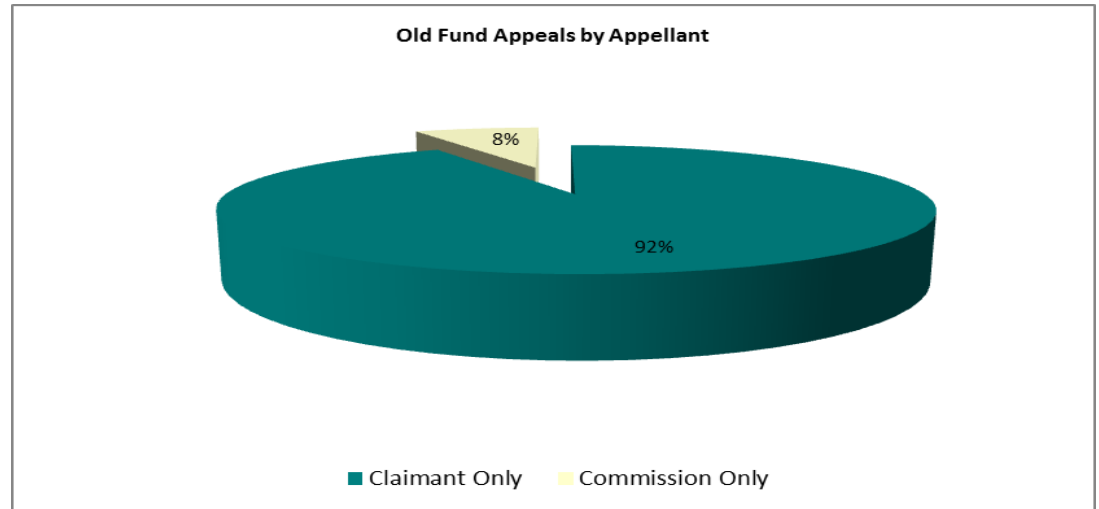
Pending Treatment Issues



Appeals Received
From November 1, 2013 Thru November 30, 2013

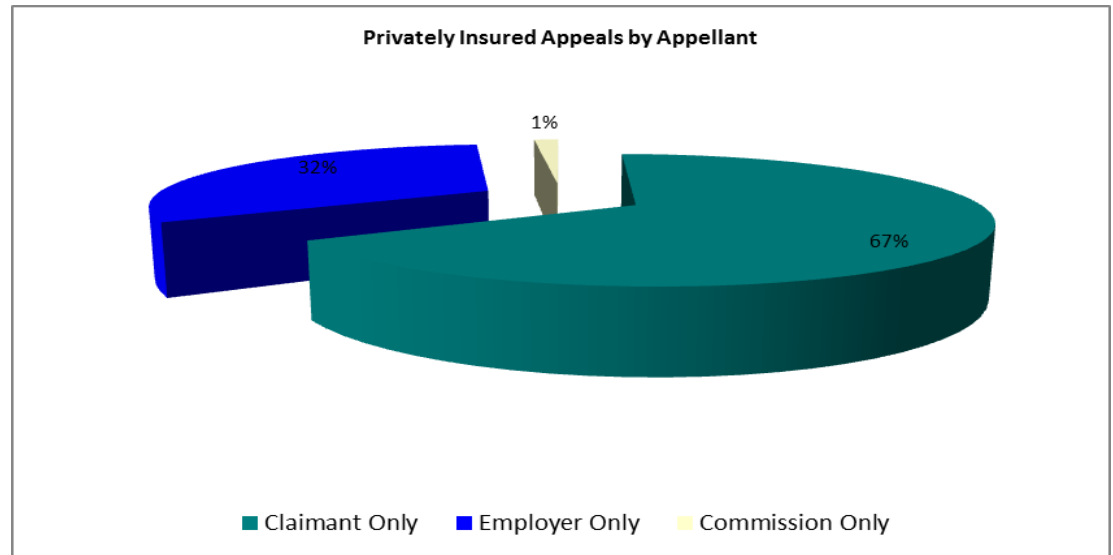
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	12
Commission Only	1
Old Fund Total	13



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

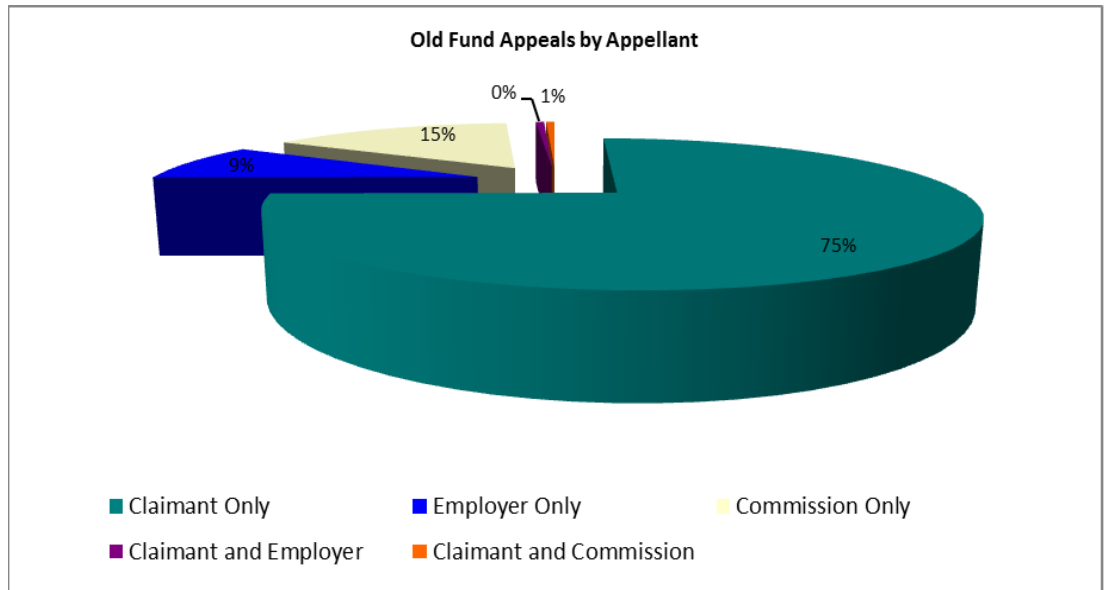
Appellant	Count
Claimant Only	46
Employer Only	22
Commission Only	1
Privately Insured Total	69
Total Appeals	82



Yearly Appeals Received
From January 1, 2013 Thru November 30, 2013

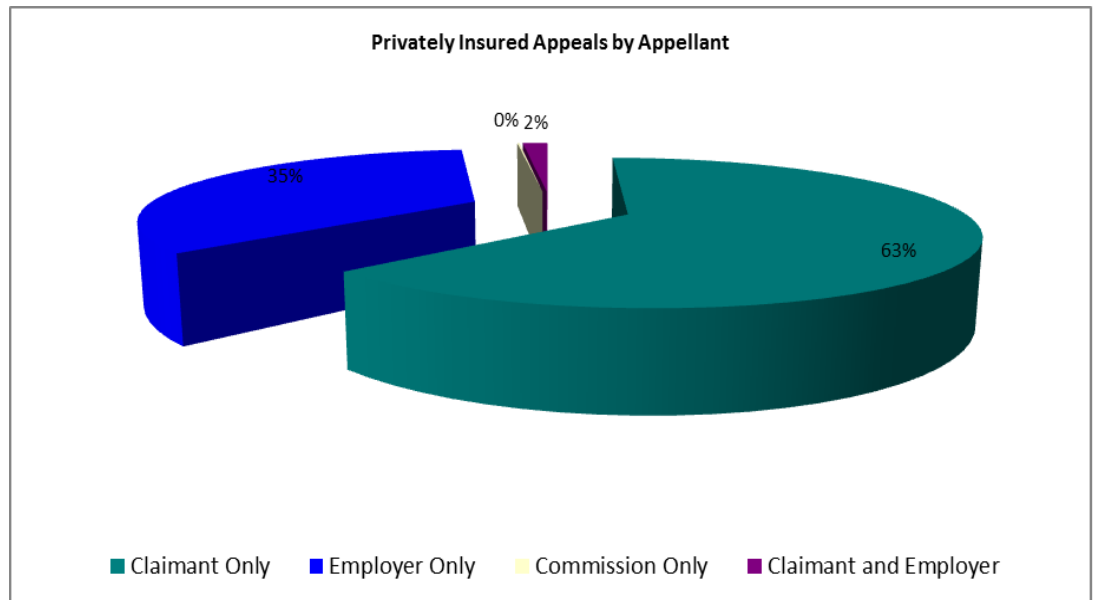
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	137
Employer Only	16
Commission Only	28
Claimant and Employer	1
Claimant and Commission	1
Old Fund Total	183



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

Appellant	Count
Claimant Only	488
Employer Only	271
Commission Only	1
Claimant and Employer	12
Privately Insured Total	772
Total Appeals	955



Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From November 1, 2013 Thru November 30, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	11	0	0.0	11	100.0
CL % BOARD FINDING	1	1	100.0	0	0.0
CL ADDL % AWARD D/G	2	1	50.0	1	50.0
CL CLOSING THE CLAIM	6	0	0.0	6	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL DENY/GRNT DTH BEN	3	2	66.7	1	33.3
CL DENY/GRNT R/O TTD	3	0	0.0	3	100.0
CL GRNT/DNY VOC REHA	3	0	0.0	3	100.0
CL NON-MED ORDER	1	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	3	1	33.3	2	66.7
CL REJ OCC DISEASE	5	1	20.0	4	80.0
CL REJECT CLAIM	8	0	0.0	8	100.0
CL SEC.CONDITION	5	0	0.0	5	100.0
CL SI %AWARD DNY/GNT	4	0	0.0	4	100.0
CL SI AD.BRD FINDING	2	1	50.0	1	50.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0
CL SI DY/GNT R/O PPD	1	1	100.0	0	0.0
CL SI DY/GNT R/O TTD	3	0	0.0	3	100.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	1	0	0.0	1	100.0
CL SI SEC.CONDITION	1	0	0.0	1	100.0
CL SI TRMT DENY	5	1	20.0	4	80.0
CL TRMT DENY	20	4	20.0	16	80.0
CL TTD	2	0	0.0	2	100.0
Totals	93	13	14.0	80	86.0

Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From January 1, 2013 Thru November 30, 2013

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	129	5	3.9	124	96.1
CL % BOARD FINDING	11	3	27.3	8	72.7
CL ADD BOARD FINDING	5	3	60.0	2	40.0
CL ADDL % AWARD D/G	14	4	28.6	10	71.4
CL APP.THRESHOLD	4	3	75.0	1	25.0
CL BEN. OVERPAYMENT	3	0	0.0	3	100.0
CL CLOSING THE CLAIM	66	1	1.5	65	98.5
CL COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL COMPENSABILITY	16	0	0.0	16	100.0
CL D/G PROV CHNG	3	0	0.0	3	100.0
CL DENY/GRANT PTD	10	10	100.0	0	0.0
CL DENY/GRNT DTH BEN	15	13	86.7	2	13.3
CL DENY/GRNT R/O TTD	27	0	0.0	27	100.0
CL DNY/GRNT R/O PPD	7	3	42.9	4	57.1
CL DNY/GRNT R/O PTD	2	2	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0
CL GRNT/DNY VOC REHA	3	0	0.0	3	100.0
CL INITIAL TTD	7	0	0.0	7	100.0
CL NON-MED ORDER	5	2	40.0	3	60.0
CL OIC %AWRD DNY/GNT	1	0	0.0	1	100.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0
CL PRSTS BEN RATE	2	0	0.0	2	100.0
CL PTD REV. BODY DETERMINATION	13	11	84.6	2	15.4
CL REJ OCC DISEASE	21	4	19.0	17	81.0
CL REJECT CLAIM	119	1	0.8	118	99.2
CL SEC.CONDITION	61	3	4.9	58	95.1
CL SI %AWARD DNY/GNT	43	6	14.0	37	86.0
CL SI AD.BRD FINDING	5	1	20.0	4	80.0
CL SI ADD% AWARD D/G	7	4	57.1	3	42.9
CL SI APP.THRESHOLD	1	0	0.0	1	100.0
CL SI AUT/RPR HA D/G	2	2	100.0	0	0.0
CL SI CLSING THE CLM	16	1	6.3	15	93.8

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI COMPENSABLE	7	0	0.0	7	100.0
CL SI D/G 104 WKS	1	1	100.0	0	0.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0
CL SI DY/GNT DTH BEN	11	8	72.7	3	27.3
CL SI DY/GNT R/O PPD	7	4	57.1	3	42.9
CL SI DY/GNT R/O TTD	19	0	0.0	19	100.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	2	0	0.0	2	100.0
CL SI REJECT CLAIM	25	0	0.0	25	100.0
CL SI SEC.CONDITION	17	0	0.0	17	100.0
CL SI SL CATEGORY	2	0	0.0	2	100.0
CL SI TRMT DENY	84	18	21.4	66	78.6
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SPL CATEGORY	8	2	25.0	6	75.0
CL TRMT DENY	244	60	24.6	184	75.4
CL TRMT GRANT	2	1	50.0	1	50.0
CL TTD	12	0	0.0	12	100.0
CL% SI BOARD FINDING	3	1	33.3	2	66.7
EM % BOARD FINDING	2	0	0.0	2	100.0
EM ADD BOARD FINDING	1	0	0.0	1	100.0
EM DENY/GRNT DTH BEN	1	0	0.0	1	100.0
EM GRNT/DNY VOC REHA	1	1	100.0	0	0.0
EM OIC SPL CATEGORY	1	0	0.0	1	100.0
EM SI DENY/GRANT PTD	1	1	100.0	0	0.0
NonPrstable Protest	2	0	0.0	2	100.0
Not All Parties cc'd	4	1	25.0	3	75.0
Totals	1085	186	17.1	899	82.9

Appeals Received By Issue
From November 1, 2013 Thru November 30, 2013

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	11	7	63.6	4	36.4	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	6	5	83.3	1	16.7	0	0.0	0	0.0
CL COMPENSABILITY	1	0	0.0	1	100.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	3	1	33.3	1	33.3	0	0.0	1	33.3
CL DENY/GRNT R/O TTD	3	1	33.3	2	66.7	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	3	2	66.7	0	0.0	0	0.0	1	33.3
CL NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	3	3	100.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	5	4	80.0	1	20.0	0	0.0	0	0.0
CL REJECT CLAIM	8	3	37.5	5	62.5	0	0.0	0	0.0
CL SEC.CONDITION	5	3	60.0	2	40.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	3	75.0	1	25.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	2	2	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 R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	3	3	100.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	5	4	80.0	1	20.0	0	0.0	0	0.0
CL TRMT DENY	20	17	85.0	3	15.0	0	0.0	0	0.0
CL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
Totals	93	67	72.0	24	25.8	0	0.0	2	2.2

**WORKER COMPENSATION BOARD OF REVIEW
FOR NOVEMBER 2013**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	47	83.9%	59.5%	523	85.9%	57.3%
	DISMISSED	5	8.9%	6.3%	36	5.9%	3.9%
	MODIFY				2	0.3%	0.2%
	REMAND	2	3.6%	2.5%	20	3.3%	2.2%
	REVERSE	2	3.6%	2.5%	28	4.6%	3.1%
	Total Dispositions	56			609		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	1.3%	11	68.8%	1.2%
	DISMISSED				3	18.8%	0.3%
	MODIFY				1	6.3%	0.1%
	REVERSE				1	6.3%	0.1%
	Total Dispositions	1			16		
EMPLOYER	AFFIRMED	18	85.7%	22.8%	182	69.2%	19.9%
	DISMISSED				29	11.0%	3.2%
	MODIFY	1	4.8%	1.3%	6	2.3%	0.7%
	REMAND	2	9.5%	2.5%	9	3.4%	1.0%
	REVERSE				37	14.1%	4.1%
	Total Dispositions	21			263		
DIVISION/OIC	AFFIRMED	1	100.0%	1.3%	15	60.0%	1.6%
	DISMISSED				5	20.0%	0.5%
	MODIFY				1	4.0%	0.1%
	REVERSE				4	16.0%	0.4%
	Total Dispositions	1			25		
Grand Totals		79			913		

Dispositions By Issues
BOR Orders Mailed From November 1, 2013 Thru November 30, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	13	10	76.9	0	0.0	2	15.4	0	0.0	1	7.7	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	2	0	0.0	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0
CL REJECT CLAIM	12	10	83.3	1	8.3	0	0.0	1	8.3	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	6	5	83.3	0	0.0	0	0.0	0	0.0	1	16.7	0	0.0	0	0.0
CL TRMT DENY	17	14	82.4	0	0.0	2	11.8	0	0.0	1	5.9	0	0.0	0	0.0
CL TTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM 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
Totals	89	77	86.5	2	2.2	5	5.6	1	1.1	4	4.5	0	0.0	0	0.0

Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2013 Thru November 30, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	115	94	81.7	10	8.7	8	7.0	0	0.0	3	2.6	0	0.0	0	0.0
CL % BOARD FINDING	9	8	88.9	0	0.0	0	0.0	0	0.0	1	11.1	0	0.0	0	0.0
CL ADD BOARD FINDING	6	6	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	13	81.3	1	6.3	2	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	6	4	66.7	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	63	53	84.1	6	9.5	3	4.8	0	0.0	1	1.6	0	0.0	0	0.0
CL COMPENSABILITY	23	14	60.9	2	8.7	4	17.4	1	4.3	2	8.7	0	0.0	0	0.0
CL D/G PROV CHNG	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	11	8	72.7	2	18.2	1	9.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	11	11	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	22	17	77.3	2	9.1	3	13.6	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	9	6	66.7	3	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	12	6	50.0	2	16.7	3	25.0	0	0.0	1	8.3	0	0.0	0	0.0
CL NON-MED ORDER	4	0	0.0	1	25.0	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC %AWRD DNY/GNT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	7	4	57.1	1	14.3	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	16	10	62.5	3	18.8	2	12.5	0	0.0	1	6.3	0	0.0	0	0.0
CL REJECT CLAIM	120	95	79.2	8	6.7	12	10.0	1	0.8	4	3.3	0	0.0	0	0.0
CL SEC.CONDITION	74	60	81.1	3	4.1	9	12.2	1	1.4	1	1.4	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	43	33	76.7	5	11.6	3	7.0	0	0.0	2	4.7	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	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	14	10	71.4	2	14.3	0	0.0	2	14.3	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	4	4	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	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL SI DY/GNT R/O TTD	11	11	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI G/D VOC REHAB	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	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	28	23	82.1	2	7.1	2	7.1	0	0.0	1	3.6	0	0.0	0	0.0
CL SI SEC.CONDITION	10	8	80.0	1	10.0	0	0.0	0	0.0	1	10.0	0	0.0	0	0.0
CL SI SL CATEGORY	3	2	66.7	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	69	57	82.6	7	10.1	1	1.4	0	0.0	4	5.8	0	0.0	0	0.0
CL SI TRMT GRANT	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI TTD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
CL SPL CATEGORY	7	5	71.429	0	0	2	28.571	0	0	0	0	0	0	0	0
CL TRMT DENY	204	169	82.843	14	6.8627	12	5.8824	2	0.9804	7	3.4314	0	0	0	0
CL TRMT GRANT	4	4	100	0	0	0	0	0	0	0	0	0	0	0	0
CL TTD	13	12	92.308	0	0	1	7.6923	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 ADD BOARD FINDING	2	2	100	0	0	0	0	0	0	0	0	0	0	0	0
EM GRNT/DNY VOC REHA	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DENY/GRANT PTD	2	2	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DY/GNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
NonPrstable Protest	2	0	0	0	0	1	50	0	0	1	50	0	0	0	0
Not All Parties cc'd	4	3	75	1	25	0	0	0	0	0	0	0	0	0	0
Totals	995	800	80.402	78	7.8392	78	7.8392	8	0.804	31	3.1156	0	0	0	0

Workers' Compensation - Revenue Recovery

November 2013

COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 2,640.63
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 59,550.13
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 10,620.43
# of active accounts uninsured (cumulative)	387
\$ of active accounts uninsured (cumulative)	\$ 1,292,448.31
Telephone contacts	851
Walk-ins	2

LIENS	
Liens sent to county clerks for recordation	82
Liens sent to county clerks for release	20
Intent to lien letters sent to employer/owner/officer/member	28

Uninsured Accounts Resolved	212
All Cash Receipts from WC accounts	\$ 72,811.19

INJUNCTIONS	
Affidavits for injunction submitted to legal	6
Hearings attended	0
# of injunction complaints accepted by court	0
# of injunctions granted	0
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	0
Agreements set up	4
Total # of agreements on system (cumulative)	61
Intent to void letters mailed	2
Agreements voided	0

MISCELLANEOUS	
Terminations Processed	47
Rule 11 Letters Mailed	167
Rule 11 hearings	0

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
February 6, 2014

OPERATING REPORT

OCTOBER 2013

Board of Treasury Investments

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

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.,
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

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

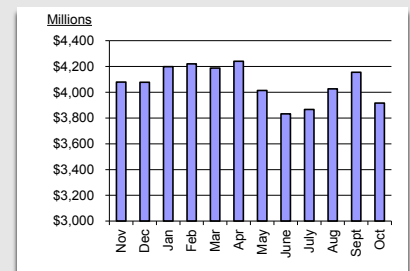
Chief Financial
Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,915,316,000

Last Month
\$4,154,753,000

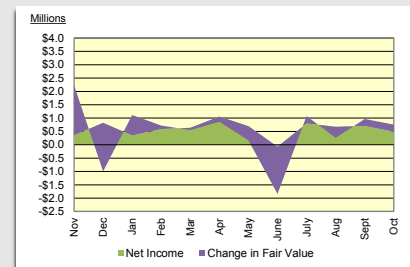
Beginning of Fiscal Year
\$3,831,716,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$3,059,000



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

Money Market Pools

As of October 31, 2013

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1105%	.1202%	.1201%	54 Days	\$2.4 Billion
WV Gov't Money Market	.0112%	.0192%	.0352%	50 Days	\$310.5 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

OCTOBER 2013

October Proves Fed Is Still Driving Markets

Market Environment

US stocks climbed higher in October as investors shrugged off a federal government shutdown, and rode the tailwinds of continued monetary stimulus amidst the anticipated nomination of Janet Yellen to chair the Federal Reserve. Bucking a year-long trend, large cap stocks outpaced smaller cap issues last month, as the Standard & Poor's 500 Index scaled 25% in returns for the year. The Russell 2000 has gained over 30% so far this year despite a small sell off in the last week of October. That said, the outlook for fiscal and monetary policies remains muddled, as expectations of modestly positive manufacturing and labor reports reignite speculation on when the Fed will curtail its stimulus. In addition, another bout of fiscal sparring is slated for early 2014. Globally, stock markets posted a consecutive month of strong returns, led by emerging markets, which finally clambered onto positive territory for the year. European equities also charged ahead despite growing deflationary concerns and increasing calls for action by the European Central Bank.

Ten-year US Treasury yields receded slightly for the second straight month as investors sifted through Fed policy for clues on potential timing of the central bank scaling back stimulus. Fixed income markets were up nearly across the board. However, they are still in the red so far this year, with the exception of US high-yield debt and the leveraged loan market. Commodities stumbled further, with the DJ-UBS Commodity Index slipping 1.5%, as supply outpaced demand against a backdrop of low inflation.

Heading into the final weeks of 2013, it is clear the Fed is still a major driver of markets. As a result, many investors who are broadly diversified have likely posted tepid returns relative to peers holding a heavy concentration of US equity. While we don't discount the ability for stimulus (or lack thereof) to continue to shape market sentiment, we think it worthwhile to step back and reevaluate the investment landscape. To this end, we believe US large cap stocks appear to be richly valued. Emerging markets' stocks seem attractive on a valuation basis, but it is clear that risks related to balance of payments have come to light for countries such as Brazil, Turkey, India, Indonesia and South Africa. While similar episodes of volatility will likely occur, we recommend that clients continue to make measured allocations to emerging countries through active managers capable of navigating this challenging landscape.

Equity Market Results

Equity markets rallied in October. Broad US stock market indices, including the S&P 500 and Russell 3000 Index, posted positive returns of 4.60% and 4.25%, respectively. Small cap stocks, as measured by the Russell 2000 Index, took a pause during the month as large cap stocks led the US markets. Large Cap Stocks returned 4.60% in October, bringing their year-to-date returns to 25.30%. Calendar year-to-date, broad U.S. equity market returns remain strong with the Russell 3000 Index posting a year-to-date return of 26.45%.

International equity markets also generated positive returns for the month and market leadership also changed in the international space, as emerging markets outpaced developed markets. Developed markets, represented by the MSCI EAFE Index, returned 3.36%, while their less established brethren, represented by the MSCI Emerging Markets Index, returned 4.86%. Returns from the international equity markets in 2013 remain fairly disparate, with developed markets having risen 20.05%, while emerging markets have returned 0.29%.

Bond Market Results

All major segments of the bond market generated positive returns during the month. The Barclays Capital Aggregate Index, a broad measure of the US bond market, rose 0.81%. Global bonds fared better, as the Citigroup Non-US WGBI (unhedged) rallied 1.77%. The Citigroup 3-month T-bill generated a 0.00% return, while 3-month Libor was up 0.02%. Year-to-date, bonds continue to be a detractor from portfolio results. For the first 9 months of the year, the BC Aggregate Index has declined 1.10%, while global bonds have fallen 1.66%.

West Virginia Board of Treasury Investments

Financial Highlights as of October 31, 2013

WV Short Term Bond Pool

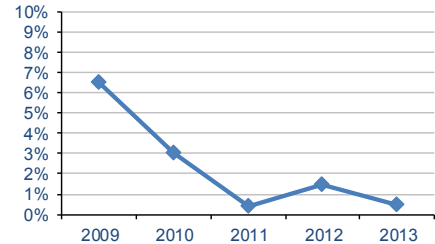
Rates of Return for the Past 12 Months *Net of All Fees*

<u>November 1 - October 31</u>	<u>Return</u>	<u>Net Assets At Oct 31 (In Millions)</u>
2013	0.4%	\$ 717.7
2012	1.5%	\$ 500.5
2011	0.4%	\$ 455.7
2010	3.0%	\$ 462.2
2009	6.5%	\$ 338.2

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

WV Short Term Bond Pool Rates of Return

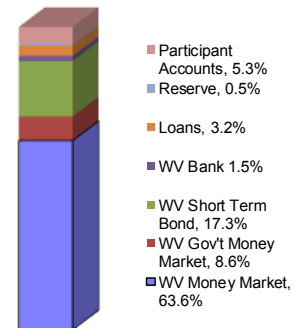
*Past 12 Months
November 1 - October 31*



Summary of Value and Earnings (In Thousands)

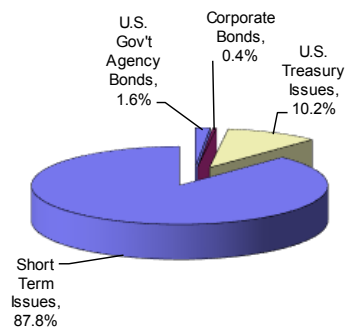
<u>Pool</u>	<u>Net Asset Value</u>	<u>Oct Net Income</u>	<u>Fiscal YTD Net Income</u>
WV Money Market	\$ 2,447,747	\$ 262	\$ 1,007
WV Gov't Money Market	310,456	9	29
WV Short Term Bond	717,652	770	2,181
WV Bank	66,043	6	25
Loans	135,882	(356)	(386)
Reserve	21,719	5	18
Participant Accounts	215,817	60	185
	<u>\$ 3,915,316</u>	<u>\$ 756</u>	<u>\$ 3,059</u>

Percent of Total Net Asset Value

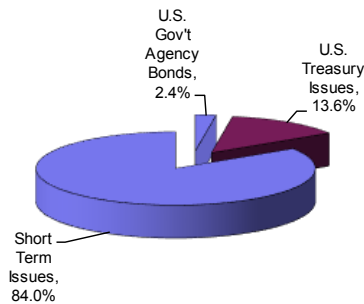


Securities by Type for Operating Pools (Percentage of Asset Value)

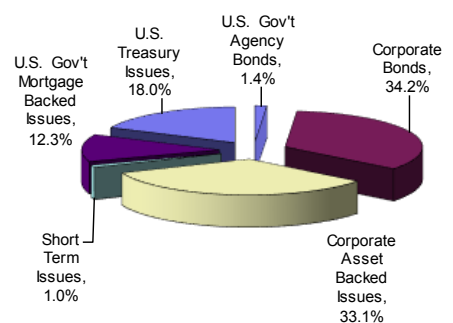
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

OCTOBER 31, 2013

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>
Assets						
Investments:						
At amortized cost	\$ 2,466,767	\$ 310,354		\$ 66,025	\$ 157,581	\$ 212,561
At fair value	-	-	\$ 721,266	-	-	3,052
Cash	-	-	-	-	-	-
Other assets	1,298	153	1,638	20	25	204
Total assets	<u>2,468,065</u>	<u>310,507</u>	<u>722,904</u>	<u>66,045</u>	<u>157,606</u>	<u>215,817</u>
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	20,318	51	5,252	2	5	-
Total liabilities	<u>20,318</u>	<u>51</u>	<u>5,252</u>	<u>2</u>	<u>5</u>	<u>-</u>
Net Assets	<u>\$ 2,447,747</u>	<u>\$ 310,456</u>	<u>\$ 717,652</u>	<u>\$ 66,043</u>	<u>\$ 157,601</u>	<u>\$ 215,817</u>
Investment income						
Interest and dividends	\$ 464	\$ 72	\$ 792	\$ 8	\$ 25	\$ 132
Net accretion (amortization)	(66)	(43)	(205)	-	-	(82)
Provision for uncollectible loans	-	-	-	-	(372)	-
Total investment income	<u>398</u>	<u>29</u>	<u>587</u>	<u>8</u>	<u>(347)</u>	<u>50</u>
Expenses						
Fees	140	21	67	2	4	-
Total expenses	<u>140</u>	<u>21</u>	<u>67</u>	<u>2</u>	<u>4</u>	<u>-</u>
Net investment income	<u>258</u>	<u>8</u>	<u>520</u>	<u>6</u>	<u>(351)</u>	<u>50</u>
Net realized gain (loss) from investments	4	1	2	-	-	-
Net increase (decrease) in fair value of investments	-	-	248	-	-	10
Net gain (loss) from investments	<u>4</u>	<u>1</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>10</u>
Net increase (decrease) in net assets from operations	<u>262</u>	<u>9</u>	<u>770</u>	<u>6</u>	<u>(351)</u>	<u>60</u>
Distributions to participants	<u>262</u>	<u>9</u>	<u>522</u>	<u>6</u>	<u>(351)</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	735,475	44,026	400	11	1,809	74
Redemptions and withdrawals	925,651	90,829	200	5	374	4,481
Inter-pool transfers in	-	-	-	2,988	-	-
Inter-pool transfers out	2,988	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	<u>(193,164)</u>	<u>(46,803)</u>	<u>200</u>	<u>2,994</u>	<u>1,435</u>	<u>(4,407)</u>
Increase (decrease) in net assets	(193,164)	(46,803)	448	2,994	1,435	(4,347)
Net assets at beginning of period	2,640,911	357,259	717,204	63,049	156,166	220,164
Net assets at end of period	<u>\$ 2,447,747</u>	<u>\$ 310,456</u>	<u>\$ 717,652</u>	<u>\$ 66,043</u>	<u>\$ 157,601</u>	<u>\$ 215,817</u>