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**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**May14 , 2012**

(Speaker Thompson presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
**May 14, 2012**

**10:00 - 11:00**

**Senate Finance Room**

1. Approval of January 10, 2012, minutes
2. 2012 Interim Studies

**MOVE** that the presiding officers of each house be authorized to jointly establish interim committees and subcommittees as they deem appropriate and to appoint as many members as desired to any committee other than statutory and standing committees.

**MOVE** the following committees be authorized to meet during the 2012 Interim Period:

**Statutory Committees:**

Commission on Interstate Cooperation  
Commission on Special Investigations  
Council of Finance and Administration  
Employee Suggestion Award Board  
Equal Pay Commission  
Joint Commission on Economic Development  
Joint Committee on Government Operations  
Joint Committee on Government and Finance  
Joint Legislative Oversight Commission on State Water Resources  
Legislative Oversight Commission on Education Accountability  
Legislative Oversight Commission on Health and Human Resources Accountability  
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority  
Legislative Oversight Commission on Workforce Investment for Economic Development  
Legislative Rule-Making Review Committee  
Forest Management Review Commission  
WV Law Institute

**Standing Committees:**

Joint Standing Committee on Education  
Joint Standing Committee on Finance  
Joint Standing Committee on Government Organization  
Joint Standing Committee on the Judiciary  
Joint Standing Committee on Pensions and Retirement

**MOVE** the following committees be created and authorized to meet during the 2012 Interim Period:

Agriculture and Agri-business Committee  
Joint Committee on Technology  
Joint Select Committee on Health Emergency Preparedness

Legislative Intern Committee  
Parks, Recreation and Natural Resources Subcommittee  
Post Audits Subcommittee  
Select Committee on Children, Juveniles and Other Issues  
Select Committee on Health  
Select Committee on Infrastructure  
Select Committee on Minority Issues  
Select Committee on PEIA, Seniors and Long Term Care  
Select Committee on Veterans' Issues

**MOVE** that the presiding officers of each house be authorized to jointly assign study topics to interim committees as they deem appropriate.

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

**MOVE** that the following dates be approved for Interim Meetings:

**Proposed Interim Dates:**

May 14 - 16, (Monday, Tuesday, and Wednesday)  
June 25-27 (Monday, Tuesday and Wednesday)  
July 23-25 (Monday, Tuesday and Wednesday)  
August 13-15 (Monday, Tuesday and Wednesday)  
September 10-12 (Monday, Tuesday and Wednesday)  
October 8-10 (Monday, Tuesday and Wednesday)  
November 26-28 (Monday, Tuesday and Wednesday)  
December 10-12 (Monday, Tuesday and Wednesday)  
January 7-9 (Monday, Tuesday and Wednesday) 2013  
February 10 -12, (Sunday, Monday and Tuesday) (2013)

3. **Monthly/Quarterly Reports Distribution:**  
Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund
4. **Workforce WV Unemployment Compensation Trust Fund Distribution:** *Russell Fry, Acting Executive Director*
5. **Monthly/Quarterly Reports Distribution:** *(Ross Taylor, Acting Cabinet Secretary or Donna Lipscomb)*  
PEIA  
BRIM  
CHIP  
Real Estate Report
6. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:** *(Dr. Michael Lewis, Cabinet Secretary)*  
Medicaid Report

7. Investment Management Board Distribution: (Craig Slaughter, Executive Director)
8. Workers' Compensation: (Mike Riley, Acting Commissioner)
9. Board of Treasury Report Distribution
10. Other Business
11. Adjournment

Joint Standing Committee on Government and Finance  
January 10, 2012

1:00 - 2:00pm

**Senate**

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

**House**

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

President Kessler presides

President Kessler: "Committee Reports have been filed as indicated in our packets for Agriculture; Equal Pay; Jt Standing Committee on Finance; Forest Management Review; Commission on Interstate Cooperation; Parks, Recreation and Natural Resources Subcommittee, Select Committee on Infrastructure, Select Committee on PEIA, Seniors and Long Term Care; Select Committee on Veterans' Affairs; Legislative Oversight Commission on Workforce Investment for Economic Development; Joint Legislative Commission on State Water Resources."

Speaker Thompson: "Move we accept the reports."

President Kessler: "Need a motion to accept the reports. So moved by the Speaker. Any amendments or discussion. All those in favor signify by saying aye. Opposed?. The ayes appear to have it. The ayes do have it the reports will be accepted."

President Kessler: "We have a committee request. We have a request from the Select Committee on Veterans' Affairs Senator Wells - would somebody here like to make that. Delegate Iaquina?"

Delegate Iaquina makes the following motion: "The Veterans' Committee would like to fund a study we conducted one in 2000 and 2008 concerning veterans' issues. This will be a follow-up to those study to identify emerging issues facing veterans' and recently returned service members and the cost will be \$49,000.00 and we estimate getting a hold of approximately 8,000 veterans through this method. It was very successful and one of a few done in the country and really the veterans committee just trying to find out whether or not

they are adapting well after they get out of the service or mustered out and then also a follow-up on how they are utilizing the services and we have done several things that involved disabled veterans small businesses and other things that help with this program. if you have any questions I'll be more than happy to answer them."

Speaker Thompson: "I move the Veterans Affairs committee survey be funded."

President Kessler: "You have heard the motion, any discussion? All those in favor say aye. Opposed? The ayes appear to have it. The ayes do have it."

President Kessler: "We also have a request for approval for the 2012 Southern Legislative Conference Steering Committee to solicit funds for the Conference to be held in Charleston next year".

Speaker Thompson: " I hereby move that the SLC Steering Committee be approved to solicit funds for the 2012 SLC Conference per WV §6B-2-5(c)(6)."

President Kessler: "You have heard the motion by the Speaker. Any discussion. All those in favor signify by saying aye. Opposed. The ayes appear to have it. The ayes do have it."

President Kessler: "Next we have our quarterly reports of the Lottery Commission, Unemployment Compensation Trust Fund and General Revenue Fund."

President Kessler: "Then we have representing Workforce Investment, Mr. Fry."

Mr Fry: " Mr President, Mr. Speaker, members, thank you again I am Russell Fry, Acting Executive Director of Workforce West Virginia. We have worked on an update again it is a projection of what the trust fund will do in the next 12 months. We told you we'd have that ready for you at this meeting. Based on the information that we have available to us and looking at what we have done in the past 12 months and the end of December of 2012 we are projecting to have \$169 Million dollars in the trust fund which will keep the trust fund solvent through the year and continue to grow as we would ask for it to do as you recommended."

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

President Kessler: "Next we have the quarterly reports of Secretary Ferguson. Anybody here for the Secretary?"

Donna Lipscomb, Department of Administration. "The reports are in the packets and I have the Division Directors here if anyone has any questions of any of the agencies."

President Kessler: "PEIA, BRIM, CHIP and the Real Estate report. Any questions of any of the agencies. Thank you."

President Kessler: "Next the report of Mr. Lewis from the DHHR the Medicaid report."

Secretary Lewis. "Thank you Mr. President, Mr. Speaker, Committee Members. Mike Lewis, Secretary of DHHR. The Medicaid report for November is in your packet November monthly enrollment increased by 2296 members over the same time last year. Expenses for November were approximately \$241 million and with year to date expenses of \$1.08 billion slightly below previous years. If you have any questions, the folks from Medicaid are here to respond."

Mr. President: " Any questions of the Secretary? Thank you very much."

President Kessler: "Investment Management Report, Mr. Slaughter."

Mr. Slaughter: "Good afternoon gentlemen. There is a report in your packet, the usual monthly performance report for the period ending November 30<sup>th</sup> of 2011. As you probably already know we were down a bit in November 1 ½% for the pension plans we are down 4.4% for the fiscal year to November 30<sup>th</sup> December is probably marginal improvement marginally positive performance but won't help that much so about half-way through the year we are down on the fiscal year and I just hope the next six months are better."

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

President Kessler: " Workers Comp Mr. Riley.":

Mr. Riley (Office of the Insurance Commissioner): "Afternoon Mr. President, Mr. Speaker. You have the report in your package no significant changes as far as Workers Compensation Funds. We ended the year-end the old fund claim count is 19,616. We closed about 2400 claims in that account this year. Coal workers Pneumoconiosis is just around 1,000 claims the net decrease on that fund was 352 this year and I am happy to report the uninsured fund is at 43 claims so that is still solvent and very manageable. As far as the old fund cash payouts we have \$900 million in there revenues are fine expenses are fine and the investment income certainly a concern with everybody. Any questions of Mr. Riley? Thank you.

President Kessler: "The Board of Treasury report is in our file and as well the Coal Mine and Safety Distribution report."

President Kessler: " Any other business to come before the committee? If none the Speaker moves we adjourn. All those in favor say aye. Opposed? The ayes 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*

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

- West Virginia Lottery as of March 31, 2012:  
Gross profit for fiscal year 2012 as of March 31, 2012 is \$ 481 million. This is 5.86 % above gross profit as of the same period last fiscal year.
- West Virginia Unemployment Compensation Fund as of March 31, 2012: Regular benefits paid for fiscal year 2012 as of March 31, 2012 are \$25 million less than the same period of last fiscal year. Overall ending trust fund balance is \$ 37.2 million above the ending trust fund balance at the same period last fiscal year.
- General Revenue Fund as of April 30, 2012:  
The general revenue collections are above the estimated collections by \$ 47 million.
- State Road Fund as of April 30, 2012:  
The state road fund collections are above the estimated collections by \$ 37 million.

WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*



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

MEMORANDUM

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

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

Date: May 4, 2012

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ending March 31, 2012 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 \$ 1,093,979,000.00 at the end of March of fiscal year 2012. Table games accounted for \$58.8 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 5 million of total gross receipts. Total gross receipts were \$ 1,042,625,000.00 for July - March of fiscal year 2010-2011. Gross lottery revenue has increased by 4.93% when compared with the same months of 2010-2011. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July

through March 2012 was \$ 481 million; for July – March 2011 of last fiscal year it was \$454 million. Expressed as a percentage, gross profit is 5.86 % higher for the same months of fiscal year 2012 than for fiscal year 2011.

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

A total of \$ 511,825,000.00 has been accrued to the state of West Virginia for fiscal year 2011-2012. 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:

Revenue Center Construction Fund \$15,000,000.00  
 (State Road Fund)

Bureau of Senior Services	\$64,797,000.00
Community and Technical College	\$4,498,000.00
Department of Education	\$30,573,000.00
Library Commission	\$11,268,000.00
Higher Education-Central Office	\$8,208,000.00
Tourism	\$7,359,000.00
Department of Natural Resources	\$3,388,000.00
Division of Culture and History	\$5,873,000.00
Department of Education and Arts	\$1,839,000.00
State Building Commission	\$8,996,000.00
School Building Authority	\$16,200,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>162,999,000.00</b>

Lottery

Lottery continued

**Excess Lottery Fund**

General Purpose Fund	\$65,000,000.00
Economic Development Fund	17,090,000.00
Higher Education Improvement Fund	13,500,000.00
WV Infrastructure Council Fund	46,000,000.00
Higher Education Improvement Fund	29,000,000.00
WV Racing Commission	2,000,000.00
Refundable Credit	6,343,000.00
State Park Improvement Fund	5,000,000.00
School Building Authority	17,100,000.00
Excess Lottery Surplus	34,514,000.00
<b>Total State Excess Lottery Revenue Fund</b>	<b>235,547,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	1,349,000.00
State Debt Reduction Fund	401,000.00
Tourism Promotion Fund	63,000.00
<b>Total Historic Hotel</b>	<b>1,813,000.00</b>

Veterans Instant Ticket Fund 411,000.00

Table Games State Debt Reduction Fund 26,394,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$7,423,000.00
Development Office Promo Fund	\$2,024,000.00
Research Challenge Fund .5%	\$2,699,000.00

Capitol Renovation and Improvement Fund .6875%	\$3,711,000.00
Parking Garage Fund .0625%	\$337,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$3,398,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$32,592,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$474,756,000.00</b>

\* CASH BASIS

Total Accrued last FY 2011:	178,218,000.00
Total Cash Distributions FY 2012:	474,746,000.00
Applied to FY 2011:	178,218,000.00
Applied to FY 2012	296,538,000.00
Revenue Ctr Construction Approp	8,132,000.00
Accrued for FY 2012 as of March 31:	207,155,000.00

P.O. BOX 2067  
CHARLESTON, WV 25327



PHONE: 304-558-0500  
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Earl Ray Tomblin  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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

DATE: April 18, 2012

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, 2012 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$142,247,644 for the month of March.

Transfers of lottery revenue totaling \$39,096,638 made for the month of March to the designated state agencies per House Bill 2012, 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, 2012 was 1,614 and 1,565 respectively.

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

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

JCM  
Attachment

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



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**March 31, 2012**

**WEST VIRGINIA LOTTERY**

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

ASSETS	March 31, 2012	June 30, 2011
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 208,291	\$ 266,196
Accounts receivable	46,796	29,783
Inventory	389	497
Other assets	2,128	2,134
Total Current Assets	<u>257,604</u>	<u>298,610</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	733	4,324
Capital assets	49,127	38,965
Less accumulated depreciation and amortization	<u>(6,611)</u>	<u>(8,544)</u>
Net Capital Assets	<u>42,516</u>	<u>30,421</u>
Total Noncurrent Assets	<u>43,249</u>	<u>34,745</u>
Total Assets	<u>\$ 300,853</u>	<u>\$ 333,355</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 207,155	\$ 178,218
Deferred LVL permit fees	-	58,863
Estimated prize claims	11,935	12,011
Accounts payable	3,799	4,440
Other accrued liabilities	30,760	40,751
Total Current Liabilities	<u>253,649</u>	<u>294,283</u>
Total Liabilities	<u>253,649</u>	<u>294,283</u>
<b>Net Assets:</b>		
Invested in capital assets	42,516	30,421
Unrestricted	4,688	6,612
Restricted assets ( see note 12)	-	2,039
Total Net Assets	<u>47,204</u>	<u>39,072</u>
Total Liabilities and Net Assets	<u>\$ 300,853</u>	<u>\$ 333,355</u>

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

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

(In Thousands)  
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2012	2011	2012	2011
Lottery revenues				
On-line games	\$ 11,386	\$ 8,177	\$ 64,013	\$ 58,933
Instant games	10,140	10,789	87,685	86,706
Racetrack video lottery	73,820	63,870	574,082	544,486
Limited video lottery	39,117	37,219	304,209	298,782
Table games	7,213	6,385	58,825	48,943
Historic resort	572	571	5,165	4,775
	<u>142,248</u>	<u>127,011</u>	<u>1,093,979</u>	<u>1,042,625</u>
Less commissions				
On-line games	796	572	4,476	4,126
Instant games	710	755	6,139	6,069
Racetrack video lottery	40,454	34,987	325,895	308,715
Limited video lottery	19,167	18,237	149,062	146,403
Table games	3,100	2,744	25,279	21,033
Historic resort	327	315	2,666	2,441
	<u>64,554</u>	<u>57,610</u>	<u>513,517</u>	<u>488,787</u>
Less on-line prizes	6,057	4,304	32,422	30,844
Less instant prizes	6,769	7,664	58,504	60,302
Less ticket costs	160	171	1,522	1,656
Less vendor fees and costs	1,009	721	6,449	6,147
	<u>13,995</u>	<u>12,860</u>	<u>98,897</u>	<u>98,949</u>
Gross profit	<u>63,699</u>	<u>56,541</u>	<u>481,565</u>	<u>454,889</u>
Administrative expenses				
Advertising and promotions	589	843	4,579	6,874
Wages and related benefits	1,010	960	9,504	8,743
Telecommunications	65	87	576	510
Contractual and professional	358	519	4,044	3,306
Rental	16	67	366	490
Depreciation and amortization	101	147	624	1,321
Other administrative expenses	82	67	1,567	1,006
	<u>2,221</u>	<u>2,690</u>	<u>21,260</u>	<u>22,250</u>
Other Operating Income	<u>81</u>	<u>85</u>	<u>63,678</u>	<u>2,600</u>
Operating Income	<u>61,559</u>	<u>53,936</u>	<u>523,983</u>	<u>435,239</u>
Nonoperating income (expense)				
Investment income	17	25	123	235
Rental income	80	83	715	779
Capital contribution from State of WV	50	-	8,132	-
Distributions to municipalities and counties	(767)	(730)	(5,962)	(5,856)
Distributions -capital reinvestment	(1,635)	(1,416)	(7,034)	(6,584)
Distributions to the State of West Virginia	(59,254)	(51,898)	(511,825)	(423,813)
	<u>(61,509)</u>	<u>(53,936)</u>	<u>(515,851)</u>	<u>(435,239)</u>
Net income	<u>50</u>	<u>-</u>	<u>8,132</u>	<u>-</u>
Net assets, beginning of period	47,154	36,383	39,072	36,383
Net assets, end of period	<u>\$ 47,204</u>	<u>\$ 36,383</u>	<u>\$ 47,204</u>	<u>\$ 36,383</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, 2012**

(In Thousands)  
-Unaudited-

	2012	2011
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,082,496	\$ 1,056,411
Cash payments for:		
Personnel costs	(8,504)	(7,797)
Suppliers	(12,354)	(13,881)
Other operating costs	(614,602)	(574,801)
Cash provided by operating activities	<u>447,036</u>	<u>459,932</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(474,756)	(487,021)
Distributions to municipalities and counties	(5,795)	(5,752)
Distributions from capital reinvestment fund	(15,385)	(14,694)
Cash used in noncapital financing activities	<u>(495,936)</u>	<u>(507,467)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(12,719)</u>	<u>(1,452)</u>
Cash flows from investing activities:		
Investment earnings received	<u>123</u>	<u>235</u>
Cash provided by investing activities	<u>123</u>	<u>235</u>
Increase (decrease) in cash and cash equivalents	(61,496)	(48,752)
Cash and cash equivalents - beginning of period	<u>270,520</u>	<u>264,710</u>
Cash and cash equivalents - end of period	<u>\$ 209,024</u>	<u>\$ 215,958</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 524,698	\$ 436,018
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	624	1,321
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(17,013)	(8,222)
(Increase) decrease in inventory	108	(260)
(Increase) decrease in other assets	6	172
Increase (decrease) in estimated prize claims	(76)	1,494
Increase (decrease) in accounts payable	(641)	(328)
Increase (decrease) in deferred revenue	(58,863)	18,629
Increase (decrease) in other accrued liabilities	(1,807)	11,108
Cash provided by operating activities	<u>\$ 447,036</u>	<u>\$ 459,932</u>

\*Includes rental income

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**  
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**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 \$523,398 and \$500,740 of at June 30, 2011 and 2010, 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 ASSETS** – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At March 31, 2011 the carrying amounts of deposits (overdraft) with financial institutions were \$463 thousand with a bank balance (overdraft) of \$515 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, 2012	June 30, 2011
Deposits with financial institutions	\$ 463	\$ (56)
Cash on hand at the Treasurer's Office	39,558	45,547
Investments with BTI reported as cash equivalents	169,003	225,029
	\$ 209,024	\$ 270,520

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, 2012 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At March 31, 2012
Construction in Progress	\$ 8,444	\$ 10,456	\$ (779)	\$ 18,121
Buildings	20,174	-	-	20,174
Land	1,434	-	-	1,434
Improvements	1,170	-	(910)	260
Equipment	7,743	3,067	(1,672)	9,138
	<u>\$ 38,965</u>	<u>\$ 13,523</u>	<u>\$ (3,361)</u>	<u>\$ 49,127</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At March 31, 2012
Improvements	\$ 1,142	\$ 3	\$ (885)	\$ 260
Equipment	7,402	621	(1,672)	6,351
	<u>\$ 8,544</u>	<u>\$ 624</u>	<u>\$ (2,557)</u>	<u>\$ 6,611</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, 2012 and fiscal year-to-date is as follows:

**WEST VIRGINIA LOTTERY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)**

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,168,544	\$ 29,428,446
Hot Lotto	402,109	3,595,744
Mega Millions	5,473,925	11,760,354
Total	\$ 9,044,578	\$ 44,784,544

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,584,289	\$ 14,715,051
Hot Lotto	201,082	1,798,118
Mega Millions	2,819,090	6,056,781
Total	\$ 4,604,461	\$ 22,569,950

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	N/A

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

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 126,509,844	\$ 2,386,175
Hot Lotto	7,387,159	485,948
Mega Millions	15,718,806	281,307
Total	\$ 149,615,809	\$ 3,153,430

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

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

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 \$15,737,665 at March 31, 2012, of which the Lottery's share was \$1,564,243.

**NOTE 6 - RACETRACK VIDEO LOTTERY**

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

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

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

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

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

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

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

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 804,287	\$ 705,057	\$ 6,322,509	\$ 5,971,689
Credits (prizes) won	(721,574)	(633,454)	(5,678,846)	(5,363,804)
Promotional credits played	(8,851)	(7,425)	(69,227)	(60,882)
MWAP Contributions	(42)	(308)	(354)	(2,517)
Gross terminal income	73,820	63,870	574,082	544,486
Administrative costs	(1,357)	(1,171)	(16,017)	(15,231)
Net Terminal Income	72,463	62,699	558,065	529,255
Less distribution to agents	(40,454)	(34,987)	(325,895)	(308,715)
Racetrack video lottery revenues	<u>\$ 32,009</u>	<u>\$ 27,712</u>	<u>\$ 232,170</u>	<u>\$ 220,540</u>

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

	March 31, 2012	Year-to-Date
State Lottery Fund	\$ 9,772	\$ 116,529
State Excess Lottery Revenue Fund	17,948	76,414
Capital Reinvestment Fund	1,608	6,833
Tourism Promotion Fund 1.375%	922	7,354
Development Office Promotion Fund .375 %	251	2,006
Research Challenge Fund .5 %	335	2,674
Capitol Renovation & Improvement Fund .6875 %	461	3,677
Parking Garage Fund .0625 %	42	334
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	670	3,349
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 32,009</u>	<u>\$ 232,170</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**  
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**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, 2012 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 460,600	\$ 436,835	\$ 3,584,278	\$ 3,511,413
Credits (prizes) won	(421,483)	(399,616)	(3,280,069)	(3,212,631)
Gross terminal income	\$ 39,117	\$ 37,219	\$ 304,209	\$ 298,782
Administrative costs	(782)	(744)	(6,085)	(5,976)
Gross Profit	38,335	36,475	298,124	292,806
Commissions	(19,167)	(18,237)	(149,062)	(146,403)
Municipalities and Counties	(767)	(730)	(5,962)	(5,856)
Limited video lottery revenues	<u>\$ 18,401</u>	<u>\$ 17,508</u>	<u>\$ 143,100</u>	<u>\$ 140,547</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  
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**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, 2012 and fiscal year-to-date were \$20,609,467 and \$168,071,481, 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	
	2012	2011	2012	2011
Table Games Privilege Tax	\$ 7,213	\$ 6,385	\$ 58,825	\$ 48,943
Interest on Table Games Fund	-	1	3	5
Administrative costs	(824)	(730)	(6,723)	(5,593)
Total Available for Distribution	<u>6,389</u>	<u>5,656</u>	<u>52,105</u>	<u>43,355</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	515	456	4,202	3,496
Thoroughbred & Greyhound Development Funds	412	365	3,361	2,797
Racing Association Pension Plan	173	153	1,412	1,175
Municipalities/ Counties	<u>2,000</u>	<u>1,770</u>	<u>16,304</u>	<u>13,565</u>
Total Distributions	<u>3,100</u>	<u>2,744</u>	<u>25,279</u>	<u>21,033</u>
State Debt Reduction Fund	<u>\$ 3,289</u>	<u>\$ 2,912</u>	<u>\$ 26,826</u>	<u>\$ 22,322</u>

**NOTE 9 – HISTORIC RESORT HOTEL**

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

Historic Resort Video Lottery

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

**WEST VIRGINIA LOTTERY**  
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**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

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

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 5,589	\$ 5,349	\$ 52,937	\$ 38,260
Credits (prizes) won	(5,072)	(4,849)	(49,003)	(34,805)
Promotional credits played	(37)	(52)	(339)	(203)
Gross terminal income	480	448	3,595	3,252
Capital reinvestment	(23)	(21)	(169)	(153)
Modernization Fund	(4)		(32)	
Administrative costs	(26)	(24)	(194)	(176)
Hotel commissions	(203)	(189)	(1,521)	(1,376)
Net terminal income	224	214	1,679	1,547
Historic Resort Hotel Fund	142	138	1,068	994
Human Resource Benefit Fund	82	76	611	553

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, 2012 and fiscal year-to-date were \$263,099 and \$4,484,562, 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:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table games privilege tax	\$ 92	\$ 123	\$ 1,570	\$ 1,523
Administrative Costs	(12)	(16)	(202)	(196)
Total Available for Distribution	80	107	1,368	1,327
Historic Resort Hotel Fund	67	89	1,144	1,109
Human Resource Benefit Fund	13	18	224	218

**WEST VIRGINIA LOTTERY  
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**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):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 142	\$ 1,068
Historic Resort Table Games	67	1,144
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>209</u>	<u>2,212</u>
Municipalities/ Counties	29	310
State General Revenue Fund	134	1,416
State Debt Reduction Fund	40	420
State Tourism Promotion Fund	6	66
Total Distributions	<u>\$ 209</u>	<u>\$ 2,212</u>

**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2012 the State Legislature budgeted \$166,297,857 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

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

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

ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended March 31, 2012 the Lottery made such distributions and accrued additional distributions of \$53,102,144. 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, 2012, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$576,553, \$3,289,648, and \$180,296, 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, 2012</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund:</u>		
State Road Fund	\$ -	\$ 15,000
 <u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 4,498
Bureau of Senior Services	-	64,797
Department of Education	-	30,573
Library Commission	-	11,268
Higher Education-Policy Commission	-	8,208
Tourism	-	7,359
Natural Resources	-	3,388
Division of Culture & History	-	5,873
Department of Education & Arts	-	1,839
Building Commission	1,000	8,996
School Building Authority	1,800	16,200
Total State Lottery Fund	<u>\$ 3,300</u>	<u>\$ 162,999</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	\$ 17,090
Higher Education Improvement Fund	1,500	13,500
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	5,000
School Building Authority	1,900	17,100
Refundable Credit	2,915	6,343
WV Racing Commission	-	2,000
Excess Lottery Surplus	21,206	34,514
West Va. Infrastructure Council	-	46,000
Total State Excess Lottery Revenue Fund	\$ 29,420	\$ 235,547
Total Budgetary distributions:	\$ 32,720	\$ 413,546
Veterans Instant Ticket Fund	\$ 31	\$ 411

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 1,026	\$ 7,423
Development Office Promotion Fund .375%	279	2,024
Research Challenge Fund .5%	373	2,699
Capitol Renovation & Improvement Fund .6875%	512	3,711
Parking Garage Fund .0625 %	46	337
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	745	3,398
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,981	\$ 32,592
Table Games State Debt Reduction Fund	\$ 3,177	\$ 26,394

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 139	\$ 1,349
State Debt Reduction Fund	42	401
Tourism Promotion Fund	6	63
Total	\$ 187	\$ 1,813
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 39,096	\$ 474,756
West Virginia Lottery RCC Fund Appropriation	50	8,132
Accrued nonoperating distributions, beginning	(187,047)	(178,218)
Accrued nonoperating distributions, end	207,155	207,155
	\$ 59,254	\$ 511,825

**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, 2012 and March 31, 2011 approximated \$365,528 and \$490,257 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended March 31, 2012 and year-to-date were \$80,121 and \$715,467, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2012	\$ 221
2013	900
2014	923
2015	232
Total	\$ 2,276

**NOTE 12 – RESTRICTED NET ASSETS**

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2011 and June 30, 2010 were as follows:

	June 30, 2011	June 30, 2010
Beginning balance	\$ 8,355	\$ 69,870
Additions		
Enabling legislation additions		
Interest earned on restricted net assets		93
Deductions		
Asset acquisition	(6,316)	(21,608)
Surplus of excess funds		(40,000)
Ending balance	\$ 2,039	\$ 8,355

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

**NOTE 13 – COMMITMENTS**

For the year ended June 30, 2011, the Lottery Commission has designated \$594,218 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2011 and 2010, \$4,480,629 and \$5,921,057, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

**NOTE 14 - RETIREMENT BENEFITS**

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 12.5% 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, 2012 and fiscal year-to-date are as follows (in thousands):

	March 31, 2012	Year-to-Date
Lottery contributions	\$ 92	\$ 874
Employee contributions	28	271
Total contributions	\$ 120	\$ 1,145

**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 57<sup>th</sup> Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

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

The ARC rate is \$961 and \$903 per employee per month for the years ending June 30, 2012 and 2011 respectively. Through June 30, 2011 and 2010, the Lottery has paid premiums of \$294,952 and \$226,212. As of June 30, 2011 and 2010, the Lottery has recorded a liability of \$2,749,868 and \$1,484,546 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*



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

304-347-4870

Memorandum

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

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

Date: May 1, 2012

Re: Status of General Revenue Fund and State Road Fund as of  
April 30, 2012

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the month ending April 30, 2012 of fiscal year 2011-2012. The status of the fund collections are as follows:

The net collections were ahead of the estimate for the month ending April 30, 2012. Total collections were \$47 million over the estimate.

Personal Income Tax collections were \$ 27 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 39 million over the estimate as of April 30, 2012.

Severance tax collections were \$ 13 million over the estimate as of April 30, 2012.

Corporate Income and Business Franchise Tax collections were \$10 million under the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were \$ 37 million over the estimate for the end of April of fiscal year 2011-2012.

**Rainy Day and Personal Income Tax Reserve**

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 514,087,140.65 as of April 30, 2012.

Balance July 1, 2011	342,320,537.63
Cash flow loan to General Revenue on July 1, 2011. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Repaid September	- 60,000,000.00 + 60,000,000.00
Senate Bill 1001 July 2011 special session WV Code 11B-2-20 transfers	150,667,825.51
Earnings	21,098,777.51
Balance April 30, 2012	514,087,140.65

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 328,939,153.17 as of April 30, 2012.

Balance July 1, 2011	316,806,577.84
Earnings	12,132,575.33
Other transfers	0
Balance April 30, 2012	328,939,153.17

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of April 30, 2012.

Balance July 1, 2011	45,019,319.21
Revenues	-0-
Balance April 30, 2012	45,019,319.21

GENERAL REVENUE FUND FY 2011-2012

FINAL

By Source and by Month

Monthly Revenue Estimates

as of April 30, 2012 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	254,800,000	256,719,160	1,919,160	1,359,200,000	1,386,733,152	27,533,152
Consumer Sales Tax & Use Tax	100,100,000	105,454,614	5,354,614	990,800,000	1,029,970,901	39,170,901
Severance Tax	42,500,000	32,918,318	-9,581,682	370,800,000	384,537,908	13,737,908
Corp Income /Business Franchise	25,200,000	23,824,746	-1,375,254	141,200,000	131,131,249	-10,068,751
HB 102 - Lottery Transfers	23,823,000	23,823,000	0	123,334,000	123,336,826	2,826
Business and Occupation	8,500,000	10,892,096	2,392,096	97,700,000	98,042,489	342,489
Tobacco Products Tax	9,270,000	9,490,396	220,396	93,620,000	89,220,395	-4,399,605
Insurance Tax	22,100,000	20,567,731	-1,532,269	104,000,000	104,604,197	604,197
Interest Income	3,300,000	382,515	-2,917,485	24,200,000	2,034,775	-22,165,225
Departmental Collections	1,020,000	949,225	-70,775	14,420,000	14,516,714	96,714
Liquor Profit Transfers	1,700,000	1,312,875	-387,125	11,350,000	11,464,053	114,053
Property Transfer Tax	550,000	588,643	38,643	6,740,000	6,792,377	52,377
Beer Tax and Licenses	740,000	604,122	-135,878	6,500,000	6,359,727	-140,273
Property Tax	640,000	534,361	-105,639	5,620,000	5,610,469	-9,531
Senior Tax Credit Reimbur Lot	3,400,000	2,315,836	-1,084,164	7,900,000	8,658,687	758,687
Miscellaneous Receipts	300,000	301,353	1,353	2,850,000	2,843,423	-6,577
Business Fran Registration Fees	25,000	63,299	38,299	620,000	1,050,993	430,993
Miscellaneous Transfers	100,000	0	-100,000	580,000	528,487	-51,513
Liquor License Renewal	70,000	70,724	724	409,000	409,220	220
Racing Fees	0	0	0	0	0	0
Charter Tax	0	5,748	5,748	0	64,085	64,085
Telecommunications Tax	0	7,536	7,536	0	81,519	81,519
Estate and Inheritance Tax	0	0	0	0	15,937	15,937
Video Lottery Transfers	0	134,344	134,344	0	928,140	928,140
Cash Flow Transfer	0	0	0	0	0	0
<b>TOTALS</b>	<b>498,138,000</b>	<b>490,960,642</b>	<b>-7,177,358</b>	<b>3,361,843,000</b>	<b>3,408,935,722</b>	<b>47,092,722</b>
	0	0	0	0	0	
Percent of Estimates						
<b>TOTALS</b>	<b>498,138,000</b>	<b>490,960,642</b>	<b>-7,177,358</b>	<b>3,361,843,000</b>	<b>3,408,935,722</b>	<b>47,092,722</b>
Percent of Estimates		<b>98.56%</b>			<b>101.40%</b>	
Collections this day		<b>60,063,268</b>				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2011-2012  
 By Source and by Month  
 Monthly Revenue Estimates  
 as of April 30, 2012 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	30,700,000	51,869,855	21,169,855	330,100,000	335,935,267	5,835,267
Privilege Tax	13,262,000	17,773,050	4,511,050	123,379,000	153,560,021	30,181,021
Licenses & Registration	7,373,000	10,117,360	2,744,360	66,520,000	67,532,345	1,012,345
Highway Litter Control	139,000	137,235	-1,766	1,255,000	1,286,936	31,936
<b>TOTALS</b>	<b>51,474,000</b>	<b>79,897,500</b>	<b>28,423,500</b>	<b>521,254,000</b>	<b>558,314,569</b>	<b>37,060,569</b>

Percent of Estimates

155.22%

107.11%

Collections this day

28,041,783

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF April 1, 2012 : \$516,220,970.86

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF April 1, 2012 : \$328,779,894.72

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

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE  
Office of the Legislative Auditor



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

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

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

Date: May 7, 2012

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the March 31, 2012 monthly report of the Unemployment  
Compensation Trust Fund we received from WorkForce West Virginia.

For July 1, 2011 to March 31, 2012 of fiscal year 2011-2012, the trust  
fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2011	\$101,837,094.21
Receipts July 1, 2011 thru June 30, 2012	\$ 251,020,811.45
Disbursements July 1, 2011 thru June 30, 2012	\$ 276,688,916.01
Balance March 31, 2012	\$ 76,168,989.65

ITEMS OF NOTE:

Regular benefits paid for July 2011 - March 2012 were \$25 million  
less than July - March 2011.

Federal emergency benefits totaled \$98.4 million for the July - March 2012; for July - March 2011 federal emergency benefits totaled \$ 138.5 million.

Total disbursements were \$ 86.4 million less in July 2011 - March 2012 than the preceding July 2010 - March 2011.

Receipts for July 2011 - March 2012 were \$ 55.5 million less than in July 2010 - March 2011. Overall ending trust fund balance was \$37.2 million higher on March 31, 2012 than on March 31, 2011.

West Virginia's unemployment rate for the month of March 2012 was 7.4 percent. National unadjusted employment rate was 8.4 percent.

Seasonally adjusted unemployment rates were 6.9 percent for West Virginia and 8.2 percent nationally.

Since March 2011 employment has increased by 9,800. Employment gains were as follows: 3,200 in educational and health services, 2,500 in construction, 2,300 in professional and business services, 2,200 in government, 1,600 in leisure and hospitality, and 900 in mining and logging. Employment declines were as follows: 1,700 in trade, transportation and utilities, 600 in manufacturing, and 600 in financial activities.

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

	<u>JANUARY 2011</u>	<u>FEBRUARY 2011</u>	<u>MARCH 2011</u>	<u>JANUARY 2012</u>	<u>FEBRUARY 2012</u>	<u>MARCH 2012</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
<b>Balance Forward</b>	<u>\$76,801,111.45</u>	<u>\$59,079,991.94</u>	<u>\$55,890,504.42</u>	<u>\$105,802,079.80</u>	<u>\$98,402,593.06</u>	<u>\$93,431,157.91</u>	<u>\$103,764,222.96</u>
<b>Add Receipts:</b>							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$9,202,501.08	\$17,550,395.22	\$2,221,106.42	\$12,667,418.35	\$15,468,815.36	\$1,085,218.46	\$217,447.45
3. Federal Emergency Benefits (EUC08)	\$14,874,648.72	\$13,956,274.30	\$14,239,098.38	\$11,885,890.24	\$9,765,860.00	\$9,515,874.48	(\$12,102,698.68)
4. Federal Share Extended Benefits (EB)	\$3,493,195.40	\$2,844,970.23	\$3,311,864.08	\$2,801,754.98	\$2,588,451.33	\$2,148,471.76	(\$2,011,151.64)
5. Temp Federal Additional Comp (FAC)	\$31,129.15	\$9,767.59	\$5,671.69	\$113.97	\$1,327.94	\$690.97	(\$44,445.55)
6. UCFE (Federal Agencies)	\$313,890.28	\$340,318.90	\$333,308.44	\$240,504.67	\$205,871.74	\$177,582.01	(\$383,559.20)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Rees Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. UCX (Military Agencies)	\$512,838.84	\$476,124.89	\$654,826.97	\$0.00	\$0.00	\$702,933.90	\$46,108.83
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$457,816.17	\$690,000.65	\$543,493.38	\$528,772.68	\$316,488.81
13. CHIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<u>\$28,428,201.47</u>	<u>\$35,176,851.13</u>	<u>\$21,223,492.15</u>	<u>\$28,175,792.86</u>	<u>\$28,573,619.75</u>	<u>\$14,139,332.26</u>	<u>(\$13,939,809.88)</u>
<b>Less Disbursements:</b>							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$25,494,155.12	\$21,179,124.14	\$21,185,340.03	\$21,838,842.46	\$18,727,719.90	\$19,227,829.22	(\$8,064,527.71)
Federal Emergency Benefits (EUC08)	\$16,069,434.67	\$13,528,772.60	\$13,414,775.08	\$11,884,901.19	\$9,643,836.03	\$9,440,765.50	(\$12,083,479.83)
Federal Share Extended Benefits (EB)	\$3,796,304.53	\$2,936,850.28	\$2,905,088.57	\$3,031,350.95	\$2,597,643.87	\$2,078,823.08	(\$2,020,225.77)
Emergency Benefits (TEUC)	(\$970.76)	(\$1,249.39)	(\$1,228.07)	(\$340.00)	(\$761.00)	(\$349.00)	\$1,998.22
Temp Federal Additional Comp (FAC)	\$26,402.14	\$9,867.60	\$5,481.89	\$113.97	\$1,377.94	\$688.97	(\$39,570.55)
UCFE (Federal Workers) Benefits	\$333,988.17	\$300,460.11	\$281,050.78	\$222,733.54	\$180,591.24	\$148,730.22	(\$363,435.06)
UCX (Military Workers) Benefits	\$525,343.49	\$405,989.92	\$387,884.35	\$589,850.12	\$473,545.75	\$448,797.48	\$190,986.59
Rees Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Administrative Transfer **	\$4,662.62	\$6,753.41	\$37,363.65	\$27,817.98	\$11,301.47	\$58,538.07	\$48,874.22
<b>Total Monthly Disbursements:</b>	<u>\$46,249,320.98</u>	<u>\$38,366,338.65</u>	<u>\$38,215,538.08</u>	<u>\$37,575,269.80</u>	<u>\$31,645,054.90</u>	<u>\$31,401,500.62</u>	<u>(\$22,309,370.69)</u>
<b>Trust Fund Balance</b>	<u>\$38,079,991.94</u>	<u>\$55,890,504.42</u>	<u>\$38,898,460.49</u>	<u>\$68,402,593.06</u>	<u>\$69,431,157.91</u>	<u>\$76,168,988.65</u>	<u>\$112,133,783.77</u>

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

\*\*The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

## UC TRUST FUND PROJECTIONS - 2012

May 3, 2012

Month	Revenues	Benefits	Trust Fund Balance
<b>2011</b>			
Balance 1/1/2011			76,901,000
January	7,672,000	25,494,000	59,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,172,000	12,515,000	111,623,000
October	12,476,000	14,286,000	109,813,000
November	23,233,000	14,306,000	118,740,000
December	1,982,000	14,920,000	105,802,000
<b>Totals - 2011</b>	<b>236,450,000</b>	<b>207,549,000</b>	<b>105,802,000</b>
<b>2012</b>			
January	12,438,000	21,838,000	96,402,000
February	15,756,000	18,727,000	93,431,000
March	1,964,000	19,227,000	76,168,000
April	29,482,782	20,118,800	85,531,982
May	94,694,000	14,796,000	165,429,982
June	3,822,000	15,293,000	153,958,982
July	14,223,000	17,445,000	150,736,982
August	39,705,000	15,533,000	174,908,982
September	2,353,000	11,552,000	165,709,982
October	13,188,000	13,513,000	165,384,982
November	22,596,000	14,708,000	173,272,982
December	2,130,000	15,467,000	159,935,982
<b>Totals - 2012</b>	<b>252,351,782</b>	<b>198,217,800</b>	<b>159,935,982</b>

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

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

Executive Division  
 112 California Avenue  
 Charleston, WV 25305

An agency of the Department of Commerce

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

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



# **Financial Statements**

## **March 2012**

*West Virginia Legislative Interims*  
*May 2012*

**West Virginia Public Employees Insurance Agency**  
**Statement of Changes in Plan Net Assets**  
**For the Nine Months Ending March 31, 2012**  
(Dollars in Thousands)

( \$ 0 0 0 's )							
ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE		
			\$	%	\$	%	
			<b><u>PREMIUM REVENUE</u></b>				
\$345,497	\$342,361	\$344,134	Health Insurance - State Gov. - Employers	\$3,136	1%	\$1,363	0%
91,120	87,083	86,930	Health Insurance - State Gov. - Employees	4,037	5%	4,190	5%
78,686	77,135	77,178	Health Insurance - Local Gov. - All	1,551	2%	1,508	2%
3,183	4,174	4,005	Life Insurance	(991)	(24%)	(822)	(21%)
2,625	2,625	2,625	Direct Transfer	0	0%	0	0%
7,021	12,788	11,536	Interest and Investment Income	(5,767)	(45%)	(4,515)	(39%)
1,234	1,247	1,183	Other Premium Revenue	(13)	(1%)	51	4%
3,572	3,425	3,548	Administrative Fees, Net of Refunds	147	4%	24	1%
<b>532,938</b>	<b>530,838</b>	<b>531,139</b>	<b>TOTAL REVENUE</b>	<b>2,100</b>	<b>0%</b>	<b>1,799</b>	<b>0%</b>
			<b><u>OPERATING EXPENSES</u></b>				
270,744	274,132	252,947	Claims Expense - Medical	3,388	1%	(17,797)	(7%)
91,053	99,296	86,406	Claims Expense - Drugs	8,243	8%	(4,647)	(5%)
28,858	29,129	27,543	Payments to Managed Care Org.	271	1%	(1,315)	(5%)
10,705	13,202	12,604	Administrative Service Fees	2,497	19%	1,899	15%
3,189	4,174	4,005	Life Insurance Expense	985	24%	816	20%
1,705	1,165	1,220	Wellness and Disease Management	(540)	(46%)	(485)	(40%)
4,085	4,795	4,794	Other Operating Expenses	710	15%	709	15%
114,044	113,287	109,263	WV RHBT Pay Go Premiums	(757)	(1%)	(4,781)	(4%)
<b>524,383</b>	<b>539,180</b>	<b>498,782</b>	<b>TOTAL EXPENSES</b>	<b>14,797</b>	<b>3%</b>	<b>(25,601)</b>	<b>(5%)</b>
<b>8,555</b>	<b>(8,342)</b>	<b>32,357</b>	<b>YTD SURPLUS (DEFICIT)</b>	<b>(16,897)</b>	<b>203%</b>	<b>(23,802)</b>	<b>(74%)</b>
168,327	168,327	173,604	Total Net Assets, Beginning of Period			(5,277)	(3%)
<b>\$176,882</b>	<b>\$159,985</b>	<b>\$205,961</b>	<b>TOTAL NET ASSETS, END OF PERIOD</b>	<b>\$16,897</b>	<b>11%</b>	<b>(\$29,079)</b>	<b>(14%)</b>

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

ACTUAL	(\$ 000's)			BUDGET VARIANCE		PRIOR YR VARIANCE	
	BUDGET	PRIOR YR		\$	%	\$	%
<b>ADDITIONS</b>							
<b>Employer Premiums:</b>							
\$2,448	\$2,876	\$2,515					
94,711	93,422	90,734					
876	0	1,740					
<b>98,035</b>	<b>96,298</b>	<b>94,989</b>					
			<b>Total Employer Premiums</b>	<b>1,738</b>	<b>2%</b>	<b>3,047</b>	<b>3%</b>
<b>Member Premiums:</b>							
52,916	51,099	50,608					
19,324	19,078	18,529					
12,794	12,645	10,572					
<b>85,034</b>	<b>82,822</b>	<b>79,709</b>					
			<b>Total Member Premiums</b>	<b>2,212</b>	<b>3%</b>	<b>5,325</b>	<b>7%</b>
			<b>Total Premium Additions</b>	<b>3,950</b>	<b>2%</b>	<b>8,372</b>	<b>5%</b>
<b>Other Additions:</b>							
838	1,053	605					
12,194	24,034	38,762					
<b>196,101</b>	<b>204,207</b>	<b>214,065</b>					
			<b>TOTAL ADDITIONS</b>	<b>(8,106)</b>	<b>(4%)</b>	<b>(17,964)</b>	<b>(8%)</b>
<b>DEDUCTIONS</b>							
38,343	37,108	32,383					
12,855	12,645	10,563					
45,950	49,614	45,859					
78,270	73,364	69,134					
6,593	6,953	6,753					
2,637	2,560	2,381					
0	297	(1,024)					
<b>184,648</b>	<b>182,541</b>	<b>166,048</b>					
			<b>TOTAL DEDUCTIONS</b>	<b>(2,107)</b>	<b>(1%)</b>	<b>(18,599)</b>	<b>(11%)</b>
<b>11,453</b>	<b>21,666</b>	<b>48,017</b>	<b>NET FUND INCREASE</b>	<b>(10,213)</b>	<b>(47%)</b>	<b>(36,563)</b>	<b>(76%)</b>
<b>Net Assets Held in Trust for Post Employment Benefits</b>							
472,079	472,079	422,636	Beginning of period	0	0%	49,443	12%
<b>\$483,532</b>	<b>\$493,745</b>	<b>\$470,652</b>	End of period	<b>(\$10,213)</b>	<b>(2%)</b>	<b>\$12,880</b>	<b>3%</b>

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



March 31

	2012	2011
	(in thousands)	
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 22,156	\$ 17,902
Advance Deposit with Carrier/Trustee	204,192	192,349
Receivables - Net	1,111	1,306
Prepaid Insurance	1,385	1,558
<b>Total Short Term Assets</b>	<b>228,844</b>	<b>213,115</b>
Long Term Assets		
Investments	138,794	138,934
<b>Total Long Term Assets</b>	<b>138,794</b>	<b>138,934</b>
<b>TOTAL ASSETS</b>	<b>367,638</b>	<b>352,049</b>
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	1,983	1,822
Claims Payable	392	145
OPEB Liability	182	181
Agents Commissions Payable	880	978
Unearned Revenue	6,649	7,053
Current Estimated Claim Reserve	49,438	44,898
<b>Total Short Term Liabilities</b>	<b>59,524</b>	<b>55,077</b>
Long Term Liabilities		
Compensated Absences	75	66
Estimated Noncurrent Claim Reserve	84,157	88,949
<b>Total Long Term Liabilities</b>	<b>84,232</b>	<b>89,015</b>
<b>TOTAL LIABILITIES</b>	<b>143,756</b>	<b>144,092</b>
Prior Year Net Assets	219,828	192,207
Current Year Earnings (Deficiency)	4,054	15,750
<b>TOTAL NET ASSETS</b>	<b>223,882</b>	<b>207,957</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 367,638</b>	<b>\$ 352,049</b>

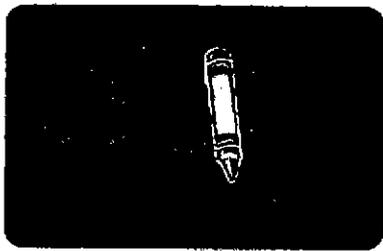
DRAFT - Unaudited - Management Purposes Only

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



	March 31	
	2012	2011
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 38,624	\$ 39,756
Less - Excess Insurance	(4,088)	(4,555)
Total Operating Revenues	34,536	35,201
Operating Expenses		
Claims Expense	35,283	26,414
Property & MS Claims Expense	3,443	3,511
Personal Services	1,043	1,025
General & Administrative Expense	1,852	1,987
Total Operating Expenses	41,621	32,937
Operating Income (Loss)	(7,085)	2,264
Nonoperating Revenues		
Investment Income	11,139	13,486
Total Nonoperating Revenues	11,139	13,486
Net Income (Loss)	\$ 4,054	\$ 15,750

DRAFT - Unaudited - Management Purposes Only

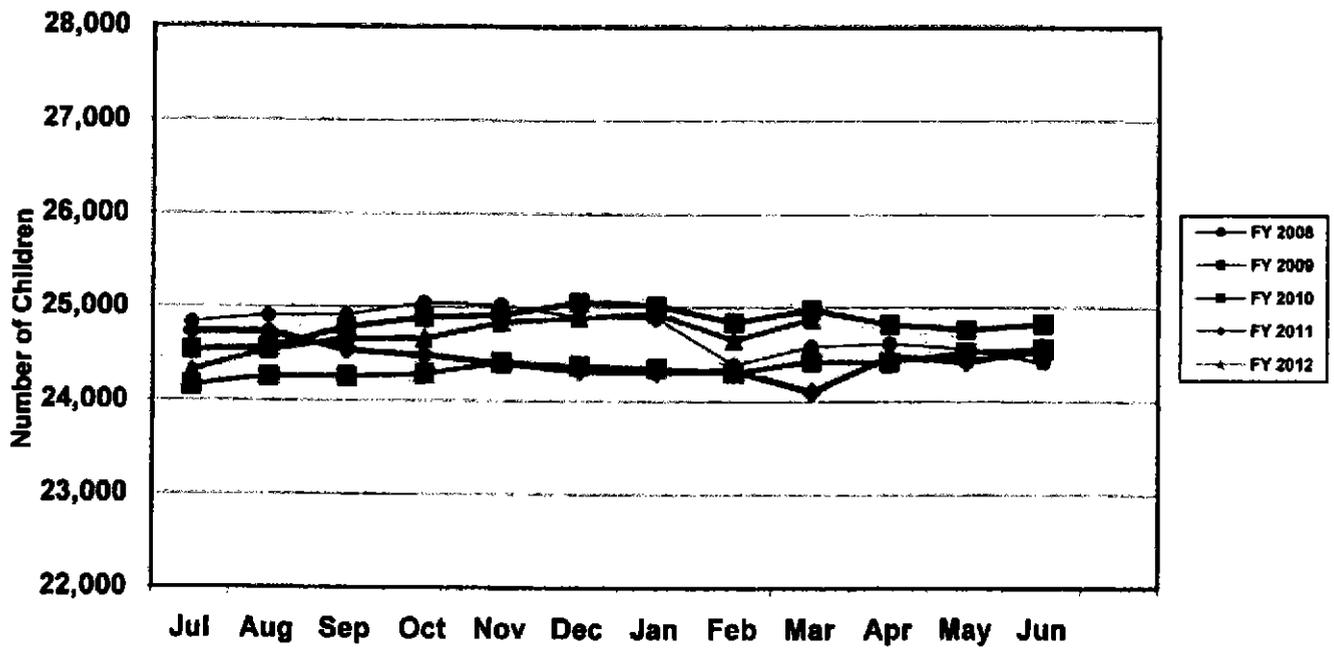


West Virginia Children's Health Insurance Program  
2 Hale Street  
Suite 101  
Charleston, WV 25301  
304-558-2732 voice / 304-558-2741 fax  
Helpline 877-982-2447  
[www.chip.wv.gov](http://www.chip.wv.gov)

**Joint Committee on  
Government and Finance  
Report**

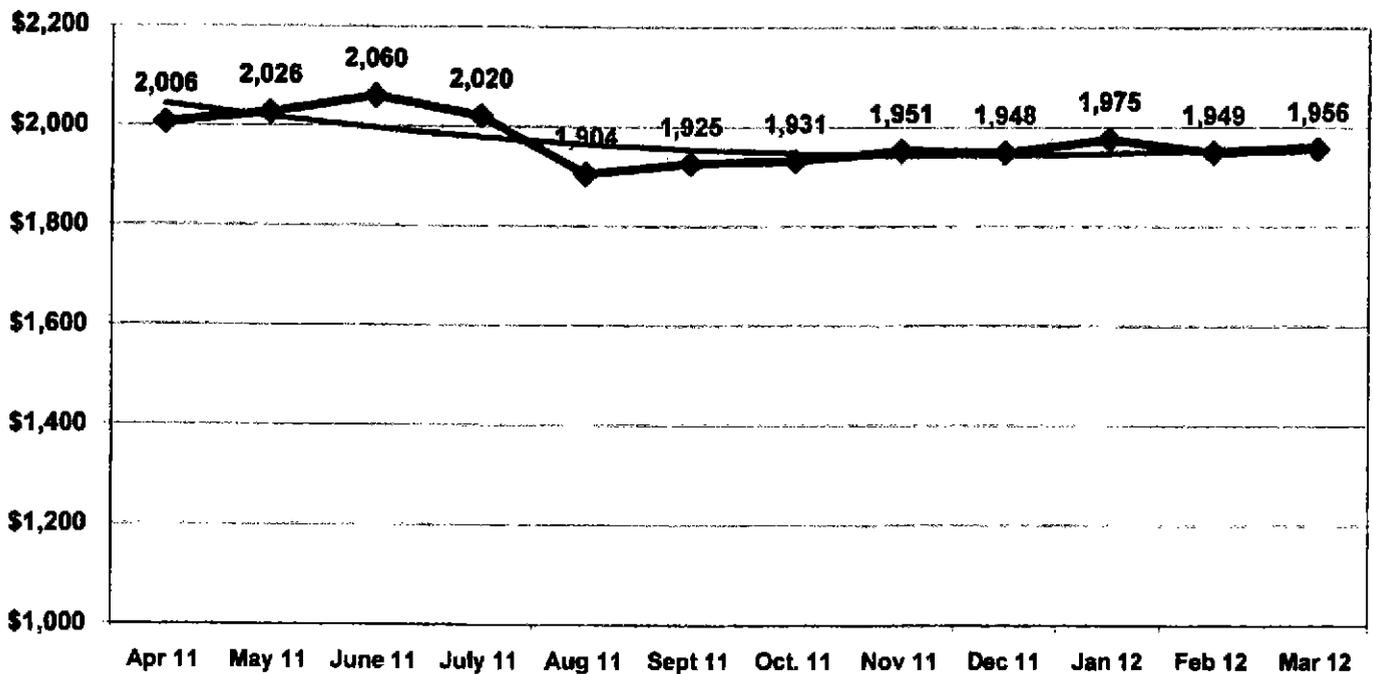
**May 2012**

## WV CHIP Enrollment



March 31st Enrollment 24,879

## Annualized Health Care Expenditures (Cost per Child)



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

	March 31, 2012	March 31, 2011	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$13,081,625	\$12,048,635	\$1,032,990	9%
Due From Federal Government	\$5,271,508	\$4,919,439	\$352,069	7%
Due From Other Funds	\$1,022,061	\$873,178	\$148,883	17%
Accrued Interest Receivable	\$5,139	\$11,968	(\$6,829)	-57%
Fixed Assets, at Historical Cost	<u>\$93,787</u>	<u>\$64,726</u>	<u>\$29,061</u>	<u>45%</u>
<b>Total Assets</b>	<u>\$19,474,119</u>	<u>\$17,917,946</u>	<u>\$1,556,173</u>	<u>9%</u>
<b>Liabilities:</b>				
Due to Other Funds	\$252,714	\$301,920	(\$49,206)	-16%
Deferred Revenue	\$1,800,701	\$3,054,459	(\$1,253,758)	-41%
Unpaid Insurance Claims Liability	<u>\$5,090,000</u>	<u>\$4,360,000</u>	<u>\$730,000</u>	<u>17%</u>
<b>Total Liabilities</b>	<u>\$7,143,415</u>	<u>\$7,716,379</u>	<u>(\$572,964)</u>	<u>-7%</u>
Fund Equity	<u>\$12,330,704</u>	<u>\$10,201,567</u>	<u>\$2,129,137</u>	<u>21%</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$19,474,119</u>	<u>\$17,917,946</u>	<u>\$1,556,173</u>	<u>9%</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, 2012 and March 31, 2011**  
**(Modified Accrual Basis)**

	March 31, 2012	March 31, 2011	Variance	
<b>Revenues</b>				
Federal Grants	33,576,986	32,177,530	1,399,456	4%
State Appropriations	7,320,095	6,985,171	334,924	5%
Premium Revenues	530,174	348,272	181,902	52%
Investment Income:				
Investment Earnings	96,130	211,995	(115,865)	-55%
Unrealized Gain(loss) On Investments*	(10,396)	167,812	(178,208)	-106%
Total Investment Income	<u>85,734</u>	<u>379,807</u>	<u>(294,073)</u>	<u>-77%</u>
<b>Total Revenues</b>	<b><u>41,512,989</u></b>	<b><u>39,890,780</u></b>	<b><u>1,622,209</u></b>	<b><u>4%</u></b>
<b>Expenditures:</b>				
Claims:				
Outpatient Services	10,357,972	9,762,784	595,188	6%
Physicians & Surgical	8,149,074	8,006,984	142,090	2%
Prescribed Drugs	8,011,263	7,355,355	655,908	9%
Dental	5,877,934	4,896,665	981,269	20%
Inpatient Hospital Services	3,637,040	3,085,293	551,747	18%
Outpatient Mental Health	1,129,834	1,098,973	30,861	3%
Durable & Disposable Med. Equip.	1,040,203	921,606	118,597	13%
Inpatient Mental Health	727,488	652,358	75,130	12%
Vision	637,541	657,124	(19,583)	-3%
Therapy	464,147	435,062	29,085	7%
Medical Transportation	321,024	309,333	11,691	4%
Other Services	148,914	99,981	48,933	49%
Less: Collections**	<u>(466,036)</u>	<u>(630,044)</u>	<u>164,008</u>	<u>-26%</u>
Total Claims	<u>40,036,398</u>	<u>36,651,474</u>	<u>3,384,924</u>	<u>9%</u>
General and Admin Expenses:				
Salaries and Benefits	369,051	369,003	48	0%
Program Administration	1,425,774	2,012,165	(586,391)	-29%
Eligibility	301,403	290,469	10,934	4%
Outreach & Health Promotion	812,083	363,969	448,114	123%
Current	175,721	111,639	64,082	57%
Total Administrative	<u>3,084,032</u>	<u>3,147,245</u>	<u>(63,213)</u>	<u>-2%</u>
<b>Total Expenditures</b>	<b><u>43,120,430</u></b>	<b><u>39,798,719</u></b>	<b><u>3,321,711</u></b>	<b><u>8%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	<u>(1,607,441)</u>	<u>92,061</u>	<u>(1,699,502)</u>	<u>-1846%</u>
<b>Fund Equity, Beginning</b>	<b><u>13,938,145</u></b>	<b><u>10,109,506</u></b>	<b><u>3,828,639</u></b>	<b><u>38%</u></b>
<b>Fund Equity, Ending</b>	<b><u>12,330,704</u></b>	<b><u>10,201,567</u></b>	<b><u>2,129,137</u></b>	<b><u>21%</u></b>

\* Short Term Bond Fund Investment began in November 2009

\*\* Collections are primarily drug rebates and subrogation

**PRELIMINARY FINANCIAL STATEMENTS**

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program  
Budget to Actual Statement  
State Fiscal Year 2012  
For the Nine Months Ended March 31, 2012**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Mar-12</u>	<u>Actual Amt Feb-12</u>	<u>Actual Amt Jan-12</u>
Projected Cost	\$54,634,844	\$40,976,133	\$38,800,074	\$2,176,059	5%	\$4,552,904	\$6,017,733	\$4,029,439	\$3,843,306
Premiums	680,592	\$510,444	530,174	\$19,730	4%	\$56,716	68,892	72,271	64,846
Subrogation & Rebates	731,381	<u>\$548,536</u>	<u>466,036</u>	<u>(82,499)</u>	-15%	<u>\$60,948</u>	<u>56,731</u>	<u>311,064</u>	<u>34,090</u>
Net Benefit Cost	53,222,871	\$39,917,153	\$37,803,863	\$2,113,290	5%	\$4,435,239	5,892,110	3,646,104	3,744,370
Salaries & Benefits	\$580,500	\$435,375	\$369,048	\$66,327	15%	\$48,375	\$39,610	\$40,014	\$39,609
Program Administration	3,116,505	\$2,337,379	1,448,322	889,057	38%	\$259,709	171,386	131,100	199,414
Eligibility	420,000	\$315,000	275,091	39,909	13%	\$35,000	74,337	4,425	0
Outreach & Health Prom.	300,000	\$225,000	762,610	(537,610)	-239%	\$25,000	5,140	232,927	66,814
Current Expense	160,000	<u>\$120,000</u>	<u>194,025</u>	<u>(74,025)</u>	-62%	<u>\$13,333</u>	<u>14,779</u>	<u>14,528</u>	<u>12,911</u>
Total Admin Cost	\$4,577,005	\$3,432,754	\$3,049,096	\$383,658	11%	\$381,417	\$305,252	\$422,994	\$318,748
Total Program Cost	<u>\$57,799,876</u>	<u>\$43,349,907</u>	<u>\$40,852,959</u>	<u>\$2,496,948</u>	<u>6%</u>	<u>\$4,816,656</u>	<u>\$6,197,362</u>	<u>\$4,069,098</u>	<u>\$4,063,118</u>
Federal Share 80.83%	46,719,640	35,039,730	\$33,078,456	1,961,274	6%	3,893,303	5,009,328	3,289,052	3,284,219
State Share 19.17%	<u>11,080,236</u>	<u>8,310,177</u>	<u>\$7,774,504</u>	<u>535,674</u>	<u>6%</u>	<u>923,353</u>	<u>1,188,034</u>	<u>780,046</u>	<u>778,900</u>
Total Program Cost **	<u>\$57,799,876</u>	<u>\$43,349,907</u>	<u>\$40,852,959</u>	<u>\$2,496,948</u>	<u>6%</u>	<u>\$4,816,656</u>	<u>\$6,197,362</u>	<u>\$4,069,098</u>	<u>\$4,063,118</u>

\* Positive percentages indicate favorable variances

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

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

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

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

# WVCHIP Enrollment Report

ATTACHMENT 1

April 2012

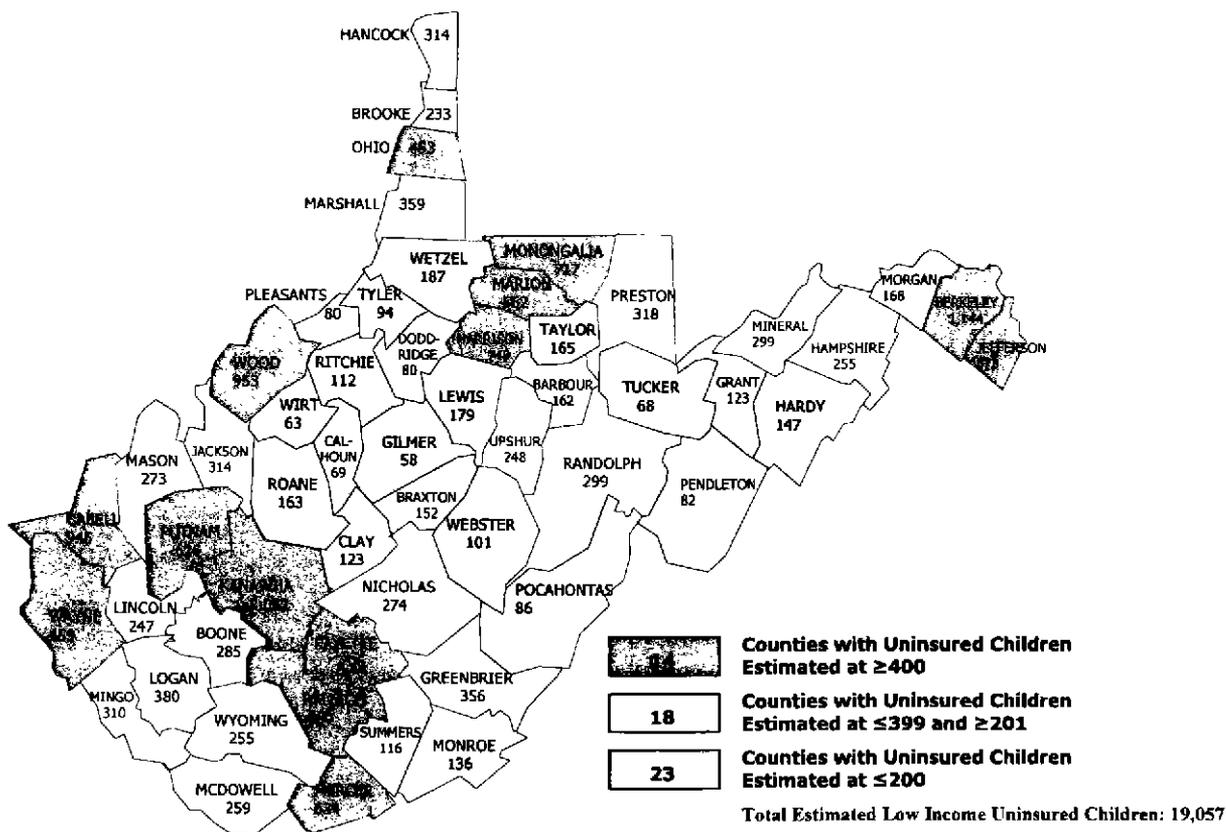
County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Apr-12	Total Medicaid Enrollment Apr-12	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,600	285	1,530	1,815	50.4%	180	33
Berkeley	26,251	1,383	8,228	9,611	36.6%	1,313	2
Boone	5,615	289	2,460	2,749	49.0%	281	25
Braxton	3,006	209	1,559	1,768	58.8%	150	40
Brooke	4,573	271	1,578	1,849	40.4%	229	31
Cabell	18,879	977	8,449	9,426	49.9%	944	4
Calhoun	1,518	124	787	911	60.0%	76	51
Clay	2,215	185	1,375	1,560	70.4%	111	44
Doddridge	1,673	133	651	784	46.9%	84	48
Fayette	9,438	825	4,521	5,346	56.6%	472	13
Gilmer	1,260	74	563	637	50.5%	63	54
Grant	2,555	193	969	1,162	45.5%	128	42
Greenbrier	7,131	628	2,850	3,478	48.8%	357	16
Hampshire	5,392	341	2,171	2,512	46.6%	270	27
Hancock	6,166	390	2,471	2,861	46.4%	308	20
Hardy	3,015	147	1,193	1,340	44.4%	151	39
Harrison	15,202	925	5,706	6,631	43.6%	760	7
Jackson	6,602	429	2,746	3,175	48.1%	330	18
Jefferson	12,679	517	3,138	3,655	28.8%	634	10
Kanawha	39,771	2,317	17,107	19,424	48.8%	1,989	1
Lewis	3,389	298	1,672	1,970	58.1%	169	37
Lincoln	4,930	312	2,715	3,027	61.4%	247	30
Logan	7,496	514	3,808	4,322	57.7%	375	15
Marion	11,227	695	4,373	5,068	45.1%	561	11
Marshall	6,886	345	2,742	3,087	44.8%	344	17
Mason	5,929	302	2,719	3,021	51.0%	296	21
McDowell	4,423	319	3,086	3,405	77.0%	221	32
Mercer	12,764	1,199	6,905	8,104	63.5%	638	9
Mineral	5,868	317	1,974	2,291	39.0%	293	23
Mingo	5,905	358	2,985	3,343	56.6%	295	22
Monongalia	15,294	797	4,333	5,130	33.5%	765	6
Monroe	2,835	225	998	1,223	43.1%	142	41
Morgan	3,596	291	1,348	1,639	45.6%	180	34
Nicholas	5,561	369	2,542	2,911	52.3%	278	26
Ohio	8,444	506	3,063	3,569	42.3%	422	14
Pendleton	1,462	122	509	631	43.2%	73	52
Pleasants	1,551	108	556	664	42.8%	78	50
Pocahontas	1,561	158	693	851	54.5%	78	49
Preston	6,536	480	2,442	2,922	44.7%	327	19
Putnam	13,150	789	3,453	4,242	32.3%	658	8
Raleigh	16,403	1,248	7,457	8,705	53.1%	820	5
Randolph	5,705	464	2,580	3,044	53.4%	285	24
Ritchie	2,205	161	922	1,083	49.1%	110	45
Roane	3,239	310	1,649	1,959	60.5%	162	38
Summers	2,521	221	1,218	1,439	57.1%	126	43
Taylor	3,514	226	1,372	1,598	45.5%	176	35
Tucker	1,371	135	479	614	44.8%	69	53
Tyler	1,924	117	736	853	44.3%	96	47

# WVCHIP Enrollment Report

ATTACHMENT 1

April 2012

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Apr-12	Total Medicaid Enrollment Apr-12	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Upshur	4,996	375	2,360	2,735	54.7%	250	29
Wayne	9,516	519	4,057	4,576	48.1%	476	12
Webster	1,977	161	1,157	1,318	66.7%	99	46
Wetzel	3,466	222	1,604	1,826	52.7%	173	36
Wirt	1,201	96	660	756	63.0%	60	55
Wood	18,956	1,194	8,284	9,478	50.0%	948	3
Wyoming	5,116	417	2,447	2,864	56.0%	256	28
<b>Totals</b>	<b>387,459</b>	<b>25,012</b>	<b>159,950</b>	<b>184,962</b>	<b>47.7%</b>	<b>19,373</b>	



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

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

Department of Administration Real Estate Division Leasing Report  
For the period of January 1, 2012 through January 31, 2012

**NEW CONTRACT OF LEASE**

**WORKFORCE WEST VIRGINIA**

**WWV-032-SUB** New Contract of Sublease for 18 months consisting of 800 square feet of office space at the annual per square foot rate of \$15.00, annual cost \$12,000.00, full service, in the City of Teays, Putnam County, West Virginia.

**DIVISION OF VETERANS AFFAIRS**

**VET-037** New Contract of Lease for 3 years consisting of 2,620 square feet of office space at the annual per square foot rate of \$18.65, annual cost \$48,863.00, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF REHABILITATION SERVICES**

**DRS-115** New Contract of Lease for 5 years consisting of 600 square feet of storage space at the annual per square foot rate of \$5.00, annual cost \$3,000.00, full service minus electricity, in the City of Charleston, Kanawha County, West Virginia.

**NEW CONTRACT OF LEASE – DOA OWNED**

**DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING**

**MHS-035** New Contract of Lease for 1 year consisting of 9,832 square feet of office/storage space at the annual per square foot rate of \$7.00, annual cost \$68,823.96, full service, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF FORESTRY**

**FOR-087** New Contract of Lease for 1 year consisting of 8,430 square feet of office space at the annual per square foot rate of \$7.00, annual cost \$59,010.00, full service, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DIVISION OF VETERANS AFFAIRS**

**VET-025** Renewal for 1 year consisting of 646 square feet of office space at the current annual per square foot rate of \$5.57, annual cost \$3,600.00, full service, in the City of Elkins, Randolph County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-176** Renewal for 2 months consisting of 8,000 square feet of office space at the current annual per square foot rate of \$5.40, annual cost \$43,200.00, in the City of Moorefield, Hardy County, West Virginia.

## STRAIGHT RENEWAL - CONTINUED

### **OFFICE OF ECONOMIC OPPORTUNITY – GOVERNOR'S OFFICE**

**GCC-009** Renewal for 2 months consisting of 4,452 square feet of office space at the current annual per square foot rate of \$4.72, annual cost \$21,000.00, full service in the City of Princeton, Mercer County, West Virginia.

### **DIVISION OF JUVENILE SERVICES**

**DJS-023** Renewal for 6 months consisting of 270 square feet of office space at the current monthly rate of \$500.00, annual cost \$6,000.00, full service, in the City of Madison, Boone County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

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

**DEP-124** Renewal for 5 years consisting of 900 square feet of land at the current annual rate of \$1.00, in the City of Martinsburg, Berkeley County, West Virginia.

## RENEWAL WITH INCREASE IN RENT

### **STATE TAX DEPARTMENT**

**TAX-045** Renewal for 3 years consisting of 216 square feet of office space with an increase in the monthly rate from \$162.00 to \$180.00, annual cost \$2,160.00, full service, in the City of Elkins, Randolph County, West Virginia.

### **STATE TREASURER'S OFFICE**

**STO-008** Renewal for 1 year consisting of 492 square feet of office space with an increase in the monthly rate from \$549.81 to \$563.75, annual cost \$6,765.00, full service minus janitorial, in the City of Morgantown, Monongalia County, West Virginia.

**STO-003** Renewal for 2 years consisting of 15,376 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$12.50, annual cost \$192,200.00, full service, in the City of Charleston, Kanawha County, West Virginia.

### **WV CONSERVATION AGENCY**

**SCC-008** Renewal for 5 years consisting of 2,488 square feet of office space with an increase in the annual per square foot rate from \$8.11 to \$9.10, annual cost \$22,640.76, full service, in the City of Romney, Hampshire County, West Virginia.

### **BOARD OF EXAMINERS FOR REGISTERED PROFESSIONAL NURSES**

**RNB-002** Renewal for 5 years consisting of 4,945 square feet of office space with an increase in the annual per square foot rate from \$12.95 to \$13.50, annual cost \$66,757.56, full service, in the City of Charleston, Kanawha County, West Virginia.

## RENEWAL WITH INCREASE IN RENT - CONTINUED

### **WEST VIRGINIA STATE POLICE**

**PSA-107** Renewal for 3 years consisting of 2,750 square feet of office space with an increase in the annual per square foot rate from \$3.05 to \$3.27, annual cost \$9,000.00, in the City of Gilbert, Mingo County, West Virginia.

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

**HHR-203** Renewal for 1 year consisting of 400 square feet of office space with an increase in the monthly rate from \$450.00 to \$475.00, annual cost \$5,700.00, full service, in the City of Petersburg, Grant County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-092** Renewal for 2 years consisting of 2,700 square feet of office space with an increase in the annual per square foot rate from \$6.00 to \$8.00, annual cost \$21,600.00, full service, in the City of Charleston, Kanawha County, West Virginia.

## RENEWAL WITH INCREASE IN RENT AND REMOVAL OF ESCALATION CLAUSE

### **OFFICES OF THE INSURANCE COMMISSIONER**

**INS-020** Renewal for 5 years consisting of 1,200 square feet of office space with an increase in the annual per square foot rate from \$13.50 to \$14.60, annual cost \$17,520.00, removal of RENT ESCALATION PROVISION Item 20 Page 4, full service without janitorial, in the City of Martinsburg, Berkeley County, West Virginia.

## INCREASE OF SQUARE FOOTAGE

### **DIVISION OF CORRECTIONS**

**COR-049** Renewal for 3 years with an increase of 117 square feet for a total of 2,520 square feet of office space at the current annual per square foot rate of \$11.60, annual cost \$29,232.00, full service, in the City of Clarksburg, Harrison County, West Virginia.

## CANCELLATION

### **WEST VIRGINIA BOARD OF PHARMACY**

**PHA-003** Lease cancellation consisting of 2,350 square feet of office space, at the annual per square foot rate of \$6.35 annual cost \$1,200.00, full service, in the City of Charleston, Kanawha County, West Virginia

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Workforce West Virginia	WVW-032	Putnam	800	15.00	12,000
2	Division of Veterans Affairs	VET-037	Kanawha	2,620	18.65	48,863
3	Division of Rehabilitation Services	DRS-115	Kanawha	600	5.00	3,000
4	Division of Miners' Health, Safety and Training	MHS-035	Kanawha	9,832	7.00	68,824
5	Division of Forestry	FOR-087	Kanawha	8,430	7.00	59,010
6	Division of Veterans Affairs	VET-025	Randolph	646	5.57	3,600
7	Department of Health and Human Resources	HHR-176	Hardy	8,000	5.40	43,200
8	Office of Economic Opportunity - Governor's Office	GCC-009	Mercer	4,452	4.72	21,000
9	Division of Juvenile Services	DJS-023	Boone	270	0.00	6,000
10	Department of Environmental Protection	DEP-171	Marion	416	0.00	2,160
11	Department of Environmental Protection	DEP-124	Berkeley	900	0.00	1
12	State Tax Department	TAX-045	Randolph	216	0.00	2,160
13	State Treasurer's Office	STO-008	Monongalia	492	0.00	6,765
14	State Treasurer's Office	STO-003	Kanawha	15,376	12.50	192,200
15	WV Conservation Agency	SCC-008	Hampshire	2,488	9.10	22,641
16	Board of Examiners for Registered Professional Nurses	RNB-002	Kanawha	4,945	13.50	66,758
17	West Virginia State Police	PSA-107	Mingo	2,750	3.27	9,000
18	Department of Health and Human Resources	HHR-203	Grant	400	0.00	5,700
19	Department of Environmental Protection	DEP-092	Kanawha	2,700	8.00	21,600
20	Offices of the Insurance Commissioner	INS-020	Berkeley	1,200	14.60	17,520
21	Division of Corrections	COR-049	Harrison	2,520	11.60	29,232

					140.91	
		<b>Total Rentable Square Feet</b>		<u>70,053</u>		
		<b>Average Annual Rental Rate</b>			<u>9.39</u>	
		<b>Total Annual Rent</b>				<u>641,233</u>

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
CANCELLATIONS						
1	West Virginia Board of Pharmacy	PHA-003	Kanawha	2,350	6.35	1,200

6.35

Department of Administration Real Estate Division Leasing Report  
For the period of February 1, 2012 through February 29, 2012

**NEW CONTRACT OF LEASE**

**STATE TAX DEPARTMENT**

**TAX-055** New Contract of Lease for 5 years consisting of a 0.84 acre parking lot with 93 parking spaces at the monthly rate of \$4,400.00, annual cost \$52,800.00, electric and trash removal, in the City of Charleston, Kanawha County, West Virginia.

**WEST VIRGINIA BOARD OF PHARMACY**

**PHA-004-SUB** New Contract of Sub-Lease for 1 year consisting of 1,104 square feet of office space at the annual per square foot rate of \$5.53, annual cost \$6,105.12, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-104** Renewal for 1 year consisting of 166 square feet of office space at the current monthly rate of \$50.00, annual cost \$600.00, full service, in the City of Summersville, Nicholas County, West Virginia.

**DIVISION OF REHABILITATION SERVICES**

**DRS-055** Renewal for 5 years consisting of 5,815 square feet of office space at the current annual per square foot rate of \$15.16, annual cost \$88,155.36, full service, in the City of Martinsburg, Berkeley County, West Virginia.

**JACKSON PIERCE PUBLIC AFFAIRS, INC.**

**JPA-002-SUB** Renewal for 1 year consisting of 200 square feet of office space at the current monthly rate of \$200.00, annual cost \$2,400.00, full service in the City of Morgantown, Monongalia County, West Virginia.

**REGION VI WORKFORCE INVESTMENT BOARD, INC.**

**WIB-002-SUB** Renewal for 1 year consisting of 2 cubicles for office space at the current monthly rate of \$450.00, annual cost \$5,400.00, full service, in the City of Bridgeport, Harrison County, West Virginia.

**WEST VIRGINIA STATE POLICE**

**PSA-085** Renewal for 1 year consisting of 1,824 square feet of office space at the current monthly rate of \$300.00, annual cost \$3,600.00, full service, in the City of Pettus, Raleigh County, West Virginia.

**WEST VIRGINIA CONSERVATION AGENCY**

**SCC-007** Renewal for 1 year consisting of 974 square feet of office space at the current annual rate of \$16.25, annual cost \$15,827.52, full service, in the City of Morgantown, Monongalia County, West Virginia.

**STRAIGHT RENEWAL - CONTINUED**

**OFFICES OF THE INSURANCE COMMISSIONER**

**INS-030** Renewal on a month-to-month basis consisting of 1,460 square feet of office space at the current annual per square foot rate of \$9.87, annual cost \$14,410.20 in the City of Chapmanville, Logan County, West Virginia.

**RENEWAL WITH INCREASE IN RENT**

**BOARD OF PROFESSIONAL ENGINEERS**

**PEB-002** Renewal for 5 years consisting of 3,231 square feet of office space with an increase in the annual per square foot rate from \$13.20 to \$14.52, annual cost \$46,914.12, full service, in the City of Charleston, Kanawha County, West Virginia.

**BOARD OF RESPIRATORY CARE**

**BRC-001** Renewal for 5 years consisting of 1,200 square feet of office space with an increase in the annual per square foot rate from \$12.95 to \$13.25, annual cost \$15,900.00, full service, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF CORRECTIONS**

**COR-033** Renewal for 2 years consisting of 10,358 square feet of work release center/office trailer/parking area with an increase in the annual per square foot rate from \$7.42 to \$7.59, annual cost \$78,617.22, in the City of Charleston, Kanawha County, West Virginia.

**EDUCATIONAL BROADCASTING AUTHORITY**

**EBA-010** Renewal for 5 years consisting of tower/monitoring site with an increase in the monthly rate from \$150.00 to \$180.00, annual cost \$2,160.00, in the Lincoln District, Marion County, West Virginia.

**RENEWAL WITH INCREASE OF SQUARE FOOTAGE**

**OFFICES OF THE INSURANCE COMMISSIONER**

**INS-021** Renewal for 16 months with addition of 240 square feet for a total of 853 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$11,089.00, full service, in the City of Huntington, Cabell County, West Virginia.

**RENEWAL WITH INCREASE OF SQUARE FOOTAGE AND INCREASE IN RENT**

**DIVISION OF NATURAL RESOURCES**

**NAT-094** Renewal for 5 years with an increase of 351 square feet for a total of 1,551 square feet of stream access with an increase in the annual rate from \$200.00 to \$300.00, annual cost \$300.00, in Monroe County, West Virginia.

## DECREASE OF SQUARE FOOTAGE

### **DIVISION OF VETERANS AFFAIRS**

**VET-030** Decrease square footage by 1,776 square feet for a total of 2,045 square feet of office space at the current annual per square foot rate of \$10.40, annual cost \$21,268.00, full service, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 February 1-29, 2012

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	State Tax Department	TAX-055	Kanawha	0	0.00	52,800
2	West Virginia Board of Pharmacy	PHA-004	Kanawha	1,104	5.53	6,105
3	Department of Environmental Protection	DEP-104	Nicholas	166	0.00	600
4	Division of Rehabilitation Services	DRS-055	Berkeley	5,815	15.16	88,155
5	Jackson Pierce Public Affairs	JPA-002	Monongalia	200	0.00	2,400
6	Region VI Workforce Investment Board, Inc.	WIB-002	Harrison	0	0.00	5,400
7	West Virginia State Police	PSA-085	Raleigh	1,824	0.00	3,600
8	West Virginia Conservation Agency	SCC-007	Monongalia	974	16.25	15,828
9	Offices of the Insurance Commissioner	INS-030	Logan	1,460	9.87	14,410
10	Board of Professional Engineers	PEB-002	Kanawha	3,231	14.52	46,914
11	Board of Respiratory Care	BRC-001	Kanawha	1,200	13.25	15,900
12	Division of Corrections	COR-033	Kanawha	10,358	7.59	78,617
13	Educational Broadcasting Authority	EBA-010	Marion	0	0.00	2,160
14	Offices of the Insurance Commissioner	INS-021	Cabell	853	13.00	11,089
15	Division of Natural Resources	NAT-094	Monroe	1,551	0.00	300
16	Division of Veterans Affairs	VET-030	Kanawha	2,045	10.40	21,268
						105.57
<b>Total Rentable Square Feet</b>				<b>30,781</b>		
<b>Average Annual Rental Rate</b>				<b>11.73</b>		
<b>Total Annual Rent</b>						<b>365,547</b>

**Joint Committee on Government and Finance**

**May 2012**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**March 2012 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2012

	MONTH OF MARCH 2012		ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	SFY2011	SFY2012	Current Month 03/31/12	Current Mionth Ended 03/31/12	Year To-Date Thru 03/31/12	04/01/12 Thru 06/30/12
<b>EXPENDITURES:</b>								
Inpatient Hospital - Reg. Payments	164,043,833	176,928,067	164,043,833	176,928,067	12,999,188	13,628,737	118,538,070	58,389,997
Inpatient Hospital - DSH	54,602,728	55,616,400	54,602,728	55,616,400	-	-	41,900,728	13,715,672
Inpatient Hospital - Supplemental Payments	150,374,918	79,066,286	150,374,918	79,066,286	14,464,646	14,464,671	59,299,713	19,766,573
Inpatient Hospital - GME Payments	5,178,062	5,128,800	5,178,062	5,128,800	-	-	4,370,076	758,724
Mental Health Facilities	82,205,443	83,604,219	82,205,443	83,604,219	7,414,597	6,470,092	59,236,400	24,367,819
Mental Health Facilities - DSH Adjustment Payments	18,870,766	18,866,400	18,870,766	18,866,400	-	-	14,164,966	4,701,434
Nursing Facility Services - Regular Payments	497,490,876	533,935,963	497,490,876	533,935,963	42,752,392	44,518,200	396,886,935	137,049,028
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	62,315,850	68,807,100	62,315,850	68,807,100	5,520,577	5,733,925	48,989,921	19,817,179
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-	-	-
Physicians Services - Regular Payments	120,938,365	129,796,223	120,938,365	129,796,223	9,706,011	10,021,817	85,477,942	44,318,282
Physicians Services - Supplemental Payments	28,779,948	30,575,400	28,779,948	30,575,400	-	-	19,753,045	10,822,355
Outpatient Hospital Services - Regular Payments	104,867,944	107,096,383	104,867,944	107,096,383	10,078,204	8,253,801	77,941,768	29,154,616
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-	-	-
Prescribed Drugs	355,934,526	368,792,906	355,934,526	368,792,906	31,333,407	28,762,168	282,679,932	86,112,974
Drug Rebate Offset - National Agreement	(178,030,580)	(156,989,600)	(178,030,580)	(156,989,600)	(15,152,618)	(6,901,546)	(168,810,863)	11,821,263
Drug Rebate Offset - State Sidebar Agreement	(18,264,735)	(20,042,600)	(18,264,735)	(20,042,600)	(64,018)	(838,386)	(12,716,913)	(7,325,687)
Dental Services	65,110,306	61,522,537	65,110,306	61,522,537	4,322,471	4,748,631	42,047,640	19,474,897
Other Practitioners Services - Regular Payments	11,297,560	13,106,060	11,297,560	13,106,060	1,115,046	1,066,838	8,953,244	4,152,816
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-	-	-
Clinic Services	5,014,428	5,507,120	5,014,428	5,507,120	254,648	437,046	3,404,137	2,102,983
Lab & Radiological Services	23,034,934	23,867,397	23,034,934	23,867,397	2,188,684	1,871,020	18,383,025	5,484,372
Home Health Services	44,244,071	45,150,371	44,244,071	45,150,371	3,160,810	3,517,223	35,519,992	9,630,379
Hysterectomies/Sterilizations	202,721	221,100	202,721	221,100	14,464	17,008	150,507	70,593
Pregnancy Terminations	-	-	-	-	-	-	-	-
EPSDT Services	1,393,791	1,692,037	1,393,791	1,692,037	92,167	130,846	858,591	833,446
Rural Health Clinic Services	7,938,113	9,400,347	7,938,113	9,400,347	768,646	732,338	5,694,685	3,705,663
Medicare Health Insurance Payments - Part A Premiums	17,589,540	19,087,800	17,589,540	19,087,800	1,510,740	-	12,999,861	6,087,939
Medicare Health Insurance Payments - Part B Premiums	86,800,107	101,265,000	86,800,107	101,265,000	6,460,263	-	65,464,709	35,800,291
120% - 134% Of Poverty	6,412,164	7,018,300	6,412,164	7,018,300	424,076	539,869	4,848,902	2,169,398
135% - 175% Of Poverty	-	-	-	-	-	-	-	-
Coinsurance And Deductibles	7,200,103	7,611,400	7,200,103	7,611,400	755,809	585,492	5,275,934	2,335,466

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2012

MONTH OF MARCH 2012	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month 03/31/12	Current Mionth Ended 03/31/12	Year To-Date Thru 03/31/12	04/01/12 Thru 06/30/12
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	331,340,463	332,146,800	26,278,505	27,678,900	251,473,592	80,673,208
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	430,840	474,700	-	36,515	298,184	176,516
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	22,935	-	-	-	-	-
Home & Community-Based Services (MR/DD)	250,190,675	291,985,942	25,574,845	20,984,784	212,516,435	79,469,507
Home & Community-Based Services (Aged/Disabled)	105,384,910	124,444,608	10,417,593	8,866,168	97,135,747	27,308,861
Home & Community-Based Services (Traumatic Brain Injury)	-	2,600,925	-	200,071	-	2,600,925
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	15,197	(15,197)
Personal Care Services - Regular Payments	43,271,225	54,253,564	4,956,571	3,617,662	37,517,783	16,735,781
Personal Care Services - SDS 1915(j)	-	-	-	318,708	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,683,372	4,102,733	275,282	-	2,346,312	1,756,421
Primary Care Case Management Services	311,397	362,800	15,330	27,908	174,676	188,124
Hospice Benefits	23,031,071	23,968,000	1,562,485	1,843,692	17,334,116	6,633,884
Emergency Services Undocumented Aliens	250,549	252,200	24,899	19,400	249,287	2,913
Federally Qualified Health Center	17,062,376	18,053,125	1,701,752	1,403,454	14,552,935	3,500,190
Non-Emergency Medical Transportation	22,846,997	23,329,348	2,132,569	1,796,546	18,970,861	4,358,487
Physical Therapy	1,950,648	1,993,133	203,297	153,546	1,541,194	451,939
Occupational Therapy	259,371	223,033	37,350	17,408	257,448	(34,415)
Services for Speech, Hearing & Language	322,095	261,398	44,754	20,400	415,766	(154,368)
Prosthetic Devices, Dentures, Eyeglasses	1,750,474	1,982,028	128,199	153,454	1,333,139	648,889
Diagnostic Screening & Preventive Services	506,980	555,348	47,492	42,815	394,806	160,542
Nurse Mid-Wife	241,124	280,900	24,021	21,608	169,354	111,546
Emergency Hospital Services	1,340,493	5,903,671	(2,106)	454,246	4,817	5,898,854
Critical Access Hospitals	31,130,998	33,377,270	3,295,561	2,570,723	22,457,824	10,919,446
Nurse Practitioner Services	1,296,506	1,242,745	167,360	95,931	1,080,067	162,678
School Based Services	55,049,683	66,000,436	4,496,595	5,080,477	35,577,456	30,422,980
Rehabilitative Services (Non-School Based)	76,039,609	88,073,374	6,301,748	6,415,962	58,933,549	29,139,825
Private Duty Nursing	4,856,304	5,087,998	345,887	410,031	3,480,841	1,607,157
Other Care Services	20,936,984	22,969,227	1,835,281	1,767,727	15,561,623	7,407,604
Less: Recoupments	-	-	(110,707)	-	(462,924)	462,924
<b>NET EXPENDITURES:</b>	<b>2,719,053,859</b>	<b>2,880,556,723</b>	<b>229,874,773</b>	<b>221,757,926</b>	<b>2,024,643,029</b>	<b>855,913,694</b>

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2012

MONTH OF MARCH 2012	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month 03/31/12	Current Month Ended 03/31/12	Year To-Date Thru 03/31/12	04/01/12 Thru 06/30/12
Collections: Third Party Liability (line 9A on CMS-64)	(9,341,740)	-	-	-	(3,894,068)	3,894,068
Collections: Probate (line 9B on CMS-64)	(81,809)	-	-	-	(255,579)	255,579
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(396)	-	-	-	(1,205)	1,205
Collections: Other (line 9D on CMS-64)	(7,250,803)	-	-	-	(4,775,291)	4,775,291
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>2,702,379,111</b>	<b>2,880,556,723</b>	<b>229,874,773</b>	<b>221,757,926</b>	<b>2,015,716,886</b>	<b>864,839,837</b>
Plus: Medicaid Part D Expenditures	18,156,396	33,719,754	3,012,931	2,593,827	24,966,914	8,752,839
Plus: State Only Medicaid Expenditures	4,750,829	4,580,645	341,090	363,712	2,908,361	1,672,285
Plus: Money Follow the Person Expenditures	-	3,964,312	-	304,947	-	3,964,312
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 2,725,286,336</b>	<b>\$ 2,922,821,434</b>	<b>\$ 233,228,795</b>	<b>\$ 225,020,412</b>	<b>\$ 2,043,592,161</b>	<b>\$ 879,229,273</b>
Plus: Reimbursables <sup>(1)</sup>	5,304,734	5,832,222	566,196	447,333	4,843,445	988,777
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,730,591,069</b>	<b>\$ 2,928,653,656</b>	<b>\$ 233,794,991</b>	<b>\$ 225,467,745</b>	<b>\$ 2,048,435,606</b>	<b>\$ 880,218,050</b>

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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2012

9 Months Actuals      3 Months Remaining

**MONTH OF MARCH 2012**

**REVENUE SOURCES**

Beg. Bal. (5084/1020 prior mth)

**MATCHING FUNDS**

General Revenue (0403/189)  
 MRDD Waiver (0403/466)  
 Rural Hospitals Under 150 Beds (0403/940)  
 Tertiary Funding (0403/547)  
 Traumatic Brain Injury (0403/835)  
 Title XIX Waiver for Seniors (0403-533)  
 Medical Services Surplus (0403/633)  
 Waiver for Senior Citizens Surplus (0403/526)  
 Lottery Waiver (Less 550,000) (5405/539)  
 Lottery Transfer (5405/871)  
 Trust Fund Appropriation (5185/189)  
 Provider Tax (5090/189)  
 Certified Match  
 Reimbursables - Amount Reimbursed  
 Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015  
 CMS - 64 Adjustments

**TOTAL MATCHING FUNDS**

**FEDERAL FUNDS**

**TOTAL REVENUE SOURCES**

**TOTAL EXPENDITURES:**

Provider Payments

**TOTAL**

	ACTUALS SFY2011	ACTUALS Current Month Ended 03/31/12	ACTUALS Year-To-Date Thru 03/31/12	PROJECTED 04/01/12 Thru 06/30/12	TOTAL SFY2012
Beg. Bal. (5084/1020 prior mth)	\$ 213,690,990	\$ 13,251,048	\$ 210,933,113		\$ 210,933,113
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	222,471,412	18,855,415	123,287,053	95,183,545	218,470,598
MRDD Waiver (0403/466)	87,753,483	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)	-	66,666	600,000	200,000	800,000
Title XIX Waiver for Seniors (0403-533)	7,500,000	798,959	6,423,625	5,663,875	12,087,500
Medical Services Surplus (0403/633)	-	-	1,506,917	(1,506,917)	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	2,500,000	(2,500,000)	-
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	-	24,000,000	7,222,578	31,222,578
Lottery Transfer (5405/871)	16,670,000	-	6,600,000	2,070,000	8,670,000
Trust Fund Appropriation (5185/189)	-	12,076,099	12,076,099	18,480,495	30,556,594
Provider Tax (5090/189)	152,750,473	13,700,000	120,200,000	42,082,760	162,282,760
Certified Match	16,726,042	1,841,331	16,830,677	7,922,181	24,752,858
Reimbursables - Amount Reimbursed	3,688,478	35,726	5,932,524	(100,302)	5,832,222
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	712,458	80,106	674,051	(674,051)	-
CMS - 64 Adjustments	898,977	-	96,762	(96,762)	-
<b>TOTAL MATCHING FUNDS</b>	\$ 755,086,891	\$ 68,847,473	\$ 597,839,655	\$ 205,474,051	\$ 803,313,706
<b>FEDERAL FUNDS</b>	\$2,191,395,795	\$ 179,804,681	\$1,493,740,645	\$ 662,507,633	\$2,156,248,278
<b>TOTAL REVENUE SOURCES</b>	<b>\$2,946,482,686</b>	<b>\$ 248,652,154</b>	<b>\$2,091,580,300</b>	<b>\$ 867,981,684</b>	<b>\$2,959,561,984</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$2,730,591,069	\$ 233,794,991	\$2,048,435,606	\$ 880,218,050	\$2,928,653,656
<b>TOTAL</b>	<b>\$ 215,891,617</b>	<b>\$ 14,857,164</b>	<b>\$ 43,144,694</b>		<b>\$ 30,908,328</b>

Note: FMAP (73.24% applicable Jul. - Sep. 2011) (72.62% applicable Oct. 2011 - Jun. 2012)

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Monthly Performance Report

March 31, 2012



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

	6/30/2011		3/31/2012		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>12,849,850</b>	<b>100.0</b>	<b>13,268,888</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>10,191,097</b>	<b>79.3</b>	<b>10,399,905</b>	<b>78.4</b>							
Public Employees' Retirement System	4,359,025	33.8	4,455,759	33.6	0.6	7.5	3.3	4.9	18.6	3.4	6.5
Teachers' Retirement System	5,010,212	38.9	5,052,027	38.1	0.6	7.5	3.2	4.8	17.9	2.9	6.2
Teachers' Employers Cont. Collection A/C	-	0.0	59,208	0.5	0.0	0.0	0.0	0.0	0.1	1.3	
EMS Retirement System	31,963	0.3	35,426	0.3	0.6	7.5	3.1	4.7	18.4		
Public Safety Retirement System	482,005	3.8	472,831	3.5	0.6	7.5	3.2	4.9	18.7	3.4	6.6
Judges' Retirement System	124,587	1.0	127,959	0.9	0.6	7.5	3.2	4.9	18.5	3.4	6.5
State Police Retirement System	70,756	0.6	78,301	0.6	0.6	7.5	3.1	4.7	18.4	3.4	6.5
Deputy Sheriffs' Retirement System	112,488	0.9	118,242	0.9	0.6	7.5	3.2	4.8	18.6	3.4	6.5
Municipal Police & Firefighter Retirement System	61	0.0	152	0.0	0.6	7.1	6.0	6.0			
<b>Insurance Assets</b>	<b>1,968,581</b>	<b>15.3</b>	<b>1,998,813</b>	<b>15.0</b>							
Workers' Compensation Old Fund	933,073	7.3	944,672	7.1	0.1	3.9	3.6	5.0	13.3	3.3	
Workers' Comp. Self-Insured Guaranty Risk Pool	9,627	0.1	10,700	0.1	0.1	4.2	3.2	4.3	3.2	3.2	
Workers' Comp. Uninsured Employers Fund	8,911	0.1	9,193	0.1	0.2	4.2	3.2	4.3	2.7	2.9	
Pneumoconiosis	261,558	1.9	261,285	1.9	0.1	4.2	3.1	4.3	13.3	4.0	
Board of Risk & Insurance Mgmt.	140,522	1.1	138,794	1.1	0.1	4.2	3.3	4.5	13.8	5.0	
Public Employees' Insurance Agency	175,171	1.4	182,173	1.4	0.0	3.1	4.0	5.5	12.9	4.3	
WV Retiree Health Benefit Trust Fund	437,457	3.4	449,597	3.3	0.3	5.7	2.8	3.8	13.4		
AccessWV	2,262	0.0	2,399	0.0	-0.5	1.7	6.1	8.7			
<b>Endowment Assets</b>	<b>690,172</b>	<b>5.4</b>	<b>870,170</b>	<b>6.6</b>							
Wildlife Fund	40,380	0.3	40,761	0.3	0.6	7.5	3.2	4.8	18.5	3.4	6.7
Prepaid Tuition Trust	84,791	0.7	79,884	0.6	0.6	6.4	3.6	5.3	19.8	4.1	7.0
Revenue Shortfall Reserve Fund	242,748	1.9	413,862	3.1	-0.5	1.6	6.3	9.0	15.5	1.4	
Revenue Shortfall Reserve Fund - Part B	315,738	2.4	328,939	2.5	0.1	4.0	4.2	6.0	16.3	1.8	
WV DEP Trust	6,515	0.1	6,724	0.1	0.7	8.5	2.8				

**West Virginia Investment Management Board**

Composite Asset Allocation & Performance Net of Fees

As of March 31, 2012

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	13,273,528	100.00								
Total Equity Composite	6,021,278	45.37	0.94	11.92	0.06	1.13	24.14	1.45	6.22	
<i>Total Equity Policy Index</i>			<i>0.88</i>	<i>12.14</i>	<i>-0.22</i>	<i>0.08</i>	<i>22.06</i>	<i>0.03</i>	<i>5.50</i>	
Excess Return			0.06	-0.22	0.28	1.05	2.08	1.42	0.72	
US Equity Composite	3,021,218	22.76	2.84	12.41	6.54	7.52	24.49	2.15	5.36	
<i>Russell 3000 Index</i>			<i>3.08</i>	<i>12.87</i>	<i>7.21</i>	<i>7.18</i>	<i>24.26</i>	<i>2.18</i>	<i>4.67</i>	
Excess Return			-0.24	-0.46	-0.67	0.34	0.23	-0.03	0.69	
Large Cap Composite	2,241,588	16.89	3.17	11.83	7.91	8.76	23.61	1.89	4.03	
<i>S&amp;P 500 Index</i>			<i>3.29</i>	<i>12.59</i>	<i>8.43</i>	<i>8.54</i>	<i>23.42</i>	<i>2.01</i>	<i>4.12</i>	
Excess Return			-0.12	-0.76	-0.52	0.22	0.19	-0.12	-0.09	
Non-Large Cap Composite	779,630	5.87	1.91	14.06	2.66	4.01	28.74	3.91	7.95	
<i>Russell 2500 Index</i>			<i>2.15</i>	<i>12.99</i>	<i>1.93</i>	<i>1.33</i>	<i>28.42</i>	<i>3.03</i>	<i>7.49</i>	
Excess Return			-0.24	1.07	0.73	2.68	0.32	0.88	0.46	
International Equity Composite	3,000,061	22.61	-0.90	11.51	-6.42	-5.28	23.22	0.77	8.61	
<i>MSCI AC World ex US Index</i>			<i>-1.32</i>	<i>11.34</i>	<i>-7.31</i>	<i>-6.75</i>	<i>19.65</i>	<i>-1.11</i>	<i>7.74</i>	
Excess Return			0.42	0.17	0.89	1.47	3.57	1.88	0.87	
Fixed Income Composite	3,502,810	26.39	0.03	2.41	4.23	5.77	12.43	5.40	6.28	
<i>Fixed Income Policy</i>			<i>-0.46</i>	<i>0.85</i>	<i>5.26</i>	<i>7.59</i>	<i>7.89</i>	<i>6.45</i>	<i>5.90</i>	
Excess Return			0.49	1.56	-1.03	-1.82	4.54	-1.05	0.38	
Core Fixed Income	1,185,382	8.93	-0.34	1.04	5.84	8.26	7.83			
<i>Barclays Capital Aggregate</i>			<i>-0.55</i>	<i>0.30</i>	<i>5.30</i>	<i>7.71</i>	<i>6.83</i>			
Excess Return			0.21	0.74	0.54	0.55	1.00			
Total Return Fixed Income	2,317,428	17.46	0.22	3.12	3.39	4.50	13.40	5.66	6.92	
<i>Barclays Capital US Universal</i>			<i>-0.46</i>	<i>0.85</i>	<i>5.26</i>	<i>7.59</i>	<i>7.89</i>	<i>6.23</i>	<i>6.07</i>	
Excess Return			0.68	2.27	-1.87	-3.09	5.51	-0.57	0.85	
TIPS Composite	701,289	5.28	-1.05	0.83	8.23	12.18				
<i>Barclays Capital U.S. TIPS</i>			<i>-1.07</i>	<i>0.86</i>	<i>8.25</i>	<i>12.20</i>				
Excess Return			0.02	-0.03	-0.02	-0.02				
TRS Annuity	107,348	0.81	0.37	1.10	3.37	4.50	4.48			
Cash Composite	230,159	1.73	0.01	0.02	0.04	0.06	0.14	1.38	2.02	
<i>Citigroup 90 Day T-Bill + 15 bps</i>			<i>0.02</i>	<i>0.05</i>	<i>0.14</i>	<i>0.21</i>	<i>0.28</i>	<i>1.38</i>	<i>2.06</i>	
Excess Return			-0.01	-0.03	-0.10	-0.15	-0.14	0.00	-0.04	
Private Equity Composite	1,012,836	7.63	0.83	4.52	11.75	18.03	15.34			
Real Estate Composite	578,319	4.36	1.05	3.83	4.49	8.23	8.19			
Hedge Funds Composite	1,119,489	8.43	0.23	3.43	1.06	0.42	8.52			
<i>LIBOR + 400 bps</i>			<i>0.36</i>	<i>1.09</i>	<i>3.30</i>	<i>4.40</i>	<i>4.39</i>			
Excess Return			-0.13	2.34	-2.24	-3.98	4.13			

West Virginia Investment Management Board  
 Participant Plans Allocation vs. Targets  
 As of March 31, 2012

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

**Pension Assets**

Public Employees' Retirement System	26.2	24.5	26.1	26.5	23.0	23.0	9.8	10.0	5.6	6.0	9.0	10.0	0.3	0.0
Teachers' Retirement System	26.2	24.5	26.1	26.5	22.8	23.0	9.8	10.0	5.6	6.0	9.0	10.0	0.5	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	25.8	24.5	25.6	26.5	23.8	23.0	9.6	10.0	5.4	6.0	8.8	10.0	1.0	0.0
Public Safety Retirement System	25.9	24.5	26.2	26.5	23.2	23.0	9.8	10.0	5.6	6.0	9.2	10.0	0.1	0.0
Judges' Retirement System	26.4	24.5	26.1	26.5	22.8	23.0	9.8	10.0	5.5	6.0	9.1	10.0	0.3	0.0
State Police Retirement System	25.8	24.5	25.5	26.5	23.6	23.0	9.6	10.0	5.4	6.0	8.7	10.0	1.4	0.0
Deputy Sheriffs' Retirement System	25.9	24.5	25.9	26.5	23.3	23.0	9.7	10.0	5.5	6.0	9.0	10.0	0.7	0.0
Municipal Police & Firefighter Retirement System	22.1	24.5	22.4	26.5	18.9	23.0	8.3	10.0	5.4	6.0	8.3	10.0	14.6	0.0

**Insurance Assets**

Workers' Compensation Old Fund	10.6	9.8	10.6	10.6	68.9	69.6	0.0	0.0	0.0	0.0	0.0	0.0	9.9	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.6	9.8	10.6	10.6	55.6	54.6	0.0	0.0	0.0	0.0	18.4	20.0	4.8	5.0
Workers' Comp. Uninsured Employers Fund	10.7	9.8	10.6	10.6	54.2	54.6	0.0	0.0	0.0	0.0	19.5	20.0	5.0	5.0
Pneumoconiosis	10.6	9.8	10.6	10.6	54.4	54.6	0.0	0.0	0.0	0.0	19.8	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	10.6	9.8	10.6	10.6	54.4	54.6	0.0	0.0	0.0	0.0	19.4	20.0	5.0	5.0
Public Employees' Insurance Agency	5.3	4.9	5.3	5.3	75.0	74.8	0.0	0.0	0.0	0.0	9.4	10.0	5.0	5.0
WV Retiree Health Benefit Trust Fund	18.3	17.1	18.2	18.6	44.9	44.3	0.0	0.0	0.0	0.0	18.6	20.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Endowment Assets**

Wildlife Fund	25.8	24.5	25.9	26.5	22.3	23.0	9.7	10.0	5.5	6.0	9.5	10.0	1.3	0.0
Prepaid Tuition Trust	33.2	32.9	17.7	16.1	47.8	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.6	10.0	10.5	10.0	78.9	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	37.2	35.0	28.9	30.0	33.9	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Statutory Limitations**

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

**West Virginia Investment Management Board**

Footnotes

As of March 31, 2012

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

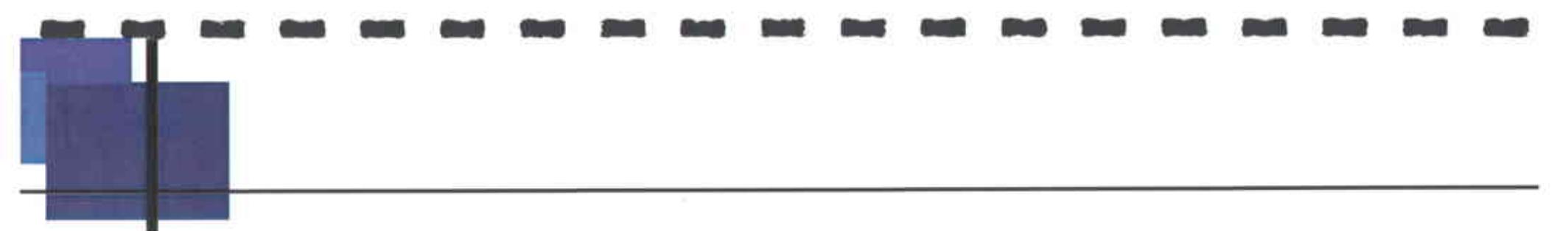
Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

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

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

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

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



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**Status Report:**  
**Workers' Compensation**

Joint Committee on Government & Finance

May 2012

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



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## Introduction

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

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

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

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

## Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

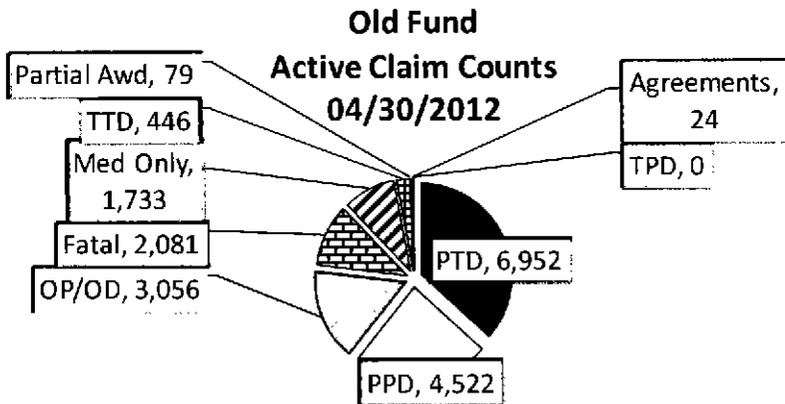
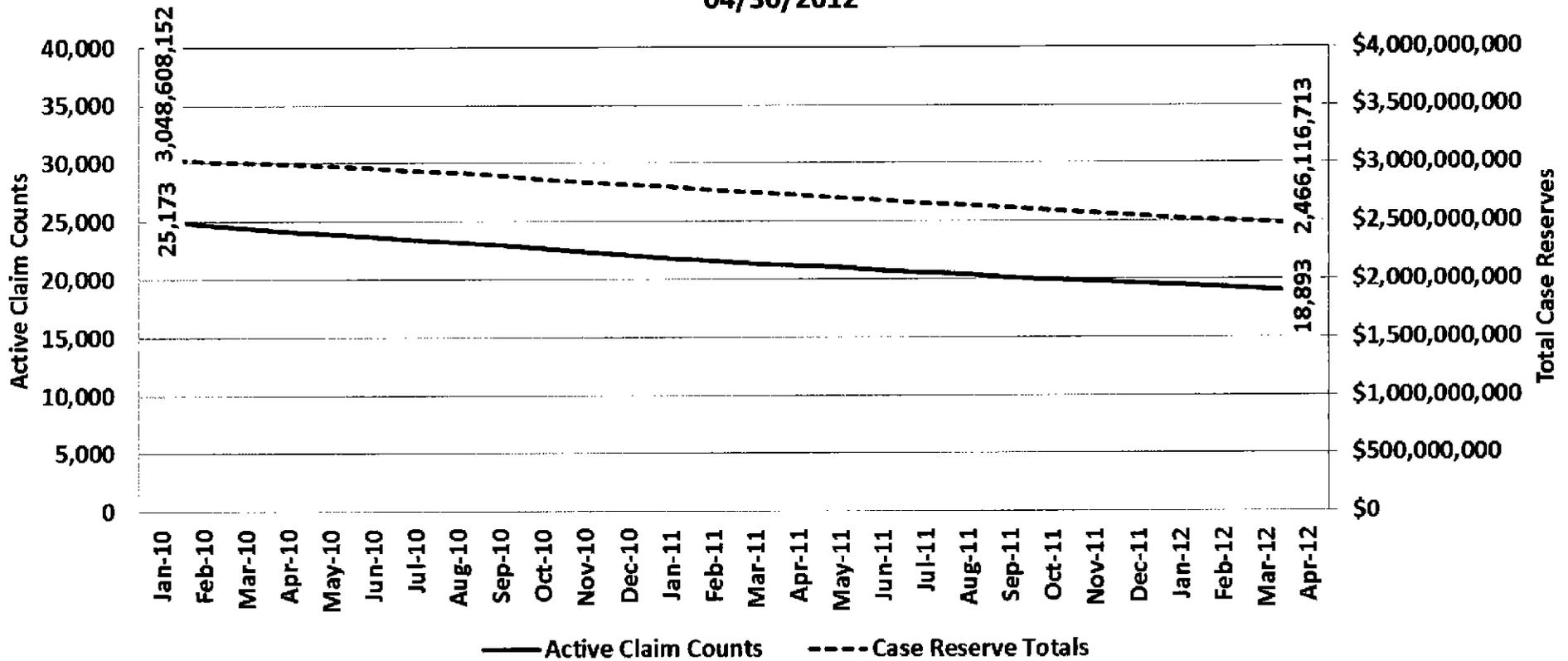
**Self-Insured Security Fund:** State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited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

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

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

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

**Old Fund  
Active Claim Counts and Case Reserves  
04/30/2012**



**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

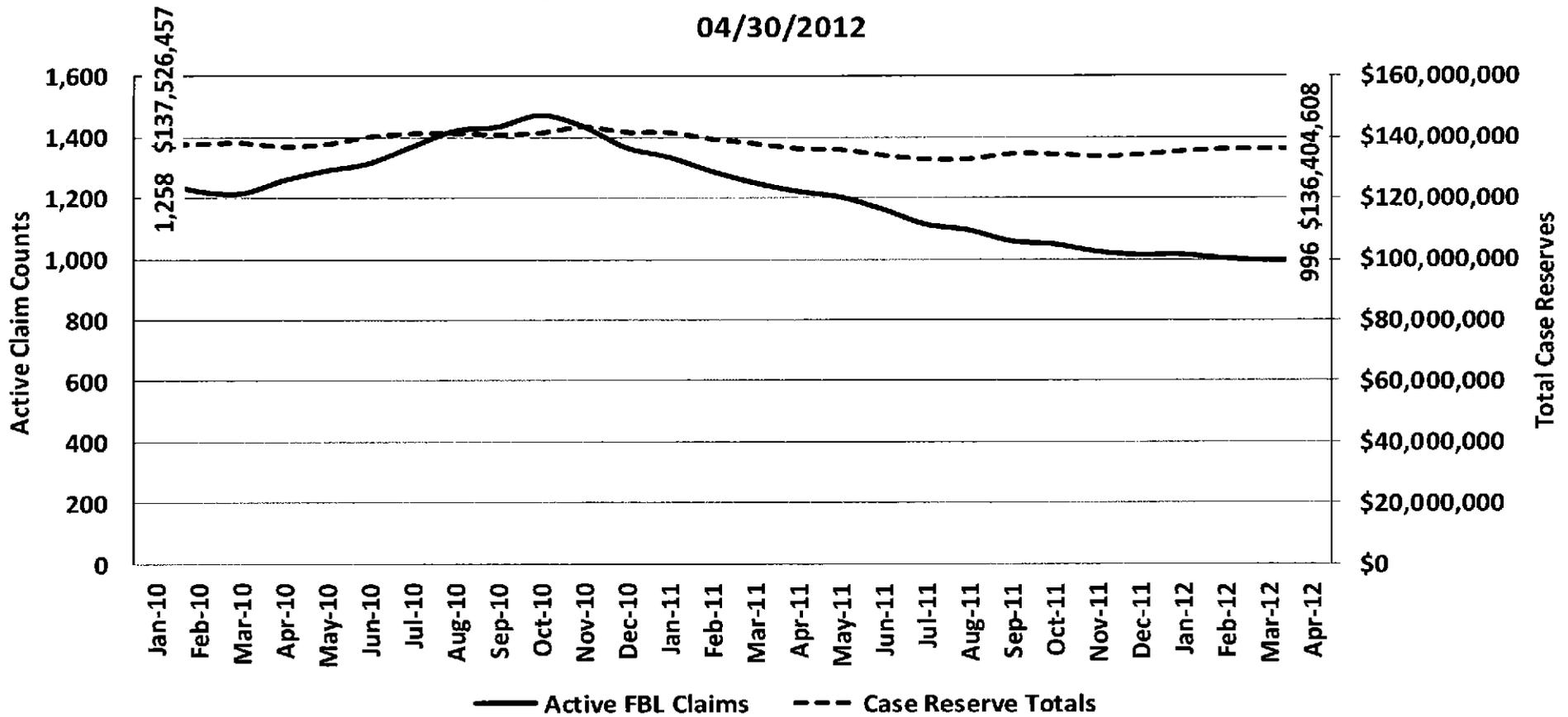
**PPD** - Permanent Partial Disability; unlikely to improve with treatment

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

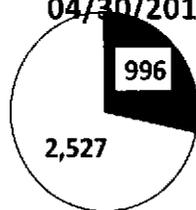
**TPD** - Temporary Partial Disability released to work with restrictions

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

**CWP Fund (FBL)**  
**Active Claim Counts and Case Reserves**  
**04/30/2012**



**CWP Fund (FBL)**  
**Active and Inactive Claims**  
**04/30/2012**



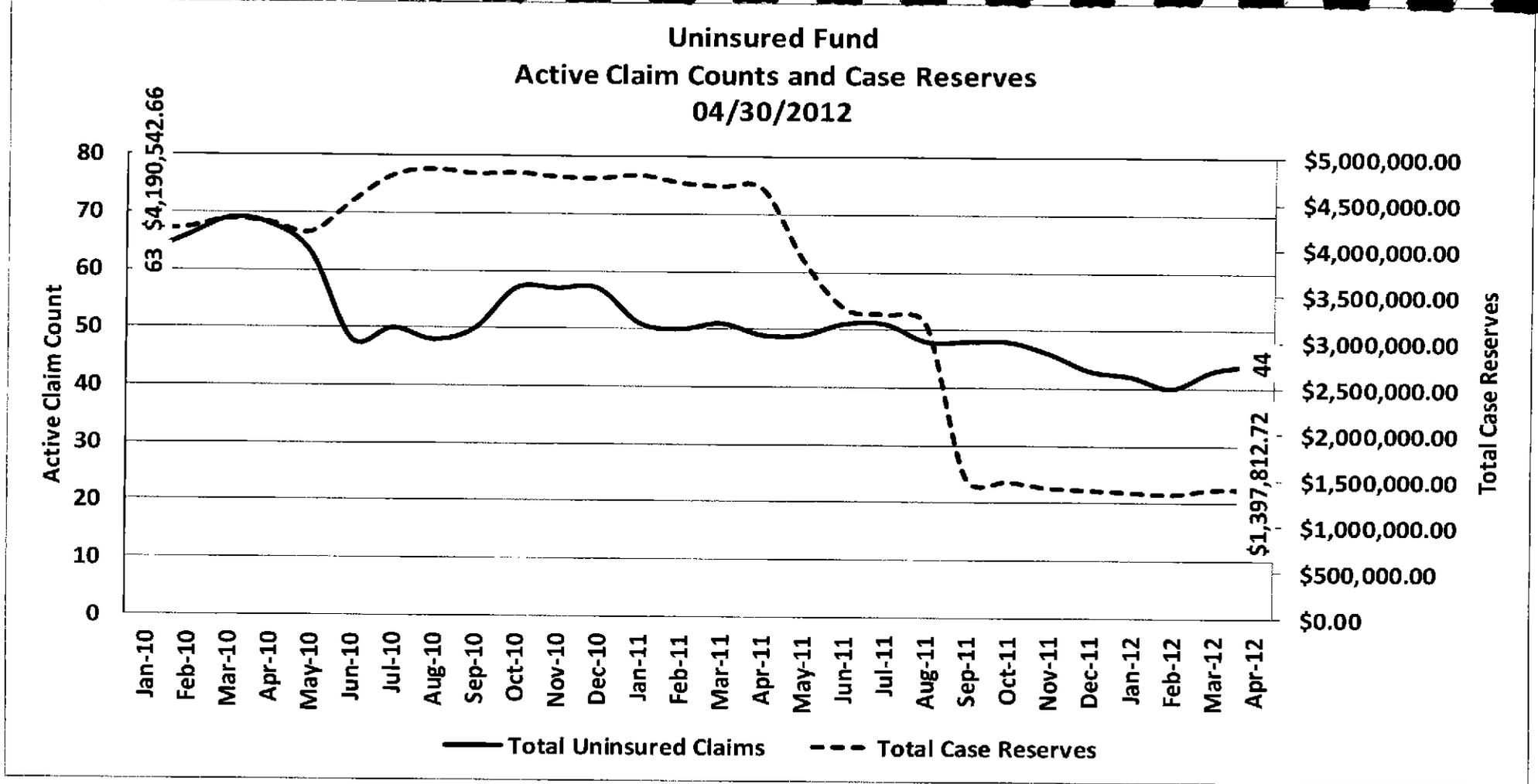
■ Active □ Inactive

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

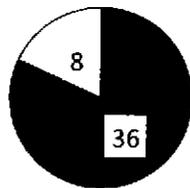
**CWP Fund** - Coal Worker's Pneumoconiosis; miners/beneficiaries disabled or deceased

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

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



**Uninsured Fund  
Active Claim Counts  
04/30/2012**



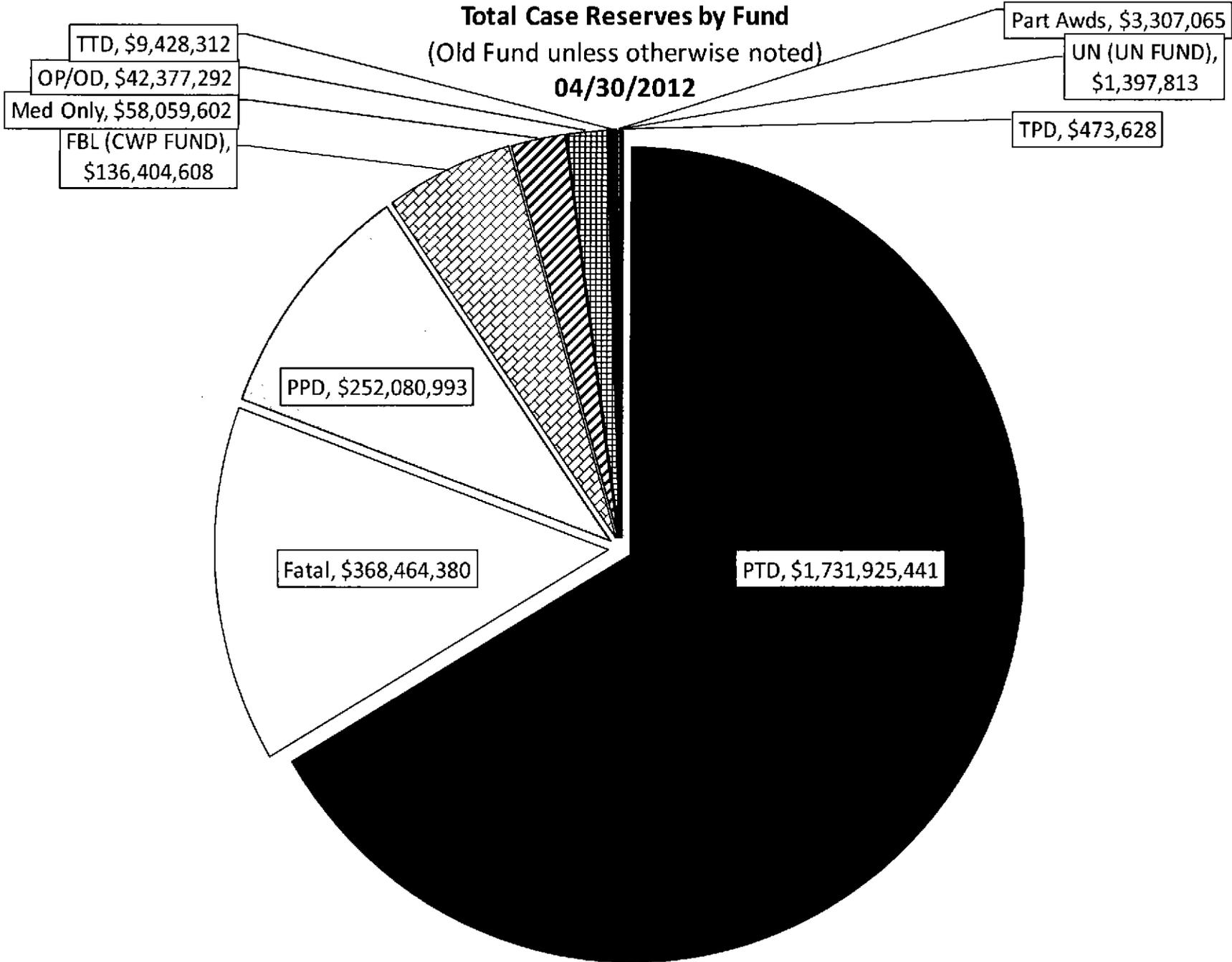
■ Indemnity   □ Med Only

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

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

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

**Total Case Reserves by Fund**  
(Old Fund unless otherwise noted)  
**04/30/2012**



OLD FUND CASH STATEMENT

April 30, 2012

Three Year History for years ended:

	YTD FY2012	YTD FY2011	Change	FY2011	FY2010	FY2009
<b>Cash Beginning Balances</b>	943,172,539	888,535,954	54,636,585	888,535,954	795,869,972	734,195,514
<b>Revenues</b>						
Personal Income Tax	74,200,000	74,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	77,214,740	74,156,476	3,058,264	93,112,747	91,573,307	125,672,963
Debt Reduction Surcharge	34,113,758	40,723,641	(6,609,883)	41,096,360	39,594,122	40,115,329
Self-Insured Debt Reduction Surcharge	8,865,000	6,708,934	2,156,067	8,058,590	6,562,051	6,568,235
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	493,526	3,072,107	(2,578,581)	3,120,389	1,783,840	2,945,069
Other Income - Return of Unclaimed Property	165,789	17,156	148,633	191,860	95,620	39,392
<b>Operating Revenues</b>	<b>206,052,813</b>	<b>209,878,313</b>	<b>(3,825,501)</b>	<b>251,979,946</b>	<b>246,008,940</b>	<b>281,740,988</b>
Surplus Note Principal Payments	-	-	-	-	43,500,000	145,000,000
Investment / Interest Earnings (Losses)	28,572,815	71,816,325	(43,243,510)	88,270,887	102,218,697	(94,861,549)
<b>Total Revenues</b>	<b>234,625,628</b>	<b>281,694,638</b>	<b>(47,069,010)</b>	<b>340,250,833</b>	<b>391,727,637</b>	<b>331,879,439</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	32,416,025	34,910,373	(2,494,348)	41,972,430	55,134,617	49,512,377
Permanent Total Disability	104,767,414	114,433,918	(9,666,504)	136,800,060	152,789,051	150,152,910
Permanent Partial Disability	1,590,747	2,179,242	(588,495)	2,513,255	4,890,325	8,171,853
Temporary Disability	173,810	350,924	(177,114)	384,571	1,322,403	2,033,710
Fatales	23,591,603	25,026,497	(1,434,894)	29,994,599	34,822,223	32,537,625
104 weeks death benefit	5,618,696	5,134,284	484,412	6,321,554	6,394,618	6,615,381
Settlements	47,261,517	42,176,190	5,085,327	50,628,569	24,145,535	3,219,641
Loss Adjustment Expenses	1,823,597	4,053,905	(2,230,309)	4,514,323	3,794,198	2,047,418
Total	217,243,408	228,265,332	(11,021,925)	273,129,360	283,292,970	254,290,915
Less: Claims credits and overpayments	7,604,972	6,771,081	833,891	7,666,404	4,327,846	2,612,892
Total Benefits Paid	209,638,436	221,494,253	(11,855,817)	265,462,956	278,965,124	251,678,023
Administrative Expenses	15,081,694	16,944,493	(1,862,800)	20,151,292	20,096,531	20,473,309
<b>Total Expenditures</b>	<b>224,720,130</b>	<b>238,438,746</b>	<b>(13,718,616)</b>	<b>285,614,248</b>	<b>299,061,655</b>	<b>272,151,332</b>
Closing Transfer from Private Carrier Fund						1,946,351
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>9,905,498</b>	<b>43,255,892</b>	<b>(33,350,394)</b>	<b>54,636,585</b>	<b>92,665,982</b>	<b>61,674,458</b>
<b>Cash Ending Balances</b>	<b>953,078,037</b>	<b>931,791,846</b>	<b>21,286,191</b>	<b>943,172,539</b>	<b>888,535,954</b>	<b>795,869,972</b>

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

COAL WORKERS PNEUMOCONIOSIS FUND

April 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
<b>Cash Beginning Balances</b>	<b>262,926,105</b>	<b>244,074,613</b>	<b>18,851,492</b>	<b>244,074,613</b>	<b>221,866,212</b>	<b>261,695,430</b>
<b>Revenues</b>						
Investment Earnings (Losses)	6,609,142	25,020,390	(18,411,249)	29,283,335	32,224,147	(28,434,390)
Other Income - Return of Unclaimed Property	-	-	-	-	899	132
<b>Total Revenues</b>	<b>6,609,142</b>	<b>25,020,390</b>	<b>(18,411,249)</b>	<b>29,283,335</b>	<b>32,225,046</b>	<b>(28,434,258)</b>
<b>Expenditures</b>						
Payment of Claims	9,256,838	8,606,699	650,139	10,415,160	9,978,121	11,395,319
Contractual / Professional	16,970	16,682	288	16,683	38,524	(359)
<b>Total Expenditures</b>	<b>9,273,807</b>	<b>8,623,381</b>	<b>650,426</b>	<b>10,431,843</b>	<b>10,016,645</b>	<b>11,394,960</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,664,665)</b>	<b>16,397,009</b>	<b>(19,061,675)</b>	<b>18,851,492</b>	<b>22,208,401</b>	<b>(39,829,218)</b>
<b>Cash Ending Balances</b>	<b>260,261,440</b>	<b>260,471,622</b>	<b>(210,183)</b>	<b>262,926,105</b>	<b>244,074,613</b>	<b>221,866,212</b>

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

SELF-INSURED GUARANTY RISK POOL  
April 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
<b>Cash Beginning Balances</b>	<b>9,744,809</b>	<b>8,112,918</b>	<b>1,631,891</b>	<b>8,112,918</b>	<b>6,969,307</b>	<b>5,177,977</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	1,073,396	952,720	120,676	1,119,674	1,283,687	1,767,189
Investment Earnings (Losses)	282,356	440,040	(157,684)	592,165	9,237	68,517
<b>Total Revenues</b>	<b>1,355,752</b>	<b>1,392,759</b>	<b>(37,007)</b>	<b>1,711,839</b>	<b>1,292,924</b>	<b>1,835,706</b>
<b>Expenditures</b>						
Payment of Claims	24,519	24,618	(99)	28,707	104,821	44,376
Contractual / Professional	79,668	34,974	44,694	51,241	44,492	-
<b>Total Expenditures</b>	<b>104,187</b>	<b>59,592</b>	<b>44,595</b>	<b>79,948</b>	<b>149,313</b>	<b>44,376</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,251,565</b>	<b>1,333,168</b>	<b>(81,603)</b>	<b>1,631,891</b>	<b>1,143,611</b>	<b>1,791,330</b>
<b>Cash Ending Balances</b>	<b>10,996,374</b>	<b>9,446,086</b>	<b>1,550,288</b>	<b>9,744,809</b>	<b>8,112,918</b>	<b>6,969,307</b>

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

SELF-INSURED SECURITY RISK POOL  
April 30, 2012

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
<b>Cash Beginning Balances</b>	<b>205,705</b>	<b>173,041</b>	<b>32,664</b>	<b>173,041</b>	<b>-</b>	<b>-</b>
<b>Revenues</b>						
Security Risk Pool Assessments	-	115,569	(115,569)	115,568	173,041	-
<b>Total Revenues</b>	<b>-</b>	<b>115,569</b>	<b>(115,569)</b>	<b>115,568</b>	<b>173,041</b>	<b>-</b>
<b>Expenditures</b>						
Payment of Claims	2,070	73,645	(71,575)	73,649	-	-
Contractual / Professional	-	9,256	(9,256)	9,255	-	-
<b>Total Expenditures</b>	<b>2,070</b>	<b>82,901</b>	<b>(80,831)</b>	<b>82,904</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,070)</b>	<b>32,668</b>	<b>(34,738)</b>	<b>32,664</b>	<b>173,041</b>	<b>-</b>
<b>Cash Ending Balances</b>	<b>203,635</b>	<b>205,709</b>	<b>(2,074)</b>	<b>205,705</b>	<b>173,041</b>	<b>-</b>

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

UNINSURED EMPLOYERS FUND  
April 30, 2012

	YTD FY2012	YTD FY2011	Change	<i>Three Year History for years ended:</i>		
				FY2011	FY2010	FY2009
<b>Cash Beginning Balances</b>	9,086,330	8,905,444	180,886	8,905,444	8,588,268	8,164,225
<b>Revenues</b>						
<i>Fines and Penalties</i>	803,115	718,899	84,216	939,626	892,806	977,167
<i>Investment Earnings (Losses)</i>	235,835	321,342	(85,507)	474,728	10,923	100,907
<b>Total Revenues</b>	1,038,951	1,040,241	(1,291)	1,414,354	903,729	1,078,074
<b>Expenditures</b>						
<i>Payment of Claims</i>	507,927	433,462	74,465	1,224,982	577,819	654,031
<i>Contractual/Professional</i>	7,237	8,486	(1,249)	8,486	8,734	-
<b>Total Expenditures</b>	515,165	441,948	73,216	1,233,468	586,553	654,031
<b>Excess (Deficiency) of Revenues over Expenditures</b>	523,786	598,293	(74,507)	180,886	317,176	424,043
<b>Cash Ending Balances</b>	9,610,116	9,503,737	106,380	9,086,330	8,905,444	8,588,268

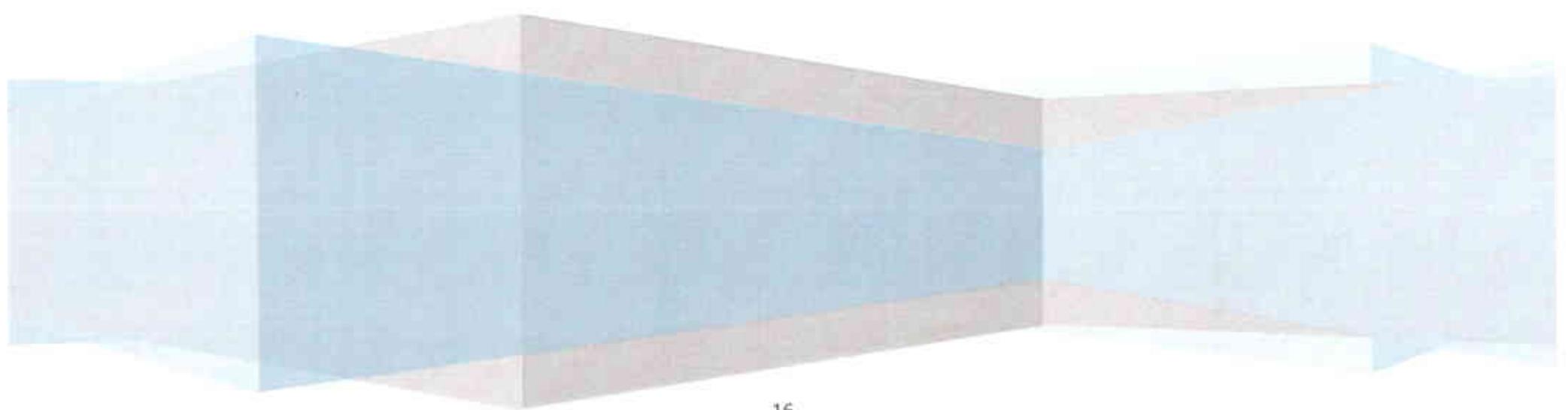
The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right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

**West Virginia Offices of the Insurance Commission**

# **OFFICE OF JUDGES' REPORT**

**TO INDUSTRIAL COUNCIL – April 4, 2012**

**Rebecca A. Roush, Chief Administrative Law Judge**

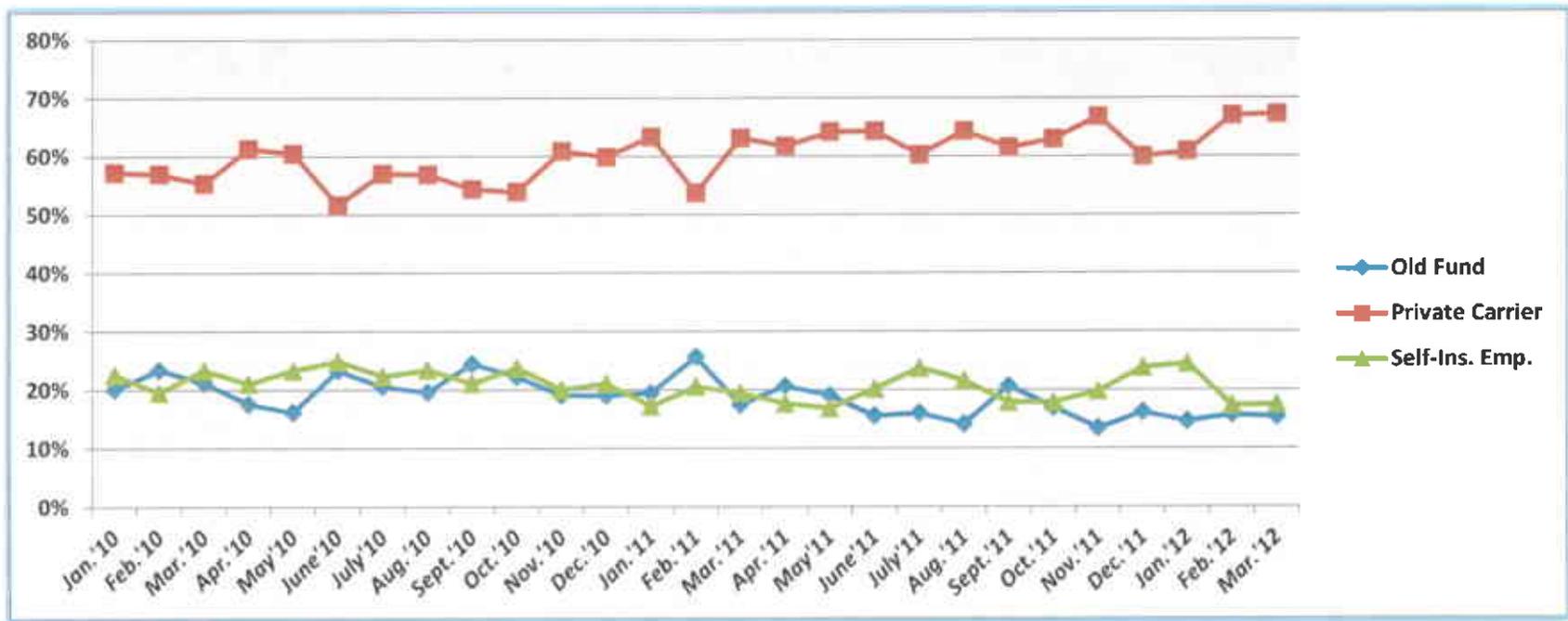


## Statistical Analysis

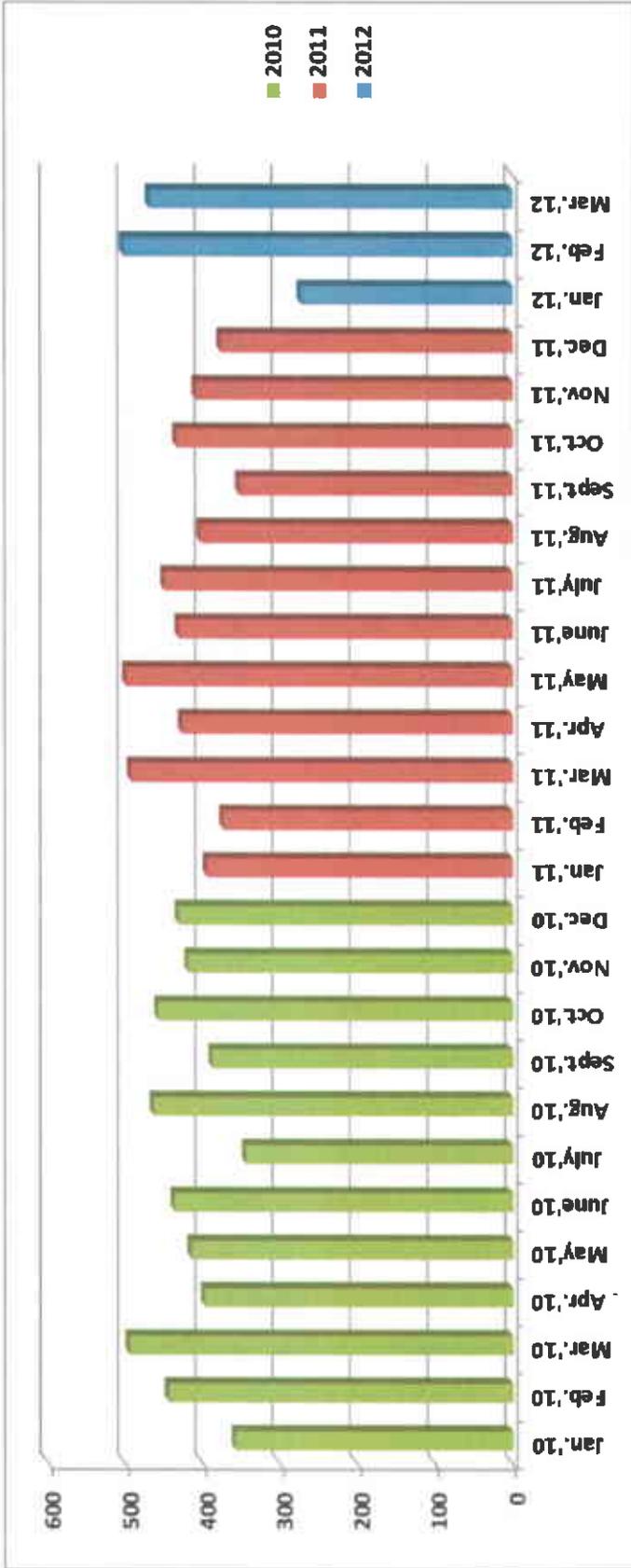
A. Protests Acknowledged:                      2011                      Mar.                      2012  
    **5045**                      **469**                      **1244**

### Fund Involved:

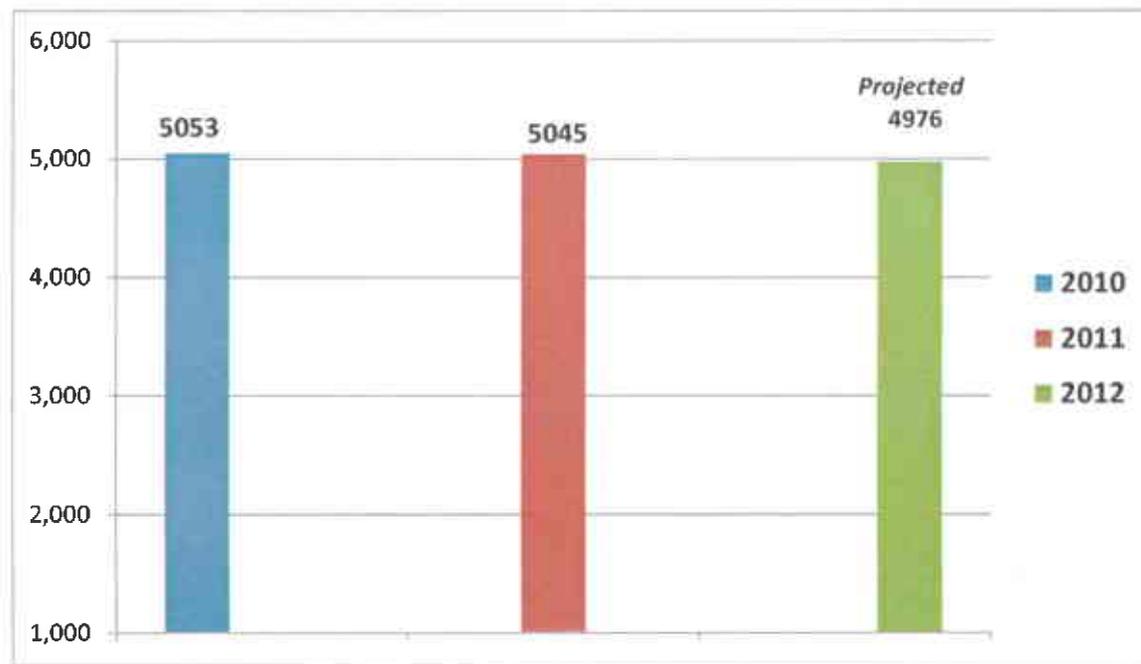
FUND	2011	% of protests	Mar. '12	% of protests	2012	% of protests
Old Fund	903	17.90%	72	15.35%	191	15.35%
Private Carrier	3158	62.60%	315	67.17%	817	65.68%
Self-Insured	984	19.50%	82	17.48%	236	18.97%
Subtotal	5045		469		1244	
Temporary	1029		103		237	
Total	6074		572		1481	



Protests Acknowledged by Carrier Type



Protests Acknowledged by Month



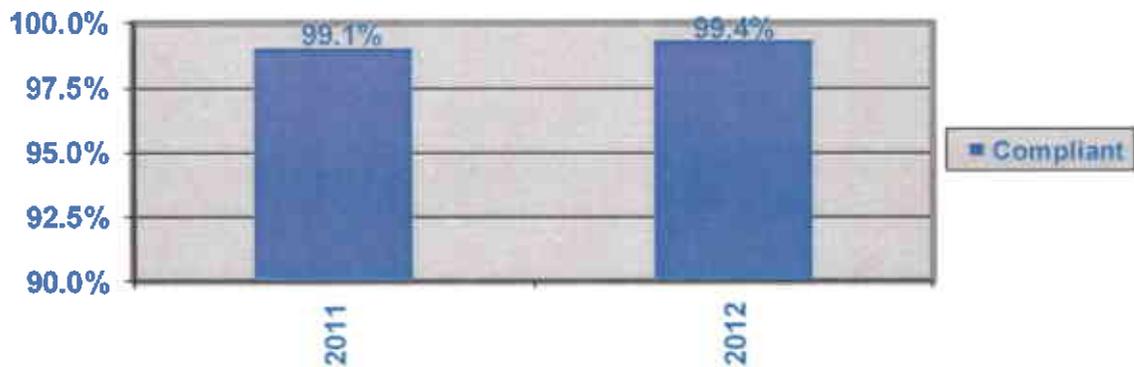
Protests Including Projection for 2012



		<u>Mar. '12</u>	<u>2012</u>
<b>E. Protests Resolved:</b>			
	1. Protests decided:	271	799
	2. Withdrawals:	72	222
	3. "No Evidence" Dismissals:	50	125

<b>F. Final Decision Timeliness</b>		<u>2011</u>	<u>Mar. '12</u>	<u>2012</u>
	1. <30 days:	43.2%	62.1%	63.1%
	2. 30-60 days:	49.8%	34.1%	33.4%
	3. 60-90 days:	6.1%	3.2%	3.2%
	4. +90 days:	0.9%	0.6%	0.3%

**Decision Within Rule's Time Limits**



<b>G. Time Standard Compliance</b>		<u>2011</u>	<u>Mar.</u>	<u>2012</u>
		92.4%	91.0%	93.7%

Monday, April 02, 2012

### Time Standard Compliance

Report Dates: From 3/1/2012 thru 3/31/2012

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
REOPENING	4	3	75%	1	25%
BENEFIT RATE	2	2	100%	0	0%
DEP BEN FATAL	1	1	100%	0	0%
PPD	19	19	100%	0	0%
TRMT/EQUIP CL	49	41	83.70%	8	16.30%
COMPENSABILITY	35	31	88.60%	4	11.40%
DEP BEN 104	1	1	100%	0	0%
REHABILITATION	2	2	100%	0	0%
TTD	20	20	100%	0	0%
OPBD	10	10	100%	0	0%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
<b>Total</b>	<b>144</b>	<b>131</b>	<b>91%</b>	<b>13</b>	<b>9%</b>

Monday, April 02, 2012

### Final Decision Compliance

Report Dates: From 3/1/2012 thru 3/31/2012

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
FAILURE TO ACT 30 DAY	7	0	0.0%	4	57.1%	3	42.9%	0	0.0%
REOPENING	15	8	53.3%	7	46.7%	0	0.0%	0	0.0%
TRMT/EQUIP CL	114	78	68.4%	36	31.6%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
REHABILITATION	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
BENEFIT OVERPAYMENT	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
BENEFIT RATE	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
DEP BEN FATAL	5	2	40.0%	3	60.0%	0	0.0%	0	0.0%
OPBD	21	13	61.9%	3	14.3%	3	14.3%	2	9.5%
TTD	27	12	44.4%	15	55.6%	0	0.0%	0	0.0%
COMPENSABILITY	76	45	59.2%	30	39.5%	1	1.3%	0	0.0%
OP NON-MED	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
PPD	35	28	80.0%	7	20.0%	0	0.0%	0	0.0%
<b>Totals</b>	<b>311</b>	<b>193</b>	<b>62.1%</b>	<b>106</b>	<b>34.1%</b>	<b>10</b>	<b>3.2%</b>	<b>2</b>	<b>0.6%</b>

Monday, April 02, 2012

### Motion Resolution Compliance

Report Dates: From 3/1/2012 thru 3/31/2012

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT RATE	3	3	100%	0	0%
PPD	244	232	95.10%	12	4.90%
TTD	117	107	91.50%	10	8.50%
PTD ONSET DATE	2	2	100%	0	0%
APPLICATION THRESHOLD	2	1	50%	1	50%
DEP BEN FATAL	12	12	100%	0	0%
OPBD	52	51	98.10%	1	1.90%
COMPENSABILITY	267	251	94%	16	6%
DEP BEN 104	1	1	100%	0	0%
OP NON-MED	3	3	100%	0	0%
REHABILITATION	6	5	83.30%	1	16.70%
PTD ENTITLEMENT	6	6	100%	0	0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	6	6	100%	0	0%
BENEFIT OVERPAYMENT	1	0	0%	1	100%
SPECIAL CATEGORY	2	1	50%	1	50%
TRMT/EQUIP CL	291	277	95.20%	14	4.80%
FAILURE TO ACT 15 DAY	4	3	75%	1	25%
REOPENING	28	27	96.40%	1	3.60%
<b>Total</b>	<b>1,047</b>	<b>988</b>	<b>94.4%</b>	<b>59</b>	<b>5.6%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

Monday, April 02, 2012

### Acknowledgement Goal

Report Dates: From 3/1/2012 thru 3/31/2012

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>BENEFIT OVERPAYMENT</b>	<b>Total: 2</b>	<b>1</b>	<b>50.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>
CBO-CL BEN. OVERPAYMENT	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
<b>BENEFIT RATE</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>
CBR-CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>COMPENSABILITY</b>	<b>Total: 89</b>	<b>18</b>	<b>20.2%</b>	<b>3</b>	<b>3.4%</b>	<b>13</b>	<b>14.6%</b>	<b>55</b>	<b>61.8%</b>
C8D-CL OIC SEC CONDITION	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS-CL SEC.CONDITION	22	1	4.5%	1	4.5%	2	9.1%	18	81.8%
CHC-CL COMPENSABILITY	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIM-CL SI COMPENSABLE	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIS-CL SI SEC CONDITION	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CPI-CL SI REJECT CLAIM	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CPJ-CL REJECT CLAIM	42	15	35.7%	2	4.8%	7	16.7%	18	42.9%
CQR-CL SI REJ OCCDISEASE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CRZ-CL REJ OCC DISEASE	7	2	28.6%	0	0.0%	0	0.0%	5	71.4%
<b>DEP BEN 104</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>
CWK-CL DENY/GRNT 104 WKS	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>DEP BEN FATAL</b>	<b>Total: 9</b>	<b>3</b>	<b>33.3%</b>	<b>1</b>	<b>11.1%</b>	<b>3</b>	<b>33.3%</b>	<b>2</b>	<b>22.2%</b>
CDF-CL DENY/GRNT DTH BEN	7	3	42.9%	1	14.3%	2	28.6%	1	14.3%
CIF-CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>FAILURE TO ACT 10 DAY</b>	<b>Total: 2</b>	<b>1</b>	<b>50.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>
C5N-CL FTA NOT COVERED	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
<b>FAILURE TO ACT 15 DAY</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>2</b>	<b>66.7%</b>	<b>1</b>	<b>33.3%</b>
C01-CL FTA INJ COMPENSAB	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
FTA Diagnosis Update-FTA DIAGNOSIS UPATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>FAILURE TO ACT 30 DAY</b>	<b>Total: 2</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>	<b>1</b>	<b>50.0%</b>
C7D-CL FTA REF FOR EXAM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C7E-CL FTA CPLY OJ/BR/SC	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>OP NON-MED</b>	<b>Total: 4</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>25.0%</b>	<b>3</b>	<b>75.0%</b>
CNR-CL NON-MED ORDER	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
<b>OPBD</b>	<b>Total: 10</b>	<b>1</b>	<b>10.0%</b>	<b>3</b>	<b>30.0%</b>	<b>2</b>	<b>20.0%</b>	<b>4</b>	<b>40.0%</b>
CAO-CL ADD BOARD FINDING	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CBF-CL % BOARD FINDING	4	0	0.0%	2	50.0%	1	25.0%	1	25.0%
CSF-CL% SI BOARD FINDING	3	0	0.0%	1	33.3%	1	33.3%	1	33.3%
EBF-EM % BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>PPD</b>	<b>Total: 110</b>	<b>7</b>	<b>6.4%</b>	<b>11</b>	<b>10.0%</b>	<b>15</b>	<b>13.6%</b>	<b>77</b>	<b>70.0%</b>
CAA-CL ADDL % AWARD D/G	7	0	0.0%	0	0.0%	1	14.3%	6	85.7%
CAD-CL % AWARD DENY/GRNT	87	5	5.7%	7	8.0%	11	12.6%	64	73.6%
CIG-CL SI %AWARD DNY/GNT	15	2	13.3%	4	26.7%	2	13.3%	7	46.7%
EAD-EM % AWARD DENY/GRNT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>PTD ENTITLEMENT</b>	<b>Total: 2</b>	<b>1</b>	<b>50.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>50.0%</b>
CKC-CL DENY/GRANT PTD	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
<b>PTD REVIEWING BODY IMPAIRMENT DETERMINATION</b>	<b>Total: 1</b>	<b>1</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
CEB-CL PTD REV. BODY DETERMINATION	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>REHABILITATION</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>33.3%</b>	<b>0</b>	<b>0.0%</b>	<b>2</b>	<b>66.7%</b>
CIB-CL SI G/D VOC REHAB	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CPB-CL GRNT/DNY VOC REHA	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>REOPENING</b>	<b>Total: 15</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>6.7%</b>	<b>3</b>	<b>20.0%</b>	<b>11</b>	<b>73.3%</b>
CIY-CL SI DY/GNT R/O TTD	4	0	0.0%	1	25.0%	1	25.0%	2	50.0%
CJV-CL DNY/GRNT R/O PPD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CRD-CL DENY/GRNT R/O TTD	10	0	0.0%	0	0.0%	1	10.0%	9	90.0%
<b>SPECIAL CATEGORY</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>33.3%</b>	<b>2</b>	<b>66.7%</b>
CNW-CL SPL CATEGORY	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>TRMT/EQUIP CL</b>	<b>Total: 169</b>	<b>16</b>	<b>9.5%</b>	<b>2</b>	<b>1.2%</b>	<b>29</b>	<b>17.2%</b>	<b>122</b>	<b>72.2%</b>
C8E-CL OIC TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C8F-CL OIC TRMT DENY	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CBX-CL TRMT DENY	122	9	7.4%	1	0.8%	25	20.5%	87	71.3%
CED-CL EQUIP DENY/GRANT	3	2	66.7%	0	0.0%	0	0.0%	1	33.3%
CSX-CL SI TRMT DENY	34	4	11.8%	0	0.0%	3	8.8%	27	79.4%
CYY-CL TRMT GRANT	7	1	14.3%	1	14.3%	0	0.0%	5	71.4%
<b>TTD</b>	<b>Total: 43</b>	<b>5</b>	<b>11.6%</b>	<b>1</b>	<b>2.3%</b>	<b>8</b>	<b>18.6%</b>	<b>29</b>	<b>67.4%</b>
CCC-CL CLOSING THE CLAIM	24	1	4.2%	1	4.2%	6	25.0%	16	66.7%
CIC-CL SI CLSING THE CLM	8	2	25.0%	0	0.0%	0	0.0%	6	75.0%
CJS-CL TTD	6	1	16.7%	0	0.0%	0	0.0%	5	83.3%
CPX-CL INITIAL TTD	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CSG-CL SI INITIAL TTD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>Totals: Claims 394</b>	<b>469</b>	<b>54</b>	<b>11.5%</b>	<b>23</b>	<b>4.9%</b>	<b>78</b>	<b>16.6%</b>	<b>314</b>	<b>67.0%</b>

## Resolution of Issues

Report Dates: Decision Date from 3/1/2012 thru 3/31/2012

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
DEP BEN FATAL	6	0	0	5	83.30	1	16.70	0	0	0	0	0	0	0	0	0	0
DEP BEN 104	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
COMPENSABILITY	98	34	34.70	29	29.60	13	13.30	18	18.40	4	4.10	0	0	0	0	0	0
BENEFIT RATE	2	0	0	1	50	0	0	0	0	1	50	0	0	0	0	0	0
OP NON-MED	2	1	50	0	0	0	0	1	50	0	0	0	0	0	0	0	0
PTD	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
ENTITLEMENT	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	141	31	22	70	49.60	12	8.50	20	14.20	5	3.50	0	0	3	2.10	0	0
OPBD	34	8	23.50	13	38.20	4	11.80	9	26.50	0	0	0	0	0	0	0	0
BENEFIT OVERPAYMENT	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 15 DAY	3	0	0	0	0	0	0	3	100	0	0	0	0	0	0	0	0
PPD	94	12	12.80	17	18.10	8	8.50	56	59.60	0	0	1	1.10	0	0	0	0
REHABILITATION	3	0	0	2	66.70	0	0	1	33.30	0	0	0	0	0	0	0	0
REOPENING	18	6	33.30	11	61.10	1	5.60	0	0	0	0	0	0	0	0	0	0
TTD	42	7	16.70	15	35.70	11	26.20	9	21.40	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>448</b>	<b>99</b>	<b>22.1</b>	<b>166</b>	<b>37.1</b>	<b>50</b>	<b>11.2</b>	<b>119</b>	<b>26.6</b>	<b>10</b>	<b>2.2</b>	<b>1</b>	<b>0.2</b>	<b>3</b>	<b>0.7</b>	<b>0</b>	<b>0</b>

## OOJ – Petition for Attorney Fees for Unreasonable Denial

### Petitions received 9/1/2005 through 3/31/2012

**96**

Petitions denied on face:	26
Petitions denied by ALJ Decision:	38
Petitions granted:	13
Petitions withdrawn through settlement:	4
Petitions currently pending:	15

## Failure to Timely Act Process

### Petitions filed 9/1/05 through 3/31/2012

Filed:	<b>321</b>
Denied/dismissed:	131
Withdrawn:	12
Reports to OIC:	155
Pending	23

## Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2009</b>	5	6	5	4	10	14	10	6	12	4	5	9	<b>90</b>
<b>2010</b>	13	2	6	9	4	7	12	8	11	10	15	15	<b>112</b>
<b>2011</b>	10	16	11	15	21	16	11	13	9	8	12	10	<b>152</b>
<b>2012</b>	14	2	18										<b>34</b>

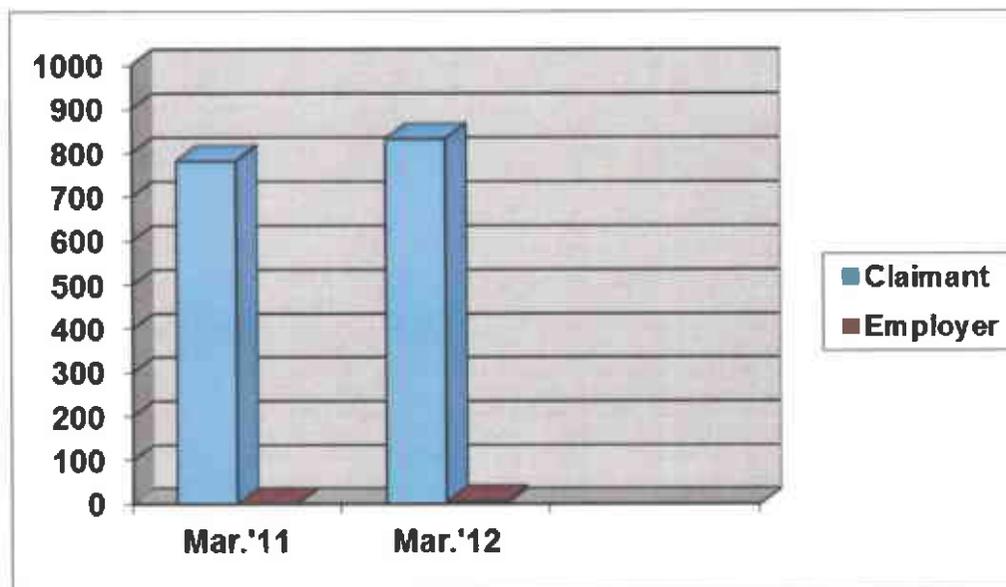
## Pro Se Claimant Information as of April 2, 2012

Pending Protests Involving Pro Se Claimants: 509

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Mar.'12	% Protests	Month Mar.'11	% Protests
Claimant	832	23.61%	782	21.76%
Employer	6	0.17%		
<b>Total</b>	<b>838</b>		<b>772</b>	

Pending Treatment Issues



Earl Ray Tomblin

Governor

W. Jack Stevens

Member

James D. Gray

Chairperson

Rita Hedrick-Helmick

Member

## Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston  
All communications should be addressed to the Board of Review  
at the address shown at the bottom of this page  
*an equal opportunity/affirmative action employer*

# MEMORANDUM

**To:** Mike Riley, Acting Commissioner  
Bill Dean, Chairman  
Kent Hartsog, Vice Chairman  
Dan Marshall  
Honorable Brooks McCabe  
Honorable Nancy Peoples Guthrie  
Jim Dissen

**From:** James D. Gray, Chairperson

**Date:** May 3, 2012

**Re:** Workers' Compensation Board of Review Monthly Report

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Attached, please find the Board of Review's April 2012 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received.

These reports include the following:

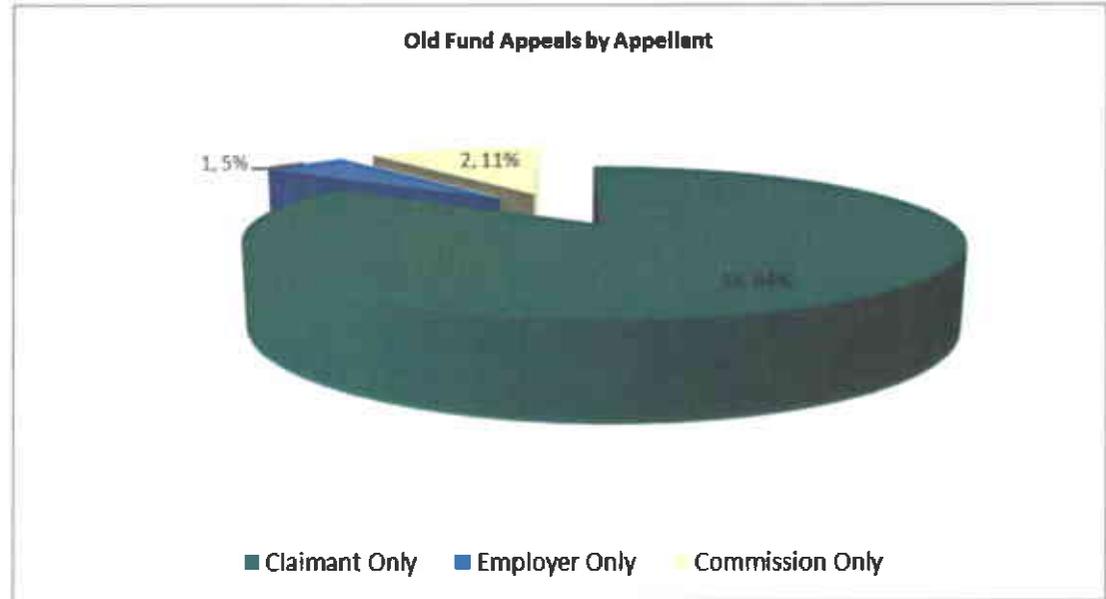
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

**Appeals Received**  
From April 1, 2012 Thru April 30, 2012

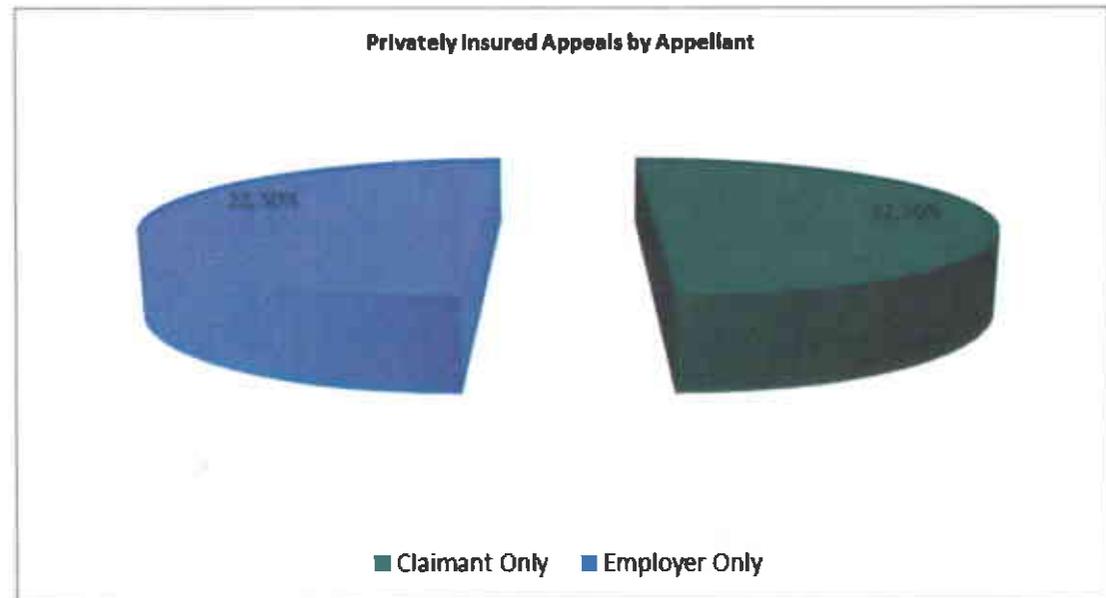
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	16
Employer Only	1
Commission Only	2
<b>Old Fund Total</b>	<b>19</b>



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

Appellant	Count
Claimant Only	22
Employer Only	22
<b>Privately Insured Total</b>	<b>44</b>
<b>Total Appeals</b>	<b>63</b>

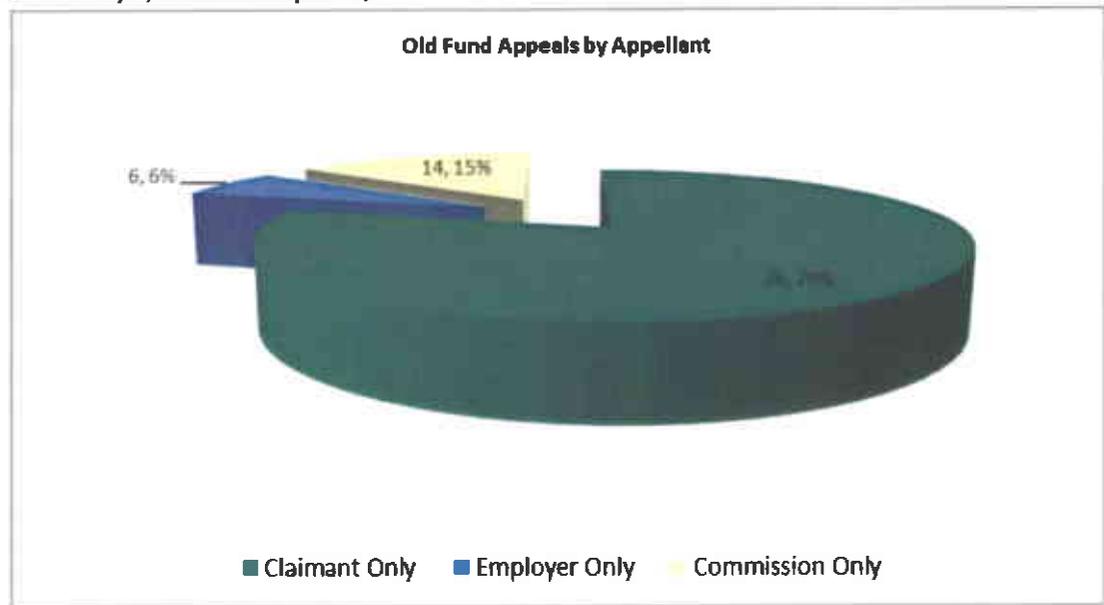


Appeals counted more than once:

Yearly Appeals Received  
From January 1, 2012 Thru April 30, 2012

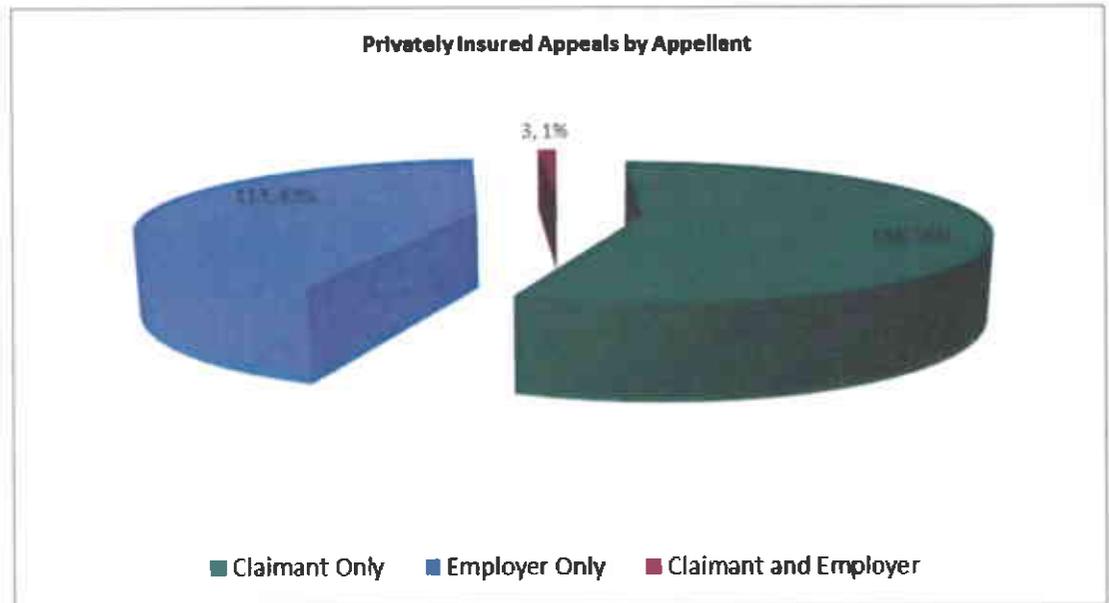
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	76
Employer Only	6
Commission Only	14
Old Fund Total	96



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

Appellant	Count
Claimant Only	146
Employer Only	113
Claimant and Employer	3
Privately Insured Total	262
Total Appeals	358



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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	3	2	66.7	1	33.3
CL % BOARD FINDING	1	0	0.0	1	100.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0
CL APP.THRESHOLD	1	1	100.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0
CL CLOSING THE CLAIM	9	0	0.0	9	100.0
CL COMPENSABILITY	1	0	0.0	1	100.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	6	0	0.0	6	100.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0
CL OIC REJ OC.DISEAS	1	1	100.0	0	0.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0
CL REJECT CLAIM	15	0	0.0	15	100.0
CL SEC.CONDITION	6	1	16.7	5	83.3
CL SI %AWARD DNY/GNT	1	0	0.0	1	100.0
CL SI CLSING THE CLM	2	0	0.0	2	100.0
CL SI G/D TP REHAB	1	1	100.0	0	0.0
CL SI NON-MED ORDER	1	0	0.0	1	100.0
CL SI REJECT CLAIM	1	0	0.0	1	100.0
CL SI TRMT DENY	7	4	57.1	3	42.9
CL SI TTD	1	0	0.0	1	100.0
CL TRMT DENY	28	11	39.3	17	60.7
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	1	0	0.0	1	100.0
<b>Totals</b>	<b>93</b>	<b>26</b>	<b>28.0</b>	<b>67</b>	<b>72.0</b>

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	39	4	10.3	35	89.7
CL % BOARD FINDING	3	2	66.7	1	33.3
CL ADD BOARD FINDING	3	2	66.7	1	33.3
CL ADDL % AWARD D/G	8	4	50.0	4	50.0
CL CLOSING THE CLAIM	27	0	0.0	27	100.0
CL COMPENSABILITY	3	0	0.0	3	100.0
CL DENY/GRNT DTH BEN	4	4	100.0	0	0.0
CL DENY/GRNT R/O TTD	8	0	0.0	8	100.0
CL DNY/GRNT R/O PPD	3	1	33.3	2	66.7
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	1	100.0
CL INITIAL TTD	1	0	0.0	1	100.0
CL NON-MED ORDER	1	1	100.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	0	0.0	1	100.0
CL REJ OCC DISEASE	3	2	66.7	1	33.3
CL REJECT CLAIM	44	2	4.5	42	95.5
CL SEC.CONDITION	20	1	5.0	19	95.0
CL SI %AWARD DNY/GNT	14	2	14.3	12	85.7
CL SI AD.BRD FINDING	1	1	100.0	0	0.0
CL SI ADD% AWARD D/G	1	0	0.0	1	100.0
CL SI CLSING THE CLM	7	0	0.0	7	100.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0
CL SI DY/GNT DTH BEN	6	6	100.0	0	0.0
CL SI DY/GNT R/O TTD	4	1	25.0	3	75.0
CL SI INITIAL TTD	1	0	0.0	1	100.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI PRSTS BEN RATE	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	5	2	40.0	3	60.0
CL SI REJECT CLAIM	8	0	0.0	8	100.0
CL SI SEC.CONDITION	4	0	0.0	4	100.0
CL SI TRMT DENY	23	8	34.8	15	65.2
CL TRMT DENY	69	24	34.8	45	65.2
CL TRMT GRANT	9	8	88.9	1	11.1
CL TTD	2	0	0.0	2	100.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0
EM % BOARD FINDING	2	0	0.0	2	100.0
EM COMPENSABILITY	1	0	0.0	1	100.0
<b>Totals</b>	<b>331</b>	<b>80</b>	<b>24.2</b>	<b>251</b>	<b>75.8</b>

**Appeals Received By Issue**  
**From April 1, 2012 Thru April 30, 2012**

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	3	3	100.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	9	5	55.6	4	44.4	0	0.0	0	0.0
CL COMPENSABILITY	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	6	3	50.0	3	50.0	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 OIC REJ OC.DISEAS	1	0	0.0	0	0.0	0	0.0	1	100.0
CL REJ OCC DISEASE	2	0	0.0	2	100.0	0	0.0	0	0.0
CL REJECT CLAIM	15	8	53.3	7	46.7	0	0.0	0	0.0
CL SEC.CONDITION	6	5	83.3	1	16.7	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI G/D TP REHAB	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	7	5	71.4	2	28.6	0	0.0	0	0.0
CL SI TTD	1	1	100.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	28	21	75.0	5	17.9	0	0.0	2	7.1
CL TRMT GRANT	1	0	0.0	0	0.0	0	0.0	1	100.0
CL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0
<b>Totals</b>	<b>93</b>	<b>61</b>	<b>65.6</b>	<b>28</b>	<b>30.1</b>	<b>0</b>	<b>0.0</b>	<b>4</b>	<b>4.3</b>

Appeals counted more than once:

**WORKER COMPENSATION BOARD OF REVIEW  
FOR APRIL 2012**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	63	82.9%	63.0%	214	84.9%	54.0%
	DISMISSED	8	10.5%	8.0%	21	8.3%	5.3%
	MODIFY				1	0.4%	0.3%
	MOOT				1	0.4%	0.3%
	REMAND	2	2.6%	2.0%	4	1.6%	1.0%
	REVERSE	3	3.9%	3.0%	11	4.4%	2.8%
	Total Dispositions	76			252		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED				4	66.7%	1.0%
	DISMISSED	1	100.0%	1.0%	1	16.7%	0.3%
	REVERSE				1	16.7%	0.3%
	Total Dispositions	1			6		
<b>EMPLOYER</b>	AFFIRMED	7	43.8%	7.0%	56	52.8%	14.1%
	DISMISSED	6	37.5%	6.0%	18	17.0%	4.5%
	MODIFY				1	0.9%	0.3%
	REMAND	2	12.5%	2.0%	5	4.7%	1.3%
	REVERSE	1	6.3%	1.0%	26	24.5%	6.6%
	Total Dispositions	16			106		
<b>DIVISION/OIC</b>	AFFIRMED	5	71.4%	5.0%	22	68.8%	5.6%
	DISMISSED	1	14.3%	1.0%	4	12.5%	1.0%
	REMAND	1	14.3%	1.0%	1	3.1%	0.3%
	REVERSE				5	15.6%	1.3%
	Total Dispositions	7			32		
<b>Grand Totals</b>		100			396		

**Dispositions By Issues**  
**BOR Orders Mailed From April 1, 2012 Thru April 30, 2012**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	13	8	61.5	1	7.7	4	30.8	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	3	3	100.0	0	0.0	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 APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	6	4	66.7	0	0.0	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	12	10	83.3	0	0.0	1	8.3	0	0.0	1	8.3	0	0.0	0	0.0
CL SEC.CONDITION	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	3	2	66.7	0	0.0	1	33.3	0	0.0	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	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI IEB DETRM'TION	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	10	9	90.0	0	0.0	0	0.0	0	0.0	1	10.0	0	0.0	0	0.0
CL TRMT DENY	30	24	80.0	0	0.0	4	13.3	0	0.0	2	6.7	0	0.0	0	0.0
CL TRMT GRANT	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>103</b>	<b>79</b>	<b>76.7</b>	<b>4</b>	<b>3.9</b>	<b>15</b>	<b>14.6</b>	<b>0</b>	<b>0.0</b>	<b>5</b>	<b>4.9</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

Yearly Dispositions By Issues – BOR Orders Mailed From January 1, 2012 Thru April 30, 2012

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	42	32	76.2	2	4.8	8	19.0	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	4	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	25.0
CL ADDL % AWARD D/G	5	4	80.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	21	14	66.7	2	9.5	5	23.8	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	4	2	50.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	14	12	85.7	1	7.1	1	7.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	6	4	66.7	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	3	0	0.0	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0
CL DY/GRNT REHAB PLN	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL FTA INJ COMPENSAB	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	5	4	80.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	7	4	57.1	1	14.3	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	64	49	76.6	9	14.1	4	6.3	0	0.0	2	3.1	0	0.0	0	0.0
CL SEC.CONDITION	25	20	80.0	3	12.0	2	8.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	15	13	86.7	0	0.0	1	6.7	1	6.7	0	0.0	0	0.0	0	0.0
CL SI AD.BRD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	2	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0
CL SI CLSING THE CLM	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	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 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	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI IEB DETRM'TION	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	17	11	64.7	4	23.5	1	5.9	0	0.0	1	5.9	0	0.0	0	0.0
CL SI SEC.CONDITION	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	30	24	80.0	5	16.7	0	0.0	0	0.0	1	3.3	0	0.0	0	0.0
CL SI TTD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	84	62	73.8	5	6.0	13	15.5	1	1.2	3	3.6	0	0.0	0	0.0
CL TRMT GRANT	8	4	50.0	3	37.5	0	0.0	0	0.0	1	12.5	0	0.0	0	0.0
CL TTD	4	3	75.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>421</b>	<b>314</b>	<b>74.6</b>	<b>46</b>	<b>10.9</b>	<b>48</b>	<b>11.4</b>	<b>2</b>	<b>0.5</b>	<b>10</b>	<b>2.4</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>0.2</b>

**WV Offices of the Insurance Commissioner  
Worker's Compensation - Revenue Recovery  
March 2012**

<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund (Employer out of business)	\$ 12,529.18
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 71,284.58
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 16,569.90
# of active accounts uninsured (cumulative)	530
\$ of active accounts uninsured (cumulative)	\$ 1,834,638.65
Telephone contacts	1,793
Walk-ins	5

<b>LIENS</b>	
Liens sent to county clerks for recordation	121
Liens sent to county clerks for release	38
Intent to lien letters sent to employer/owner/officer/member	92

<b>Uninsured Accounts Resolved</b>	287
<b>All Cash Receipts from WC accounts</b>	\$ 100,383.66

<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	0
Hearings attended	2
# of injunction complaints filed	1
# of injunctions granted	1
# of agreed orders entered	0
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	6
Agreements set up	6
Total # of agreements on system (cumulative)	79
Intent to void letters mailed	9
Agreements voided	1

<b>MISCELLANEOUS</b>	
Terminations Processed	49
Rule 11 Letters Mailed	228
Rule 11 hearings	1

**Hand Deliver To:** Carol Young  
Legislative Services  
1900 Kanawha Blvd. East  
E-132

**From:** Janice Hemmelgarn  
Executive Office  
Office of the Insurance Commissioner  
(304) 558-3354

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTE**

Board Meeting  
April 23, 2012

## LEGISLATIVE OPERATING REPORT

APR 17 2013

MARCH 2012

MANAGER

**Board of Treasury Investments**

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

**Board of Directors**

John D. Perdue,  
State Treasurer,  
Chairman

Earl Ray Tomblin,  
Governor

Glen B. Gainer III,  
State Auditor

Martin Glasser, Esq.,  
Attorney  
Appointed by the  
Governor

Richard "Chap"  
Donovan, CPA  
Appointed by the  
Governor

**Executive Staff**

Executive Director  
Glenda Probst,  
CPA, CTP

Chief Financial  
Officer

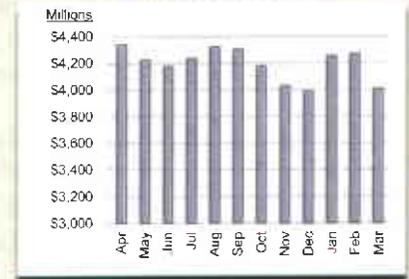
Kara K. Hughes,  
CPA, MBA

### Total Net Assets Under Management

**\$4,004,665,000**

Last Month  
**\$4,267,397,000**

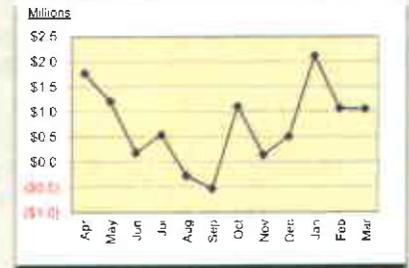
Beginning of Fiscal Year  
**\$4,172,779,000**



Net Assets for the Past 12 Months

### Total Net Income & Gains

Fiscal Year  
**\$5,752,000**



Net Income (Loss) for the Past 12 Months

### Money Market Pools

As of March 31, 2012

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1190%	.1176%	.1153%	48 Days	\$3.0 Billion
WV Gov't Money Market	.0403%	.0495%	.0525%	57 Days	\$345.0 Million

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

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

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## THE ECONOMIC STATE

### MARCH 2012

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#### **Economy Maintains a Steady Growth Rate**

##### **Market Environment**

The U.S. economy appears to be growing at a steady pace, and expectations are for growth to have averaged approximately 2 percent in the first quarter of 2012. Also important for investor sentiment is the unemployment rate, which continues to show modest improvement, declining to 8.3 percent, after hitting 10 percent in 2010. Employment growth has supported an uptick in consumer spending, which has, in turn, provided support to the U.S. economy against decreases in exports, as other areas of the world have fallen off. The consumer savings rate continues to remain at a reasonable level, indicating that the current spending level may be sustainable. Increasing consumer spending levels have also supported an increase in industrial production and manufacturing, which continues a trend of modest improvement that started in 2009.

Market commentators and investors have predicted a bottom to the housing market, followed by a slight rebound by the end of 2012. Homebuilder share prices increased during the quarter on this positive view, nearly doubling the return of the S&P 500. Distressed property sales saw an increase during the quarter, suggesting that the market has begun to heal.

We began 2012 observing that risky assets were more attractively priced than a year ago. We identified areas of the credit markets as well as emerging market stocks and local currency debt as particularly appealing. Even after three months of very positive results, we still believe the relationships identified at the start of the year hold: equities are priced below long-term average valuations and credit yield spreads are still high relative to historical averages. Treasury rates have risen modestly, but remain near secular low levels. Investors are reminded, nevertheless, to build their risky asset exposures in the context of a risk budgeting approach to asset allocation. Further bouts of volatility are likely this year, whether driven by additional chapters of the European debt crisis, instability in the Middle East, or the US presidential election. Exposure to liquid high quality assets (whether directly in sovereign nominal bonds or in risk parity strategies) can hedge against fear-driven “flights to quality”, while holdings of inflation-hedging assets such as commodities can help mitigate resource-driven price shocks.

##### **Equity Market Results**

US stock markets continued to advance in March and posted the best first quarter in fifteen years amidst better-than-expected economic growth and improving employment figures. The S&P 500 took over leadership during the month to edge ahead of small company stocks in the US for the year-to-date period. Emerging market stocks remain the best performing broad investment category in 2012 so far despite pulling back in the month of March as concerns of slowing growth in China tamed markets. Developed markets also sagged amidst fears of a second straight quarterly contraction in European economic activity.

##### **Bond Market Results**

Intermediate and long maturity Treasury yields rose even as the Federal Reserve reaffirmed their commitment to maintaining rock-bottom short-term rates into 2014. The 10-year Treasury ended March with a yield of 2.21%, up 33 basis points during the quarter, while the 30-year yielded 3.34%, up 45 basis points. The highest risk global credit markets overcame rising rates as favorable fundamentals drove positive returns for high yield and emerging market debt issues, while investment grade credit ended negative in March due to rising Treasury rates.

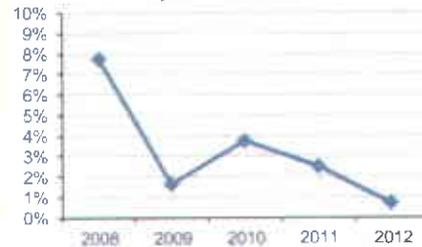
# West Virginia Board of Treasury Investments Financial Highlights as of March 31, 2012

## WV Short Term Bond Pool

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

April 1 - March 31	Return	Net Assets At March 31 <i>(In Millions)</i>
2012	0.7%	\$ 503.7
2011	2.5%	\$ 477.2
2010	3.8%	\$ 447.9
2009	1.6%	\$ 285.2
2008	7.7%	\$ 401.2

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



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

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

Pool	Net Asset Value	March Net Income <i>(Loss)</i>	Fiscal YTD Net Income
WV Money Market	\$ 2,962,727	\$ 320	\$ 2,460
WV Gov't Money Market	344,967	16	117
WV Short Term Bond	503,652	633	2,180
WV Bank	32,552	12	104
Loss Amortization *	-	-	13
Loans	111,838	97	455
Reserve	19,022	7	57
Participant Accounts	29,907	(26)	366
	<b>\$ 4,004,665</b>	<b>\$1,059</b>	<b>\$5,752</b>

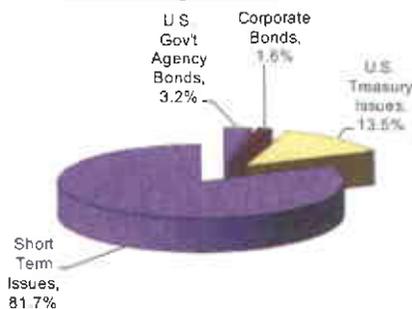
\* Closed in August 2011

### Percent of Total Net Asset Value

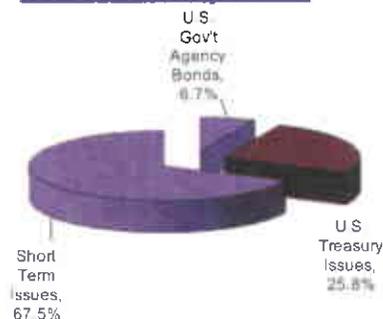


## Securities by Type for Operating Pools *(Percentage of Asset Value)*

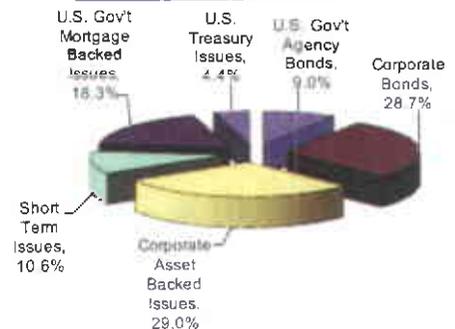
### WV Money Market



### WV Gov't Money Market



### WV Short Term Bond



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

**MARCH 31, 2012**

*(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>
<b>Assets</b>						
Investments:						
At amortized cost	\$ 2,961,208	\$ 344,615		\$ 32,509	\$ 130,756	\$ 26,286
At fair value	-	-	\$ 503,041	-	-	3,488
Cash	-	-	-	-	-	-
Other assets	1,812	388	1,159	44	106	134
Total assets	<u>2,963,020</u>	<u>345,003</u>	<u>504,200</u>	<u>32,553</u>	<u>130,862</u>	<u>29,908</u>
<b>Liabilities</b>						
Accrued expenses, dividends payable & payable for investments purchased	293	36	548	1	2	1
Total liabilities	<u>293</u>	<u>36</u>	<u>548</u>	<u>1</u>	<u>2</u>	<u>1</u>
<b>Net Assets</b>	<u>\$ 2,962,727</u>	<u>\$ 344,967</u>	<u>\$ 503,652</u>	<u>\$ 32,552</u>	<u>\$ 130,860</u>	<u>\$ 29,907</u>
<b>Investment income</b>						
Interest and dividends	\$ 607	\$ 115	\$ 629	\$ 13	\$ 106	\$ 37
Net accretion (amortization)	(136)	(80)	(156)	-	-	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>471</u>	<u>35</u>	<u>473</u>	<u>13</u>	<u>106</u>	<u>24</u>
<b>Expenses</b>						
Fees	153	19	50	1	2	1
Total expenses	<u>153</u>	<u>19</u>	<u>50</u>	<u>1</u>	<u>2</u>	<u>1</u>
Net investment income	318	16	423	12	104	23
Net realized gain (loss) from investments	2	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	210	-	-	(49)
Net gain (loss) from investments	<u>2</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>-</u>	<u>(49)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>320</u>	<u>16</u>	<u>633</u>	<u>12</u>	<u>104</u>	<u>(26)</u>
<b>Distributions to participants</b>	320	16	423	12	104	-
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	679,374	100,696	377	12	303	125
Redemptions and withdrawals	953,696	85,061	521	-	4,525	-
Inter-pool transfers in	20,019	-	-	5,000	-	-
Inter-pool transfers out	5,000	-	-	20,019	-	-
<b>Net increase (decrease) in net assets from participant activity</b>	<u>(259,303)</u>	<u>15,635</u>	<u>(144)</u>	<u>(15,007)</u>	<u>(4,222)</u>	<u>125</u>
Increase (decrease) in net assets	(259,303)	15,635	66	(15,007)	(4,222)	99
Net assets at beginning of period	3,222,030	329,332	503,586	47,559	135,082	29,808
<b>Net assets at end of period</b>	<u>\$ 2,962,727</u>	<u>\$ 344,967</u>	<u>\$ 503,652</u>	<u>\$ 32,552</u>	<u>\$ 130,860</u>	<u>\$ 29,907</u>