

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

May 21, 2014



Senate	House	Joint	Bill Status	WV Code	Audits/ Reports	Educational
--------	-------	-------	-------------	---------	-----------------	-------------

Joint Committee on Government and Finance Attendance

21 May 2014 - 01:00 PM

Attended:

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

Submittor:

Shannon Riley

Phone:

4800

[Back](#)

[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](#) | © 2014 West Virginia Legislature

(Speaker Miley presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
May 21, 2014

1:00 - 2:00pm

Senate Finance Room

1. **Approval of April 21, 2014 minutes**
2. **2014 Interim Dates**
3. **2014 Interim Studies**

MOVE that the following June date be approved for Interim Meetings:

Proposed June Interim Date:

4. **Committee Reports/Requests:**
5. **Monthly/Quarterly Reports Distribution:**
Status Reports on Lottery and the General Revenue Fund.
6. **Workforce WV Unemployment Compensation Trust Fund Distribution:** *(Beth Carenbauer, Director UC)*
7. **Monthly/Quarterly Reports Distribution:** *(Ross Taylor, Secretary of Finance & Administration)*
PEIA
BRIM
CHIP
Real Estate Report
8. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**
(Tina Bailes, Deputy Commissioner, Finance, WV Bureau for Medical Service)

Medicaid Report
9. **Investment Management Board Distribution:** *(Craig Slaughter, Executive Director)*
10. **Workers' Compensation:** *(Mike Riley, Commissioner)*
11. **Board of Treasury Report Distribution**
12. **Department of Environmental Protection- Update on Contract for Study Mandated by §22-15-8(j), relating to drill cuttings and waste from horizontal well operations.** *(Randy Huffman, Secretary)*
13. **Other Business**
14. **Adjournment**

Joint Committee on Government and Finance

April 21, 2014

2:00pm - 3:00pm

Senate

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

House

Miley, Chair
Boggs
Caputo
Manchin
White
Armstead
Cowles

President Kessler presides:

President Kessler: "The committee will come to order. The clerk will take a silent roll call. The first item on the Agenda is the adoption of the minutes of January 7, 2014. Speaker Miley moves the adoption of the minutes. Any discussion? All those in favor say aye, all those opposed, the ayes appear to have it."

Speaker Miley: "I move that the President and Speaker of the House be authorized to jointly establish the interim committees and subcommittees as deemed appropriate and to appoint as many members as desired to any committee or subcommittee other than statutory and standing committees."

Mr. President: " Any discussion? All in favor say aye, opposed, the ayes have it."

Mr. President: "I would like to publicly note that Legislative Manager will provide the list to the general public by the Legislative web site and through the Legislature's normal emails at a later date."

Speaker Miley: "Mr. President I move that the interim committee and subcommittees established by the Senate President and the Speaker of the House and interim committees established by statute and all joint standing committees be authorized to meet during the 2014 Interim Period."

Mr. President: "Discussion? All in favor say aye, opposed, the ayes appear to have it, the ayes do have it."

Speaker Miley: "Mr. President I move that the Senate President and the

Speaker be authorized to jointly assign study topics to the interim committees as they deem appropriate."

Mr. President: "Discussion? All in favor say aye, opposed, the ayes appear to have it, the ayes do have it."

Mr. President: "Again I would like to note that the Legislative Manager will have that on their web site and send out notices."

Speaker Miley: "I move that for all committees, subcommittees and commissions meeting during the interim period for which there are an unequal number of Delegates and Senators, that all motions considered must be adopted by a separate majority vote of the committee members from each legislative body."

Mr. President: "Any discussion? All in favor say aye, opposed, the ayes appear to have, the ayes do have it."

Speaker Miley: "Mr. President I move that the following dates be approved for Interim Meetings: May 19-21; June 22-24; July 20-22; August 24-26; September 21-23; October 19-21; November 16-18; December 14-16 and January 11-13, 2015."

Speaker Miley: "Mr. President, I will reform my motion. I move that the following dates be approved for Interim Meetings, May 19-21st and with regards to the remainder dates, we can adopt those at the next meeting, next month."

Mr. President: "Discussion? All in favor say aye, opposed, the ayes appear to have it, the ayes do have it."

President Kessler: "Next item is our Committee Reports. Monthly/Quarterly Reports are distributed."

President Kessler: "Next is Workforce WV Unemployment Compensation presented by Valerie Comer, Deputy Executive Director, Beth Carenbauer, Direction of Unemployment Compensation."

Beth Carenbauer: "Good afternoon Mr. Speaker, Mr. President and members of the Committee. I am Beth Carenbauer, I am the Director of Unemployment Compensation for the State of WV. This morning the Unemployment Compensation Trust Fund had a balance of "47,689,050.70. As you will see in

your packet the most recent projections call for Revenues of \$232,842,000; Benefits of \$229,609,000 with a Trust Fund and Balance projected to be \$105,398,000. I would be happy to take questions."

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

President Kessler: "Next we have the reports from Department of Finance, Ms. Lipsomb Spano."

Ms. Lipscomb Spano: "Hello, I'm Donna Lipscomb Spano, Department of Administration. Secretary Taylor couldn't be here. If you have any questions on the reports in your packet, I have the Division Directors for each of those agencies here."

President Kessler: "Any questions of Donna? There being none. Thank you."

President Kessler: "Next we've got the Department of Health and Human Resources, Nancy Atkins or Tina Bailes. Ms. Atkins."

Nancy Atkins: "I'm Nancy Atkins, Commissioner of Medicaid. Your Medicaid Report is in your packet. We would be happy to answer any questions."

President Kessler: "Are there any questions of Ms. Atkins? Delegate Boggs."

Delegate Boggs: "Nancy thanks for being here. What is the current number on the wait list for the Aged and Disabled Waiver Program?"

Ms. Atkins: "With the leave of the Committee I would ask Commissioner Cindy Beane to speak to that. She has all those numbers with her today."

Ms. Beane: "Cindy Beane, Deputy Commissioner of Medicaid. Currently we have 2427 on the Managed Enrollment List."

Delegate Boggs: "How many slots are available to be filled?"

Ms. Beane: "We recently, with the additional monies that the Legislature appropriated, we mailed out on April 8, 134 letters to individuals off the wait list."

Delegate Boggs: "So this 2427 is after the 134 who have been filled?"

Ms. Beane: "No the 2427 because once you mail the letter it is actually not

filled yet. Once I mail the letter the individuals have to basically go down to their local DHHR and get financial eligibility and actually obtain the slot. Once it gets filled then those numbers will come off the wait list."

Delegate Boggs: "They have already been deemed medically eligible, now you are just waiting to see if they are financially eligible?"

Ms. Beane: "Yes and if they want the slot."

Delegate Boggs: "Thank you."

President Kessler: "Any other questions? Thank you very much. Next we have Mr. Slaughter from Investment Management Board."

Mr. Slaughter: "Good afternoon. Craig Slaughter, Executive Director of the West Virginia Investment Management Board. You have in your materials the Performance Report for February of 2014. The fiscal year to date numbers were up 12% through February. March is pretty flat. It is marginally so that number hasn't really changed that much. April is playing out, kind of a mixed bag but good recently. Happy to take any questions."

President Kessler: "Any questions of Mr. Slaughter? Apparently none. Excuse me, Senator Plymale."

Senator Plymale: "Craig, in terms of your forecast, when you look at the pundits at Wall Street, they have different mixed bag of what its going to be like. What do you think the end of the fiscal year will look like as related to what you stated?"

Mr. Slaughter: "It can go in any direction. I guess my most likely prediction, it is better than 50% maybe is that it stays much like its been like the last couple of months or so. Which is up and down and really not going any where in particular. That would be my guess. You know a lot of things in the world can change things and the Russia situation has definitely had an impact on the markets in various places. The Russia investments we've had are definitely down. I wouldn't expect much more return out of us for the rest of the fiscal year but that's ok as long as we stay where we are."

Senator Plymale: "Thanks."

President Kessler: "Any other questions? Thank you Mr. Slaughter."

President Kessler: "Finally we have Mr. Riley from Workers Compensation."

Mr. Riley: "Good afternoon Mr. President, Mr. Speaker and Committee members, Mike Riley, Insurance Commissioner. You have a copy of our Workers Compensation Fund report in your package. We ended March with 15,983 active claims in the Old Fund, 901 active claims in the Coal Workers Fund and 35 active claims in the Uninsured Fund. Old Fund cash balance is \$1.1B. Revenues have exceeded expenditures year-to-date by \$73M. No areas of concern at this point."

President Kessler: "Any questions of Mr. Riley? Thank you sir."

President Kessler: "The Board of Treasury Report is in your packet as well. Anything further to come before the Committee? If not, Speaker Miley moves we adjourn. All of those in favor say aye, all those oppose. The ayes appear to have it, that ayes do have it."

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

May 6, 2014

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

- West Virginia Lottery as of March 31, 2014:
Gross profit for July 2013– March 2014 was \$397.4 million.
- West Virginia Unemployment Compensation Fund as of March 31, 2014:
Total disbursements were \$ 31 million less than last fiscal year. Overall ending trust fund balance was \$ 6 million lower on March 31, 2014, than on March 31, 2013.
- General Revenue Fund as of April 30, 2014:
The general revenue collections ended the tenth month of fiscal year 2013-2014 at 98.82% of the estimate for the year.
- State Road Fund as of April 30, 2014:
The state road fund collections ended the tenth month of fiscal year 2013-2014 at 105.49% of the estimate for the year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

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

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

Date: May 6, 2014

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for March 31, 2014, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$911.1 million for July – March 31, 2014. Table games accounted for \$38.3 million of this total. Historic Resort Hotel video lottery and table games accounted for \$5.4 million of total gross receipts. Gross lottery revenue has decreased by 8.64% when compared with July – March 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 – March 2014 was \$397.4 million; for July – March of last fiscal year it was \$438.8 million. Expressed as a percentage, gross profit is 9.4% lower for fiscal year 2014 than for fiscal year 2013.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$379,383,000.00 has been accrued to the state of West Virginia for fiscal year 2013-2014. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

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

Bureau of Senior Services	\$94,837,000.00
Community and Technical College	\$4,498,000.00
Department of Education	\$27,451,000.00
Library Commission	\$11,467,000.00
Higher Education-Central Office	\$7,582,000.00
Tourism	\$8,922,000.00
Department of Natural Resources	\$9,796,000.00
Division of Culture and History	\$5,228,000.00
Economic Development Authority	\$8,999,000.00
Department of Education and Arts	\$1,813,000.00
School Building Authority	\$16,196,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$196,789,000.00

Excess Lottery Fund

Lottery continued

Economic Development Fund	\$17,089,000.00
Higher Education Improvement Fund	\$13,500,000.00
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	\$29,000,000.00
Refundable Credit	\$6,084,000.00
General Purpose Fund	\$62,526,000.00
DHHR	\$96,544,000.00
State Park Improvement Fund	0
School Building Authority	\$17,093,000.00
Excess Lottery Surplus	0
Total State Excess Lottery Revenue Fund	\$241,836,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	\$1,718,000.00
State Debt Reduction Fund	\$510,000.00
Tourism Promotion Fund	\$81,000.00
Total Historic Hotel	\$2,309,000.00

Veterans Instant Ticket Fund \$314,000.00

Table Games State Debt Reduction Fund \$ 18,638,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$5,692,000.00
Development Office Promo Fund	\$1,552,000.00
Research Challenge Fund .5%	\$2,070,000.00
Capitol Renovation and Improvement Fund .6875%	\$2,846,000.00
Parking Garage Fund .0625%	\$259,000.00

Lottery continued

Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$2,140,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$27,559,000.00
TOTAL TRANSFERS	*\$495,669,000.00

* CASH BASIS

Total Accrued last FY 2013:	\$239,035,000.00
Total Cash Distributions FY 2014:	\$495,669,000.00
Applied to FY 2013:	\$239,035,000.00
Applied to FY 2014:	\$256,634,000.00
Accrued for FY 2014 as of March 31:	\$122,749,000.00



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 March 31, 2014

DATE: April 16, 2014

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

Financial statements of the Lottery for the month ending March 31, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$110,217,657 for the month of March.

Transfers of lottery revenue totaling \$33,293,490 made for the month of March to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of March 31, 2014 was 1,551 and 1,469 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 March 31, 2014

DATE: April 16, 2014

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

Financial statements of the Lottery for the month ending March 31, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$110,217,657 for the month of March.

Transfers of lottery revenue totaling \$33,293,490 made for the month of March to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of March 31, 2014 was 1,551 and 1,469 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-**

March 31, 2014

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
SCHEDULE OF NET REVENUES.....	24

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

	March 31, 2014	June 30, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 138,122	\$ 273,418
Accounts receivable	39,491	35,999
Inventory	409	492
Other assets	1,892	2,123
Total Current Assets	<u>179,914</u>	<u>312,032</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,450	1,640
Capital assets	47,070	46,846
Less accumulated depreciation and amortization	<u>(8,134)</u>	<u>(6,626)</u>
Net Capital Assets	<u>38,936</u>	<u>40,220</u>
Total Noncurrent Assets	<u>40,386</u>	<u>41,860</u>
Total Assets	<u>\$ 220,300</u>	<u>\$ 353,892</u>
 LIABILITIES		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 122,749	\$ 239,035
Estimated prize claims	14,773	14,144
Accounts payable	1,363	1,828
Other accrued liabilities	34,049	44,019
Total Current Liabilities	<u>172,934</u>	<u>299,026</u>
Total Liabilities	<u>\$ 172,934</u>	<u>299,026</u>
Net Position:		
Restricted by enabling legislation	\$ 1,415	1,640
Net Investment in capital assets	38,936	40,220
Unrestricted	7,015	13,006
Total Net Position	<u>47,366</u>	<u>54,866</u>
Total Net Position	<u>\$ 220,300</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 NINE MONTH PERIOD ENDED MARCH 31, 2014

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2014	2013	2014	2013
Lottery revenues				
On-line games	\$ 7,324	\$ 8,508	\$ 64,783	\$ 63,521
Instant games	9,716	10,193	79,102	82,409
Racetrack video lottery	53,467	60,842	441,103	490,977
Limited video lottery	35,178	37,391	282,434	299,614
Table games	4,186	6,899	38,264	55,007
Historic resort	346	478	5,408	5,747
	<u>110,217</u>	<u>124,311</u>	<u>911,094</u>	<u>997,275</u>
Less commissions				
On-line games	511	592	4,540	4,451
Instant games	680	714	5,537	5,769
Racetrack video lottery	29,538	33,426	253,727	280,933
Limited video lottery	17,237	18,321	138,392	146,811
Table games	1,827	3,012	16,705	24,015
Historic resort	168	243	2,629	2,813
	<u>49,961</u>	<u>56,308</u>	<u>421,530</u>	<u>464,792</u>
Less on-line prizes	3,806	4,062	32,557	31,424
Less instant prizes	6,425	6,765	52,207	54,739
Less ticket costs	154	144	1,273	1,317
Less vendor fees and costs	681	956	6,128	6,199
	<u>11,066</u>	<u>11,927</u>	<u>92,165</u>	<u>93,679</u>
Gross profit	<u>49,190</u>	<u>56,076</u>	<u>397,399</u>	<u>438,804</u>
Administrative expenses				
Advertising and promotions	144	422	4,164	3,478
Wages and related benefits	877	885	8,019	8,231
Telecommunications	61	68	560	795
Contractual and professional	564	397	3,641	3,294
Rental	21	16	214	162
Depreciation and amortization	165	173	1,508	1,577
Other administrative expenses	97	85	914	1,088
	<u>1,929</u>	<u>2,046</u>	<u>19,020</u>	<u>18,625</u>
Other Operating Income	<u>190</u>	<u>172</u>	<u>2,733</u>	<u>2,839</u>
Operating Income	<u>47,451</u>	<u>54,202</u>	<u>381,112</u>	<u>423,018</u>
Nonoperating income (expense)				
Investment income	(1)	24	250	190
Distributions to municipalities and counties	(689)	(733)	(5,536)	(5,872)
Distributions -capital reinvestment	(1,116)	(1,322)	(3,943)	(5,077)
Distributions to the State of West Virginia	(53,145)	(52,171)	(379,383)	(412,259)
	<u>(54,951)</u>	<u>(54,202)</u>	<u>(388,612)</u>	<u>(423,018)</u>
Net income	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</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>\$ 47,366</u>	<u>\$ 51,975</u>	<u>\$ 47,366</u>	<u>\$ 51,975</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2014

(In Thousands)

-Unaudited-

	2014	2013
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 910,335	\$ 994,017
Cash payments for:		
Personnel costs	(7,922)	(8,147)
Suppliers	(9,537)	(10,352)
Other operating costs	(512,934)	(555,302)
Cash provided by operating activities	<u>379,942</u>	<u>420,216</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(495,669)	(379,174)
Distributions to municipalities and counties	(5,454)	(5,800)
Distributions to racetrack from racetrack cap. reinv. fund	(14,291)	(14,923)
Cash used in noncapital financing activities	<u>(515,414)</u>	<u>(399,897)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(224)</u>	<u>(30)</u>
Cash flows from investing activities:		
Investment earnings received	<u>210</u>	<u>190</u>
Cash provided by investing activities	<u>210</u>	<u>190</u>
Increase (decrease) in cash and cash equivalents	(135,486)	20,479
Cash and cash equivalents - beginning of period	<u>275,058</u>	<u>243,911</u>
Cash and cash equivalents - end of period	<u><u>\$ 139,572</u></u>	<u><u>\$ 264,390</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 381,112	\$ 423,018
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,508	1,577
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,492)	(6,097)
(Increase) decrease in inventory	83	(35)
(Increase) decrease in other assets	271	169
Increase (decrease) in estimated prize claims	629	916
Increase (decrease) in accounts payable	(465)	(1,778)
Increase (decrease) in other accrued liabilities	296	2,446
Cash provided by operating activities	<u><u>\$ 379,942</u></u>	<u><u>\$ 420,216</u></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 March 31, 2014 the carrying amounts of deposits (overdraft) with financial institutions were \$1,430 thousand with a bank balance (overdraft) of \$2,425 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):

	March 31, 2014	June 30, 2013
Deposits with financial institutions	\$ 1,430	\$ 1,411
Cash on hand at the Treasurer's Office	18,825	53,718
Investments with BTI reported as cash equivalents	119,317	219,929
	\$ 139,572	\$ 275,058

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

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

Capital Assets:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At March 31, 2014
Construction in Progress	\$ 549	\$ 224	\$ -	\$ 773
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,846</u>	<u>\$ 224</u>	<u>\$ -</u>	<u>\$ 47,070</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At March 31, 2014
Buildings	\$ 1,189	\$ 714	\$ -	\$ 1,903
Improvements	260	-	-	260
Equipment	5,177	794	-	5,971
	<u>\$ 6,626</u>	<u>\$ 1,508</u>	<u>\$ -</u>	<u>\$ 8,134</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 March 31, 2014 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,616,047	\$ 31,205,775
Hot Lotto	499,416	3,801,862
Mega Millions	<u>2,164,657</u>	<u>12,201,718</u>
Total	\$ 5,280,120	\$ 47,209,355

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,309,117	\$ 15,603,981
Hot Lotto	249,753	1,900,975
Mega Millions	<u>1,102,158</u>	<u>6,211,981</u>
Total	\$ 2,661,028	\$ 23,716,937

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

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 113,207,109	\$ 1,900,689
Hot Lotto	7,180,882	511,586
Mega Millions	<u>36,408,852</u>	<u>584,195</u>
Total	<u>\$ 156,796,843</u>	<u>\$ 2,996,470</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 \$15,985,863 at March 31, 2014, of which the Lottery's share was \$1,600,136.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

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

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

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

The WV Lottery, along with the Ohio, Rhode Island, and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended March 31, 2014 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	\$ 588,398	\$ 674,702	\$ 4,908,115	\$ 5,464,653
Credits (prizes) won	(527,690)	(605,467)	(4,403,551)	(4,906,194)
Promotional credits played	(7,212)	(8,358)	(63,231)	(67,186)
MWAP Contributions	(29)	(35)	(230)	(296)
Gross terminal income	53,467	60,842	441,103	490,977
Administrative costs	(1,043)	(1,140)	(13,751)	(14,636)
Net Terminal Income	52,424	59,702	427,352	476,341
Less distribution to agents	(29,538)	(33,426)	(253,727)	(280,933)
Racetrack video lottery revenues	<u>\$ 22,886</u>	<u>\$ 26,276</u>	<u>\$ 173,625</u>	<u>\$ 195,408</u>

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

	March 31, 2014	Year-to-Date
State Lottery Fund	\$ 7,510	\$ 100,209
State Excess Lottery Revenue Fund	12,324	42,079
Capital Reinvestment Fund	1,104	3,756
Tourism Promotion Fund 1.375%	670	5,700
Development Office Promotion Fund .375 %	183	1,554
Research Challenge Fund .5 %	243	2,073
Capitol Renovation & Improvement Fund .6875 %	335	2,850
Parking Garage Fund .0625 %	30	259
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	487	2,145
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 22,886</u>	<u>\$ 173,625</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 March 31, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 420,086	\$ 445,540	\$ 3,358,963	\$ 3,551,143
Credits (prizes) won	(384,908)	(408,149)	(3,076,529)	(3,251,529)
Gross terminal income	\$ 35,178	\$ 37,391	\$ 282,434	\$ 299,614
Administrative costs	(704)	(748)	(5,649)	(5,992)
Gross Profit	34,474	36,643	276,785	293,622
Commissions	(17,237)	(18,321)	(138,392)	(146,811)
Municipalities and Counties	(689)	(733)	(5,536)	(5,872)
Limited video lottery revenues	<u>\$ 16,548</u>	<u>\$ 17,589</u>	<u>\$ 132,857</u>	<u>\$ 140,939</u>

NOTE 8 – TABLE GAMES

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

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

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

**WEST VIRGINIA LOTTERY
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 March 31, 2014 and fiscal year-to-date were \$11,960,893 and \$109,327,135, 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	\$ 4,186	\$ 6,899	\$ 38,264	\$ 55,007
Interest on Table Games Fund	-	-	3	4
Administrative costs	(359)	(591)	(3,280)	(4,715)
Total Available for Distribution	3,827	6,308	34,987	50,296
<u>Less Distributions:</u>				
Racetrack Purse Funds	299	493	2,733	3,929
Thoroughbred & Greyhound Development Funds	239	394	2,187	3,143
Racing Association Pension Plan	105	173	962	1,383
Municipalities/ Counties	1,184	1,952	10,823	15,560
Total Distributions	1,827	3,012	16,705	24,015
State Debt Reduction Fund	\$ 2,000	\$ 3,296	\$ 18,282	\$ 26,281

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 Ohio, Rhode Island, and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended March 31, 2014 and fiscal year-to-date follows (in thousands):

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total credits played	\$ 4,123	\$ 4,613	\$ 47,885	\$ 49,943
Credits (prizes) won	(3,811)	(4,222)	(43,789)	(45,781)
Promotional credits played	(97)	(65)	(746)	(544)
MWAP Contributions	-	(1)	(3)	(8)
Gross terminal income	<u>215</u>	<u>325</u>	<u>3,347</u>	<u>3,610</u>
Capital reinvestment	(10)	(15)	(157)	(170)
Modernization Fund	(2)	(3)	(30)	(32)
Administrative costs	(12)	(18)	(181)	(195)
Hotel commissions	<u>(91)</u>	<u>(137)</u>	<u>(1,416)</u>	<u>(1,527)</u>
Net terminal income	100	152	1,563	1,686
Historic Resort Hotel Fund	64	97	994	1,072
Human Resource Benefit Fund	36	55	569	614

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 March 31, 2014 and fiscal year-to-date were \$374,720 and \$5,888,376, respectively.

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

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Table games privilege tax	\$ 131	\$ 153	\$ 2,061	\$ 2,137
Administrative Costs	<u>(17)</u>	<u>(20)</u>	<u>(265)</u>	<u>(275)</u>
Total Available for Distribution	114	133	1,796	1,862
Historic Resort Hotel Fund	95	111	1,502	1,558
Human Resource Benefit Fund	19	22	294	304

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	\$ 64	\$ 994
Historic Resort Table Games	95	1,502
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	159	2,496
Municipalities/ Counties	22	350
State General Revenue Fund	102	1,597
State Debt Reduction Fund	30	474
State Tourism Promotion Fund	5	75
Total Distributions	\$ 159	\$ 2,496

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 March 31, 2014 the Lottery has accrued additional distributions of \$120,067,141. 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 March 31, 2014, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$544,788, \$2,000,106, and \$136,951, 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>March 31, 2014</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund:</u>		
General Purpose Account	\$ 724	\$ 724
<u>Administrative Operations Account:</u>		
General Purpose Account	\$ 7,500	\$ 7,500
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 4,498
Bureau of Senior Services	-	94,837
Department of Education	-	27,451
Library Commission	-	11,467
Higher Education-Policy Commission	-	7,582
Tourism	-	8,922
Natural Resources	-	9,796
Division of Culture & History	-	5,228
Department of Education & Arts	-	1,813
Economic Development Authority	1,000	8,999
School Building Authority	1,800	16,196
Total State Lottery Fund	<u>\$ 3,300</u>	<u>\$ 196,789</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 17,089
Higher Education Improvement Fund	1,500	13,500
General Purpose Account	18,251	62,526
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	-
School Building Authority	1,899	17,093
Refundable Credit	2,556	6,084
WV Racing Commission	-	-
WV Department of Health and Human Resources	-	96,544
WV Development Office	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 26,105	\$ 241,836
Total Budgetary distributions:	\$ 37,629	\$ 446,849
Veterans Instant Ticket Fund	\$ 65	\$ 314

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 599	\$ 5,692
Development Office Promotion Fund .375%	163	1,552
Research Challenge Fund .5%	218	2,070
Capitol Renovation & Improvement Fund .6875%	299	2,846
Parking Garage Fund .0625 %	27	259
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	436	2,140
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,742	\$ 27,559
Table Games State Debt Reduction Fund	\$ 1,876	\$ 18,638

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 153	\$ 1,718
State Debt Reduction Fund	45	510
Tourism Promotion Fund	8	81
Total	\$ 206	\$ 2,309

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 41,518	\$ 495,669
Accrued nonoperating distributions, beginning	(111,122)	(239,035)
Accrued nonoperating distributions, end	122,749	122,749
	\$ 53,145	\$ 379,383

**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 March 31, 2014 and March 31, 2013 approximated \$213,938 and \$162,335 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 March 31, 2014 and March 31, 2013 approximated \$1,068,497 and \$1,047,036 respectively.

Future rental receipts (in thousands) are as follows:

Year Ended <u>June 30</u>	<u>Rental Receipts</u>
2014	232
2015	232
Total	<u>\$ 464</u>

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:

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

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

	March 31, 2014	Year-to-Date
Lottery contributions	\$ 88	\$ 816
Employee contributions	27	250
Total contributions	\$ 115	\$ 1,066

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.

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

	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	9,716	8,750	79,102	78,750
On-line games	7,324	5,888	64,783	52,992
Racetrack video lottery	53,468	49,145	441,103	386,312
Limited video lottery	35,178	36,216	282,434	289,864
Total gross revenues	<u>105,686</u>	<u>99,999</u>	<u>867,422</u>	<u>807,918</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,214	956	9,992	8,604
On-line games	1,986	1,618	18,659	14,562
Racetrack Video Lottery	7,512	6,254	100,261	89,187
Total Lottery Fund net revenues	<u>10,712</u>	<u>8,828</u>	<u>128,912</u>	<u>112,353</u>
Excess Lottery Fund				
Racetrack Video Lottery	12,327	12,340	42,097	34,645
Limited Video Lottery	16,551	17,036	134,279	136,353
Limited Video Lottery Fees	-	-	-	-
Total Excess Lottery Fund Net Revenues	<u>28,878</u>	<u>29,376</u>	<u>176,376</u>	<u>170,998</u>
Total Net Revenues	<u>39,590</u>	<u>38,204</u>	<u>305,288</u>	<u>283,351</u>

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

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

Date: May 5, 2014

Re: Status of General Revenue Fund and State Road Fund as of
April 30, 2014 (FY 14)

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

The net collections were 98.82% of the estimate for the fiscal year. Total collections were \$ 40.9 million below the estimate for the fiscal year.

Personal Income Tax collections were \$ 83.6 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 35.5 million below the estimate for the year.

Severance Tax was \$ 7.9 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$7 million below the estimate for the fiscal year.

State Road Fund

The state road fund collections were 105.49% of the estimate for the fiscal year. Total collections were \$31.5 million above the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$564,455,413.53 as of April 30, 2014.

Balance July 1, 2013	557,992,969.15
Cash flow loan to General Revenue on July 1, 2013. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Paid back September 2013.	- 62,000,000.00 +62,000,000.00
Earnings	-2,288,195.86
Surplus transfer Apr 2014	3,000,000.00
Surplus transfer FY 2013	5,750,640.24
Balance April 30, 2014	564,455,413.53

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 370,180,468.64 as of April 30, 2014.

Balance July 1, 2013	356,472,701.67
Earnings	13,707,766.97
Balance April 30, 2014	370,180,468.64

The Special Income Tax Reserve Fund had a zero cash balance as of April 30, 2014.

Balance July 1, 2013	-0-
Revenues	-0-
Balance April 30, 2014	-0-

GENERAL REVENUE FUND FY 2013-2014

By Source and by Month

Monthly Revenue Estimates

as of April 30, 2014 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	323,000,000	285,528,683	-37,471,317	1,499,850,000	1,416,245,602	-83,604,399
Consumer Sales Tax & Use Tax	101,400,000	90,677,388	-10,722,612	1,011,200,000	975,696,541	-35,503,459
Severance Tax	35,400,000	49,863,989	14,463,989	358,600,000	366,456,566	7,856,566
Corp Income /Business Franchise	28,000,000	22,128,502	-5,871,498	174,200,000	167,160,787	-7,039,213
Insurance Tax	21,500,000	26,947,032	5,447,032	111,000,000	114,844,971	3,844,971
Tobacco Products Tax	8,700,000	8,501,500	-198,500	88,300,000	85,374,875	-2,925,125
Business and Occupation	10,200,000	12,246,886	2,046,886	87,500,000	97,414,164	9,914,164
Liquor Profit Transfers	1,700,000	1,310,250	-389,750	11,350,000	11,445,973	95,973
Departmental Collections	970,000	1,131,927	161,927	14,400,000	15,402,907	1,002,907
Property Transfer Tax	780,000	726,785	-53,215	8,614,000	8,934,788	320,788
Property Tax	674,000	657,696	-16,304	5,904,000	6,276,071	372,071
Beer Tax and Licenses	710,000	585,610	-124,390	6,426,000	6,169,257	-256,743
Miscellaneous Transfers	0	0	0	2,500,000	745,598	-1,754,402
Interest Income	500,000	21,247	-478,753	5,000,000	667,863	-4,332,137
Senior Tax Credit Reimbur Lot	2,600,000	3,440,402	840,402	8,775,000	9,523,960	748,960
HB 102 - Lottery Transfers	2,474,000	2,474,000	0	65,000,000	65,000,000	0
Miscellaneous Receipts	820,000	25,731,864	24,911,864	4,021,000	29,234,853	25,213,853
Business Fran Registration Fees	47,000	74,576	27,576	495,000	572,977	77,977
Liquor License Renewal	70,000	70,724	724	409,000	409,220	220
Special Revenue Transfer	0	44,707,000	44,707,000	0	44,707,000	44,707,000
Charter Tax	0	3,028	3,028	0	219,022	219,022
Telecommunications Tax	0	-100	-100	0	-260,588	-260,588
Video Lottery Transfers	0	27,137	27,137	0	427,883	427,883
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	539,545,000	576,856,127	37,311,127	3,463,544,000	3,422,670,292	-40,873,708
Minus Cash Flow Transfer		0			0	
Percent of Estimates		106.92%			98.82%	
TOTALS	539,545,000	576,856,127	37,311,127	3,463,544,000	3,422,670,292	-40,873,708
Percent of Estimates		106.92%			98.82%	
Collections this day		54,272,244				

Prepared by Legislative Auditor's Office, Budget Division

**STATE ROAD FUND FY 2013-2014
By Source and by Month
Monthly Revenue Estimates
as of April 30, 2014 WVFIMS**

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	32,600,000	32,490,516	-109,484	356,900,000	371,327,852	14,427,852
Privilege Tax	15,908,000	19,619,268	3,711,268	145,385,000	159,721,698	14,336,698
Licenses & Registration	7,684,000	10,223,407	2,539,407	69,326,000	71,963,561	2,637,561
Highway Litter Control	144,000	216,698	72,698	1,300,000	1,365,461	65,461
TOTALS	56,336,000	62,549,889	6,213,889	572,911,000	604,378,571	31,467,571

Percent of Estimates

111.03%

105.49%

Collections this day

16,984,552

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of APRIL 01, 2014 : \$561,768,961.28

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of APRIL 01, 2014: \$368,987,849.94

PERSONAL INCOME TAX REFUND RESERVE FUND as of APRIL 01, 2014: \$0

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

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

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

Date: April 14, 2014

Re: West Virginia Unemployment Compensation Trust Fund

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

As of March 31, 2014 of fiscal year 2013-2014, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2013	\$119,511,755.93
Receipts July 1, 2013 thru March 31, 2014	\$ 162,998,740.31
Disbursements July 1, 2013 thru March 31, 2014	\$ 227,038,531.54
Balance March 31, 2014	\$ 55,471,964.75

ITEMS OF NOTE:

Regular benefits paid for July 2013 - March 2014 were \$ 2 million more than July 2012 - March 2013.

Federal emergency benefits totaled \$ 44.3 million for July 2013 - March 2014. For July 2012 - March 2013, federal emergency benefits totaled \$ 91.7 million.

Total disbursements were \$ 31 million less in July 2013 - March 2014 than the preceding July 2012 - March 2013.

Receipts as of March 2014 were \$ 32 million less than in July 2012 - March 2013. Overall ending trust fund balance was \$ 6 million lower on March 31, 2014 than on March 31, 2013.

Seasonally adjusted unemployment rates for March 2014 were 6.1 percent for West Virginia and 6.7 percent nationally.

Since March 2013 employment has increased by 3,000. Employment declines were as follows: 2,200 in the goods-producing sector; 1,700 in construction; 600 in manufacturing; and 300 in other services. Employment gains were as follows: 5,200 in the service-providing sector; 2,300 in professional and business services; 1,500 in financial activities; 900 in government; 300 in information; 200 in educational and health services; 200 in trade, transportation, and utilities; 100 in leisure and hospitality; and 100 in mining and logging.

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

	JANUARY 2013	FEBRUARY 2013	MARCH 2013	JANUARY 2014	FEBRUARY 2014	MARCH 2014	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$107,165,882.02</u>	<u>\$93,005,156.32</u>	<u>\$85,142,620.20</u>	<u>\$102,165,787.02</u>	<u>\$88,527,855.70</u>	<u>\$78,414,639.32</u>	<u>(\$16,205,376.50)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$11,588,213.11	\$14,704,038.93	\$854,111.34	\$11,474,320.45	\$13,483,812.12	\$1,490,352.20	(\$697,878.61)
3. Federal Emergency Benefits (EUC08)	\$11,207,550.88	\$10,491,632.74	\$10,552,247.89	\$1,382,601.63	(\$295,523.17)	\$2,912.97	(\$31,161,440.08)
4. Federal Share Extended Benefits (EB)	\$421.00	\$170.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$591.00)
5. Temp Federal Additional Comp (FAC)	\$562.99	\$0.00	\$383.00	\$0.00	\$0.00	\$0.00	(\$945.99)
6. UCFE (Federal Agencies)	\$118,280.58	\$103,218.60	\$78,175.61	\$124,290.62	\$133,068.77	\$142,670.67	\$100,355.27
7. Special Administrative Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$565,403.75	\$0.00	\$0.00	\$481,364.95	(\$84,038.80)
11. UCX (Military Agencies)	\$373,451.73	\$319,526.84	\$326,882.73	\$267,487.22	\$240,674.29	\$232,875.26	(\$278,824.53)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$23,288,480.29</u>	<u>\$25,618,587.11</u>	<u>\$12,377,204.32</u>	<u>\$13,248,699.92</u>	<u>\$13,562,032.01</u>	<u>\$2,350,176.05</u>	<u>(\$32,123,363.74)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$26,122,684.61	\$22,521,736.90	\$23,369,713.91	\$25,508,011.03	\$23,548,497.91	\$24,909,347.79	\$1,951,721.31
Federal Emergency Benefits (EUC08)	\$10,810,719.84	\$10,525,398.74	\$11,853,806.24	\$984,015.65	(\$243,456.35)	(\$174,144.24)	(\$32,623,509.76)
Federal Share Extended Benefits (EB)	(\$1,835.11)	(\$19,204.00)	(\$20,111.00)	(\$440.00)	(\$9,651.00)	(\$3,464.42)	\$27,594.69
Emergency Benefits (TEUC)	(\$30.00)	(\$6,829.00)	(\$4,426.00)	\$0.00	\$0.00	\$0.00	\$11,285.00
Temp Federal Additional Comp (FAC)	\$520.99	\$0.00	\$425.00	\$75.00	(\$12.00)	(\$12.00)	(\$894.99)
UCFE (Federal Workers) Benefits	\$113,234.84	\$102,915.17	\$89,246.10	\$134,193.23	\$145,745.84	\$153,842.09	\$128,385.05
UCX (Military Workers) Benefits	\$358,330.45	\$314,000.23	\$363,826.61	\$260,776.33	\$234,123.99	\$252,887.62	(\$288,369.35)
Reed Act Funds	\$21,000.00	\$0.00	\$8,000.00	\$0.00	\$0.00	\$154,393.78	\$125,393.78
Special Administrative Transfer**	\$24,580.37	\$43,105.19	\$13,047.82	\$0.00	\$0.00	\$0.00	(\$80,733.38)
Total Monthly Disbursements	<u>\$37,449,205.99</u>	<u>\$33,481,123.23</u>	<u>\$35,673,528.68</u>	<u>\$26,886,631.24</u>	<u>\$23,675,248.39</u>	<u>\$25,292,850.62</u>	<u>(\$30,749,127.65)</u>
Trust Fund Balance	<u>\$93,005,156.32</u>	<u>\$85,142,620.20</u>	<u>\$61,846,295.84</u>	<u>\$88,527,855.70</u>	<u>\$78,414,639.32</u>	<u>\$55,471,964.75</u>	<u>(\$17,579,612.59)</u>

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

UC TRUST FUND PROJECTIONS - 2014

May 6, 2014

Month	Revenues	Benefits	Trust Fund Balance
2013			
Balance 1/1/2013			\$ 107,165,000
January	\$ 11,962,000	\$ 26,122,000	\$ 93,005,000
February	\$ 14,658,000	\$ 22,521,000	\$ 85,142,000
March	\$ 854,000	\$ 24,150,000	\$ 61,846,000
April	\$ 41,181,000	\$ 21,098,000	\$ 81,929,000
May	\$ 72,251,000	\$ 15,621,000	\$ 138,559,000
June	\$ 1,900,000	\$ 20,948,000	\$ 119,511,000
July	\$ 22,957,000	\$ 17,341,000	\$ 125,127,000
August	\$ 26,968,000	\$ 16,606,000	\$ 135,489,000
September	\$ 2,329,000	\$ 16,039,000	\$ 121,779,000
October	\$ 14,853,000	\$ 14,764,000	\$ 121,868,000
November	\$ 17,441,000	\$ 15,129,000	\$ 124,180,000
December	\$ 1,932,000	\$ 23,947,000	\$ 102,165,000
Totals - 2013	\$ 229,286,000	\$ 234,286,000	\$ 102,165,000

2014			
January	\$ 11,870,000	\$ 25,508,000	\$ 88,527,000
February	\$ 13,435,000	\$ 23,548,000	\$ 78,414,000
March	\$ 1,966,000	\$ 24,909,000	\$ 55,471,000
April	\$ 32,023,000	\$ 18,904,000	\$ 68,590,000
May	\$ 74,440,000	\$ 13,522,000	\$ 129,508,000
June	\$ 1,955,000	\$ 20,357,000	\$ 111,106,000
July	\$ 24,017,000	\$ 16,576,000	\$ 118,547,000
August	\$ 27,774,000	\$ 16,124,000	\$ 130,197,000
September	\$ 2,439,000	\$ 15,309,000	\$ 117,327,000
October	\$ 15,571,000	\$ 14,081,000	\$ 118,817,000
November	\$ 17,969,000	\$ 14,684,000	\$ 122,102,000
December	\$ 2,017,000	\$ 22,934,000	\$ 101,185,000
Totals - 2014	\$ 225,476,000	\$ 226,456,000	\$ 101,185,000

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

The average projected unemployment rate in West Virginia for CY 2014 is 7.0%.

Executive Division
112 California Avenue
Charleston, WV 25305

An agency of the Department of Commerce

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

www.workforcewv.org



Financial Statements

March 2014

West Virginia Legislative Interims
May 2014

West Virginia Public Employees Insurance Agency

Statement of Changes in Plan Net Assets

For the Nine Months Ending Monday, March 31, 2014

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

(\$ 0 0 0 's)							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			PREMIUM REVENUE				
\$356,644	\$358,416	\$360,050	Health Insurance - State Gov. - Employers	(\$1,772)	(0%)	(\$3,406)	(1%)
94,966	94,505	94,654	Health Insurance - State Gov. - Employees	461	0%	312	0%
83,402	79,853	80,353	Health Insurance - Local Gov. - All	3,549	4%	3,049	4%
1,597	2,318	2,398	Life Insurance	(721)	(31%)	(801)	(33%)
	5,625		Direct Transfer	(5,625)	(100%)		0%
13,612	9,406	13,551	Interest and Investment Income	4,206	45%	61	0%
1,415	1,835	1,624	Other Premium Revenue	(420)	(23%)	(209)	(13%)
3,604	3,595	3,609	Administrative Fees, Net of Refunds	9	0%	(5)	(0%)
555,240	555,553	556,239	TOTAL REVENUE	(313)	(0%)	(999)	(0%)
			OPERATING EXPENSES				
280,598	303,412	262,897	Claims Expense - Medical	22,814	8%	(17,701)	(7%)
91,232	99,397	86,388	Claims Expense - Drugs	8,165	8%	(4,844)	(6%)
28,626	30,955	29,274	Payments to Managed Care Org.	2,329	8%	648	2%
10,008	10,458	10,191	Administrative Service Fees	450	4%	183	2%
1,598	2,497	2,402	Life Insurance Expense	899	36%	804	33%
1,397	2,245	2,035	Wellness and Disease Management	848	38%	638	31%
257			ACA Comparative Effectiveness Fee	(257)	0%	(257)	0%
3,675			ACA Reinsurance Contribution	(3,675)	0%	(3,675)	0%
3,473	4,336	4,293	Other Operating Expenses	863	20%	820	19%
121,156	120,617	122,334	WV RHBT Pay Go Premiums	(539)	(0%)	1,178	1%
542,020	573,917	519,814	TOTAL EXPENSES	31,897	6%	(22,206)	(4%)
13,220	(18,364)	36,425	YTD SURPLUS (DEFICIT)	31,584	172%	(23,205)	(64%)
198,348	198,348	159,243	Total Net Assets, Beginning of Period			39,105	25%
\$211,568	\$179,984	\$195,668	TOTAL NET ASSETS, END OF PERIOD	\$229,932	(1,252%)	\$15,900	8%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Nine Months Ending Monday, March 31, 2014
(Dollars in Thousands)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
A D D I T I O N S							
Employer Premiums:							
\$2,450	\$2,406	\$2,426	Health premiums	\$44	2%	\$24	1%
100,773	100,594	101,648	Pay Go Premiums	179	0%	(875)	(1%)
965	0	329	Annual required contributions	965	0%	636	193%
104,189	103,000	104,404	Total Employer Premiums	1,189	1%	(215)	(0%)
Member Premiums:							
58,141	57,748	56,690	Health premiums	393	1%	1,451	3%
20,341	20,022	20,655	Pay Go Premiums	319	2%	(314)	(2%)
16,763	16,913	16,316	Life Insurance Premiums	(150)	(1%)	447	3%
95,245	94,683	93,661	Total Member Premiums	562	1%	1,584	2%
199,434	197,683	198,065	Total Premium Additions	1,751	1%	1,369	1%
Other Additions:							
720	1,125	1,000	Retiree Drug Subsidy	(405)	(36%)	(280)	(28%)
0	0	2,935	ERRP Revenue	0	0%	(2,935)	(100%)
62,932	27,937	53,892	Investment Income	34,995	125%	9,041	17%
263,086	226,745	255,892	TOTAL ADDITIONS	36,341	16%	7,194	3%
D E D U C T I O N S							
100,534	99,331	83,253	Payments to Managed Care Org.	(1,202)	(1%)	(17,282)	(21%)
16,580	16,913	16,387	Life Insurance Expense	333	2%	(192)	(1%)
49,556	55,714	46,838	Medical Claims Expense	6,158	11%	(2,718)	(6%)
19,964	20,833	18,213	Pharmacy Claims Expense	869	4%	(1,751)	(10%)
27	0	23	Comparative Effectiveness Research Fee	(27)	0%	(4)	(18%)
379	0	0	ACA Reinsurance Contribution	(379)	0%	(379)	0%
1,313	1,610	1,361	Administrative Service Fees (External)	297	18%	48	4%
2,030	2,891	2,217	Other Operating Expenses	861	30%	187	8%
190,383	197,293	168,292	TOTAL DEDUCTIONS	6,909	4%	(22,091)	(13%)
72,703	29,453	87,600	NET FUND I N C R E A S E	43,250	147%	(14,897)	(17%)
Net Assets Restricted for Post Employment Benefits							
590,230	590,230	492,779	Beginning of period	0	(0%)	97,451	20%
\$662,933	\$619,683	\$580,379	End of period	\$43,250	7%	\$82,554	14%

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

March 31



	2014	2013
(in thousands)		
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 15,418	\$ 19,749
Advance Deposit with Carrier/Trustee	213,221	208,806
Receivables - Net	4,369	1,465
Prepaid Insurance	1,478	1,463
Total Short Term Assets	234,486	231,483
Long Term Assets		
Investments	142,919	141,545
Total Long Term Assets	142,919	141,545
TOTAL ASSETS	377,405	373,028
LIABILITIES		
Short Term Liabilities		
Accounts payable	5,908	1,754
Claims Payable	162	200
OPEB Liability	372	374
Agents Commissions Payable	694	770
Unearned Revenue	6,753	5,737
Current Estimated Claim Reserve	49,793	50,751
Total Short Term Liabilities	63,682	59,586
Long Term Liabilities		
Compensated Absences	64	67
Estimated Noncurrent Claim Reserve	103,181	94,502
Total Long Term Liabilities	103,245	94,569
TOTAL LIABILITIES	166,927	154,155
Prior Year Net Assets		
Restricted - HB601 and Mine Subsidence	49,752	45,599
Unrestricted	165,257	175,916
Total Prior Year Net Assets	215,009	221,515
Current Year Earnings (Deficiency)		
Restricted - HB601 and Mine Subsidence	2,099	4,126
Unrestricted	(6,630)	(6,768)
Total Current Year Earnings (Deficiency)	(4,531)	(2,642)
Total Net Assets		
Restricted - HB601 and Mine Subsidence	51,851	49,725
Unrestricted	158,627	169,148
TOTAL NET ASSETS	210,478	218,873
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 377,405	\$ 373,028

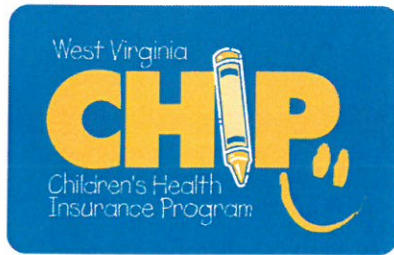
DRAFT - Unaudited - Management Purposes Only

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



	March 31	
	2014	2013
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 40,120	\$ 36,473
Less - Excess Insurance	(4,624)	(4,369)
Total Operating Revenues	35,496	32,104
Operating Expenses		
Claims Expense	45,442	39,428
Property & MS Claims Expense	2,328	4,960
Personal Services	1,043	972
General & Administrative Expense	1,930	1,709
Total Operating Expenses	50,743	47,069
Operating Income (Loss)	(15,247)	(14,965)
Nonoperating Revenues		
Investment Income	10,716	12,323
Total Nonoperating Revenues	10,716	12,323
Net Income (Loss)	\$ (4,531)	\$ (2,642)

DRAFT - Unaudited - Management Purposes Only

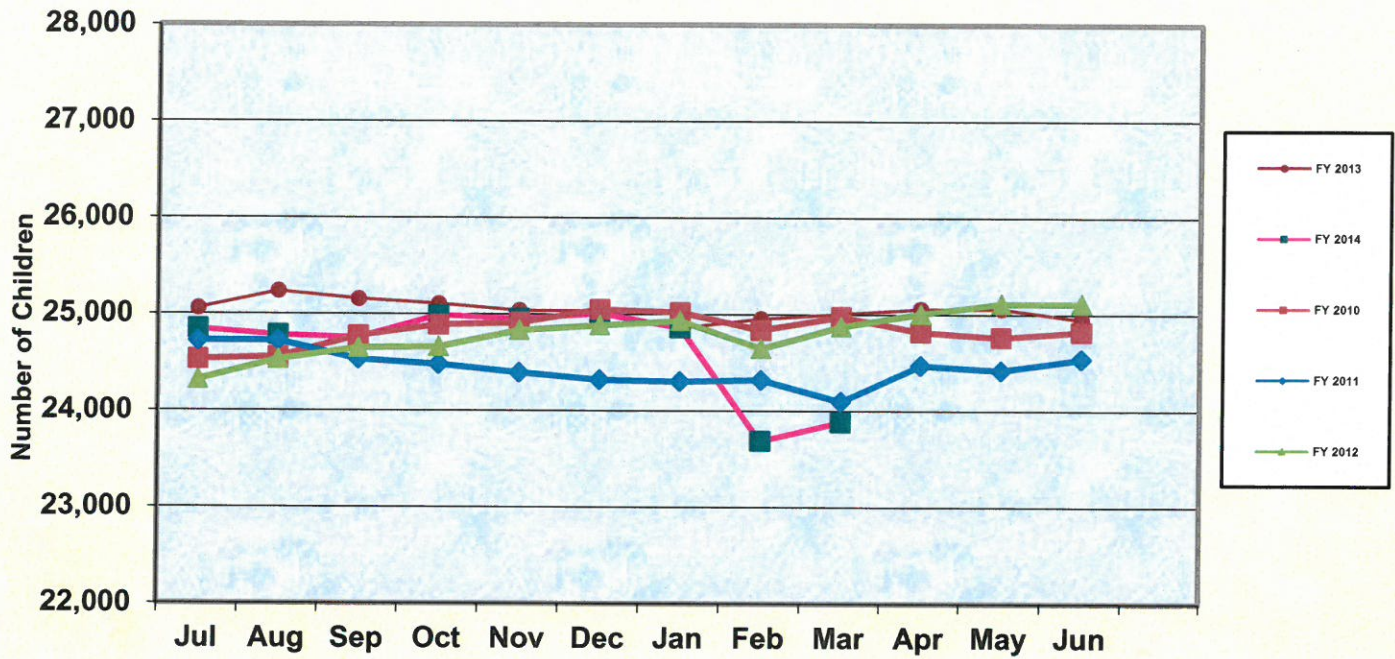


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

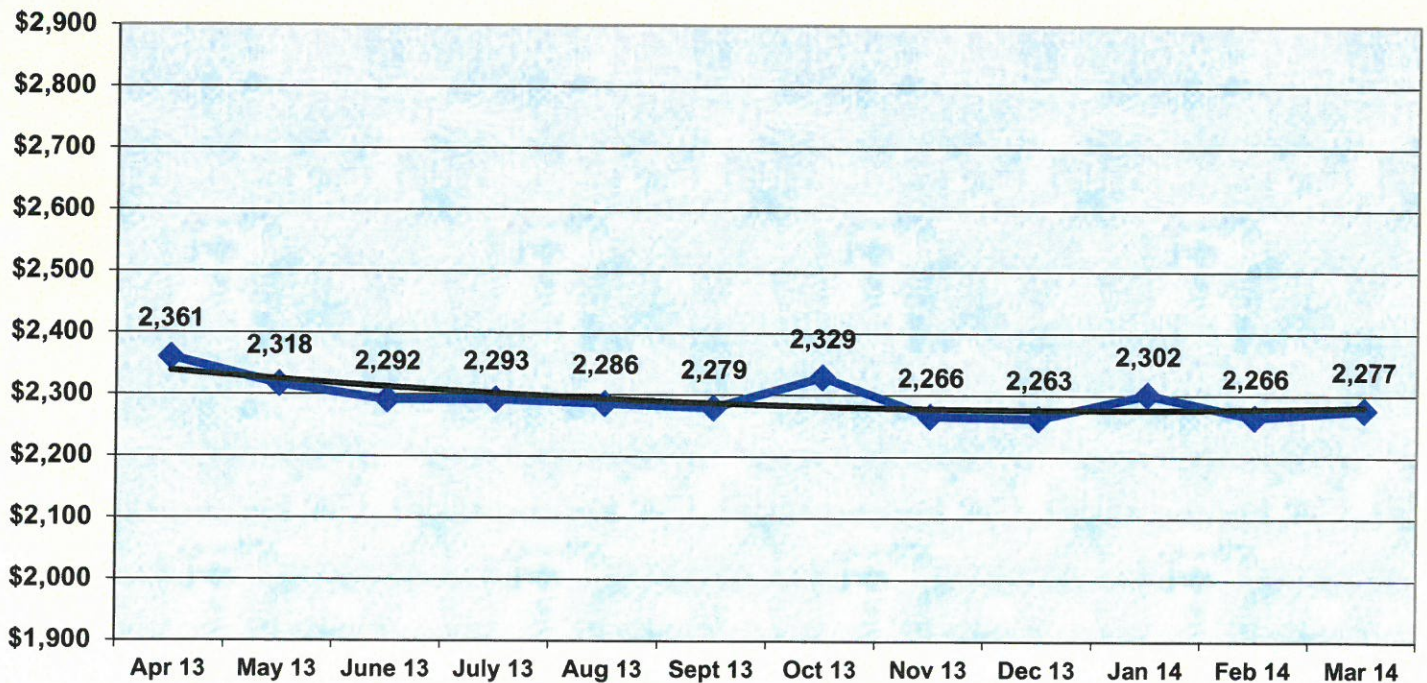
May 2014

WV CHIP Enrollment



March 31st Enrollment 23,887

Annualized Health Care Expenditures (Cost per Child)



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

	March 31, 2014	March 31, 2013	Variance	
Assets:				
Cash & Cash Equivalents	\$12,856,552	\$12,934,826	(\$78,274)	-1%
Due From Federal Government	\$3,931,394	\$4,448,576	(\$517,183)	-12%
Due From Other Funds	\$997,635	\$1,080,203	(\$82,567)	-8%
Accrued Interest Receivable	\$6,017	\$9,009	(\$2,992)	-33%
Fixed Assets, at Historical Cost	<u>\$93,386</u>	<u>\$95,345</u>	<u>(\$1,959)</u>	<u>-2%</u>
Total Assets	<u>\$17,884,985</u>	<u>\$18,567,960</u>	<u>(\$682,975)</u>	<u>-4%</u>
Liabilities:				
Accounts Payable	\$269,029	\$1,080,991	(\$811,962)	-75%
Deferred Revenue	(\$69,411)	\$65,976	(\$135,387)	-205%
Unpaid Insurance Claims Liability	<u>\$4,660,000</u>	<u>\$4,450,000</u>	<u>\$210,000</u>	<u>5%</u>
Total Liabilities	<u>\$4,859,618</u>	<u>\$5,596,967</u>	<u>(\$737,349)</u>	<u>-13%</u>
Fund Equity	<u>\$13,025,367</u>	<u>\$12,970,993</u>	<u>\$54,374</u>	<u>0%</u>
Total Liabilities and Fund Equity	<u>\$17,884,985</u>	<u>\$18,567,960</u>	<u>(\$682,975)</u>	<u>-4%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine Months Ending March 31, 2014 and March 31, 2013
(Modified Accrual Basis)

	March 31, 2014	March 31, 2013	Variance	
Revenues				
Federal Grants	33,642,613	35,076,376	(1,433,763)	-4%
State Appropriations	6,691,790	7,320,138	(628,348)	-9%
Premium Revenues	721,231	645,926	75,305	12%
Investment Income:				
Investment Earnings	<u>55,229</u>	<u>55,760</u>	<u>(530)</u>	<u>-1%</u>
Total Revenues	<u>41,110,863</u>	<u>43,098,200</u>	<u>(1,987,336)</u>	<u>-5%</u>
Expenditures:				
Claims:				
Outpatient Services	10,517,305	10,818,765	(301,460)	-3%
Prescribed Drugs	7,271,942	6,547,752	724,190	11%
Physicians & Surgical	6,749,189	9,301,511	(2,552,322)	-27%
Dental	5,846,808	6,148,045	(301,237)	-5%
Inpatient Hospital Services	3,354,707	3,204,765	149,942	5%
Outpatient Mental Health	1,155,499	1,147,571	7,928	1%
Inpatient Mental Health	1,061,002	759,461	301,541	40%
Durable & Disposable Med. Equip.	962,100	887,860	74,240	8%
Vision	631,815	627,187	4,628	1%
Therapy	541,958	536,649	5,309	1%
Medical Transportation	301,214	341,464	(40,250)	-12%
Other Services	96,696	114,477	(17,781)	-16%
Less: Collections**	<u>(866,716)</u>	<u>(364,167)</u>	<u>(502,549)</u>	<u>138%</u>
Total Claims	<u>37,623,519</u>	<u>40,071,340</u>	<u>(2,447,821)</u>	<u>-6%</u>
General and Admin Expenses:				
Salaries and Benefits	468,966	418,410	50,556	12%
Program Administration	2,023,344	1,904,629	118,715	6%
Eligibility	197,423	253,981	(56,558)	-22%
Outreach & Health Promotion	587,273	764,978	(177,705)	-23%
Current	<u>142,734</u>	<u>115,751</u>	<u>26,983</u>	<u>23%</u>
Total Administrative	<u>3,419,740</u>	<u>3,457,749</u>	<u>(38,009)</u>	<u>-1%</u>
Total Expenditures	<u>41,043,259</u>	<u>43,529,089</u>	<u>(2,485,830)</u>	<u>-6%</u>
Excess of Revenues				
Over (Under) Expenditures	67,604	(430,889)	498,494	-116%
Unrealized Gain(loss) On Investments*	16,438	55,443	(39,005)	-70%
Fund Equity, Beginning	<u>12,941,324</u>	<u>13,346,439</u>	<u>(405,115)</u>	<u>-3%</u>
Fund Equity, Ending	<u>13,025,367</u>	<u>12,970,993</u>	<u>54,374</u>	<u>0%</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 Nine Months Ended March 31, 2014**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Actual Amt Mar-14</u>	<u>Actual Amt Feb-14</u>	<u>Actual Amt Jan-14</u>
Projected Cost	\$47,897,012	\$35,922,759	\$40,654,910	(\$4,732,151)	-13%	\$3,991,418	\$3,870,005	\$4,211,165	\$5,462,814
Premiums	969,397	727,048	\$721,231	(\$5,817)	-1%	80,783	145,386	71,396	76,473
Subrogation & Rebates	<u>457,374</u>	<u>343,031</u>	<u>\$866,716</u>	<u>523,685</u>	<u>153%</u>	<u>38,115</u>	<u>205,680</u>	<u>0</u>	<u>42,350</u>
Net Benefit Cost	46,470,241	<u>34,852,681</u>	\$39,066,964	(\$4,214,283)	-12%	3,907,458	3,518,939	4,139,769	5,343,990
Salaries & Benefits	\$710,522	\$532,891.50	\$468,968	\$63,924	12%	\$59,210	\$51,037	\$51,037	\$51,847
Program Administration	3,024,544	2,268,408	\$1,914,631	353,777	16%	252,045	222,760	129,798	377,592
Eligibility	400,000	300,000	\$228,424	71,576	24%	33,333	680	2,380	8,713
Outreach & Health Prom.	1,000,000	750,000	\$579,936	170,064	23%	83,333	172,198	5,966	11,636
Current Expense	<u>170,000</u>	<u>127,500</u>	<u>\$144,913</u>	<u>(17,413)</u>	<u>-14%</u>	<u>14,167</u>	<u>21,788</u>	<u>22,188</u>	<u>21,367</u>
Total Admin Cost	\$5,305,066	\$3,978,800	\$3,336,872	\$641,928	16%	\$442,089	\$468,463	\$211,369	\$471,155
Total Program Cost	<u>\$51,775,307</u>	<u>\$38,831,480</u>	<u>\$42,403,835</u>	<u>(\$3,572,355)</u>	<u>-9%</u>	<u>\$4,349,547</u>	<u>\$3,987,402</u>	<u>\$4,351,138</u>	<u>\$5,815,145</u>
Federal Share 79.76%	41,642,879	30,971,989	\$33,911,316	(2,939,327)	-9%	3,469,199	3,180,352	3,470,468	4,638,160
State Share 20.24%	<u>10,132,428</u>	<u>7,859,492</u>	<u>\$8,492,520</u>	<u>(633,028)</u>	<u>-8%</u>	<u>880,348</u>	<u>807,050</u>	<u>880,670</u>	<u>1,176,985</u>
Total Program Cost **	<u>\$51,775,307</u>	<u>\$38,831,480</u>	<u>\$42,403,835</u>	<u>(\$3,572,355)</u>	<u>-9%</u>	<u>\$4,349,547</u>	<u>\$3,987,402</u>	<u>\$4,351,138</u>	<u>\$5,815,145</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

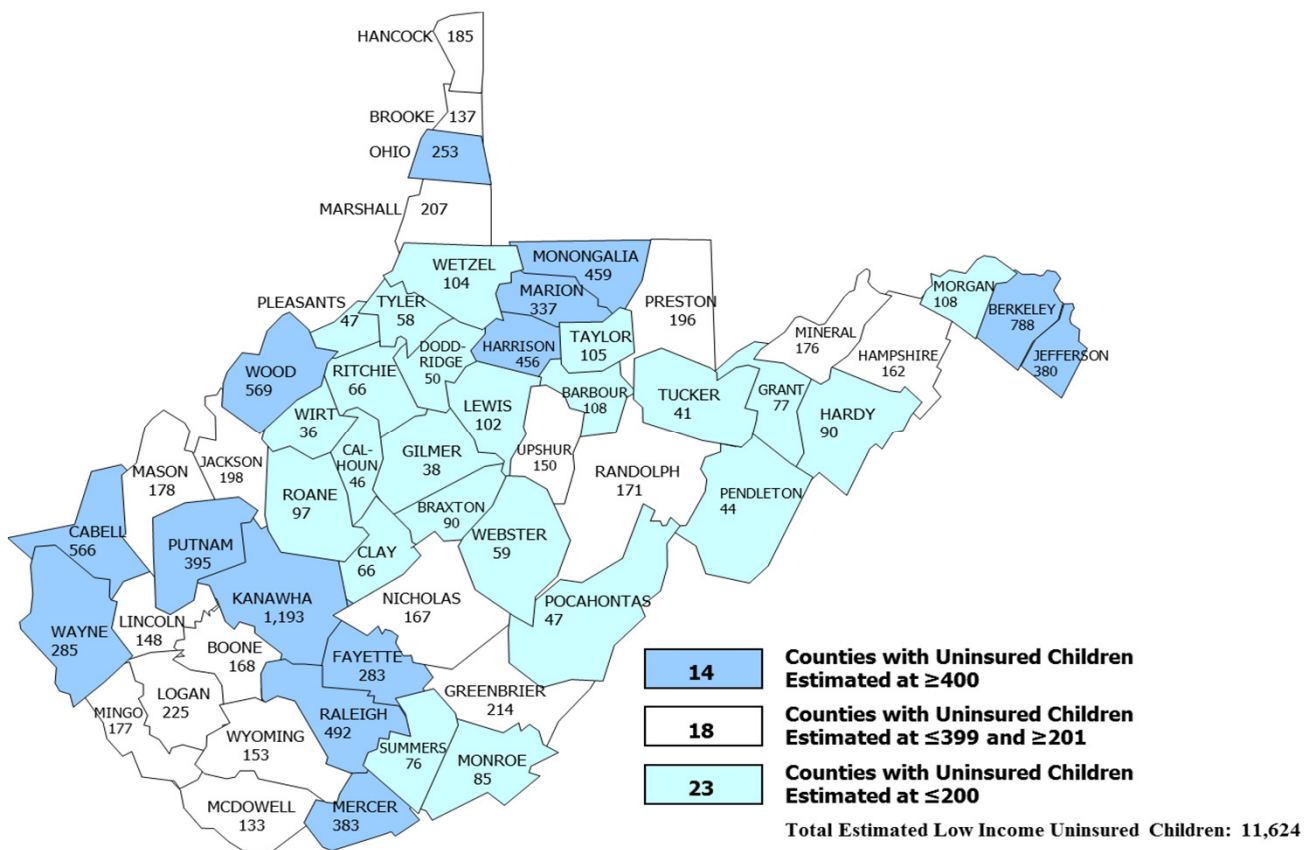
April 2014

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Mar-14	Total Medicaid Enrollment Mar-14	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Barbour	3,600	274	1,709	1,983	55.1%	108	33
Berkeley	26,251	1,421	9,937	11,358	43.3%	788	2
Boone	5,615	301	3,028	3,329	59.3%	168	25
Braxton	3,006	208	1,631	1,839	61.2%	90	40
Brooke	4,573	273	1,695	1,968	43.0%	137	31
Cabell	18,879	1,018	9,346	10,364	54.9%	566	4
Calhoun	1,518	114	835	949	62.5%	46	51
Clay	2,215	162	1,477	1,639	74.0%	66	44
Doddridge	1,673	143	674	817	48.8%	50	48
Fayette	9,438	778	5,219	5,997	63.5%	283	13
Gilmer	1,260	66	589	655	52.0%	38	54
Grant	2,555	169	1,018	1,187	46.5%	77	42
Greenbrier	7,131	581	3,364	3,945	55.3%	214	16
Hampshire	5,392	276	2,294	2,570	47.7%	162	27
Hancock	6,166	376	2,636	3,012	48.8%	185	20
Hardy	3,015	168	1,504	1,672	55.4%	90	39
Harrison	15,202	977	6,218	7,195	47.3%	456	7
Jackson	6,602	404	3,059	3,463	52.5%	198	18
Jefferson	12,679	551	3,630	4,181	33.0%	380	10
Kanawha	39,771	2,371	19,145	21,516	54.1%	1,193	1
Lewis	3,389	242	1,764	2,006	59.2%	102	37
Lincoln	4,930	353	3,090	3,443	69.8%	148	30
Logan	7,496	479	4,427	4,906	65.5%	225	15
Marion	11,227	664	4,911	5,575	49.7%	337	11
Marshall	6,886	326	2,930	3,256	47.3%	207	17
Mason	5,929	256	2,943	3,199	54.0%	178	21
McDowell	4,423	252	3,284	3,536	80.0%	133	32
Mercer	12,764	1,021	7,527	8,548	67.0%	383	9
Mineral	5,868	281	2,298	2,579	43.9%	176	23
Mingo	5,905	364	3,611	3,975	67.3%	177	22
Monongalia	15,294	791	4,974	5,765	37.7%	459	6
Monroe	2,835	232	1,201	1,433	50.5%	85	41
Morgan	3,596	254	1,560	1,814	50.4%	108	34
Nicholas	5,561	385	2,916	3,301	59.4%	167	26
Ohio	8,444	498	3,323	3,821	45.3%	253	14
Pendleton	1,462	105	587	692	47.3%	44	52
Pleasants	1,551	128	611	739	47.6%	47	50
Pocahontas	1,561	152	757	909	58.2%	47	49
Preston	6,536	437	2,810	3,247	49.7%	196	19
Putnam	13,150	752	4,082	4,834	36.8%	395	8
Raleigh	16,403	1,246	8,630	9,876	60.2%	492	5
Randolph	5,705	491	2,863	3,354	58.8%	171	24
Ritchie	2,205	144	1,014	1,158	52.5%	66	45
Roane	3,239	288	1,855	2,143	66.2%	97	38
Summers	2,521	187	1,322	1,509	59.9%	76	43
Taylor	3,514	223	1,435	1,658	47.2%	105	35
Tucker	1,371	120	554	674	49.2%	41	53
Tyler	1,924	103	842	945	49.1%	58	47

WVCHIP Enrollment Report

April 2014

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Mar-14	Total Medicaid Enrollment Mar-14	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2010 Est. Uninsured 3%	2010 # Children Uninsured Ranking*
Upshur	4,996	363	2,620	2,983	59.7%	150	29
Wayne	9,516	475	4,819	5,294	55.6%	285	12
Webster	1,977	139	1,267	1,406	71.1%	59	46
Wetzel	3,466	232	1,791	2,023	58.4%	104	36
Wirt	1,201	93	723	816	68.0%	36	55
Wood	18,956	1,097	9,081	10,178	53.7%	569	3
Wyoming	5,116	406	2,838	3,244	63.4%	153	28
Totals	387,459	24,210	180,268	204,478	52.8%	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 April 1, 2013 through April 30, 2013

STRAIGHT RENEWAL

DEPARTMENT OF VETERANS ASSISTANCE

VET-006 Renewal for 3 years consisting of 529 square feet of office space at the current annual per square foot rate of \$5.67, annual cost \$3,000.00, full service, #1 Courthouse Square, in the City of Parkersburg, Wood County, West Virginia.

VET-007 Renewal for 3 years consisting of 740 square feet of office space at the current annual per square foot rate of \$1.62, annual cost \$1,200.00, full service, 1500 Main Street, in the City of Princeton, Mercer County, West Virginia.

VET-028 Renewal for 1 years consisting of 600 square feet of office space at the current annual per square foot rate of \$7.06, annual cost \$4,236.00, full service minus janitorial service, 811 Madison Avenue, in the City of Spencer, Roane County, West Virginia.

WEST VIRGINIA DEVELOPMENT OFFICE

CID-010 Renewal for 3 years consisting of 375 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 891 Auto Parts Place, in the City of Martinsburg, Berkeley County, West Virginia.

DEPARTMENT OF EDUCATION

EDU-023 Renewal for 1 year consisting of 408 square feet of storage space at the current monthly rate of \$140.00, annual cost \$1,680.00, Cedar Lakes, in the City of Ripley, Jackson County, West Virginia.

LOTTERY COMMISSION

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

DIVISION OF NATURAL RESOURCES

NAT-132 Renewal for 2 years consisting of 105 square feet of storage space at the current monthly rate of \$191.00, annual cost \$2,292.00, 200 Piedmont Road, in the City of Charleston, Kanawha County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-017 Renewal for 1 year consisting of 324 square feet of office/receptionist service/computer lab space at the current monthly rate of \$800.00, annual cost \$9,600.00, full service, 404 Main Street, in the City of Pt. Pleasant, Mason County, West Virginia.

RENEWAL WITH INCREASE IN RENT

WEST VIRGINIA BOARD OF OCCUPATIONAL THERAPY

OTB-005 Renewal for 1 year consisting of 500 square feet of office space with an increase in the monthly rate from \$425.00 to \$565.00, annual cost \$6,780.00, full service, 3041 University Avenue, in the City of Morgantown, Monongalia County, West Virginia.

OFFICE OF MINERS' HEALTH, SAFETY AND TRAINING

MHS-027 Renewal for 3 years consisting of 6,100 square feet of office space with an increase in the annual per square foot rate from \$4.62 to \$4.77, annual cost \$ 29,097.00, full service, 891 Stewart Street, Welch, McDowell County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-184 Renewal for 5 years consisting of 9,981 square feet of office space with an increase in the annual per square foot rate from \$11.00 to \$12.00, annual cost \$119,772.00, full service, Route 33 and Brushy Fork Road, in the City of Buchanan, Upshur County, West Virginia.

CANCELLATION

WEST VIRGINIA STATE POLICE

PSA-121 Lease cancellation consisting of 1,280 square feet of office space, at the annual per square foot rate of \$10.70 annual cost \$13,396.00, in the City of Union, Monroe County, West Virginia

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Department of Veterans Assistance	VET-006	Wood	529	5.67	2,999	3	8,998.29
2	Department of Veterans Assistance	VET-007	Mercer	740	1.62	1,200	3	3,600.00
3	Department of Veterans Assistance	VET-028	Roane	600	7.06	4,236	1	4,236.00
4	West Virginia Development Office	CID-010	Berkeley	375	0.00	3,000	3	9,000.00
5	Department of Education	EDU-023	Jackson	408	0.00	1,680	1	1,680.00
6	Lottery Commission	LOT-006	Ohio	190	0.00	1,520	1	1,519.92
7	Division of Natural Resources	NAT-132	Kanawha	105	0.00	2,292	2	4,584.00
8	Workforce West Virginia	WWV-017	Mason	324	0.00	9,600	1	9,600.00
9	WV Board of Occupational Therapy	OTB-005	Monongalia	500	0.00	6,780	1	6,780.00
10	Office of Miners' Health, Safety and Training	MHS-027	McDowell	6,100	4.77	29,097	3	87,291.00
11	Department of Health and Human Resources	HHR-184	Upshur	9,981	12.00	119,772	5	598,860.00

Total Rentable Square Feet 19,852
 Average Annual Rental Rate 31.12
 Total Annual Rent 182,176

CANCELLATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	West Virginia State Police	PSA-121	Monroe	1,280	10.70	13,696

Total Rentable Square Feet 1,280

Joint Committee on Government and Finance

May 2014

Department of Health and Human Resources

MEDICAID REPORT

March 2014 Data

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

MONTH OF MARCH 2014

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 3/31/14	Current Month Ended 3/31/14	Year To-Date Thru 3/31/14	4/1/14 Thru 6/30/14
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	155,429,299	199,265,328	10,038,563	18,615,879	135,963,558	63,301,770
Inpatient Hospital - DSH	56,816,481	56,580,000	-	-	41,212,464	15,367,536
Inpatient Hospital - Supplemental Payments	114,105,226	96,139,194	13,734,415	16,117,590	74,419,756	21,719,438
Inpatient Hospital - GME Payments	6,164,764	6,228,590	-	-	4,481,351	1,747,239
Mental Health Facilities	87,243,074	114,848,923	7,770,098	10,995,696	65,468,120	49,380,803
Mental Health Facilities - DSH Adjustment Payments	18,880,975	18,882,000	-	-	14,166,673	4,715,327
Nursing Facility Services - Regular Payments ⁽²⁾	537,541,608	554,417,908	43,081,601	46,216,108	417,662,671	136,755,237
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,163,593	67,331,000	3,640,965	5,610,917	49,614,405	17,716,595
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	117,203,017	160,730,609	12,003,713	15,353,506	76,274,677	84,455,932
Physicians Services - Supplemental Payments	28,092,471	29,903,100	404,572	-	19,690,363	10,212,737
Physician and Surgical Services - Evaluation and Management	-	21,962,392	3,571,339	1,366,164	26,034,857	(4,072,465)
Physician and Surgical Services - Vaccine Codes	-	221,842	12,114	21,334	101,750	120,092
Outpatient Hospital Services - Regular Payments	102,898,953	145,154,798	12,760,550	13,575,884	84,987,174	60,167,625
Outpatient Hospital Services - Supplemental Payments	124,121,376	69,977,047	-	-	52,547,748	17,429,299
Prescribed Drugs	331,397,125	356,724,143	28,664,129	35,494,682	204,126,460	152,597,683
Drug Rebate Offset - National Agreement	(201,903,185)	(202,289,800)	(14,189,762)	(10,867,232)	(137,734,806)	(64,554,994)
Drug Rebate Offset - State Sidebar Agreement	(16,603,872)	(16,895,800)	(14,664)	(907,661)	(9,761,595)	(7,134,205)
Drug Rebate Offset - MCO National	(799,544)	(812,900)	(3,984,377)	(43,670)	(18,174,661)	17,361,761
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	(32,444)	-	(1,757,125)	1,757,125
Dental Services	55,866,868	78,358,578	2,705,789	7,324,938	38,303,957	40,054,621
Other Practitioners Services - Regular Payments	11,566,376	18,600,155	1,406,264	1,794,630	8,920,623	9,679,532
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,566,348	6,309,621	463,802	603,669	3,297,134	3,012,487
Lab & Radiological Services	22,573,569	33,844,618	2,675,062	3,166,429	19,981,019	13,863,600
Home Health Services	47,334,128	59,832,974	3,929,058	5,650,607	33,723,586	26,109,388
Hysterectomies/Sterilizations	133,155	221,588	14,091	20,683	119,360	102,228
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,363,840	2,034,978	26,954	190,583	354,625	1,680,353
Rural Health Clinic Services	7,886,514	10,330,901	878,242	972,173	6,438,213	3,892,688
Medicare Health Insurance Payments - Part A Premiums	18,215,881	19,650,400	1,511,325	1,637,533	13,656,147	5,994,253
Medicare Health Insurance Payments - Part B Premiums	81,258,370	90,272,700	7,155,670	7,522,725	63,558,936	26,713,764
120% - 134% Of Poverty	6,160,455	6,509,900	583,664	500,762	5,020,514	1,489,386
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	8,417,028	8,653,000	1,092,317	665,615	6,496,000	2,157,000

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

	MONTH OF MARCH 2014					
	ACTUALS SFY2013	TOTAL SFY2014	ACTUALS Current Month Ended 3/31/14	ESTIMATE Current Month Ended 3/31/14	ACTUALS Year To-Date Thru 3/31/14	PROJECTED 4/1/14 Thru 6/30/14
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	397,197,343	454,163,627	56,770,302	38,524,578	388,073,926	66,089,701
Medicaid MCO - Evaluation and Management	-	23,841,350	1,642,334	1,346,495	20,657,397	3,183,953
Medicaid MCO - Vaccine Codes	-	1,270,236	83,604	68,528	1,108,295	161,941
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	65,821	40,415	362,498	162,902
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	342,155,532	352,000,000	27,607,086	27,076,923	263,779,857	88,220,143
Home & Community-Based Services (Aged/Disabled)	125,334,180	136,776,586	8,280,482	10,521,700	80,480,388	56,296,199
Home & Community-Based Services (Traumatic Brain Injury)	156,502	2,720,625	50,966	209,279	435,249	2,285,376
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	5,210,640	7,500,546	51,019,041	29,233,638
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	244,281	378,057	1,936,744	2,098,975
Primary Care Case Management Services	163,137	241,420	11,472	22,534	103,554	137,866
Hospice Benefits ⁽³⁾	24,909,406	33,408,296	2,044,437	3,118,292	20,737,879	12,670,416
Emergency Services Undocumented Aliens	285,046	362,067	15,367	33,795	205,249	156,818
Federally Qualified Health Center	18,240,226	24,443,404	2,262,747	2,297,021	14,824,860	9,618,544
Non-Emergency Medical Transportation	25,112,179	34,840,953	2,463,941	3,252,142	18,972,593	15,868,360
Physical Therapy	2,102,592	3,161,494	316,834	295,195	1,906,628	1,254,866
Occupational Therapy	370,520	481,061	45,581	44,902	333,399	147,662
Services for Speech, Hearing & Language	408,350	603,122	50,528	56,329	357,828	245,294
Prosthetic Devices, Dentures, Eyeglasses	1,551,271	2,490,832	148,390	233,159	1,319,432	1,171,400
Diagnostic Screening & Preventive Services	553,321	768,682	126,287	71,755	487,587	281,095
Nurse Mid-Wife	230,458	423,216	23,856	39,503	192,510	230,706
Emergency Hospital Services	(2,247)	(1,200)	42	(92)	(3,585)	2,385
Critical Access Hospitals	31,395,064	48,996,857	4,410,279	4,576,990	28,353,609	20,643,249
Nurse Practitioner Services	2,006,168	3,499,907	274,324	326,985	1,276,910	2,222,997
School Based Services	52,157,547	54,149,130	3,769,142	4,166,600	30,075,955	24,073,176
Rehabilitative Services (Non-School Based)	76,111,131	98,820,482	7,707,175	9,313,260	62,120,570	36,699,912
Private Duty Nursing	5,290,076	7,034,325	455,407	661,374	4,571,070	2,463,255
Other Care Services	21,997,876	31,932,187	2,142,739	2,981,076	16,352,775	15,579,412
Less: Recoupments	-	-	(158,809)	-	(883,687)	883,687
NET EXPENDITURES:	2,986,562,919	3,414,230,245	265,968,305	298,756,885	2,308,352,486	1,105,877,759

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

MONTH OF MARCH 2014	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 3/31/14	Current Month Ended 3/31/14	Year To-Date Thru 3/31/14	4/1/14 Thru 6/30/14
Collections: Third Party Liability (line 9A on CMS-64)	(10,619,577)	-	-	-	(3,870,332)	3,870,332
Collections: Probate (line 9B on CMS-64)	(262,779)	-	-	-	(348,732)	348,732
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(21,585)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(9,910,781)	-	-	-	(1,537,044)	1,537,044
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,965,748,198	3,414,230,245	265,968,305	298,756,885	2,302,596,377	1,111,633,868
Plus: Medicaid Part D Expenditures	36,222,591	36,395,195	3,088,784	3,032,933	27,992,872	8,402,323
Plus: State Only Medicaid Expenditures	2,998,425	3,834,747	178,918	294,980	1,823,530	2,011,218
Plus: Money Follow the Person Expenditures	30,838	4,409,797	50,715	339,215	450,527	3,959,270
TOTAL MEDICAID EXPENDITURES	\$ 3,005,000,052	\$ 3,458,869,984	\$ 269,286,722	\$ 302,424,013	\$ 2,332,863,306	\$ 1,126,006,678
Plus: Reimbursables ⁽¹⁾	7,514,299	8,055,095	408,054	619,623	5,061,516	2,993,579
TOTAL EXPENDITURES	\$ 3,012,514,351	\$ 3,466,925,079	\$ 269,694,776	\$ 303,043,636	\$ 2,337,924,822	\$ 1,129,000,257

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$17,133,454 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$14,984,461 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

9 Months Actuals

3 Months Remaining

MONTH OF MARCH 2014	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2013	Current Month Ended 03/31/14	Year-To-Date Thru 03/31/14	4/1/2014 Thru 06/30/14	SFY2014
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 8,645,986	\$ 16,368,497	\$ 34,992,812	\$ -	\$ 34,992,812
MATCHING FUNDS					
General Revenue (0403/189)	193,207,966	-	222,951,821	114,386,353	337,338,174
MRDD Waiver (0403/466)	88,753,483	7,396,123	59,464,834	29,288,649	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	1,947,000	649,000	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	4,767,000	1,589,000	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,666	536,000	264,000	800,000
Title XIX Waiver for Seniors (0403-533)	11,912,263	1,132,801	9,107,725	4,485,895	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	-	23,449,844	8,016,614	31,466,458
Lottery Transfer (5405/871)	8,670,000	-	48,518,667	(39,848,667)	8,670,000
Excess Lottery (5365/189)	24,503,890	67,432,506	96,543,971	(46,543,971)	50,000,000
Trust Fund Appropriation (5185/189)	173,603,846	-	50,049,116	15,180,783	65,229,899
Provider Tax (5090/189)	225,902,461	13,083,660	143,016,820	60,505,591	203,522,411
Certified Match	23,243,346	1,765,442	15,456,464	10,262,528	25,718,992
Reimbursables - Amount Reimbursed	7,235,570	1,456,310	2,918,536	5,136,559	8,055,095
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	3,648,128	72,466	1,657,504	(732,504)	925,000
CMS - 64 Adjustments	660,007	-	254,859	(254,859)	-
TOTAL MATCHING FUNDS	\$ 901,191,865	\$ 109,520,471	\$ 715,632,972	\$ 162,384,971	\$ 878,017,943
FEDERAL FUNDS	\$ 2,171,195,579	\$ 201,394,915	\$ 1,689,524,244	\$ 898,910,946	\$ 2,588,435,190
TOTAL REVENUE SOURCES	\$ 3,072,387,444	\$ 310,915,386	\$ 2,405,157,216	\$ 1,061,295,917	\$ 3,466,453,134
TOTAL EXPENDITURES:					
Provider Payments	\$ 3,012,514,351	\$ 269,694,776	\$ 2,337,924,822	\$ 1,129,000,257	\$ 3,466,925,079
TOTAL	\$ 59,873,093	\$ 41,220,610	\$ 67,232,394		\$ (471,945)

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

Joint Committee on Government and Finance

May 2014

Department of Health and Human Resources

MEDICAID WAIVER REPORT

March 2014 Data

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

WV Aged & Disabled Waiver Reported March 31, 2014		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	6,275	6,275	6,275	6,275				6,275
Total number of members served YTD (unduplicated slots used) (2)		7,107	5,732	5,777	5,870	5,932	5,948	5,959	5,965	5,968	5,975				5,975
Applicants determined eligible (3)		1568	117	153	132	114	105	71	12	13	35				752
Applicants determined ineligible (3)		328	31	36	17	31	12	0	0	0	0				127
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,436	5,666	5,650	5,674	5,653	5,602	5,558	5,465	5,415	5,351				5,351
ADW Members whose case was closed in month		1311	115	61	69	54	67	55	99	53	71				644
ADW members whose case was closed by reason	Deceased	730	61	37	41	37	41	43	54	39	31				384
	Left program to enter a facility (nursing home, ICF/MR)	114	24	3	3	3	0	0	26	3	8				70
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	444	34	21	25	14	26	8	19	11	32				190
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List (4)		1805	115	106	108	166	90	43	78	80	114				900
Applicants with a Medicaid Card		791	48	40	52	73	39	3	32	31	57				375
Individuals moved from the Managed Enrollment List into the Program		204	5	45	93	51	16	11	6	3	7				237
Individuals removed from the Managed Enrollment due to death (5)		246	26	20	42	130	59	58	63	1	74				473
Total Number of individuals on Managed Enrollment list at end of month		2263	2347	2388	2361	2346	2361	2335	2344	2420	2453				2453
Individuals on Managed Enrollment who are in a nursing facility		47	5	6	6	7	7	7	4	3	1				35
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		204	7	9	18	23	6	0	10	9	11				93
Longest on Management Enrollment to Date April 2012															

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

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

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

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

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

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

WV Intellectual/Developmental Disability Waiver Reported March 31, 2014		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	4,534	4,534	4,534	4,534				4,534
Total number of members served YTD (unduplicated slots used) (2)		4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534				4,534
Applicants determined eligible (3)		386	29	38	34	31	36	13	39	15	26				261
Applicants determined ineligible (3)		374	30	33	24	24	25	17	34	15	11				213
Applicants added to the Active Member List		196	140	0	0	0	8	2	0	2	3				155
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	4,478	4,467	4,463	4,457				4,457
I/DDW Members who were discharged this month		162	13	8	19	11	8	9	10	6	9				93
I/DDW members whose case was closed by reason	Deceased	69	6	1	2	4	4	5	5	4	3				34
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	93	7	1	17	7	4	4	5	2	6				53
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List		383	29	38	34	31	36	13	39	15	26				261
Applicants with a Medicaid Card		432 Avg.	444	471	482	500	518	549	556	573	583				583
Individuals moved from the Managed Enrollment List into the Program		198	140	0	0	0	8	2	0	2	3				155
Individuals removed from the Managed Enrollment due to death		3	1	1	1	2	0	0	0	1	1				7
Total Number of individuals on Managed Enrollment list at end of month		807	832	744	777	800	835	846	883	890	914				914
Individuals on Managed Enrollment who are in a Skilled Nursing facility		2 Avg.	1	1	1	1	2	2	2	3	3				3
Individuals on Managed Enrollment who are in an ICF/IID group home (4)		34 Avg.	45	47	50	52	60	64	64	33	48				48
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		22 Avg.	33	35	36	36	40	41	40	39	43				43
Person on Managed Enrollment Longest to Date			663 Days	694 Days	724 Days	722 Days	752 Days	778 Days	809 Days	830 Days	854 Days				854 Days

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

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

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

(4) Number has dropped due to license revocation of Potomac Center ICF/IID

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

Traumatic Brain Injury Waiver Reported March 31, 2014		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		100	100	100	100	100	100	100	100	100	100				100
Total number of members served Year to Date(unduplicated slots used) (2)		20	23	26	27	28	30	31	32	33	37				37
Applicants determined eligible (3)		34	4	5	3	3	8	2	0	3	1				29
Applicants determined ineligible (3)		11	3	1	2	1	1	1	1	2	1				13
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		20	23	26	27	28	27	27	28	29	32				32
TBIW members whose case was closed by reason	Deceased	0	0	0	0	0	0	0	0	0	0				0
	Left program to enter a facility	0	0	0	0	0	0	0	0	0	0				0
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	0	0	0	0	0	0	0	0	0	0				0
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	N/A	N/A	N/A	N/A				N/A
Applicants with a Medicaid Card		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A
Individuals removed from the Managed Enrollment List into the Program		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A
Individuals removed from the Managed Enrollment due to death (5)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A
Total Number of individuals on Managed Enrollment list at end of month		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A
Individuals on Managed Enrollment who are in a nursing facility		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A				N/A

(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.

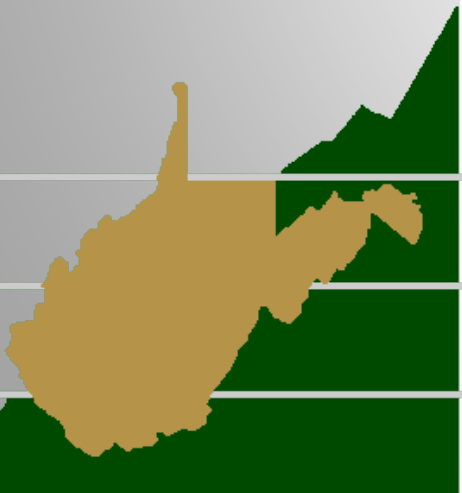
(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(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

March 31, 2014



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

	6/30/2013		3/31/2014		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	16,105,865	100.0							
Pension Assets	11,501,368	78.9	12,761,622	79.3							
Public Employees' Retirement System	4,848,377	33.3	5,410,439	33.6	0.8	2.3	12.8	12.7	9.4	15.8	7.2
Teachers' Retirement System	5,717,583	39.2	6,247,756	38.8	0.8	2.2	12.8	12.6	9.3	15.4	6.9
Teachers' Employers Cont. Collection A/C	-	0.0	65,178	0.4	0.0	0.0	0.0	0.1	0.0	0.1	
EMS Retirement System	42,603	0.3	50,430	0.3	0.8	2.3	12.8	12.6	9.3	15.7	
Public Safety Retirement System	520,323	3.6	559,434	3.5	0.8	2.3	12.8	12.7	9.5	15.9	7.2
Judges' Retirement System	141,476	1.0	158,384	1.0	0.8	2.3	12.8	12.7	9.4	15.7	7.1
State Police Retirement System	96,092	0.6	113,659	0.7	0.8	2.3	12.8	12.6	9.3	15.7	7.1
Deputy Sheriffs' Retirement System	134,410	0.9	154,018	1.0	0.8	2.3	12.8	12.6	9.4	15.8	7.2
Municipal Police & Firefighter Retirement System	504	0.0	964	0.0	0.7	2.2	12.1	11.8	9.1		
Municipal Model A	-	0.0	1,360	0.0	0.7	2.2					
Insurance Assets	2,154,563	14.8	2,344,234	14.5							
Workers' Compensation Old Fund	1,036,241	7.1	1,133,450	7.0	0.3	1.8	5.9	4.2	5.3	10.1	
Workers' Comp. Self-Insured Guaranty Risk Pool	14,487	0.1	15,286	0.1	0.2	1.7	6.7	5.5	5.7	4.5	
Workers' Comp. Self-Insured Security Risk Pool	-	0.0	6,949	0.0	0.0						
Workers' Comp. Uninsured Employers' Fund	9,749	0.1	12,403	0.1	0.1	1.5	6.5	5.4	5.6	4.1	
Pneumoconiosis	261,636	1.8	264,413	1.6	0.2	1.6	6.7	5.5	5.7	10.5	5.2
Board of Risk & Insurance Management	139,875	1.0	142,919	0.9	0.2	1.7	6.7	5.4	5.8	10.8	
Public Employees' Insurance Agency	194,215	1.3	207,577	1.3	0.2	1.8	6.9	5.5	6.3	10.4	
WV Retiree Health Benefit Trust Fund	495,926	3.4	558,750	3.5	0.8	2.3	12.7	12.4	8.9	12.6	
AccessWV	2,434	0.0	2,487	0.0	0.0	2.0	2.2	(2.0)	4.0		
Endowment Assets	924,806	6.3	1,000,009	6.2							
Wildlife Fund	45,838	0.3	50,024	0.3	0.8	2.3	12.6	12.4	9.3	15.7	7.1
Prepaid Tuition Trust	76,701	0.5	75,094	0.5	0.2	1.8	10.0	9.1	7.7	15.3	7.0
Revenue Shortfall Reserve Fund	446,073	3.0	461,006	2.8	(0.1)	2.0	2.0	(2.4)	4.0	9.7	
Revenue Shortfall Reserve Fund - Part B	348,811	2.4	370,181	2.3	0.3	2.0	6.1	3.9	5.7	11.9	
WV DEP Trust	7,383	0.1	8,368	0.1	0.5	1.9	13.3	12.2			
WV DEP Agency	-	0.0	35,336	0.2	0.3	1.4					

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of March 31, 2014

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	16,113,850	100.00								
Total Equity Composite	7,934,181	49.24	0.80	1.83	19.45	19.24	10.97	20.92	8.20	
+/- Total Equity Policy Index (b)			0.38	0.35	1.42	1.33	1.30	1.82	1.14	
US Equity Composite	3,934,812	24.41	0.54	2.24	20.50	23.06	15.11	22.30	8.28	
+/- Russell 3000 Index			0.01	0.27	1.10	0.45	0.50	0.37	0.42	
Large Cap Composite	2,888,504	17.92	0.42	1.78	18.90	21.91	14.89	21.37	7.55	
+/- S&P 500 Index			(0.42)	(0.03)	0.49	0.05	0.23	0.21	0.13	
Non-Large Cap Composite	1,046,308	6.49	0.88	3.56	25.11	26.30	15.63	25.97	10.35	
+/- Russell 2500 Index			1.24	1.26	3.86	2.29	1.68	0.64	0.92	
International Equity Composite	3,999,369	24.83	1.06	1.40	18.25	15.53	6.77	19.18	8.87	
+/- MSCI AC World ex US IMI Index (c)			0.76	0.42	1.66	2.32	2.02	3.06	1.24	
Fixed Income Composite	3,331,423	20.68	0.38	2.06	3.46	1.79	4.48	8.91	4.83	
+/- Barclays Capital Universal (d)			0.47	0.11	0.52	1.28	0.25	3.17	0.11	
Core Fixed Income	1,021,369	6.34	(0.20)	1.89	2.44	0.33	4.42	5.68		
+/- Barclays Capital Aggregate			(0.03)	0.05	0.16	0.43	0.67	0.88		
Total Return Fixed Income	2,310,054	14.34	0.63	2.14	3.95	2.53	4.51	9.76	5.47	
+/- Barclays Capital Universal			0.72	0.19	1.01	2.02	0.28	4.02	0.69	
TIPS Composite	586,679	3.64	(0.50)	1.97	0.63	(6.47)	3.50			
+/- Barclays Capital U.S. TIPS			(0.03)	0.02	0.02	0.02	0.00			
Cash Composite	271,885	1.69	0.01	0.03	0.08	0.17	0.12	0.15	1.79	
+/- Citigroup 90 Day T-Bill (e)			0.01	0.02	(0.01)	0.03	(0.08)	(0.10)	(0.01)	
Private Equity Composite	1,351,346	8.38	2.35	5.37	11.50	11.82	13.80	13.88		
+/- Russell 3000 + 3% (f, g)								(12.21)		
Real Estate Composite	1,192,054	7.39	1.22	3.73	5.82	8.71	9.26	8.82		
+/- NCREIF + 1% (f)								2.12		
Hedge Fund Composite	1,446,282	8.98	(0.57)	0.93	6.51	8.06	5.33	8.26		
+/- HFRI FOF + 1% (h)			0.19	0.39	3.86	4.33	1.16	4.00		

West Virginia Investment Management Board

Participant Plans Allocation vs. Strategy

As of March 31, 2014

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

Pension Assets

Public Employees' Retirement System	27.7	27.5	27.8	27.5	15.2	15.0	10.1	10.0	8.9	10.0	9.8	10.0	0.5	0.0
Teachers' Retirement System	27.5	27.5	28.3	27.5	14.8	15.0	10.2	10.0	9.0	10.0	9.9	10.0	0.3	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	27.3	27.5	27.6	27.5	15.3	15.0	10.0	10.0	8.9	10.0	9.7	10.0	1.2	0.0
Public Safety Retirement System	27.7	27.5	28.0	27.5	14.9	15.0	10.2	10.0	9.1	10.0	10.0	10.0	0.1	0.0
Judges' Retirement System	27.6	27.5	27.8	27.5	15.1	15.0	10.1	10.0	9.0	10.0	9.9	10.0	0.5	0.0
State Police Retirement System	27.4	27.5	27.6	27.5	15.3	15.0	10.0	10.0	8.9	10.0	9.7	10.0	1.1	0.0
Deputy Sheriffs' Retirement System	27.6	27.5	27.8	27.5	15.3	15.0	10.1	10.0	9.0	10.0	9.8	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	24.8	27.5	25.7	27.5	13.7	15.0	9.4	10.0	8.1	10.0	8.8	10.0	9.5	0.0
Municipal Model A	26.0	27.5	26.5	27.5	13.8	15.0	9.6	10.0	8.5	10.0	9.4	10.0	6.2	0.0

Insurance Assets

Workers' Compensation Old Fund	9.9	10.0	10.8	10.0	68.4	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.2	10.0	11.0	10.0	54.3	55.0	0.0	0.0	0.0	0.0	19.9	20.0	4.6	5.0
Workers' Comp. Self-Insured Security Risk Pool	0.0	15.0	0.0	15.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	20.0	100.0	5.0
Workers' Comp. Uninsured Employers Fund	8.5	10.0	9.2	10.0	41.1	50.0	0.0	0.0	0.0	0.0	16.6	20.0	24.6	10.0
Pneumoconiosis	10.2	10.0	11.0	10.0	54.4	55.0	0.0	0.0	0.0	0.0	20.1	20.0	4.3	5.0
Board of Risk & Insurance Mgmt.	10.1	10.0	10.9	10.0	54.1	55.0	0.0	0.0	0.0	0.0	19.9	20.0	5.0	5.0
Public Employees' Insurance Agency	15.3	15.0	15.4	15.0	49.4	50.0	0.0	0.0	0.0	0.0	19.8	20.0	0.1	0.0
WV Retiree Health Benefit Trust Fund	27.7	27.5	27.8	27.5	15.5	15.0	10.1	10.0	9.0	10.0	9.7	10.0	0.2	0.0
AccessWV	0.0	0.0	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

Endowment Assets

Wildlife Fund	27.6	27.5	27.8	27.5	15.5	15.0	10.1	10.0	9.0	10.0	9.8	10.0	0.2	0.0
Prepaid Tuition Trust	30.7	30.0	16.5	16.0	51.4	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	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	10.1	10.0	10.9	10.0	78.9	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Trust	35.5	35.0	28.3	28.0	35.9	37.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0
WV DEP Agency	18.3	20.0	19.4	20.0	36.9	40.0	0.0	0.0	0.0	0.0	18.3	20.0	7.1	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 March 31, 2014

- (a) As of January 2014, the PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA (IMI), and 40% Barclays Capital Universal. From April 2008 to December 2013, the PERS Policy was 30% Russell 3000, 30% MSCI ACW ex USA (Standard), and 40% Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.
- (b) As of January 2014, the Total Equity Policy Index is 50% Russell 3000 and 50% MSCI ACW ex USA (IMI). From April 2008 to December 2013, the Total Equity Policy Index was 50% Russell 3000 and 50% MSCI ACW ex USA (Standard). Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.
- (c) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (d) Prior to April 2008, the index was Barclays Capital Aggregate.
- (e) Prior to January 2014, the index was Citigroup 90 Day T-Bill plus 15 basis points.
- (f) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) Franklin Benchmark is 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (j) Prior to April 2008, the index was a custom index.
- (k) Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

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



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

May 2014

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	16-27
Workers' Compensation Board of Review Monthly Report	28-36
Workers' Compensation Revenue Recovery Monthly Report	37

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.

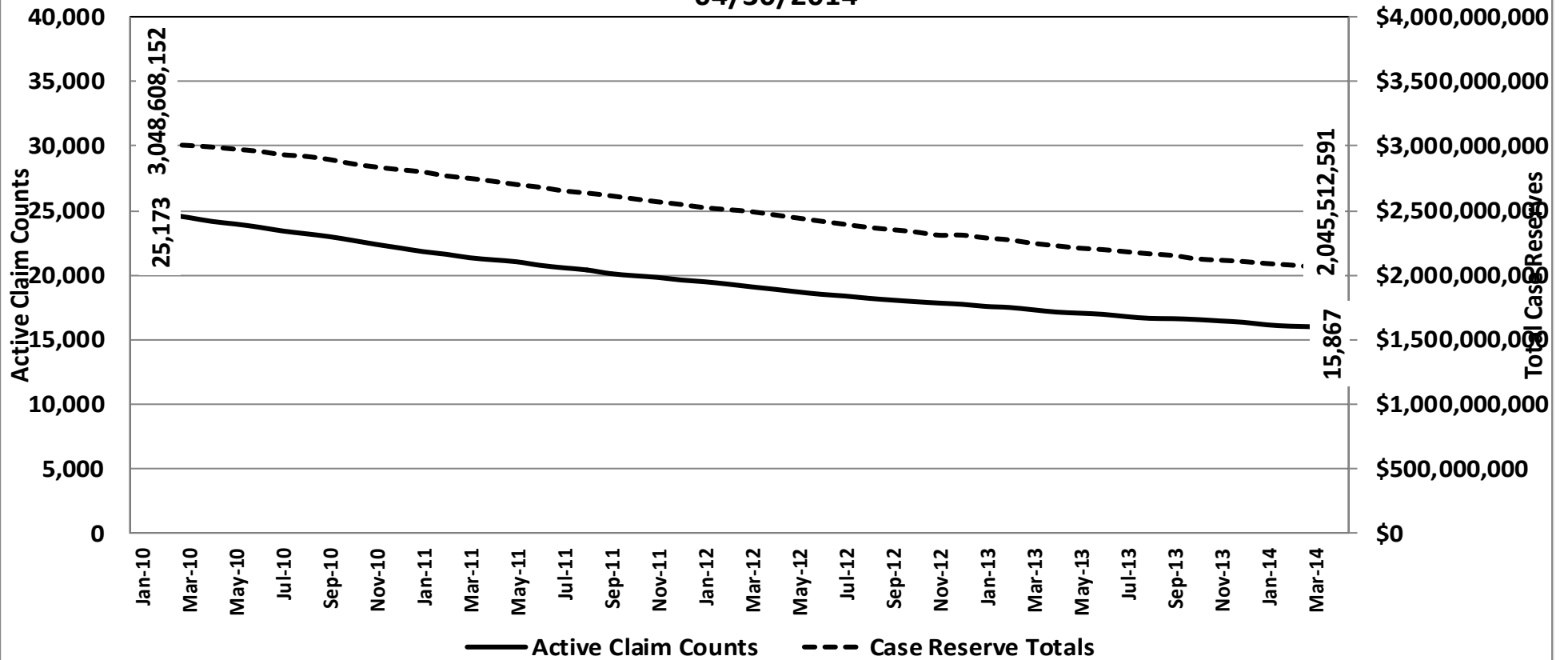
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to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

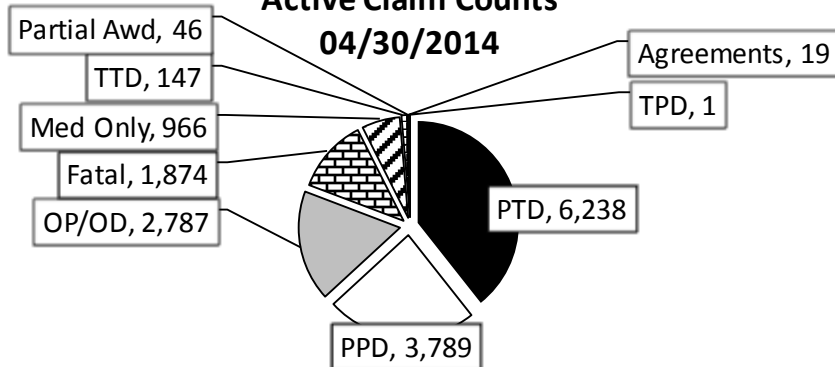
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified 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 04/30/2014

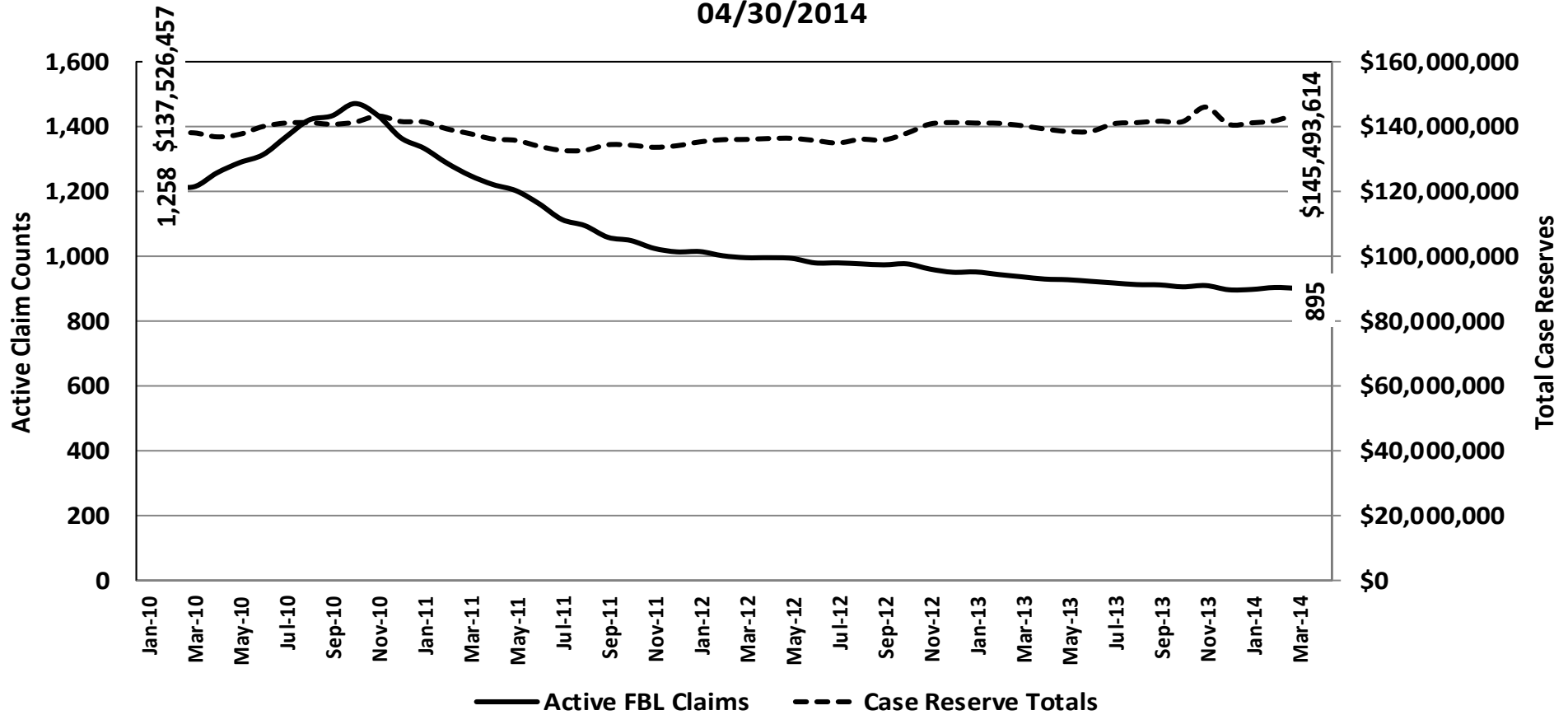


Old Fund Active Claim Counts 04/30/2014

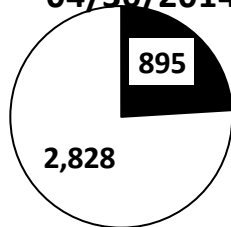


- Agreements** – a legal agreement to settle a payment issue
- Fatal** – worker died due to injury or illness
- Med Only** – payment of medical benefits without wage replacement
- OP/OD** - Occupational Pneumoconiosis or Occupational Disease
- Partial Awd** – benefits being paid without official awards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

CWP Fund (FBL) Active Claim Counts and Case Reserves 04/30/2014



CWP Fund (FBL) Active and Inactive Claims 04/30/2014



■ Active □ Inactive

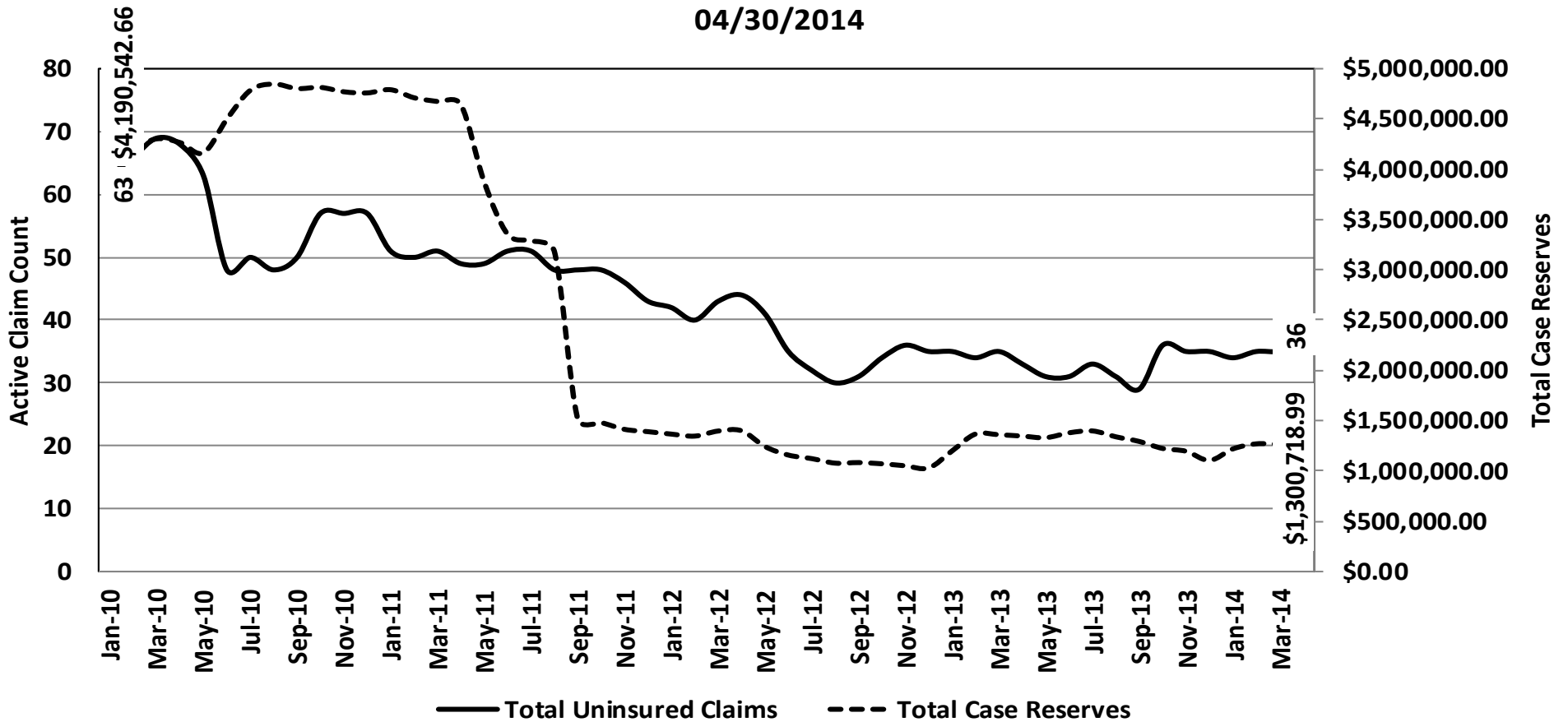
Active – Benefits being paid to claimant/beneficiary

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

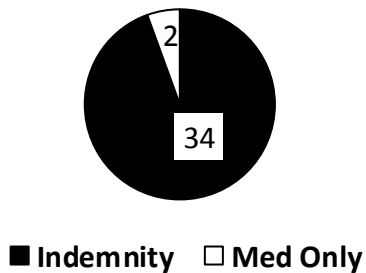
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

Uninsured Fund Active Claim Counts and Case Reserves 04/30/2014



Uninsured Fund Active Claim Counts 04/30/2014

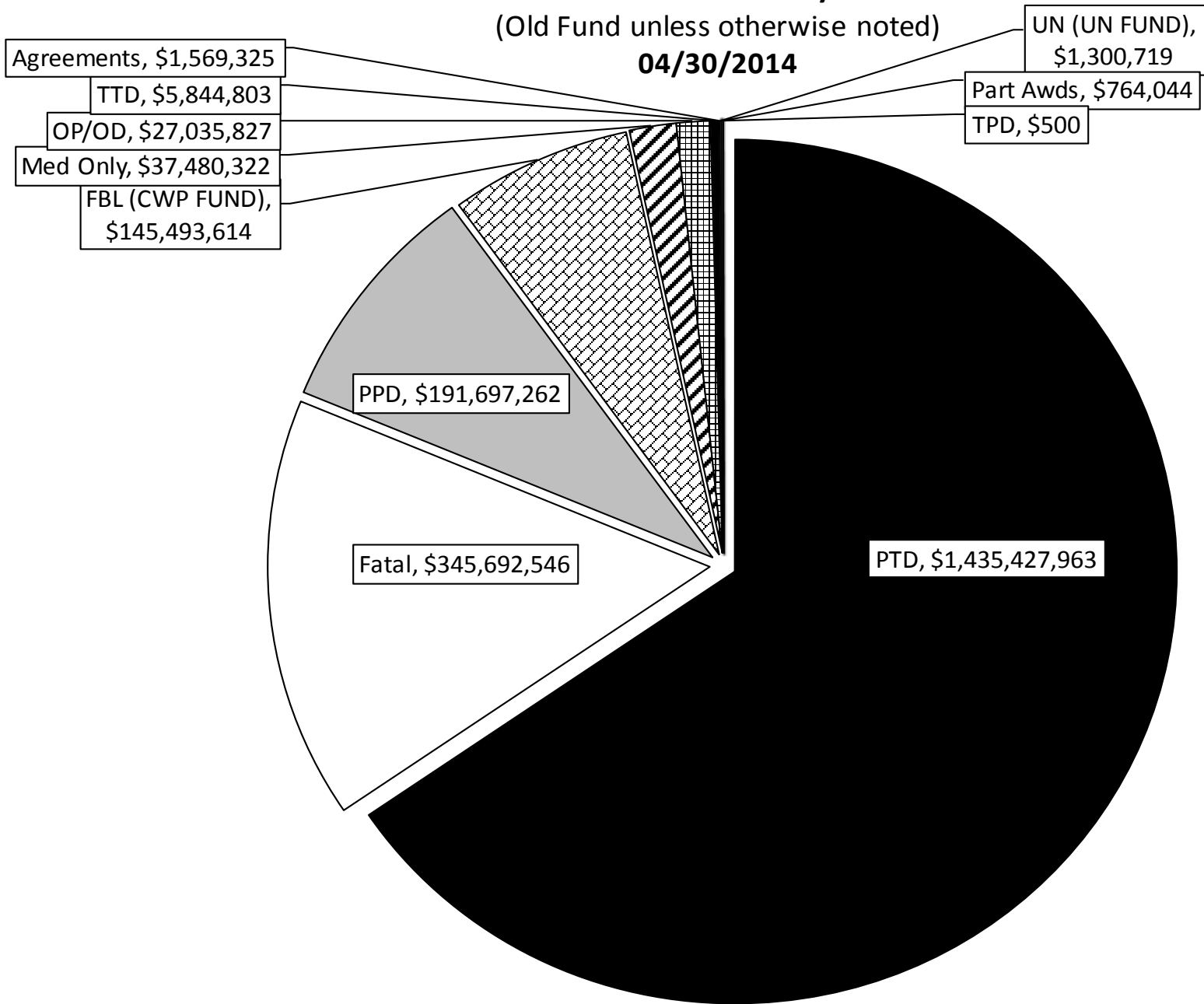


Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

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

Total Case Reserves by Fund
(Old Fund unless otherwise noted)
04/30/2014



OLD FUND CASH STATEMENT

April 30, 2014

	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	74,200,000	74,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	86,132,003	77,375,036	8,756,967	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	33,632,259	36,509,898	(2,877,639)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	7,107,898	8,017,637	(909,739)	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	186,450	284,550	(98,100)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	80,786	46,707	34,079	48,332	202,103	191,860
Operating Revenues	212,339,396	207,433,827	4,905,568	246,933,837	250,502,904	251,979,946
Investment / Interest Earnings (Losses)	42,064,962	75,339,096	(33,274,134)	77,380,803	18,284,929	88,270,887
Total Revenues	254,404,358	282,772,923	(28,368,566)	324,314,640	268,787,833	340,250,833
Expenditures						
Claims Benefits Paid:						
Medical	26,131,907	28,017,208	(1,885,301)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	93,020,736	98,944,298	(5,923,562)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	626,435	919,026	(292,591)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	53,894	(53,894)	59,227	188,666	384,571
Fatales	21,932,970	22,480,124	(547,154)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	4,904,945	5,689,345	(784,400)	6,670,578	6,729,656	6,321,554
Settlements	6,520,086	7,867,416	(1,347,330)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	1,108,666	728,239	380,427	998,774	2,333,885	4,514,323
Total	154,245,745	164,699,550	(10,453,805)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	2,941,191	4,011,441	(1,070,250)	4,617,178	8,161,625	7,666,404
Total Benefits Paid	151,304,553	160,688,109	(9,383,556)	192,137,323	251,407,359	265,462,956
Administrative Expenses	12,041,239	10,911,324	1,129,915	13,087,043	18,047,605	20,151,292
Total Expenditures	163,345,792	171,599,433	(8,253,641)	205,224,366	269,454,964	285,614,248
Excess (Deficiency) of Revenues over Expenditures	91,058,566	111,173,490	(20,114,924)	119,090,274	(667,131)	54,636,585
Cash Ending Balances	1,152,654,247	1,053,678,897	98,975,350	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
April 30, 2014

	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)	12,149,001	22,881,103	(10,732,102)	24,801,113	2,745,783	29,283,335
Total Revenues	<u>12,149,001</u>	<u>22,881,103</u>	<u>(10,732,102)</u>	<u>24,801,113</u>	<u>2,745,783</u>	<u>29,283,335</u>
Expenditures						
Payment of Claims	15,558,726	10,467,967	5,090,760	12,550,216	11,131,012	10,415,160
Contractual / Professional	6,594	53,287	(46,694)	53,287	17,124	16,683
Legal	-	932	(932)	932	-	-
General and Administrative	45	-	45	-	-	-
Total Expenditures	<u>15,565,365</u>	<u>10,522,185</u>	<u>5,043,180</u>	<u>12,604,435</u>	<u>11,148,136</u>	<u>10,431,843</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,416,363)</u>	<u>12,358,918</u>	<u>(15,775,281)</u>	<u>12,196,678</u>	<u>(8,402,353)</u>	<u>18,851,492</u>
Cash Ending Balances	<u>263,304,067</u>	<u>266,882,670</u>	<u>(3,578,604)</u>	<u>266,720,430</u>	<u>254,523,752</u>	<u>262,926,105</u>

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
April 30, 2014

	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	135,816	847,660	(711,844)	851,410	1,093,066	1,119,674
Collateral Proceeds	-	2,399,380	(2,399,380)	2,399,380	-	-
Investment Earnings (Losses)	692,054	1,082,292	(390,238)	1,186,338	125,813	592,165
Total Revenues	827,870	4,329,332	(3,501,462)	4,437,128	1,218,879	1,711,839
Expenditures						
Payment of Claims	222,775	299,863	(77,089)	332,894	28,466	28,707
Contractual / Professional	69,903	75,500	(5,598)	92,122	105,247	51,241
Legal	815	25,990	(25,176)	26,750	-	-
Total Expenditures	293,492	401,354	(107,862)	451,765	133,713	79,948
Excess (Deficiency) of Revenues over Expenditures	534,379	3,927,978	(3,393,599)	3,985,363	1,085,166	1,631,891
Cash Ending Balances	15,349,716	14,757,953	591,763	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
April 30, 2014

	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	995,838	531,432	464,406	2,575,705	-	115,568
Collateral Proceeds	-	4,657,620	(4,657,620)	4,657,620	-	-
Investment Earnings (Losses)	101	-	101	-	-	-
Total Revenues	995,939	5,189,052	(4,193,113)	7,233,325	-	115,568
Expenditures						
Payment of Claims	663,180	449,144	214,036	530,804	2,187	73,649
Contractual / Professional	42,341	56,212	(13,871)	60,413	-	9,255
Legal	2,905	88,627	(85,722)	91,025	-	-
Total Expenditures	708,427	593,984	114,444	682,242	2,187	82,904
Excess (Deficiency) of Revenues over Expenditures	287,512	4,595,068	(4,307,557)	6,551,083	(2,187)	32,664
Cash Ending Balances	7,042,113	4,798,586	2,243,527	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
April 30, 2014

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						
Fines and Penalties	643,902	636,008	7,894	747,771	948,896	939,626
Investment Earnings (Losses)	458,051	800,445	(342,394)	871,603	99,906	474,728
Total Revenues	1,101,953	1,436,453	(334,499)	1,619,374	1,048,802	1,414,354
Expenditures						
Payment of Claims	242,822	241,724	1,098	262,002	553,676	1,224,982
Contractual/Professional	25,719	3,919	21,800	15,024	7,392	8,486
General and Administrative	105	30	75	60	-	-
Insurance	170,000	-	170,000	115,000	-	-
Total Expenditures	438,646	245,673	192,973	392,086	561,067	1,233,468
Excess (Deficiency) of Revenues over Expenditures	663,307	1,190,780	(527,472)	1,227,288	487,735	180,886
Cash Ending Balances	11,464,660	10,764,845	699,815	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.

OFFICE OF JUDGES

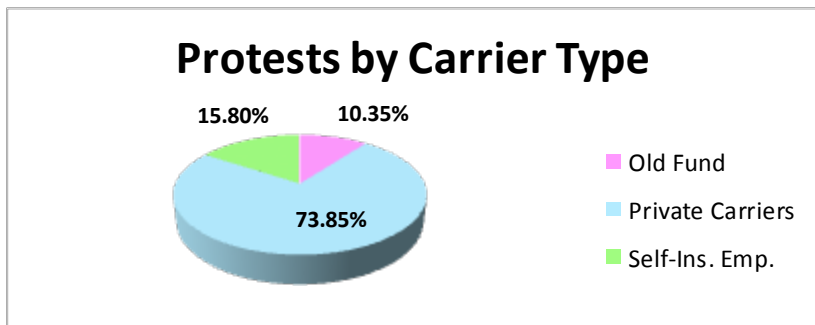
STATISTICAL ANALYSIS

Protests Acknowledged: **2013** **APRIL** **2014**
 4612 **348** **1390**

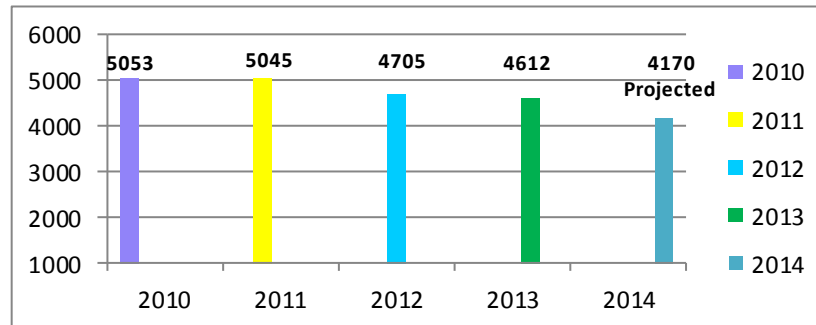
FUND	2013	% of Protests	Apr. '14	% of Protests	2014	% of Protests
Old Fund	498	10.80%	36	10.35%	138	9.93%
Private Carriers	3343	72.48%	257	73.85%	1044	75.11%
Self-Insured Employers	771	16.72%	55	15.80%	208	14.96%
Subtotal	4612		348		1390	
Temporary Category	577		63		255	
Total	5189		411		1645	

Source: AIMS Database Reports

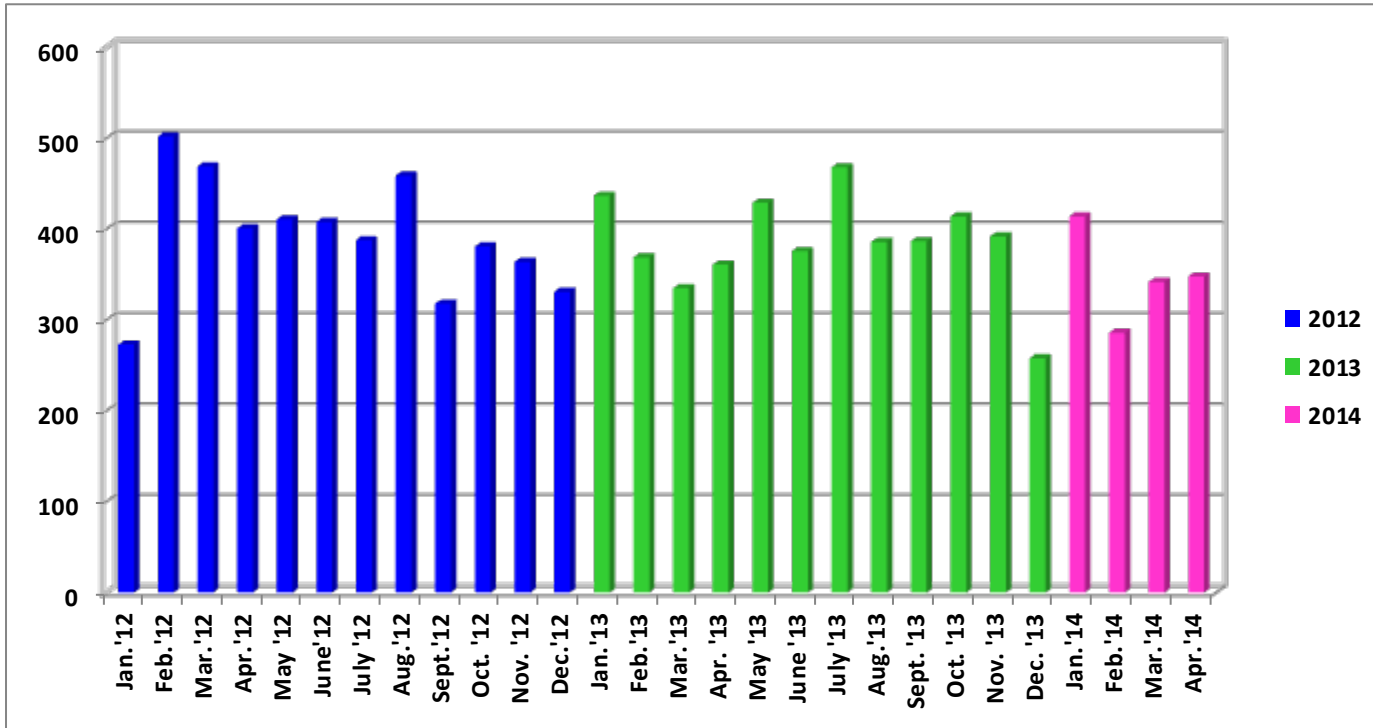
**Protests Acknowledged in April 2014
by Carrier Type**



**Protests Acknowledged by Year Including
Projection for 2014**



PROTEST COMPARISON BY MONTH/YEAR



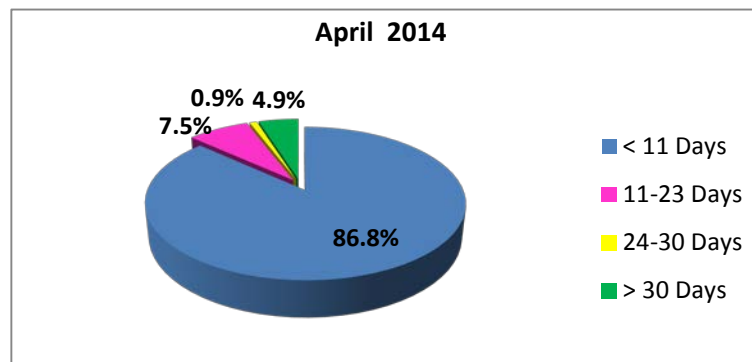
PROTEST ACKNOWLEDGMENTS – April 2014

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	Total: 1	0	0	0	0	0	0	1	100
CBO-CL BEN. OVERPAYMENT	1	0	0	0	0	0	0	1	100
BENEFIT RATE	Total: 2	0	0	0	0	0	0	2	100
CBR-CL PRSTS BEN RATE	2	0	0	0	0	0	0	2	100
COMPENSABILITY	Total: 65	3	4	1	1	4	6	57	87
CCS-CL SEC.CONDITION	20	0	0	0	0	1	5	19	95
CIM-CL SI COMPENSABLE	1	0	0	0	0	0	0	1	100
CIS-CL SI SEC.CONDITION	5	0	0	0	0	0	0	5	100
CLB-CL COMP ON LIMITED BASIS	2	0	0	0	0	0	0	2	100
CLB-CL SI COMP ON LIMITED BASIS	1	1	100	0	0	0	0	0	0
CPI-CL SI REJECT CLAIM	3	1	33	0	0	1	33	1	33
CPJ-CL REJECT CLAIM	29	1	3	1	3	2	6	25	86
CRZ-CL REJ OCC DISEASE	3	0	0	0	0	0	0	3	100
ERZ-EM REJ OCC DISEASE	1	0	0	0	0	0	0	1	100
DEP BEN FATAL	Total: 5	0	0	0	0	0	0	5	100
CDF-CL DENY/GRNT DTH BEN	3	0	0	0	0	0	0	3	100
CIF-CL SI DY/GNT DTH BEN	2	0	0	0	0	0	0	2	100
FAILURE TO ACT 10 DAY	Total: 1	0	0	0	0	0	0	1	100
C5N-CL FTA NOT COVERED	1	0	0	0	0	0	0	1	100
FAILURE TO ACT 15 DAY	Total: 6	0	0	1	16	4	66	1	16
FTA Diagnosis Update-FTA DIAGNOSIS UPATE	1	0	0	1	100	0	0	0	0
FTA Multiple Issues-FTA MULTIPLE ISSUES	5	0	0	0	0	4	80	1	20
FAILURE TO ACT 30 DAY	Total: 1	0	0	0	0	0	0	1	100
C7D-CL FTA REF FOR EXAM	1	0	0	0	0	0	0	1	100
OP NON-MED	Total: 2	0	0	0	0	0	0	2	100
CNR-CL NON-MED ORDER	2	0	0	0	0	0	0	2	100
OPBD	Total: 28	0	0	0	0	1	3	27	96
CAO-CL ADD BOARD FINDING	4	0	0	0	0	0	0	4	100
CBF-CL % BOARD FINDING	13	0	0	0	0	1	7	12	92
CSF-CL% SI BOARD FINDING	6	0	0	0	0	0	0	6	100
EAO-EM ADD BOARD FINDING	1	0	0	0	0	0	0	1	100

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
EBF-EM % BOARD FINDING	3	0	0	0	0	0	0	3	100
ESF-EM% SI BOARD FINDING	1	0	0	0	0	0	0	1	100
PPD	Total: 85	3	3	1	1	5	5	76	89
CAA-CL ADDL % AWARD D/G	1	0	0	0	0	0	0	1	100
CAD-CL % AWARD DENY/GRNT	71	2	2	1	1	5	7	63	88
CIE-CL SI ADD% AWARD D/G	4	0	0	0	0	0	0	4	100
CIG-CL SI %AWARD DNY/GNT	9	1	11	0	0	0	0	8	88
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	Total: 1	0	0	0	0	1	100	0	0
CEB-CL PTD REV. BODY DETERMINATION	1	0	0	0	0	1	100	0	0
REHABILITATION	Total: 1	0	0	0	0	0	0	1	100
CPB-CL GRNT/DNY VOC REHA	1	0	0	0	0	0	0	1	100
REOPENING	Total: 8	2	25	0	0	0	0	6	75
CIQ-CL SI DY/GNT R/O PPD	1	0	0	0	0	0	0	1	100
CIY-CL SI DY/GNT R/O TTD	1	0	0	0	0	0	0	1	100
CJV-CL DNY/GRNT R/O PPD	2	0	0	0	0	0	0	2	100
CRD-CL DENY/GRNT R/O TTD	4	2	50	0	0	0	0	2	50
SPECIAL CATEGORY	Total: 5	0	0	0	0	2	40	3	60
C1I-CL SI SL CATEGORY	2	0	0	0	0	2	100	0	0
CNW-CL SPL CATEGORY	3	0	0	0	0	0	0	3	100
TRMT/EQUIP CL	Total: 99	7	7	0	0	5	5	87	87
CBX-CL TRMT DENY	82	6	7	0	0	5	6	71	86
CED-CL EQUIP DENY/GRANT	1	0	0	0	0	0	0	1	100
CID-CL SI EQUIP DNY/GRNT	1	0	0	0	0	0	0	1	100
CSX-CL SI TRMT DENY	13	1	7	0	0	0	0	12	92
CYY-CL TRMT GRANT	1	0	0	0	0	0	0	1	100
E8E-EM OIC TRMT GRANT	1	0	0	0	0	0	0	1	100
TTD	Total: 38	2	5	0	0	4	10	32	84
CCC-CL CLOSING THE CLAIM	27	0	0	0	0	3	11	24	88
CIC-CL SI CLSING THE CLM	4	2	50	0	0	0	0	2	50
CIJ-CL SI TTD	1	0	0	0	0	0	0	1	100
CJS-CL TTD	4	0	0	0	0	1	25	3	75
CPX-CL INITIAL TTD	2	0	0	0	0	0	0	2	100
TOTALS:	348	17	4.9	3	0.9	26	7.5	302	86.8

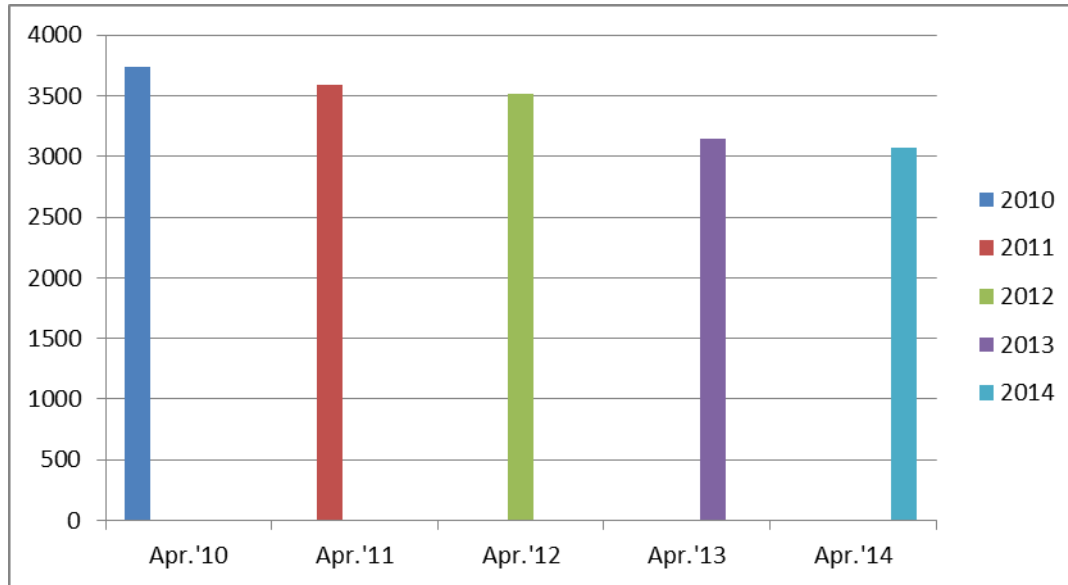
PROTEST ACKNOWLEDGMENT TIMELINESS

Acknowledgment Timeliness	2013	Apr.'14	2014
Protest Ack. < 11 Days	78.0%	86.8%	79.5%
Protest Ack. 11 – 23 Days	16.1%	7.5%	13.0%
Protest Ack. 24 – 30 Days	2.3%	0.9%	2.4%
Protest Ack. > 30 Days	3.6%	4.9%	5.0%



Note: The 4.9% of protests acknowledged more than 30 days from receipt include seventeen (17) protests. Twelve (12) of those protests involved motions for late filing of protests and rulings on those motions can take up to 45 days under the motion compliance rule. The remaining five (5) protests included four (4) defective protests which were processed from the original date the protest was received after the protesting party submitted documentation proving they copied the required parties and one (1) protest was acknowledged more than thirty days from receipt due to a processing error.

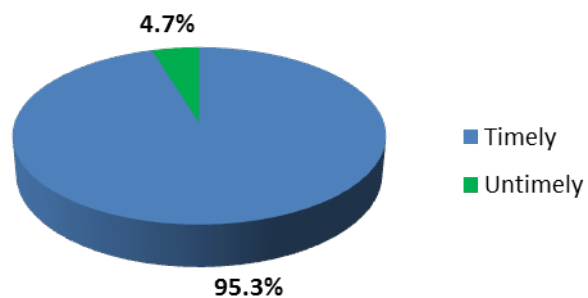
PENDING CASELOAD COMPARISON BY MONTH/YEAR



Pending as of May 1, 2014	3072
Pending 1 Month Before	3094
Pending 2 Months Before	3120
Pending 3 Months Before	3167
Pending 6 Months Before	3190
Pending 12 Months Before	3140

TIME STANDARD COMPLIANCE

Time Standard Compliance
April 2014

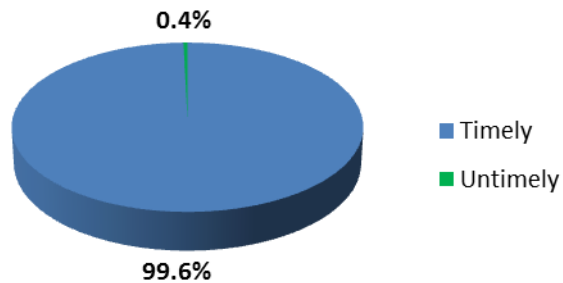


2013	APRIL	2014
94.9%	95.3%	94.5%

Time Standard	Issues		Timely		Late	
	Resolved	Count	%	Count	%	
BENEFIT OVERPAYMENT	1	1	100	0	100	
COMPENSABILITY	15	15	100	0	100	
DEP BEN FATAL	3	2	66.7	1	66.7	
OP NON-MED	2	2	100	0	100	
OPBD	6	5	83.3	1	83.3	
PPD	36	36	100	0	100	
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	2	100	0	100	
REHABILITATION	2	2	100	0	100	
REOPENING	3	3	100	0	100	
TRMT/EQUIP CL	26	24	92.3	2	92.3	
TTD	10	9	90	1	90	
TOTALS:	106	101	95.3	5	4.7	

MOTION RESOLUTION COMPLIANCE

Motion Compliance
April 2014



2013	APRIL	2014
97.7%	99.6%	99.0%

Motion Compliance	Total	TIMELY		UNTIMELY	
	Motions	Count	%	Count	%
BENEFIT OVERPAYMENT	3	3	100	0	0
COMPENSABILITY	199	197	99	2	1
DEP BEN FATAL	10	10	100	0	0
FAILURE TO ACT 15 DAY	8	8	100	0	0
FAILURE TO ACT 30 DAY	1	1	100	0	0
OP NON-MED	16	16	100	0	0
OPBD	38	38	100	0	0
PPD	192	192	100	0	0
PTD ENTITLEMENT	2	2	100	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	3	3	100	0	0
REHABILITATION	2	2	100	0	0
REOPENING	36	36	100	0	0
SPECIAL CATEGORY	17	17	100	0	0
TEMP	1	1	100	0	0
TRMT/EQUIP CL	264	263	99.6	1	0.4
TTD	63	63	100	0	0
TOTALS:	855	852	99.6	3	0.4

PROTEST RESOLUTIONS

Protests Resolved:	April 2014	2014
Protests Decided	261	941
Withdrawals	55	279
"No Evidence" Dismissals	27	135

Resolution of Issues – April 1, 2014 through April 30, 2014

Time Standard	Decisions Issued		REVERSED		AFFIRMED		AFFIRMED by RULE		DISMISSED		MODIFIED		MOOT		OTHER		REMANDED	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0	0
BENEFIT OVERPAYMENT	2	1	50	0	0	0	0	1	50	0	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	62	23	37.1	23	37.1	1	1.6	7	11.3	4	6.5	1	1.6	3	4.8	0	0	
DEP BEN FATAL	7	0	0	7	100	0	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	5	0	0	0	0	0	0	5	100	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 30 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0
OP NON-MED	7	2	28.6	2	28.6	0	0	2	28.6	1	14.3	0	0	0	0	0	0	0
OPBD	15	1	6.7	6	40	0	0	8	53.3	0	0	0	0	0	0	0	0	0
PPD	85	21	24.7	18	21.2	13	15.3	31	36.5	1	1.2	0	0	0	0	1	1.2	
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	4	0	0	2	50	0	0	1	25	0	0	0	0	0	0	1	25	
REHABILITATION	2	0	0	1	50	1	50	0	0	0	0	0	0	0	0	0	0	
REOPENING	14	3	21.4	10	71.4	0	0	1	7.1	0	0	0	0	0	0	0	0	
SPECIAL CATEGORY	11	2	18.2	6	54.5	2	18.2	1	9.1	0	0	0	0	0	0	0	0	
TRMT/EQUIP CL	108	20	18.5	58	53.7	5	4.6	20	18.5	3	2.8	2	1.9	0	0	0	0	
TTD	38	9	23.7	17	44.7	5	13.2	7	18.4	0	0	0	0	0	0	0	0	
TOTALS:	364	82	22.5	153	42.0	27	7.4	85	23.4	9	2.5	3	0.8	3	0.8	2	0.5	

FINAL DECISION TIMELINESS

Final Decision Timeliness:	2013	April 2014	2014
< 30 Days	35.5%	26.0%	28.0%
30 – 60 Days	59.6%	65.4%	65.6%
60 – 90 Days	4.6%	6.7%	4.6%
>90 Days	0.3%	1.9%	1.7%

Final Decision Compliance – April 1, 2014 through April 30, 2014

Final Decision Compliance	Days to Decision									
	Issues	< 30 Days			30 - 60		61 - 90		Over 90	
	Resolved	Count	%	Count	%	Count	%	Count	%	
APPLICATION THRESHOLD	2	0	0	2	100	0	0	0	0	
BENEFIT OVERPAYMENT	1	1	100	0	0	0	0	0	0	
BENEFIT RATE	1	0	0	0	0	1	100	0	0	
COMPENSABILITY	53	18	0	31	0	3	0	1	0	
DEP BEN FATAL	7	1	0	6	0	0	0	0	0	
FAILURE TO ACT 15 DAY	7	1	0	4	0	2	0	0	0	
FAILURE TO ACT 30 DAY	4	0	0	3	0	1	0	0	0	
OP NON-MED	5	2	0	3	0	0	0	0	0	
OPBD	7	4	0	3	0	0	0	0	0	
PPD	39	6	0	31	0	1	0	1	0	
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	2	0	0	2	100	0	0	0	0	
REHABILITATION	1	0	0	1	100	0	0	0	0	
REOPENING	13	4	0	8	0	1	0	0	0	
SPECIAL CATEGORY	8	3	0	4	0	0	0	1	0	
TRMT/EQUIP CL	83	16	0	60	0	5	0	2	0	
TTD	26	8	0	13	0	5	0	0	0	
TOTALS:	259	64	24.7	171	66.0	19	7.3	5	1.9	

FAILURE TO TIMELY ACT PROCESS

Failure to Timely Act Process	
Petitions Filed 1/1/14 through 4/30/14	
Filed:	42
Denied/Dismissed:	19
Reports to OIC:	25
Pending:	30
<i>(Pending includes petitions filed from previous year)</i>	

EXPEDITED HEARING PROCESS

YEAR	MONTHLY TOTAL FOR APRIL	YEARLY TOTAL
2012	12	113
2013	22	173
2014	10	47

PETITIONS FOR ATTORNEY FEES

Petitions for Attorney Fees & Costs

WV Code §23-5-16(c)

Petitions Received 1/1/14 through 4/30/14	28
Granted	14
Denied	6
Pending	6
Other (<i>BOR</i>)	2

Petitions for Attorney Fees for Unreasonable Denial

WV Code §23-2C-21(c)

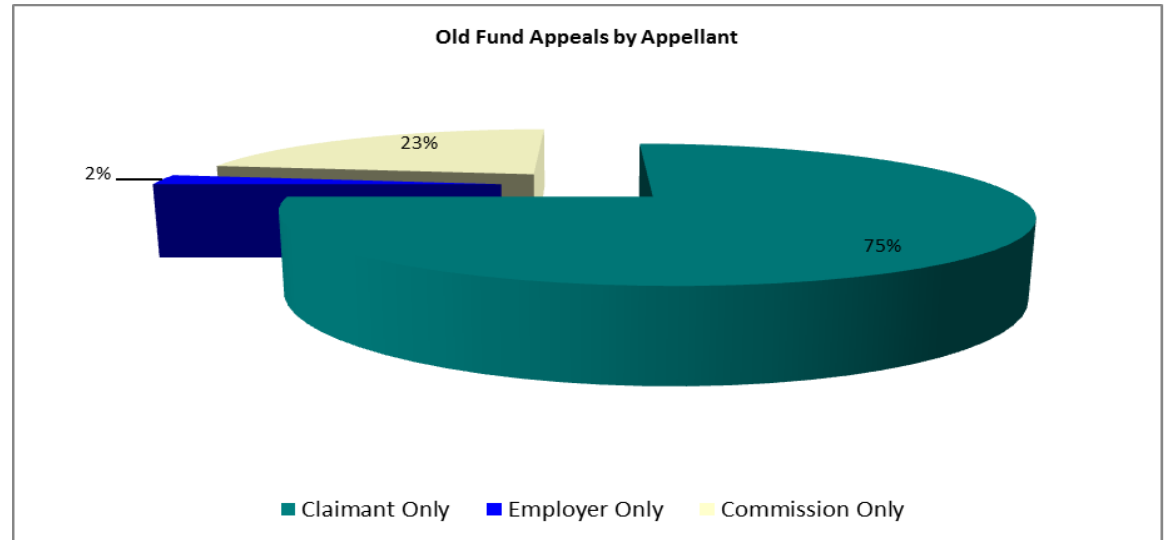
Petitions Received 1/1/14 through 4/30/14	5
Granted	2
Denied on face	2
Denied by ALJ decision	2
Withdrawn through settlement	
Pending*	3
<i>(Resolved petitions include 4 filed in prior year)</i>	

BOARD OF REVIEW

Yearly Appeals Received
From January 1, 2014 Thru April 30, 2014

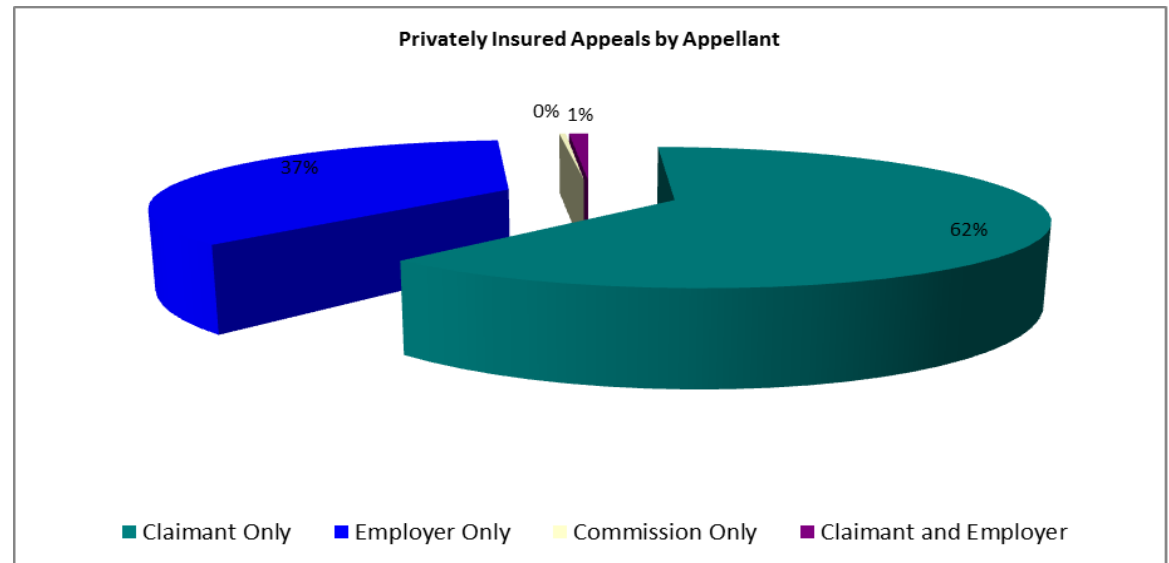
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	30
Employer Only	1
Commission Only	9
Old Fund Total	40



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

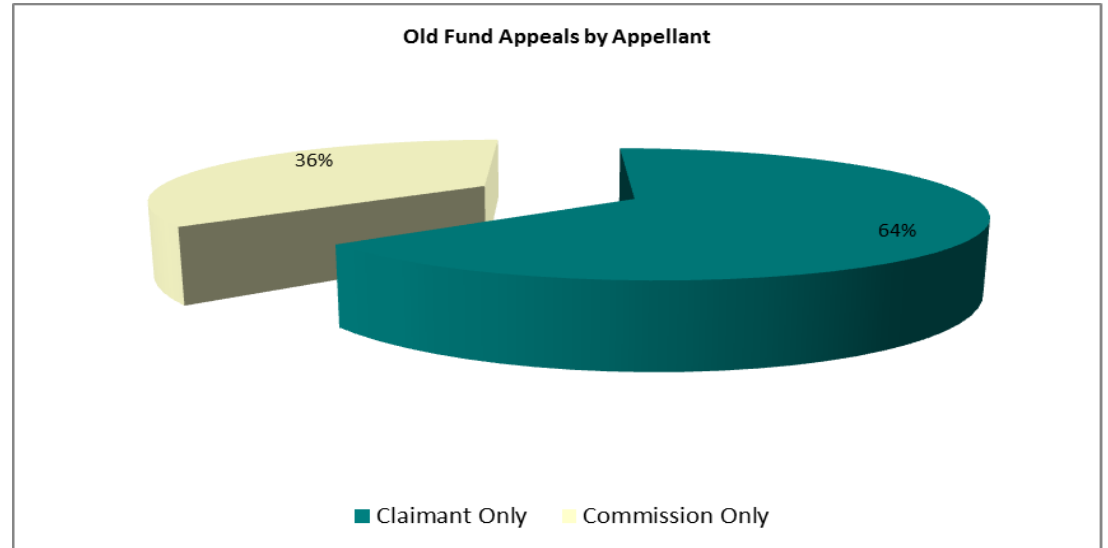
Appellant	Count
Claimant Only	162
Employer Only	97
Commission Only	1
Claimant and Employer	3
Privately Insured Total	263
Total Appeals	303



Appeals Received
From April 1, 2014 Thru April 30, 2014

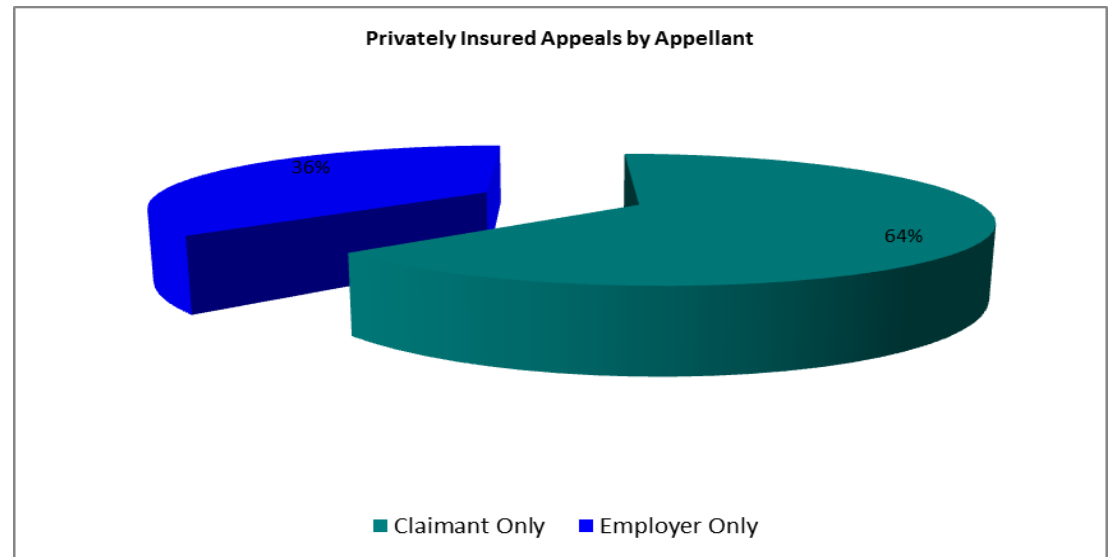
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	9
Commission Only	5
Old Fund Total	14



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

Appellant	Count
Claimant Only	42
Employer Only	24
Privately Insured Total	66
Total Appeals	80



Appeals counted more than once:

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	8	0	0.0	8	100.0
CL % BOARD FINDING	2	0	0.0	2	100.0
CL ADD BOARD FINDING	1	0	0.0	1	100.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	6	0	0.0	6	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	3	0	0.0	3	100.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL EQUIP DENY/GRANT	1	1	100.0	0	0.0
CL GRNT/DNY VOC REHA	1	0	0.0	1	100.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	1	0	0.0	1	100.0
CL REJ OCC DISEASE	3	0	0.0	3	100.0
CL REJECT CLAIM	13	1	7.7	12	92.3
CL SEC.CONDITION	9	0	0.0	9	100.0
CL SI %AWARD DNY/GNT	5	0	0.0	5	100.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	5	0	0.0	5	100.0
CL SI TRMT DENY	2	2	100.0	0	0.0
CL SPL CATEGORY	3	1	33.3	2	66.7
CL TRMT DENY	21	5	23.8	16	76.2
Totals	94	14	14.9	80	85.1

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	34	0	0.0	34	100.0
CL % BOARD FINDING	2	0	0.0	2	100.0
CL ADD BOARD FINDING	1	0	0.0	1	100.0
CL ADDL % AWARD D/G	5	1	20.0	4	80.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	21	0	0.0	21	100.0
CL COMPENSABILITY	2	0	0.0	2	100.0
CL D/G PROV CHNG	2	0	0.0	2	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	5	3	60.0	2	40.0
CL DENY/GRNT R/O TTD	11	1	9.1	10	90.9
CL DNY/GRNT R/O PPD	4	2	50.0	2	50.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL GRNT/DNY TP REHAB	1	0	0.0	1	100.0
CL GRNT/DNY VOC REHA	1	0	0.0	1	100.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	4	1	25.0	3	75.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL PRSTS BEN RATE	2	0	0.0	2	100.0
CL PTD REV. BODY DETERMINATION	3	1	33.3	2	66.7
CL REJ OCC DISEASE	13	0	0.0	13	100.0
CL REJECT CLAIM	44	1	2.3	43	97.7
CL SEC.CONDITION	31	1	3.2	30	96.8
CL SI %AWARD DNY/GNT	10	0	0.0	10	100.0
CL SI ADD% AWARD D/G	2	1	50.0	1	50.0
CL SI CLSING THE CLM	6	0	0.0	6	100.0
CL SI COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	2	2	100.0	0	0.0
CL SI DY/GNT R/O PPD	1	0	0.0	1	100.0
CL SI DY/GNT R/O TTD	1	0	0.0	1	100.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	2	0	0.0	2	100.0
CL SI REJECT CLAIM	11	1	9.1	10	90.9
CL SI SEC.CONDITION	5	0	0.0	5	100.0
CL SI TRMT DENY	16	2	12.5	14	87.5
CL SI TTD	2	0	0.0	2	100.0
CL SPL CATEGORY	8	2	25.0	6	75.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL TRMT DENY	86	17	19.8	69	80.2
CL TTD	2	0	0.0	2	100.0
CL% SI BOARD FINDING	2	0	0.0	2	100.0
UnTimely Protest	1	0	0.0	1	100.0
Totals	353	41	11.6	312	88.4

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

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	8	6	75.0	2	25.0	0	0.0	0	0.0
CL % BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	6	6	100.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	1	0	0.0	1	100.0	0	0.0	0	0.0
CL D/G PROV CHNG	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	0	0.0	0	0.0	0	0.0	1	100.0
CL DENY/GRNT R/O TTD	3	2	66.7	1	33.3	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	1	0	0.0	0	0.0	0	0.0	1	100.0
CL GRNT/DNY VOC REHA	1	0	0.0	1	100.0	0	0.0	0	0.0
CL PRSTS BEN RATE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	3	1	33.3	2	66.7	0	0.0	0	0.0
CL REJECT CLAIM	13	9	69.2	4	30.8	0	0.0	0	0.0
CL SEC.CONDITION	9	6	66.7	3	33.3	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	5	5	100.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	5	2	40.0	3	60.0	0	0.0	0	0.0
CL SI TRMT DENY	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	3	1	33.3	1	33.3	0	0.0	1	33.3
CL TRMT DENY	21	13	61.9	6	28.6	0	0.0	2	9.5
Totals	94	61	64.9	28	29.8	0	0.0	5	5.3

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

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	32	74.4%	43.2%	148	78.7%	46.3%
	DISMISSED	3	7.0%	4.1%	17	9.0%	5.3%
	MODIFY				3	1.6%	0.9%
	REMAND	2	4.7%	2.7%	6	3.2%	1.9%
	REVERSE	6	14.0%	8.1%	14	7.4%	4.4%
	Total Dispositions	43			188		
CLAIMANT/EMPLOYER	AFFIRMED				1	50.0%	0.3%
	MODIFY				1	50.0%	0.3%
	Total Dispositions				2		
EMPLOYER	AFFIRMED	16	61.5%	21.6%	70	61.9%	21.9%
	DISMISSED	5	19.2%	6.8%	14	12.4%	4.4%
	MODIFY				6	5.3%	1.9%
	REMAND	2	7.7%	2.7%	4	3.5%	1.3%
	REVERSE	3	11.5%	4.1%	19	16.8%	5.9%
	Total Dispositions	26			113		
DIVISION/OIC	AFFIRMED	1	20.0%	1.4%	8	47.1%	2.5%
	DISMISSED	2	40.0%	2.7%	2	11.8%	0.6%
	REMAND				2	11.8%	0.6%
	REVERSE	2	40.0%	2.7%	5	29.4%	1.6%
	Total Dispositions	5			17		
Grand Totals		74			320		

Dispositions By Issues
BOR Orders Mailed From April 1, 2014 Thru April 30, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	8	7	87.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMP ON LIMITED BASIS	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL COMPENSABILITY	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	2	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0
CL NON-MED ORDER	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	6	3	50.0	2	33.3	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	8	5	62.5	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI 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 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 REJ OCCDISEASE	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	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	4	3	75.0	0	0.0	0	0.0	0	0.0	1	25.0	0	0.0	0	0.0
CL TRMT DENY	19	13	68.4	1	5.3	4	21.1	0	0.0	1	5.3	0	0.0	0	0.0
CL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	83	56	67.5	11	13.3	11	13.3	0	0.0	5	6.0	0	0.0	0	0.0

Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2014 Thru April 30, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	40	33	82.5	1	2.5	4	10.0	2	5.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	13	9	69.2	2	15.4	2	15.4	0	0.0	0	0.0	0	0.0	0	0.0
CL COMP ON LIMITED BASIS	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL COMPENSABILITY	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL D/G PROV CHNG	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	10	6	60.0	2	20.0	0	0.0	1	10.0	1	10.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	9	7	77.8	0	0.0	1	11.1	0	0.0	1	11.1	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	4	3	75.0	0	0.0	0	0.0	0	0.0	1	25.0	0	0.0	0	0.0
CL NON-MED ORDER	2	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	8	4	50.0	1	12.5	2	25.0	0	0.0	1	12.5	0	0.0	0	0.0
CL REJ OCC DISEASE	8	5	62.5	0	0.0	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	40	26	65.0	6	15.0	5	12.5	2	5.0	1	2.5	0	0.0	0	0.0
CL SEC.CONDITION	18	15	83.3	2	11.1	1	5.6	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	10	7	70.0	1	10.0	2	20.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AUT/RPR HA D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI D/G 104 WKS	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	6	4	66.7	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

CL SI REJECT CLAIM	8	7	87.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	29	24	82.8	3	10.3	0	0.0	1	3.4	1	3.4	0	0.0	0	0.0
CL SPL CATEGORY	4	2	50.0	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	86	60	69.8	11	12.8	9	10.5	2	2.3	4	4.7	0	0.0	0	0.0
CL TRMT GRANT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM % BOARD FINDING	2	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
EM DENY/GRNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM OIC SPL CATEGORY	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0
Totals	360	264	73.333	39	10.833	34	9.4444	10	2.7778	13	3.6111	0	0	0	0

REVENUE RECOVERY

Workers' Compensation

April 2014

COLLECTION ACTIVITY	Current Month	Fiscal Year 2014
Receipts - Old Fund (Employer out of business)	\$ 31,492.88	\$ 71,341.15
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 50,156.08	\$ 563,336.27
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 10,908.62	\$ 107,434.91
# of active accounts uninsured (cumulative) /(average)	338	367
\$ of active accounts uninsured (cumulative) / (average)	\$ 1,253,345.40	\$ 1,267,202.68
Telephone contacts	1,439	6,648
Walk-ins	5	60

LIENS	Current Month	Fiscal Year 2014
Liens sent to county clerks for recordation	107	729
Liens sent to county clerks for release	50	290
Intent to lien letters sent to employer/owner/officer/member	93	386

Uninsured Accounts Resolved	238	2259
All Cash Receipts from WC accounts	\$ 92,557.58	\$ 742,112.33

INJUNCTIONS	Current Month	Fiscal Year 2014
Affidavits for injunction submitted to legal	8	65
Hearings attended	0	5
# of injunction complaints accepted by court	4	12
# of injunctions granted	0	6
# of agreed orders entered	0	0
PAYMENT AGREEMENTS	Current Month	Fiscal Year 2014
# of repayment agreements applications	3	34
Agreements set up	3	41
Total # of agreements on system (cumulative) / (average)	54	55
Intent to void letters mailed	7	40
Agreements voided	1	17

MISCELLANEOUS	Current Month	Fiscal Year 2014
Terminations Processed	56	550
Rule 11 Letters Mailed	150	1,932
Rule 11 hearings	0	4

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
May 07, 2014

OPERATING REPORT

MARCH 2014

Board of Treasury Investments

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

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

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

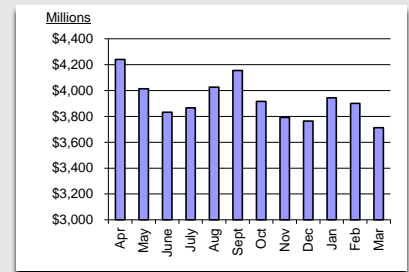
Chief Financial
Officer
Karl Shanholtzer,
CIA, CPA

Total Net Assets Under Management

\$3,712,264,000

Last Month
\$3,899,926,000

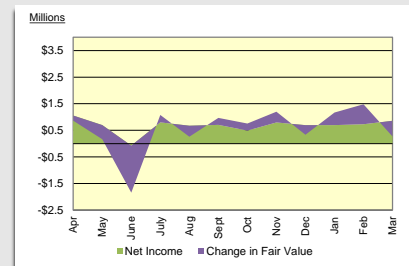
Beginning of Fiscal Year
\$3,831,716,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$7,506,000



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

Money Market Pools

As of March 31, 2014

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.1319%	47 Days	\$2.2 Billion
WV Gov't Money Market	0.0242%	45 Days	\$325.4 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

MARCH 2014

Global Uncertainty Continues to Drive Financial Markets

Market Environment

Global stocks oscillated in March as the crisis in Ukraine and the Federal Reserve took center stage. The month ended with markets bucking the unified “risk-on, risk-off” trend of recent years as international equities rallied while US stocks declined. Developing country equities led most major asset classes with the MSCI Emerging Markets Index gaining 3.1% in March. These gains were fueled by rising hopes of stimulus in China to combat slowing growth, reinforced political stability in Turkey on the heels of a key election, and a containment of the events in Ukraine. Investors responded to this additional clarity and a flattening Treasury yield curve by snapping up emerging market debt, which had fallen out of favor in 2013.

The early months of 2014 have been characterized by back-and-forth trading as investors reacted to a gamut of headlines, ranging from mixed economic data in the US and China, to revised guidance from the Fed and geo-political conflict. The first quarter has underscored the importance of a risk-balanced approach to asset allocation, particularly as signs of divergence play out across markets. While most major asset classes are in the black for the year, many, most notably US equities which are considered the star of 2013, have followed a rocky road to get there. Meanwhile, some of last year’s worst performers, such as commodities and broad fixed income markets, have turned in robust gains so far. As such, we continue to view dynamically managed multi-asset vehicles, for instance, global asset allocation strategies, as durable building blocks of a diversified portfolio. Similarly, we recommend investors employ actively managed strategies for emerging market equities and debt where volatility and market inefficiencies appear especially prevalent.

Equity Market Results

US equity market indices posted mixed results during March. Value stocks, both large and small, generated positive returns, while their growth counterparts were negative. The Russell 3000 Index, a broad measure of the US equity markets rose 0.53%. Large cap stocks, represented by the Russell 1000 Index, rose 0.64%, while small caps, represented by the Russell 2000 Index, fell 0.68%. Calendar year-to-date, returns from all segments of the US stock market continued to be positive, with the Russell 3000 Index returning 1.97%.

International equity markets also generated mixed results during the month. Developed markets, represented by the MSCI EAFE Index, fell 0.64% for the month, while their less established brethren, represented by the MSCI Emerging Markets Index, rose 3.07%. Year-to-date, the results also remain mixed as developed markets have risen 0.66%, while emerging markets remain or are negative, falling 0.43%.

Bond Market Results

The most widely followed US bond indices fell in March. The Barclays Capital Aggregate Index, a leading index for bond investors declined 0.17%, dropping its year-to-date return up to 1.84%. Long government bonds continued their torrid pace in 2014, returning 0.67%. Year-to-date, long government bonds have been the asset of choice by the markets, posting a 7.01% return. The riskier segments of the bond markets performed reasonably well during the month, with the BofA Merrill Lynch US High Yield Master II increasing 0.23%. Cash-like instruments continued to suffer in the low interest rate environment, with the BofA ML 3-month T-bill generating a paltry 0.00% return. Year-to date, the 3-month T-bill has risen 0.01%.

West Virginia Board of Treasury Investments

Financial Highlights as of March 31, 2014

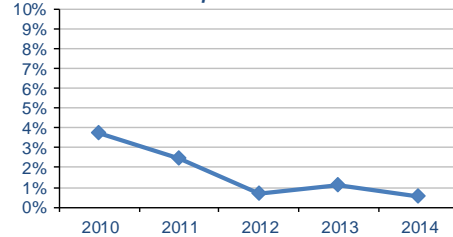
WV Short Term Bond Pool

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

<u>April 1 - March 31</u>	<u>Return</u>	<u>Net Assets At Mar 31 (In Millions)</u>
2014	0.5%	\$ 766.6
2013	1.1%	\$ 502.0
2012	0.7%	\$ 503.7
2011	2.5%	\$ 477.2
2010	3.8%	\$ 447.9

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

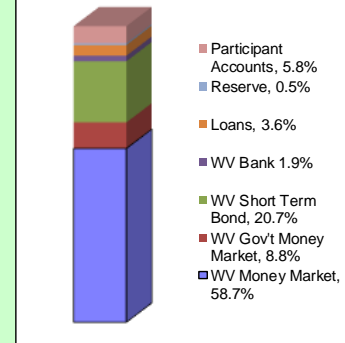
WV Short Term Bond Pool Rates of Return
Past 12 Months
April 1 - March 31



Summary of Value and Earnings (In Thousands)

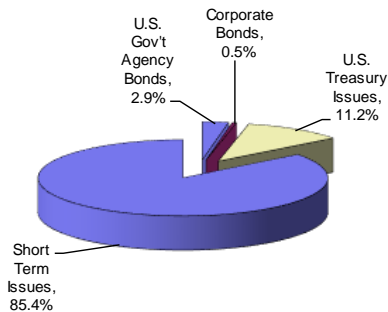
<u>Pool</u>	<u>Net Asset Value</u>	<u>Mar Net Income (Loss)</u>	<u>Fiscal YTD Net Income(Loss)</u>
WV Money Market	\$ 2,180,254	\$ 269	\$ 2,278
WV Gov't Money Market	325,449	6	53
WV Short Term Bond	766,615	(69)	4,992
WV Bank	70,061	7	57
Loans	133,838	15	(309)
Reserve	20,744	5	40
Participant Accounts	215,303	36	395
	<u>\$ 3,712,264</u>	<u>\$ 269</u>	<u>\$ 7,506</u>

Percent of Total Net Asset Value

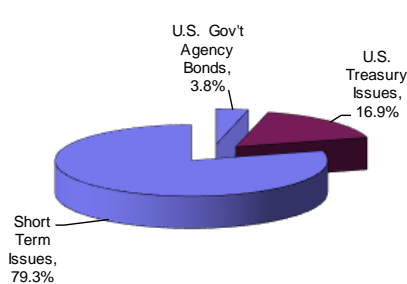


Securities by Type for Operating Pools (Percentage of Asset Value)

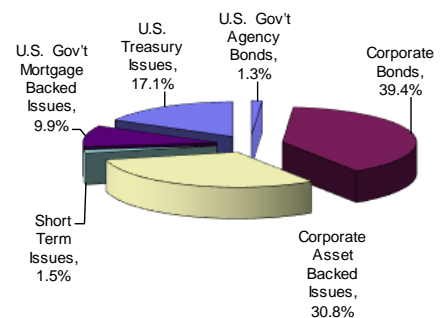
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

MARCH 31, 2014

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 2,190,437	\$ 325,355	\$ -	\$ 70,034	\$ 154,562	\$ 211,520	\$ 2,951,908
At fair value	-	-	769,336	-	-	3,147	772,483
Other assets	1,090	133	1,927	29	25	636	3,840
Total assets	<u>2,191,527</u>	<u>325,488</u>	<u>771,263</u>	<u>70,063</u>	<u>154,587</u>	<u>215,303</u>	<u>3,728,231</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased	11,273	39	4,648	2	5	-	15,967
Total liabilities	<u>11,273</u>	<u>39</u>	<u>4,648</u>	<u>2</u>	<u>5</u>	<u>-</u>	<u>15,967</u>
Net Position							
Held in trust for investment pool participants	2,180,254	325,449	766,615	70,061	154,582	-	3,496,961
Held in trust for individual investment account holders	-	-	-	-	-	215,303	215,303
Total net position	<u>\$ 2,180,254</u>	<u>\$ 325,449</u>	<u>\$ 766,615</u>	<u>\$ 70,061</u>	<u>\$ 154,582</u>	<u>\$ 215,303</u>	<u>\$ 3,712,264</u>
Additions							
Investment income:							
Interest and dividends	\$ 378	\$ 41	\$ 881	\$ 9	\$ 24	\$ 132	\$ 1,465
Net (amortization) accretion	22	(15)	(299)	-	-	(82)	(374)
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>400</u>	<u>26</u>	<u>582</u>	<u>9</u>	<u>24</u>	<u>50</u>	<u>1,091</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	134	20	72	2	4	-	232
Total investment expenses	<u>134</u>	<u>20</u>	<u>72</u>	<u>2</u>	<u>4</u>	<u>-</u>	<u>232</u>
Net investment income	266	6	510	7	20	50	859
Net realized gain (loss) from investments	3	-	-	-	-	-	3
Net increase (decrease) in fair value of investments	-	-	(579)	-	-	(14)	(593)
Net increase (decrease) in net position from operations	269	6	(69)	7	20	36	269
Participant transaction additions:							
Purchase of pool units by participants	677,060	87,003	-	6	35	-	764,104
Reinvestment of pool distributions	268	6	427	7	20	-	728
Contributions to individual investment accounts	-	-	-	-	-	16	16
Total participant transaction additions	<u>677,328</u>	<u>87,009</u>	<u>427</u>	<u>13</u>	<u>55</u>	<u>16</u>	<u>764,848</u>
Total additions	677,597	87,015	358	20	75	52	765,117
Deductions							
Distributions to pool participants:							
Net investment income	266	6	510	7	20	-	809
Net realized gain (loss) from investments	3	-	-	-	-	-	3
Total distributions to pool participants	<u>269</u>	<u>6</u>	<u>510</u>	<u>7</u>	<u>20</u>	<u>-</u>	<u>812</u>
Participant transaction deductions:							
Redemption of pool units by participants	887,922	62,142	250	6	1,602	-	951,922
Withdrawals from individual investment accounts	-	-	-	-	-	45	45
Total participant transaction deductions	<u>887,922</u>	<u>62,142</u>	<u>250</u>	<u>6</u>	<u>1,602</u>	<u>45</u>	<u>951,967</u>
Total deductions	<u>888,191</u>	<u>62,148</u>	<u>760</u>	<u>13</u>	<u>1,622</u>	<u>45</u>	<u>952,779</u>
Net increase (decrease) in net position from operations	(210,594)	24,867	(402)	7	(1,547)	7	(187,662)
Inter-pool transfers in							
Inter-pool transfers out	-	-	-	-	-	-	-
Net inter-pool transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(210,594)	24,867	(402)	7	(1,547)	7	(187,662)
Net position at beginning of period	2,390,848	300,582	767,017	70,054	156,129	215,296	3,899,926
Net position at end of period	<u>\$ 2,180,254</u>	<u>\$ 325,449</u>	<u>\$ 766,615</u>	<u>\$ 70,061</u>	<u>\$ 154,582</u>	<u>\$ 215,303</u>	<u>\$ 3,712,264</u>

INTERAGENCY AGREEMENT

WVDEP Examination of Drill Cuttings

This Agreement is to be effective May 1, 2014 by and between the West Virginia Department of Environmental Protection (WVDEP) and Marshall University's Center for Environmental, Geotechnical and Applied Sciences (CEGAS). The services to be performed will be in accordance with the terms and conditions set forth below and in the incorporated Scope of Work.

BACKGROUND

Drill cutting materials generated from the installation of gas and oil wells are currently classified by the West Virginia Department of Environmental Protection as a "special waste" and are routinely disposed at permitted solid waste facilities in accordance with the Horizontal Well Act, W. Va. Code § 22-6A-8(g)(2). Disposed materials include rock fragments and drilling fluids, and can include a variety of constituents and compounds.

During the First Extraordinary Session of the 2014 West Virginia Legislature, the Legislature passed HB107 (Passed March 14, 2014), which included requirements for the Secretary of the WVDEP to conduct an investigation and submit a report to the Joint Legislative Oversight Commission on Water Resources and the Legislature's Joint Committee on Government and Finance by July 1, 2015. This investigation and report is for specific issues associated with the disposal of drill cuttings and drilling wastes at landfills.

SCOPE

CEGAS has been selected by the WVDEP to serve as the Prime Contractor for this project. CEGAS will enter into an Interagency Agreement with the WVDEP to be responsible for technical input, overall project administration, report submittals, and sub-contracting with WVDEP-approved entities for specific consultation and expertise as necessary to successfully complete the study within the required timeframe.

The scope of work for this project, as stated in the new W. Va. Code § 22-15-8(j)(1) – (4), includes four main tasks, which include examination of:

1. Characteristics of leachate collected from solid waste facilities receiving drill cuttings and drilling waste, including, at a minimum, the presence of heavy metals, petroleum related chemicals, barium, chlorides, radium and radon.
2. Potential negative impacts on the surface water or groundwater resources of West Virginia associated with the collection, treatment and disposal of leachate from such landfills.
3. Technical and economic feasibility and benefits of establishing additional and/or separate disposal locations which are funded, constructed, owned and/or operated by the oil and gas industry.
4. Viable alternatives for the handling, treatment and disposal of drill cuttings, including the potential for processing, reusing and reapplying a portion of the collected drill cuttings as

suitable material for roads, brownfield development or other projects, instead of disposing of all collected materials into landfills.

Data Sharing: The data shared between the parties to this Agreement is to be used for the sole purpose of the Agreement as outlined herein. Certain data that is collected by the WVDEP shall be shared with CEGAS and may be shared with subcontractors. It is the understanding of both parties that any expression of such information outside of the bounds of this agreement may be subject to Freedom of Information Act requests. Any subcontractors will be subject to the same Data Sharing Provisions.

To ensure that the tasks required by legislative action are completed within the required timeframe, the project will be divided into two stages: the planning stage and the implementation stage. Stage One (the planning stage covered under this Agreement) will consist of multiple tasks that will include: securing of sub-contractual agreements; determination of contaminants to be evaluated; and the definition of specific tasks and goals that will be achieved during Stage Two (the implementation stage, covered under a separate Agreement) to complete the overall scope of work.

CEGAS will be responsible for technical input, overall project administration, report submittals, and sub-contracting with WVDEP-approved entities for specific consultation and expertise as necessary to successfully complete the study within the required timeframe. It is expected that CEGAS will utilize expertise from Marshall University, other university-based resources in the State, plus public entities and private companies for specific study needs.

It is expected that CEGAS will enter into sub-contractual agreements with appropriate public and private entities that will provide applicable labor, expertise and consultation to complete the stated project tasks. CEGAS will enter into sub-contractual agreements only after approval by the WVDEP's designated Project Manager.

TERMS AND CONDITIONS

The term of this Agreement is will be May 1, 2014 to June 30, 2015.

This Agreement may be terminated by either party after thirty (30) days written notice. In the event of termination, CEGAS will be reimbursed for all non-cancelable costs and commitments incurred in performance of the project through the effective date of termination, and/or will transfer any uncommitted funds back to the WVDEP.

Each party to this Agreement agrees that it will be responsible for its own negligent acts or omissions and the results thereof; and shall not be responsible for the negligent acts or omissions of the other party and the results thereof.

"Project Intellectual Property" means the legal rights relating to inventions, patent applications, patents, copyrights, trademarks, mask works, trade secrets, and any other legally protectable information, including computer software, data and documents, first made or generated during the performance of this Agreement. Unless otherwise agreed in writing, Project Intellectual Property shall be jointly owned by the Parties.

WVDEP shall have the irrevocable right to use the technical reports, data and information delivered hereunder by CEGAS for research and evaluation purposes. All information and data collected or derived from this Agreement will be jointly owned by both Parties.

CEGAS and WVDEP recognize the traditional freedom of all scientists to publish and present promptly the results of their research. CEGAS and WVDEP also recognize that patent rights can be jeopardized by public disclosure prior to the filing of suitable patent applications and that confidential information can be inadvertently disclosed. Therefore, CEGAS will assure that all proposed publications arising from research under this Agreement will be submitted to WVDEP before submission to a publisher for review. WVDEP shall have thirty (30) days in which to review the publication, which may be extended for an additional thirty (30) days when WVDEP discloses reasonable need for such extension in order to file for patent protection or to delete information received from WVDEP.

All amendments to this Agreement shall be made in writing and shall be executed by both parties.

Both parties shall comply with all applicable local, state, and federal laws and shall work in concert to obtain any applicable licenses and/or permits or pay any fees applicable to the work under this Agreement. Additional funding may be added by amendment to cover the cost of any applicable licenses or permits.

PAYMENT

Per W. Va. Code § 22-15-11(j), funding for this study will be provided from the "Gas Field Highway Repair and Horizontal Drilling Waste Study Fund". This special revenue fund is administered by the West Virginia Division of Highways, with funding made available to the WVDEP specifically for this study.

Stage One (the planning stage) of this study will begin May 1, 2014 and will be completed on or before September 1, 2014 for a total of \$75,000. CEGAS will invoice WVDEP for this amount at the conclusion of Stage One activities.

Stage Two activities (the implementation stage) will begin immediately after the substantial completion of Stage 1 activities and agreement of both parties, but no later than October 1, 2014. An Amendment to this Agreement, specifying Stage Two project goals, scope of work, deliverables, reporting requirements, and funding/invoicing requirements for Stage Two project activities will be executed between the parties prior to the completion of Stage One activities.

This Agreement and the subsequent Stage two Amendment to this Agreement will both be fixed price. For the purposes of these Agreements, a fixed price Agreement has no financial reporting requirements, no audit requirements, no references to costs being "reimbursable", no reference to Federal Circulars (except references to A-133) or Cost Accounting Standards (CAS) and no reference to limitations on types of allowable expenditures or prior approval issues related to expenditures. Should there be a significant material change in scope requiring an increase in resources, time or funding, the agreement(s) may be amended. All amendments to this Agreement shall be made in writing and shall be executed by both parties.

This document contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, and understandings, oral or written, between the parties relating to this agreement. This agreement may not be modified except by mutual written agreement of the parties.

This Agreement is consummated and executed by the undersigned:

Date

Dr. Terry Polen, Ombudsman, West Virginia
Department of Environmental Protection

Date

Dr. Tony Szwilski, Director, Marshall University
Center for Environmental, Geotechnical and
Applied Sciences (CEGAS)

Date

Dr. John Maher, Vice President for Research
Marshall University

Date

Dr. Stephen Kopp, President
Marshall University