

**JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE**

**Materials Distributed**

**October 23, 2013**

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## Interim Committee Attendance - Results

Wednesday, October 23, 2013 - 11:00 AM

### Joint Committee on Government and Finance

**Attended:**

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

**Submittor:**

Marlene Elliott

**Phone:**

x4802

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(President Kessler presides)

**AGENDA**

**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**

**October 23, 2013**

**11:00 - 12:00 pm**

**Senate Finance Room**

1. **Approval of September 25 2013, minutes**
2. **Committee Reports/Requests**
3. **Monthly/Quarterly Reports Distribution:**  
Status Reports on Lottery and the General Revenue Fund.
4. **Workforce WV Unemployment Compensation Trust Fund Distribution:**
5. **Monthly/Quarterly Reports Distribution:**  
PEIA.  
BRIM  
CHIP  
Real Estate Report
6. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**  
  
Medicaid Report
7. **Investment Management Board Distribution:**
8. **Workers' Compensation:**
9. **Board of Treasury Report Distribution**
10. **Marcellus Shale Report**
11. **Other Business**
12. **Adjournment**



WEST VIRGINIA LEGISLATURE  
STATE CAPITOL  
CHARLESTON, WEST VIRGINIA 25305

October 23, 2013

The Honorable Tim Miley, Speaker  
West Virginia House of Delegates  
Building 1, Room 228-M  
Charleston, West Virginia 25305

The Honorable Jeffrey Kessler  
President  
West Virginia Senate  
Building 1, Room 227-M  
Charleston, West Virginia 25305

**Re: Travel Expenses for guest speaker to Equal Pay Commission**

Dear Gentlemen:

On behalf of the Equal Pay Commission, we are requesting that travel expenses be approved for a guest speaker for an upcoming meeting of the Commission in an amount not to exceed \$1,000.

The Commission is hoping to invite Airane Hegewisch for a presentation. Ms. Hegewisch is the Study Director for the Institute for Women's Policy Research. She has overseen a study on the pay equity gap in West Virginia, and will discuss that with the Equal Pay Commission.

We are requesting up to \$1,000 to cover Ms. Hegewisch's travel expenses as she will be traveling from Washington D.C. We are also requesting that the approval of these funds not expire until the start of the 2014 Regular Session, so as to accommodate the scheduling of Ms. Hegewisch for an interim meeting.

Should you have any questions or concerns, please do not hesitate to contact us or Commission staff members Jennelle Jones at 304-340-3348 or Daniel Osborne at 304-340-3255.

Thanks so much for your attention to this matter.

Sincerely,

  
Delegate Charlene Marshall, Chair  
Equal Pay Commission

  
Senator Doug Facemire, Chair  
Equal Pay Commission

CC: Aaron Allred

## **Joint Committee on Government and Finance**

September 25, 2013

1:00pm - 2:00pm

### **Senate**

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

### **House**

Miley, Chair  
Boggs  
Caputo  
Manchin  
White  
Armstead  
Cowles

### **Speaker Miley presides:**

Speaker Miley: "The committee will come to order. The first item on the agenda is the approval of the minutes of July 24th. President Kessler moves the adoption of the minutes. Are there questions, discussion? All those in favor say aye, all those opposed, the ayes appear to have it, the ayes do have it. I declare the minutes adopted."

Speaker Miley: "Chair recognizes President Kessler."

President Kessler: "I move that Parks, Recreation and Natural Resources Subcommittee be granted authorization and expense reimbursement for members and staff to conduct their site visit to Canaan Valley State Park on October 28, 29 and 30, of this year."

Speaker Miley: "President Kessler moves for the authorization of the expense reimbursements fro the members and staff of the Park, Recreation and Natural Resource Subcommittee to conduct site visitation to Canaan Valley State Park. Are there questions? All in favor say aye, all those opposed, the ayes appear to have it, the ayes do have it. I declare the motion adopted."

Speaker Miley: "First Item on the Agenda is Workforce WV presented by Russell Fry or his designee."

Beth Carenbauer, Acting Director of Unemployment Compensation: "Mr. President, Mr. Speaker, and Committee members, I am here representing Russell Fry. As of today the trust fund balance is \$123,573,000. You will see on the trust fund projections we are projecting revenue this year of \$230,784,000, benefits of \$242,391,000 and a balance in December of

\$95,558,000. I would happy to answer any questions."

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

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

Mr. Chuck Jones: "Mr. Speaker and Mr. President I am Chuck Jones, Director of BRIM. Secretary Taylor is in CPRB board meeting and couldn't attend. You should have your reports from CHIP, BRIM, PEIA and Real Estate. The directors are here if you have any questions we would be more than happy to answer them."

Speaker Miley: "Are there any questions? Senator Hall."

Senator Hall: "Ok, are you doing the Real Estate Report from the Department of Administration?"

Mr. Jones: "The director is here."

Chuck Lawrence, Director of Real Estate.

Senator Hall: "I got a call from Point Pleasant. Could you talk to me about what is going on with the Department of Health and Human Resources facility over there? Are you moving or what are we doing? Or do you know what I am talking about?"

Mr. Lawrence: "Generally, yes I do. The gentleman who is responsible for that project works for me, Dave Hildreth and we are in the process of soliciting bids for a new building to be built by the private sector."

Senator Hall: "Ok. Since there is an existing facility, what is the justification for the move?"

Mr. Lawrence: "I would have to get more details. I am not prepared to speak off the cuff."

Senator Hall: "Would you have someone contact me. I would like to know about it. Thank you."

Mr. Lawrence: "Absolutely."

Speaker Miley: "Further questions? Thank you sir. Further questions of Mr. Jones or any other representatives of these agencies? Thank you."

Mr. Jones: "Thank you sir."

Speaker Miley: "Next item on the agenda is the report from DHHR."

Ms. Tina Bailes: "Mr. Speaker, Mr. President, I am Tina Bailes, the Deputy Commissioner for Medicaid. The medicaid report is in your packets and I would be happy to take any questions that you may have."

Speaker Miley: "Are there any questions of Ms. Bailes? Chairman Boggs."

Delegate Boggs: "Thank you. Ms. Bailes thank you for being here today. I wanted to thank you also for including the waiver status report as a permanent part of the Medicaid Report every month, I think it is very valuable. I've got a lot of questions, I probably won't ask them all and I may submit those subject to the approval of the Chair. I may submit those to you for a written response by our next meeting so you can bring back to us. Regarding the waiver program, I believe it says 2,347 on the wait list on the managed care list right now, the managed enrollment list. That translates into about 110 new people are being added every month. Do you know what the average wait time is for the people that are on the wait list?"

Ms. Bailes: "On this particular report, no we do not have that. That would be something that we would have to go back and provide you to see what the average wait."

Delegate Boggs: "If you could please, I think that would be very valuable to these people. Are you aware also of how many people actually pass away while they were on the wait list in the last year?"

Ms. Bailes: "Yes that number is actually presented on the report."

Delegate Boggs: "Is the 246 accurate?"

Ms. Bailes: "Yes. 11% of those individuals on the state fiscal year."

Delegate Boggs: "So they passed away without receiving any services while on the wait list? Could you tell us what kind of matching state fund would be necessary? I know that this is an extremely tight budget year but I think we need to know. What kind of money would need to be made available to

eliminate the wait list? Considering there is 3 to 1 match."

Ms. Bailes: "When I looked at this probably about six months ago, we were looking at the trend and at that point and time there was approximately 150 individuals applying each month and I think we talked about this earlier too. Usually about 60% of those individuals will go on and become medically determined eligible and then they are financially determined eligible about 60% of that number. So using those initial numbers to clear the wait list for that period of time for one year would require an additional \$12M in state funds. Right now we are in that transition period where the waiver period rolls over so there opens up additional slots for individuals to be assigned. So of those 2300 individuals who are currently on the wait list approximately 300+ and there is going to be more of those individuals can move into a slot but there is a process that has to occur. So they have to be notified, they have to go and apply for financial eligibility. I would like looking at those numbers and update that estimate but at that point and time about six months ago to eliminate the wait list for one year for be an additional \$12M."

Delegate Boggs: "But right now if someone passes away, they have to wait until the end of the fiscal year in order to be considered, you are not filling those slots once there are empty?"

Ms. Bailes: "We have the issue in terms of the definition of unduplicated slot. If the wavier period for this particular waiver begins on July 1 of each, so if I occupy that slot on July 1 and I receive a service in July, then technically that slot is no longer available. So it would not be able to refill that. That is why during that period of time, as individuals would be removed or come off the waiver, those slots cannot be reused until we roll to the next year."

Delegate Boggs: "But the money is actually there?"

Ms. Bailes: "Well, when actually we do the budget in determining that, we take into consideration that individuals would not be enrolled for a full 12 months. In essence we budget anticipating that most members or that there will be some percentage of individuals who will not receive a full 12 months of service."

Delegate Boggs: "I know in this program according to the report that there was \$15M less spent than was budgeted at the end of June 30<sup>th</sup>. I believe it shows that \$15,110,000 and a few dollars on the figures that I have. Expenditures by provider type. Is that money going to go some place else? Is that going to be moved to another line?"



Ms. Bailes: "I just want to clarify. In terms of the funding available, I am not sure that I know where you are seeing the \$15M."

Delegate Boggs: "On the Agency Disabled Waiver? I can provide that information for you."

Ms. Bailes: "That would be very helpful."

Delegate Boggs: "I will provide that information to you. The information showing that it looks like there is about \$15M less spent than was available. I have some other questions Mr. Chairman that I would to ask, I would like to submit these and possibly we can get some answers for the next month's joint committee."

Ms. Bailes: "Certainly."

Speaker Miley: "Are there any other questions of Ms. Bailes? President Kessler."

President Kessler: "Thank you Mr. Speaker. Just to follow up on that, this unduplicated care thing, is that a federal definition or something that we have control over?"

Ms. Bailes: "That is a federal definition and actually it's a federal interpretation."

President Kessler: "We have like 300 slots that are available starting on July 1 and someone dies on July 2, we are down to 299 and can't fill that 300<sup>th</sup> spot for an entire year?"

Ms. Bailes: "If that individual accessed a service during that period of time, you are absolutely correct. That slot would not be available."

President Kessler: "We having a waiting list that is basically just continues to be running a year behind every time there is a vacancy because somebody probably used some level of service during that fiscal year in order to be eligible."

Ms. Bailes: "You are absolutely correct."

President Kessler: "There has to be a way around that. We have 300 spots we should have 300 people that are using them not 290 or 280 because somebody died. We have got a lot of vacant slots just sitting there waiting to be filled but

there is some definition that seems to be tweaked, changed, altered or get a variance from or exception to so we can get our folks those services."

Ms. Bailes: "We will fill or allocate those 300 vacancies. We are in the process of doing that now. But if one of those individuals who transitions into one of those slots, if they access a service for one day and then they would no longer be eligible so if they went into a nursing home and was there for a continued period of time or extended period of time then that slot could not be reused to allow somebody else on the waiting list to apply and be able to use that. You are absolutely correct but we have had several conversations with our federal partners and that it is our interpretation of the federal regulation."

President Kessler: "It seems they are leaving a lot of people in helpless situations that could be helped immediately rather than a year from now usually when they might have died."

Speaker Miley: "Sure, Chairman Boggs."

Delegate Boggs: "Thank you. Just to follow up on the President's question and his response. Since this is a waiver program, have we contacted the federal partners and actually made a request for a waiver on that policy? It is my understanding that any point we do not have to wait until the whole plan is up for renewal, we can ask for a waiver at any point and that may be their interpretation about this. It is a money saving program not only but keeps people in their own homes which is the most important thing."

Ms. Bailes: "There is two points of clarification in terms of that comment. Our federal partners, as long as the state certifies that there is an additional, that there is a state share available, they will certainly approve additional slots. However, in terms of the current slot allotment they interpret that rule to mean that if I access that service and then terminate my waiver of participation then that slot is no longer available for use. In terms of being able to access additional slots we have up until June 30 of each waiver period to request additional slots if we certify that we have the funding available to actually pay for those positions or those slots."

Delegate Boggs: "We are carrying over more money at the end of the fiscal year than we actually spent, then something is wrong."

Ms. Bailes: "And that is piece that concerns me in terms of when I was looking at the estimates we are actually spending more than what the funding is allotted for the program. So we spend in excess of the appropriation."

Delegate Boggs: "I will give you the information and then you can interpret it."

Ms. Bailes: "That would be very helpful."

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

Speaker Miley: "Further questions of Ms. Bailes? Thank you Ms. Bailes."

Ms. Bailes: "Thank you."

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

Mr. Slaughter: "Members of the Committee, Craig Slaughter, Executive Director of the West Virginia Investment Management Board. You should have the July report, monthly report in your packet. The numbers for July were good. Of course it is only one month of the fiscal year and we know it takes twelve months to make one so it really doesn't mean a whole lot yet for this fiscal year. If you look back a year we are up over 15% for DB Plans and we're still around 7.9% or 7.8% for the plans for ten years, DB Plans any way which have a 7½% of the same grade of return. There is other data here as always, but you have the report if you have any questions I would be happy to answer."

Speaker Miley: "Questions of Mr. Slaughter? Senate Hall."

Senate Hall: "On page three of your report where you report the index plus or minus. If its green its good, right?"

Mr. Slaughter: "Yes. Actually I should explain that. This is a new format we have adopted just to give us more space. Formerly we have the return for our portfolio for a particular component of our portfolio and then we have the relevant benchmark return and then the difference between the two. We eliminated the benchmark return and left whatever the difference was and if it was green it is positive and if its red it is negative. So you just do the math. For the total equity composite the return for the month for our portfolio was 5.16%. There is a green number of .22 below it that means we were .22% better than the benchmark. If you subtract the .22% from 5.16% you have the benchmark."

Senate Hall: "So that is the snapshot to see. Which is quite impressive I think I was looking at it prior to that there aren't very many red numbers and they are small. Particularly that hedge fund down near the bottom by 5 points."

Mr. Slaughter: "Thats right."

Senate Hall: "But that really is to be commended. Most people would just like to stay with the market, you are beating it in certain places."

Mr. Slaughter: "Just to clarify to make sure it is fully understood. Take the Fixed Income Composite number if you go across the 3 month number, it is a negative 2.17 for our return but there is a .94 in green below that. That means we were better than the benchmark by a .94% so we out performed the benchmark."

Senate Hall: "But that should instruct us that certain markets will struggle and even the overall market is losing. Even a slight loss isn't reflective on you particularly since you beat everybody else. That's great."

Mr. Slaughter: "Thank you."

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

Mr. Slaughter: "Thanks."

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

# WEST VIRGINIA LEGISLATURE

*Office of the Legislative Auditor*



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

*304-347-4870*

October 11, 2013

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

- West Virginia Lottery as of August 31, 2013:  
Gross profit for July - August 2013 was \$94.6 million.
- West Virginia Unemployment Compensation Fund as of August 31, 2013:  
Total disbursements were \$9 million less than last fiscal year. Overall ending trust fund balance was \$ 16 million lower on August 31, 2013, than on August 31, 2012.
- General Revenue Fund as of September 30, 2013:  
The general revenue collections ended the first quarter of fiscal year 2013-2014 at 96.60% of the estimate for the year.
- State Road Fund as of September 30, 2013:  
The state road fund collections ended the first quarter of fiscal year 2013-2014 at 105.15% of the estimate for the year.

WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*



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

MEMORANDUM

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

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

Date: October 11, 2013

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for August 2013, the second month of fiscal year ending June 30, 2014, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

**Lottery Revenues:**

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 215 million on July – August 31, 2013. Table games accounted for \$9.9 million of this total. Historic Resort Hotel video lottery and table games accounted for \$1.2 million of total gross receipts. Gross lottery revenue has decreased by 7.45% when compared with July - August of fiscal year 2012-2013. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July – August 2013 was \$94.6 million; for July - August of last fiscal year it was \$ 102.9 million. Expressed as a

percentage, gross profit is 8.09% lower for fiscal year 2014 than for fiscal year 2013.

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

A total of \$ 91,115,000.00 has been accrued to the state of West Virginia for fiscal year 2013-2014. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$29,693,000.00
Community and Technical College	\$999,000.00
Department of Education	\$15,404,000.00
Library Commission	\$6,435,000.00
Higher Education-Central Office	\$4,255,000.00
Tourism	\$5,006,000.00
Department of Natural Resources	\$1,791,000.00
Division of Culture and History	\$2,933,000.00
Economic Development Authority	\$2,000,000.00
Department of Education and Arts	\$1,017,000.00
School Building Authority	\$3,599,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$73,132,000.00</b>

### **Excess Lottery Fund**

General Purpose Fund	\$ 0
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Lottery

Lottery continued

Economic Development Fund	3,797,000.00
Higher Education Improvement Fund	3,000,000.00
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	9,254,000.00
Refundable Credit	0
WV Development Office	0
WV Racing Commission	0
DHHR	29,111,000.00
State Park Improvement Fund	0
School Building Authority	3,799,000.00
Excess Lottery Surplus	0
Total State Excess Lottery Revenue Fund	<b>\$ 48,961,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	349,000.00
State Debt Reduction Fund	103,000.00
Tourism Promotion Fund	16,000.00
Total Historic Hotel	468,000.00

Veterans Instant Ticket Fund \$39,000.00

Table Games State Debt Reduction Fund \$ 4,615,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	1,443,000.00
Development Office Promo Fund	394,000.00
Research Challenge Fund .5%	525,000.00



Lottery continued

Capitol Renovation and Improvement Fund .6875%	722,000.00
Parking Garage Fund .0625%	66,000.00
Parking Garage Fund 1%	500,000.00
Cultural Facilities and Cap. Resources Fund .5%	209,000.00
Capitol Dome & Cap. Improvements Fund .5%	340,000.00
Workers Compensation Debt Reduction Fund 7%	6,431,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$10,630,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$137,845,000.00</b>

\* CASH BASIS

Total Accrued last FY 2013:	\$ 239,035,000.00
Total Cash Distributions FY 2014:	137,845,000.00
Applied to FY 2013:	137,845,000.00
Applied to FY 2014:	000.00
Accrued for FY 2014 as of August 31:	91,115,000.00

P.O. BOX 2067  
CHARLESTON, WV 25327



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

Earl Ray Tomblin  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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

DATE: September 17, 2013

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

Financial statements of the Lottery for the month ending August 31, 2013 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$109,633,107 for the month of August.

Transfers of lottery revenue totaling \$70,944,631 made for the month of August to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of August 31, 2013 was 1,564 and 1,497 respectively.

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

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

JCM  
Attachment

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

## **MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

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Month Ending August 31, 2013

DATE: September 17, 2013

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JCM  
Attachment

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



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**August 31, 2013**

# **WEST VIRGINIA LOTTERY**

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

	August 31, 2013	June 30, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 218,679	\$ 273,418
Accounts receivable	35,171	35,999
Inventory	425	492
Other assets	2,071	2,123
Total Current Assets	<u>256,346</u>	<u>312,032</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,610	1,640
Capital assets	46,876	46,846
Less accumulated depreciation and amortization	(6,966)	(6,626)
Net Capital Assets	<u>39,910</u>	<u>40,220</u>
Total Noncurrent Assets	<u>41,520</u>	<u>41,860</u>
Total Assets	<u><u>\$ 297,866</u></u>	<u><u>\$ 353,892</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 192,305	\$ 239,035
Estimated prize claims	15,062	14,144
Accounts payable	1,658	1,828
Other accrued liabilities	33,975	44,019
Total Current Liabilities	<u>243,000</u>	<u>299,026</u>
Total Liabilities	<u>243,000</u>	<u>299,026</u>
Net Position:		
Restricted by enabling legislation	1,610	40,220
Net Investment in capital assets	39,910	13,006
Unrestricted	13,346	1,640
Total Net Position	<u>54,866</u>	<u>54,866</u>
Total Net Position	<u><u>\$ 297,866</u></u>	<u><u>\$ 353,892</u></u>

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

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

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2013	2012	2013	2012
Lottery revenues				
On-line games	\$ 8,294	\$ 8,069	\$ 14,949	\$ 13,771
Instant games	9,366	8,702	18,275	17,876
Racetrack video lottery	53,913	58,508	107,609	119,349
Limited video lottery	32,101	34,386	62,994	67,363
Table games	5,233	5,934	9,959	12,466
Historic resort	726	690	1,220	1,484
	<u>109,633</u>	<u>116,289</u>	<u>215,006</u>	<u>232,309</u>
Less commissions				
On-line games	578	562	1,042	977
Instant games	656	609	1,279	1,251
Racetrack video lottery	30,536	33,139	60,950	67,599
Limited video lottery	15,730	16,849	30,867	33,008
Table games	2,284	2,591	4,348	5,443
Historic resort	356	359	624	738
	<u>50,140</u>	<u>54,109</u>	<u>99,110</u>	<u>109,016</u>
Less on-line prizes	4,130	4,126	7,451	6,855
Less instant prizes	6,174	5,801	12,046	11,910
Less ticket costs	88	121	357	246
Less vendor fees and costs	841	798	1,421	1,331
	<u>11,233</u>	<u>10,846</u>	<u>21,275</u>	<u>20,342</u>
Gross profit	<u>48,260</u>	<u>51,334</u>	<u>94,621</u>	<u>102,951</u>
Administrative expenses				
Advertising and promotions	78	461	155	528
Wages and related benefits	875	914	1,809	1,889
Telecommunications	53	63	115	178
Contractual and professional	459	441	686	569
Rental	29	22	50	36
Depreciation and amortization	169	180	340	361
Other administrative expenses	109	79	243	204
	<u>1,772</u>	<u>2,160</u>	<u>3,398</u>	<u>3,765</u>
Other Operating Income	<u>955</u>	<u>856</u>	<u>1,134</u>	<u>1,136</u>
Operating Income	<u>47,443</u>	<u>50,030</u>	<u>92,357</u>	<u>100,322</u>
Nonoperating income (expense)				
Investment income	20	19	40	37
Distributions to municipalities and counties	(629)	(674)	(1,235)	(1,320)
Distributions -capital reinvestment	(25)	(27)	(47)	(54)
Distributions to the State of West Virginia	(46,809)	(49,348)	(91,115)	(98,985)
	<u>(47,443)</u>	<u>(50,030)</u>	<u>(92,357)</u>	<u>(100,322)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>54,866</u>	<u>51,975</u>	<u>54,866</u>	<u>51,975</u>
Net position, end of period	<u>\$ 54,866</u>	<u>\$ 51,975</u>	<u>\$ 54,866</u>	<u>\$ 51,975</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE TWO MONTH PERIOD ENDED AUGUST 31, 2013**

(In Thousands)

-Unaudited-

	2013	2012
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 216,968	\$ 235,285
Cash payments for:		
Personnel costs	(1,788)	(1,870)
Suppliers	(1,429)	(3,233)
Other operating costs	(120,324)	(130,576)
Cash provided by operating activities	<u>93,427</u>	<u>99,606</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(137,845)	(140,432)
Distributions to municipalities and counties	(1,213)	(1,283)
Distributions to racetrack from racetrack cap. reinv. fund	(9,148)	-
Cash used in noncapital financing activities	<u>(148,206)</u>	<u>(141,715)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(30)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>40</u>	<u>37</u>
Increase (decrease) in cash and cash equivalents	(54,769)	(42,072)
Cash and cash equivalents - beginning of period	<u>275,058</u>	<u>243,911</u>
Cash and cash equivalents - end of period	\$ <u><u>220,289</u></u>	\$ <u><u>201,839</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 92,357	\$ 100,322
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	340	361
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	828	1,840
(Increase) decrease in inventory	67	(138)
(Increase) decrease in other assets	52	89
Increase (decrease) in estimated prize claims	918	(461)
Increase (decrease) in accounts payable	(170)	(1,981)
Increase (decrease) in other accrued liabilities	(965)	(426)
Cash provided by operating activities	\$ <u><u>93,427</u></u>	\$ <u><u>99,606</u></u>

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



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

**NOTE 1 - LEGISLATIVE ENACTMENT**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At August 31, 2013 the carrying amounts of deposits (overdraft) with financial institutions were \$1,419 thousand with a bank balance (overdraft) of \$1,446 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	<u>August 31, 2013</u>	<u>June 30, 2013</u>
Deposits with financial institutions	\$ 1,419	\$ 1,411
Cash on hand at the Treasurer's Office	3,843	53,718
Investments with BTI reported as cash equivalents	<u>215,027</u>	<u>219,929</u>
	<u>\$ 220,289</u>	<u>\$ 275,058</u>

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

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

**NOTE 4 – CAPITAL ASSETS**

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

Capital Assets:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At August 31, 2013
Construction in Progress	\$ 549	\$ 30	\$ -	\$ 579
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,519	-	-	6,519
	<u>\$ 46,846</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 46,876</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2013	Additions	Deletions	Historical Cost At August 31, 2013
Buildings	\$ 1,189	\$ 159	\$ -	\$ 1,348
Improvements	260	-	-	260
Equipment	5,177	181	-	5,358
	<u>\$ 6,626</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 6,966</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 August 31, 2013 and fiscal year-to-date is as follows:

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

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 5,112,602	\$ 8,513,582
Hot Lotto	445,906	1,005,815
Mega Millions	690,916	1,352,044
Total	\$ 6,249,424	\$ 10,871,441

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,556,301	\$ 4,256,791
Hot Lotto	222,953	502,908
Mega Millions	351,620	688,061
Total	\$ 3,130,874	\$ 5,447,760

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

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

At August 31, 2013, 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	\$ 113,873,522	\$ 1,996,689
Hot Lotto	7,182,108	494,829
Mega Millions	29,069,520	482,961
Total	<u>\$ 150,125,150</u>	<u>\$ 2,974,479</u>

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

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

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

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

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$16,342,326 at June 30, 2013, of which the Lottery's share was \$1,674,811.

**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 August 31, 2013 and fiscal year-to-date follows (in thousands):

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

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

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 605,046	\$ 648,745	\$ 1,206,821	\$ 1,320,303
Credits (prizes) won	(542,984)	(582,407)	(1,083,058)	(1,184,746)
Promotional credits played	(8,122)	(7,790)	(16,097)	(16,129)
MWAP Contributions	(27)	(40)	(57)	(79)
Gross terminal income	53,913	58,508	107,609	119,349
Administrative costs	(2,157)	(2,340)	(4,304)	(4,774)
Net Terminal Income	51,756	56,168	103,305	114,575
Less distribution to agents	(30,536)	(33,139)	(60,950)	(67,599)
Racetrack video lottery revenues	\$ 21,220	\$ 23,029	\$ 42,355	\$ 46,976

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

	August 31, 2013	Year-to-Date
State Lottery Fund	\$ 15,527	\$ 30,991
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	711	1,420
Development Office Promotion Fund .375 %	194	387
Research Challenge Fund .5 %	259	517
Capitol Renovation & Improvement Fund .6875 %	356	710
Parking Garage Fund .0625 %	32	65
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	259	267
Capitol Dome & Capitol Improvements Fund .5 %	259	267
Worker's Compensation Debt Reduction Fund 7 %	3,623	7,231
Total nonoperating distributions	\$ 21,220	\$ 42,355

**NOTE 7 - LIMITED VIDEO LOTTERY**

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



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

**NOTE 7 - LIMITED VIDEO LOTTERY (continued)**

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

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 382,066	\$ 406,546	\$ 748,792	\$ 796,927
Credits (prizes) won	(349,965)	(372,160)	(685,798)	(729,564)
Gross terminal income	\$ 32,101	\$ 34,386	\$ 62,994	\$ 67,363
Administrative costs	(642)	(688)	(1,260)	(1,347)
Gross Profit	31,459	33,698	61,734	66,016
Commissions	(15,730)	(16,849)	(30,867)	(33,008)
Municipalities and Counties	(629)	(674)	(1,235)	(1,320)
Limited video lottery revenues	\$ 15,100	\$ 16,175	\$ 29,632	\$ 31,688

**NOTE 8 – TABLE GAMES**

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

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

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

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

**NOTE 8 – TABLE GAMES (continued)**

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10-Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended August 31, 2013 and fiscal year-to-date were \$14,950,819 and \$28,454,713, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Table Games Privilege Tax	\$ 5,233	\$ 5,934	\$ 9,959	\$ 12,466
Interest on Table Games Fund	-	-	1	1
Administrative costs	(449)	(509)	(854)	(1,069)
Total Available for Distribution	4,784	5,425	9,106	11,398
Less Distributions:				
Racetrack Purse Funds	374	424	711	891
Thoroughbred & Greyhound Development Funds	299	339	569	712
Racing Association Pension Plan	131	149	250	314
Municipalities/ Counties	1,480	1,679	2,818	3,526
Total Distributions	2,284	2,591	4,348	5,443
State Debt Reduction Fund	\$ 2,500	\$ 2,834	\$ 4,758	\$ 5,955

**NOTE 9 – HISTORIC RESORT HOTEL**

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

Historic Resort Video Lottery

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended August 31, 2013 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2014	2013	2014	2013
Total credits played	\$ 6,896	\$ 6,503	\$ 12,035	\$ 13,277
Credits (prizes) won	(6,317)	(5,953)	(11,051)	(12,174)
Promotional credits played	(123)	(62)	(148)	(138)
MWAP Contributions	-	(1)	(1)	(2)
Gross terminal income	456	487	835	963
Capital reinvestment	(21)	(23)	(39)	(45)
Modernization Fund	(4)	(4)	(8)	(9)
Administrative costs	(25)	(26)	(45)	(52)
Hotel commissions	(193)	(206)	(353)	(407)
Net terminal income	213	228	390	450
Historic Resort Hotel Fund	135	145	248	286
Human Resource Benefit Fund	78	83	142	164

**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 August 31, 2013 and fiscal year-to-date were \$772,180 and \$1,100,495, 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	
	2014	2013	2014	2013
Table games privilege tax	\$ 270	\$ 203	\$ 385	\$ 522
Administrative Costs	(34)	(26)	(50)	(67)
Total Available for Distribution	236	177	335	455
Historic Resort Hotel Fund	197	148	280	380
Human Resource Benefit Fund	39	29	55	75

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

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

Historic Resort Hotel Fund

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

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

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 135	\$ 248
Historic Resort Table Games	197	280
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	332	528
Municipalities/ Counties	46	74
State General Revenue Fund	213	338
State Debt Reduction Fund	63	100
State Tourism Promotion Fund	10	16
Total Distributions	<u>\$ 332</u>	<u>\$ 528</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, 2014 the State Legislature budgeted \$151,565,243 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of

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

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

funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended August 31, 2013 the Lottery has accrued additional distributions of \$188,261,181. 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 August 31, 2013, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$1,257,926, \$2,500,112, and \$285,858, 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>August 31, 2013</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 999
Bureau of Senior Services	6,812	29,693
Department of Education	3,534	15,404
Library Commission	1,476	6,435
Higher Education-Policy Commission	976	4,255
Tourism	1,149	5,006
Natural Resources	411	1,791
Division of Culture & History	673	2,933
Department of Education & Arts	233	1,017
Economic Development Authority	1,000	2,000
School Building Authority	1,800	3,599
Total State Lottery Fund	<u>\$ 18,564</u>	<u>\$ 73,132</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	\$ 3,797
Higher Education Improvement Fund	1,500	3,000
General Purpose Account	-	-
Higher Education Improvement Fund	9,254	9,254
State Park Improvement Fund	-	-
School Building Authority	1,899	3,799
Refundable Credit	-	-
WV Racing Commission	-	-
WV Department of Health and Human Resources	29,111	29,111
WV Development Office	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	<u>\$ 43,663</u>	<u>\$ 48,961</u>
Total Budgetary distributions:	<u>\$ 62,227</u>	<u>\$ 122,093</u>
Veterans Instant Ticket Fund	\$ 24	\$ 39

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 783	\$ 1,443
Development Office Promotion Fund .375%	214	394
Research Challenge Fund .5%	285	525
Capitol Renovation & Improvement Fund .6875%	392	722
Parking Garage Fund .0625 %	36	66
Parking Garage Fund 1 %	151	500
Cultural Facilities & Cap. Resources Fund .5%	209	209
Capitol Dome & Cap. Improvements Fund .5%	209	340
Workers Compensation Debt Reduction Fund 7%	3,988	6,431
Total	<u>\$ 6,267</u>	<u>\$ 10,630</u>
Table Games State Debt Reduction Fund	\$ 2,258	\$ 4,615

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 126	\$ 349
State Debt Reduction Fund	37	103
Tourism Promotion Fund	6	16
Total	<u>\$ 169</u>	<u>\$ 468</u>
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 70,945	\$ 137,845
Accrued nonoperating distributions, beginning	(216,441)	(239,035)
Accrued nonoperating distributions, end	<u>192,305</u>	<u>192,305</u>
	<u><u>\$ 46,809</u></u>	<u><u>\$ 91,115</u></u>

**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 August 31, 2013 and August 31, 2012 approximated \$51,272 and \$36,059 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended August 31, 2013 and August 31, 2012 approximated \$220,328 and \$227,318 respectively.

Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2014	772
2015	232
Total	\$ 1,004

**NOTE 12 – RESTRICTED NET POSITION**

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

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

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

**NOTE 13 – COMMITMENTS**

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

**NOTE 14 - RETIREMENT BENEFITS**

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

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

	<u>August 31, 2013</u>	<u>Year-to-Date</u>
Lottery contributions	\$ 87	\$ 192
Employee contributions	27	59
Total contributions	<u>\$ 114</u>	<u>\$ 251</u>

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

WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*



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

304-347-4870

Memorandum

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

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

Date: October 4, 2013

Re: Status of General Revenue Fund and State Road Fund as of  
September 30, 2013 (End of first quarter FY 2013-2014.)

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

The net collections were 96.60% of the estimate for the fiscal year. Total collections were \$ 34.3 million under the estimate.

Personal Income Tax collections were \$ 27.6 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 2.8 million under the estimate for the year.

Severance Tax was \$ 2.2 million over the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$977 thousand over the estimate for the fiscal year.

#### **State Road Fund**

The state road fund collections were 105.15% of the estimate for the fiscal year.

#### **Rainy Day and Personal Income Tax Reserve**

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$550,353,944.27 as of September 30, 2013.

Balance July 1, 2013	557,992,969.15
Cash flow loan to General Revenue on July 1, 2013. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Paid back September 2013.	- 62,000,000.00
Earnings	-13,389,665.12
Surplus transfer FY 2013	5,750,640.24
Balance September 30, 2013	550,353,944.27

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 350,303,155.11 as of September 30, 2013.

Balance July 1, 2013	356,472,701.67
Earnings	- 6,169,546.56
Balance September 30, 2013	350,303,155.11

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

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

## GENERAL REVENUE FUND FY 2013-2014

FINAL

## By Source and by Month

## Monthly Revenue Estimates

as of September 30, 2013 WVFIMS

	MONTH	NET	UNDER ESTIMATES		NET	YEARLY OVER
	ESTIMATES	MONTH	VS ACTUAL	YTD	YTD	UNDER ESTIMATES
		COLLECTIONS	COLLECTIONS	ESTIMATES	COLLECTIONS	VS ACTUAL
						COLLECTIONS
Personal Income Tax	182,250,000	187,843,228	5,593,228	442,250,000	414,607,736	-27,642,264
Consumer Sales Tax & Use Tax	101,000,000	97,885,259	-3,114,741	304,100,000	301,208,194	-2,891,806
Severance Tax	48,200,000	46,476,173	-1,723,827	101,300,000	103,573,019	2,273,019
Corp Income /Business Franchise	51,800,000	50,648,661	-1,151,339	60,300,000	61,277,000	977,000
Insurance Tax	600,000	669,276	69,276	28,500,000	27,561,324	-938,676
Tobacco Products Tax	9,000,000	7,280,682	-1,719,318	28,100,000	26,418,490	-1,681,510
Business and Occupation	9,400,000	8,372,673	-1,027,327	27,100,000	25,924,780	-1,175,220
Liquor Profit Transfers	1,000,000	1,018,650	18,650	3,250,000	3,641,248	391,248
Departmental Collections	970,000	982,111	12,111	3,050,000	3,039,497	-10,503
Property Transfer Tax	922,000	1,012,649	90,649	2,835,000	2,763,388	-71,612
Miscellaneous Transfers	55,000	171,735	116,735	2,500,000	745,598	-1,754,402
Property Tax	1,894,000	2,126,723	232,723	2,315,000	2,615,263	300,263
Beer Tax and Licenses	684,000	654,367	-29,633	2,249,000	2,107,892	-141,108
Interest Income	500,000	-31,024	-531,024	1,500,000	-901,551	-2,401,551
Senior Tax Credit Reimbur Lot	0	982,714	982,714	845,000	982,714	137,714
Miscellaneous Receipts	206,000	345,623	139,623	542,000	1,028,247	486,247
Business Fran Registration Fees	51,000	37,463	-13,537	170,000	176,943	6,943
Liquor License Renewal	21,000	0	-21,000	113,000	91,778	-21,222
Charter Tax	0	3,195	3,195	0	11,676	11,676
Telecommunications Tax	0	0	0	0	-260,588	-260,588
Video Lottery Transfers	0	0	0	0	77,975	77,975
HB 102 - Lottery Transfers	0	0	0	0	0	0
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	408,553,000	406,480,157	-2,072,843	1,011,019,000	976,690,624	-34,328,376
Minus Cash Flow Transfer		0			0	
Percent of Estimates		99.49%			96.60%	
TOTALS	408,553,000	406,480,157	-2,072,843	1,011,019,000	976,690,624	-34,328,376
Percent of Estimates		99.49%			96.60%	
Collections this day		31,467,896				

Prepared by Legislative Auditor's Office, Budget Division

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

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
<b>Gasoline &amp; Motor Carrier Rd Tax</b>	51,100,000	58,852,654	7,752,654	121,200,000	126,964,733	5,764,733
<b>Privilege Tax</b>	15,850,000	16,527,143	677,143	49,106,000	55,076,348	5,970,348
<b>Licenses &amp; Registration</b>	6,591,000	7,174,610	583,610	24,165,000	22,543,466	-1,621,534
<b>Highway Litter Control</b>	124,000	113,828	-10,172	453,000	382,387	-70,614
<b>TOTALS</b>	73,665,000	82,668,235	9,003,235	194,924,000	204,966,934	10,042,934
<b>Percent of Estimates</b>		<b>112.22%</b>			<b>105.15%</b>	
<b>Collections this day</b>		<b>27,046,883</b>				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF September 3, 2013 : \$353,393,526.16

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF September 3, 2013 : \$492,378,433.83

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF September 3, 2013: \$0

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE  
Office of the Legislative Auditor



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

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

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

Date: October 11, 2013

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the August 31, 2013 monthly report of the  
Unemployment Compensation Trust Fund we received from WorkForce  
West Virginia.

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

Trust Fund Beginning Cash Balance 7-1-2013	\$119,511,755.93
Receipts July 1, 2013 thru June 30, 2014	\$ 68,134,011.69
Disbursements July 1, 2013 thru June 30, 2014	\$ 52,156,740.67
Balance August 31, 2013	\$ 135,489,026.95

ITEMS OF NOTE:

Regular benefits paid for July-August 2013 were \$6.5 million

less than July - August 2012.

Federal emergency benefits totaled \$16 million for July - August 2013. For July- August 2012, federal emergency benefits totaled \$18.3 million.

Total disbursements were \$ 9 million less in July- August 2013 than the preceding July - August 2012.

Receipts as of August 2013 were \$ 4.2 million less than in July- August 2012. Overall ending trust fund balance was \$16 million lower on August 31, 2013 than on August 31, 2012.

Seasonally adjusted unemployment rates for August 2013 were 6.3 percent for West Virginia and 7.3 percent nationally.

Since August 2012 employment has increased by 7,600. Employment increases were as follows: 4,000 in mining and logging; 500 in manufacturing; 300 in trade, transportation and utilities; 700 in professional and business services; 1,500 in educational and health services; 900 in leisure and hospitality and 1,900 in government. Employment declines included 900 in construction; 100 in information; 600 in financial activities and 600 in other services.



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

	JUNE 2012	JULY 2012	AUGUST 2012	JUNE 2013	JULY 2013	AUGUST 2013	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<b><u>\$154,583,262.06</u></b>	<b><u>\$140,675,916.76</u></b>	<b><u>\$140,483,051.54</u></b>	<b><u>\$138,559,021.60</u></b>	<b><u>\$119,511,755.93</u></b>	<b><u>\$125,127,753.78</u></b>	<b><u>(\$52,543,699.05)</u></b>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$1,540,732.89	\$22,499,519.26	\$30,486,112.88	\$1,219,017.47	\$22,957,571.54	\$26,968,693.31	(\$3,381,082.71)
3. Federal Emergency Benefits (EUC08)	\$8,955,272.58	\$10,026,392.93	\$8,346,130.97	\$8,703,564.76	\$9,915,354.98	\$7,471,467.25	(\$1,237,409.49)
4. Federal Share Extended Benefits (EB)	\$726,987.49	\$9,789.29	\$412.00	\$424.00	\$341.99	\$0.00	(\$736,422.79)
5. Temp Federal Additional Comp (FAC)	\$225.00	\$522.00	\$0.00	\$187.98	\$50.00	\$24.97	(\$484.05)
6. UCFE (Federal Agencies)	\$124,610.65	\$138,020.52	\$109,139.66	\$124,806.13	\$168,817.87	\$140,476.46	\$62,329.63
7. Special Administrative Transfer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$875,478.44	\$0.00	\$0.00	\$681,562.51	\$0.00	\$0.00	(\$193,915.93)
11. UCX (Military Agencies)	\$374,581.38	\$407,133.73	\$366,920.73	\$251,903.25	\$296,146.18	\$215,067.14	(\$385,519.27)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<b><u>\$12,597,888.43</u></b>	<b><u>\$33,081,377.73</u></b>	<b><u>\$39,308,716.24</u></b>	<b><u>\$10,981,466.10</u></b>	<b><u>\$33,338,282.56</u></b>	<b><u>\$34,795,729.13</u></b>	<b><u>(\$5,872,504.61)</u></b>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$16,173,940.72	\$22,458,167.67	\$19,241,677.33	\$19,573,056.00	\$18,514,616.90	\$16,629,168.80	(\$3,156,944.02)
Federal Emergency Benefits (EUC08)	\$8,910,728.27	\$10,169,053.21	\$8,201,714.01	\$9,907,130.36	\$8,731,783.97	\$7,434,611.24	(\$1,207,969.92)
Federal Share Extended Benefits (EB)	\$693,308.15	\$9,321.29	(\$1,756.00)	(\$594.00)	(\$1,332.01)	(\$875.00)	(\$703,674.45)
Emergency Benefits (TEUC)	(\$1,122.00)	(\$784.00)	(\$1,359.57)	(\$30.00)	(\$30.00)	(\$70.00)	\$3,135.57
Temp Federal Additional Comp (FAC)	\$225.00	\$415.00	\$0.00	\$187.98	\$50.00	\$49.97	(\$352.05)
UCFE (Federal Workers) Benefits	\$112,983.93	\$139,423.14	\$106,969.40	\$142,242.14	\$151,923.42	\$141,135.11	\$75,924.20
UCX (Military Workers) Benefits	\$356,671.20	\$411,516.61	\$363,691.37	\$282,285.86	\$263,805.79	\$215,911.55	(\$369,875.98)
Reed Act Funds	\$500.00	\$0.00	\$487.71	\$40,000.00	\$1,261.00	\$0.00	\$40,273.29
Special Administrative Transfer	\$257,998.46	\$87,130.03	\$33,408.01	\$84,453.43	\$60,205.64	\$14,524.29	(\$219,353.14)
<b>Total Monthly Disbursements</b>	<b><u>\$26,505,233.73</u></b>	<b><u>\$33,274,242.95</u></b>	<b><u>\$27,944,832.26</u></b>	<b><u>\$30,028,731.77</u></b>	<b><u>\$27,722,284.71</u></b>	<b><u>\$24,434,455.96</u></b>	<b><u>(\$5,538,836.50)</u></b>
<b>Trust Fund Balance</b>	<b><u>\$140,675,916.76</u></b>	<b><u>\$140,483,051.54</u></b>	<b><u>\$151,846,935.52</u></b>	<b><u>\$119,511,755.93</u></b>	<b><u>\$125,127,753.78</u></b>	<b><u>\$135,489,026.95</u></b>	<b><u>(\$52,877,367.16)</u></b>

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

**UC TRUST FUND PROJECTIONS - 2013**  
**October 3, 2013**

Month	Revenues	Benefits	Trust Fund Balance
<b>2012</b>			
Balance 1/1/2012			105,802,000
January	12,438,000	21,838,000	96,402,000
February	15,756,000	18,727,000	93,431,000
March	1,964,000	19,227,000	76,168,000
April	29,482,000	20,118,000	85,532,000
May	88,809,000	19,758,000	154,583,000
June	2,266,000	16,241,000	140,608,000
July	22,333,000	22,458,000	140,483,000
August	30,604,000	19,241,000	151,846,000
September	1,040,000	17,624,000	135,262,000
October	17,637,000	19,899,000	133,000,000
November	16,653,000	19,058,000	130,595,000
December	1,098,000	24,528,000	107,165,000
<b>Totals - 2012</b>	<b>240,080,000</b>	<b>238,717,000</b>	<b>107,165,000</b>

<b>2013</b>			
January	11,962,000	26,122,000	93,005,000
February	14,658,000	22,521,000	85,142,000
March	854,000	24,150,000	61,846,000
April	41,181,000	21,098,000	81,929,000
May	72,251,000	15,621,000	138,559,000
June	1,900,000	20,948,000	119,511,000
July	22,957,000	17,341,000	125,127,000
August	26,968,000	16,606,000	135,489,000
September	2,329,000	16,039,000	121,779,000
October	18,451,000	19,021,000	121,209,000
November	17,387,000	18,251,000	120,345,000
December	1,128,000	23,855,000	97,618,000
<b>Totals - 2013</b>	<b>232,026,000</b>	<b>241,573,000</b>	<b>97,618,000</b>

The average unemployment rate in West Virginia for CY 2012 was 7.3%  
The average projected unemployment rate in West Virginia for CY 2013 is 7.1%.

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**

## **August 2013**

*West Virginia Legislative Interims*  
*October 2013*

**West Virginia Public Employees Insurance Agency**

**Statement of Changes in Plan Net Assets**

**For the Two Months Ending August 31, 2013**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

( \$ 0 0 0 's )				BUDGET VARIANCE		PRIOR YR VARIANCE	
ACTUAL	BUDGET	PRIOR YR		\$	%	\$	%
			<b><u>PREMIUM REVENUE</u></b>				
\$78,571	\$79,648	\$79,292	Health Insurance - State Gov. - Employers	(\$1,077)	(1%)	(\$721)	(1%)
21,144	21,001	20,976	Health Insurance - State Gov. - Employees	143	1%	168	1%
18,424	17,745	17,836	Health Insurance - Local Gov. - All	679	4%	588	3%
351	515	449	Life Insurance	(164)	(32%)	(98)	(22%)
	1,250	583	Direct Transfer	(1,250)	(100%)	(583)	(100%)
1,073	2,090	3,762	Interest and Investment Income	(1,017)	(49%)	(2,689)	(71%)
440	408	257	Other Premium Revenue	32	8%	183	71%
748	799	749	Administrative Fees, Net of Refunds	(51)	(6%)	(1)	(0%)
<b>120,751</b>	<b>123,456</b>	<b>123,904</b>	<b>TOTAL REVENUE</b>	<b>(2,705)</b>	<b>(2%)</b>	<b>(3,153)</b>	<b>(3%)</b>
			<b><u>OPERATING EXPENSES</u></b>				
58,520	54,158	53,572	Claims Expense - Medical	(4,362)	(8%)	(4,948)	(9%)
17,095	19,828	16,325	Claims Expense - Drugs	2,733	14%	(770)	(5%)
6,483	6,879	6,470	Payments to Managed Care Org.	396	6%	(13)	(0%)
2,232	2,324	1,531	Administrative Service Fees	92	4%	(701)	(46%)
351	555	529	Life Insurance Expense	204	37%	178	34%
511	499	509	Wellness and Disease Management	(12)	(2%)	(2)	(0%)
57			ACA Comparative Effectiveness Fee	(57)		(57)	
817			ACA Reinsurance Contribution	(817)		(817)	
759	964	876	Other Operating Expenses	205	21%	117	13%
26,647	26,804	26,949	WV RHBT Pay Go Premiums	157	1%	302	1%
<b>113,472</b>	<b>112,011</b>	<b>106,761</b>	<b>TOTAL EXPENSES</b>	<b>(1,461)</b>	<b>(1%)</b>	<b>(6,711)</b>	<b>(6%)</b>
<b>7,279</b>	<b>11,445</b>	<b>17,143</b>	<b>YTD SURPLUS (DEFICIT)</b>	<b>(4,166)</b>	<b>(36%)</b>	<b>9,864</b>	<b>58%</b>
198,348	198,348	159,243	Total Net Assets, Beginning of Period			39,105	25%
<b>\$205,627</b>	<b>\$209,793</b>	<b>\$176,386</b>	<b>TOTAL NET ASSETS, END OF PERIOD</b>	<b>(\$4,166)</b>	<b>(2%)</b>	<b>\$29,241</b>	<b>17%</b>

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET POSITION  
For the Two Months Ending August 31, 2013

(\$ 000 's)							
ACTUAL	BUDGET	PRIOR YR		VARIANCE		VARIANCE	
				\$	%	\$	%
			ADDITIONS				
\$549	\$535	\$536	Employer Premiums:				
22,173	22,354	22,403	Health premiums	\$14	3%	\$13	2%
(94)	0	22	Pay Go Premiums	(181)	(1%)	(230)	(1%)
			Annual required contributions	(94)	0%	(116)	(530%)
22,628	22,889	22,961	Total Employer Premiums	(261)	(1%)	(334)	(1%)
13,097	12,833	12,685	Member Premiums:				
4,474	4,449	4,546	Health premiums	264	2%	412	3%
3,727	3,758	3,541	Pay Go Premiums	24	1%	(73)	(2%)
			Life Insurance Premiums	(32)	(1%)	186	5%
21,298	21,041	20,772	Total Member Premiums	257	1%	525	3%
43,925	43,930	43,733	Total Premium Additions	(5)	(0%)	192	0%
160	250	250	Other Additions:				
0	0	652	Retiree Drug Subsidy	(90)	(36%)	(90)	(36%)
7,414	6,208	11,754	ERRP Revenue	0	0%	(652)	(100%)
			Investment Income	1,206	19%	(4,340)	(37%)
51,499	50,388	56,389	TOTAL ADDITIONS	1,112	2%	(4,890)	(9%)
			DEDUCTIONS				
22,479	22,074	18,723	Payments to Managed Care Org.	(405)	(2%)	(3,755)	(20%)
3,620	3,758	3,558	Life Insurance Expense	138	4%	(63)	(2%)
11,619	12,068	9,819	Medical Claims Expense	449	4%	(1,800)	(18%)
3,550	4,078	3,106	Pharmacy Claims Expense	527	13%	(444)	(14%)
6	0	0	Comparative Effectiveness Research Fee	(6)	0%	(6)	0%
87	0	0	ACA Reinsurance Contribution	(87)	0%	(87)	0%
288	358	302	Administrative Service Fees (External)	70	19%	14	5%
452	642	526	Other Operating Expenses	190	30%	73	14%
42,102	42,978	36,033	TOTAL DEDUCTIONS	876	2%	(6,069)	(17%)
9,397	7,410	20,356	NET FUND INCREASE	1,988	27%	(10,959)	(54%)
			Net Position Restricted for Post Employment Benefits				
590,230	590,230	492,779	Beginning of period	0	(0%)	97,451	20%
\$599,627	\$597,640	\$513,135	End of period	\$1,988	0%	\$86,492	17%

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



August 31

	2013	2012
	(in thousands)	
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 10,466	\$ 29,857
Advance Deposit with Carrier/Trustee	205,686	206,344
Receivables - Net	4,747	1,413
Prepaid Insurance	3,601	3,695
Total Short Term Assets	224,500	241,309
Long Term Assets		
Investments	146,657	134,288
Total Long Term Assets	146,657	134,288
<b>TOTAL ASSETS</b>	371,157	375,597
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	5,671	997
Claims Payable	95	204
OPEB Liability	372	374
Agents Commissions Payable	758	183
Unearned Revenue	11,097	9,481
Current Estimated Claim Reserve	51,359	47,719
Total Short Term Liabilities	69,352	58,958
Long Term Liabilities		
Compensated Absences	64	67
Estimated Noncurrent Claim Reserve	92,760	89,267
Total Long Term Liabilities	92,824	89,334
<b>TOTAL LIABILITIES</b>	162,176	148,292
Prior Year Net Assets	213,402	221,515
Current Year Earnings	(4,421)	5,790
<b>TOTAL NET ASSETS</b>	208,981	227,305
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	\$ 371,157	\$ 375,597

DRAFT - Unaudited - Management Purposes Only



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



	<b>August 31</b>	
	<b>2013</b>	<b>2012</b>
	<b>(in thousands)</b>	
Operating Revenues		
Premium Revenues	\$ 8,711	\$ 8,336
Less - Excess Insurance	(1,146)	(971)
Total Operating Revenues	<u>7,565</u>	<u>7,365</u>
Operating Expenses		
Claims Expense	10,791	4,715
Property & MS Claims Expense	755	488
Personal Services	236	227
General & Administrative Expense	493	419
Total Operating Expenses	<u>12,275</u>	<u>5,849</u>
Operating Income (Loss)	<u>(4,710)</u>	<u>1,516</u>
Nonoperating Revenues		
Investment Income	289	4,274
Total Nonoperating Revenues	<u>289</u>	<u>4,274</u>
Net Income	<u><u>\$ (4,421)</u></u>	<u><u>\$ 5,790</u></u>

DRAFT - Unaudited - Management Purposes Only



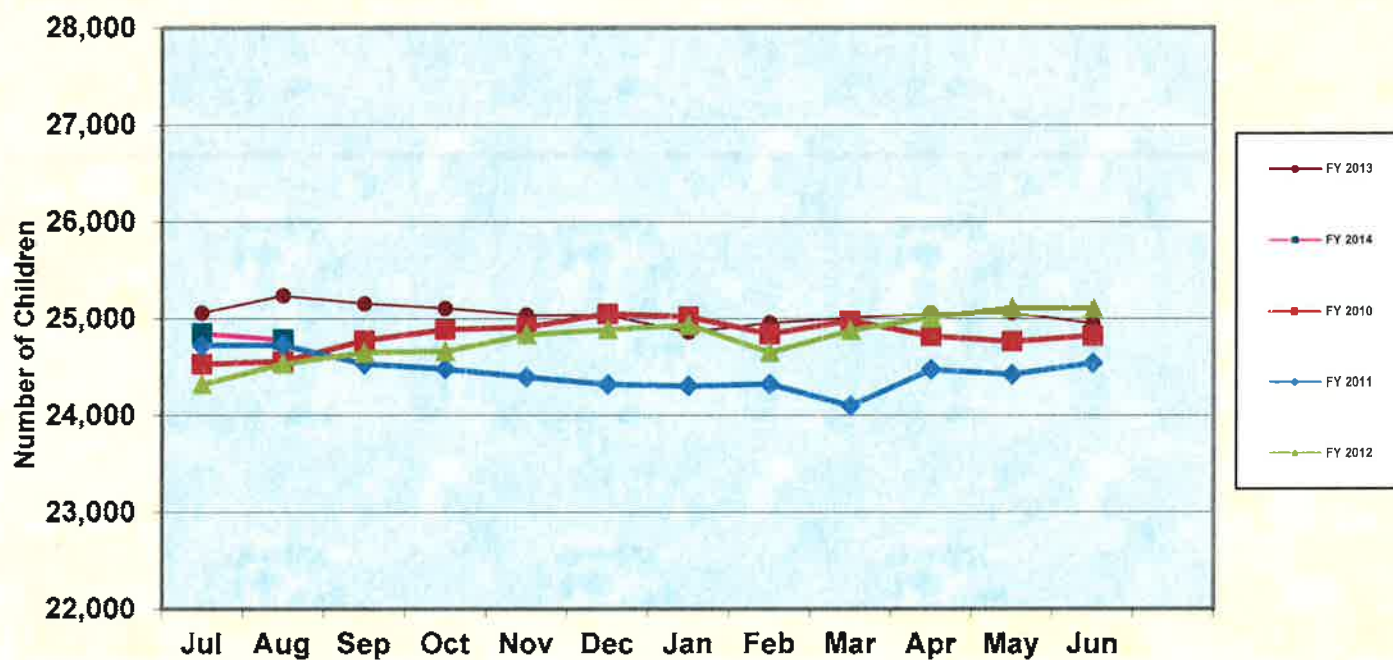
West Virginia Children's Health Insurance Program  
2 Hale Street  
Suite 101  
Charleston, WV 25301  
304-558-2732 voice / 304-558-2741 fax  
Helpline 877-982-2447  
[www.chip.wv.gov](http://www.chip.wv.gov)

## **Joint Committee on Government and Finance Report**

**October 2013**



## WV CHIP Enrollment



August 31st Enrollment 24,786

## Annualized Health Care Expenditures (Cost per Child)



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

	<b>August 31, 2013</b>	<b>August 31, 2012</b>	<b>Variance</b>	
<b>Assets:</b>				
Cash & Cash Equivalents	\$13,616,020	\$14,774,665	(\$1,158,645)	-8%
Due From Federal Government	\$3,702,188	\$4,247,028	(\$544,840)	-13%
Due From Other Funds	\$900,806	\$984,125	(\$83,319)	-8%
Accrued Interest Receivable	\$6,710	\$5,112	\$1,598	31%
Fixed Assets, at Historical Cost	<u>\$95,533</u>	<u>\$95,345</u>	<u>\$187</u>	<u>0%</u>
<b>Total Assets</b>	<u><b>\$18,321,257</b></u>	<u><b>\$20,106,276</b></u>	<u><b>(\$1,785,019)</b></u>	<u><b>-9%</b></u>
<b>Liabilities:</b>				
Accounts Payable	\$182,994	\$384,272	(\$201,278)	-52%
Deferred Revenue	\$416,036	\$1,767,937	(\$1,351,901)	-76%
Unpaid Insurance Claims Liability	<u>\$4,420,000</u>	<u>\$4,870,000</u>	<u>(\$450,000)</u>	<u>-9%</u>
<b>Total Liabilities</b>	<u><b>\$5,019,030</b></u>	<u><b>\$7,022,209</b></u>	<u><b>(\$2,003,179)</b></u>	<u><b>-29%</b></u>
<b>Fund Equity</b>	<u><b>\$13,302,227</b></u>	<u><b>\$13,084,067</b></u>	<u><b>\$218,160</b></u>	<u><b>2%</b></u>
<b>Total Liabilities and Fund Equity</b>	<u><b>\$18,321,257</b></u>	<u><b>\$20,106,276</b></u>	<u><b>(\$1,785,019)</b></u>	<u><b>-9%</b></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 Two Months Ending August 31, 2013 and August 31, 2012**  
**(Modified Accrual Basis)**

	August 31, 2013	August 31, 2012	Variance	
<b>Revenues</b>				
Federal Grants	6,789,971	7,306,004	(516,033)	-7%
State Appropriations	1,997,547	2,185,115	(187,568)	-9%
Premium Revenues	142,028	147,124	(5,096)	-3%
Investment Income:				
Investment Earnings	12,054	14,786	(2,732)	-18%
Unrealized Gain On Investments*	(1,338)	34,890	(36,228)	225%
Total Investment Income	<u>10,716</u>	<u>49,676</u>	<u>(38,960)</u>	<u>-78%</u>
<b>Total Revenues</b>	<b><u>8,940,262</u></b>	<b><u>9,686,919</u></b>	<b><u>(746,657)</u></b>	<b><u>-8%</u></b>
<b>Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	2,210,580	2,234,088	(23,508)	-1%
Prescribed Drugs	1,609,742	1,745,665	(135,923)	-8%
Dental	1,383,607	1,540,273	(156,666)	-10%
Physicians & Surgical	1,294,761	1,897,881	(603,120)	-32%
Inpatient Hospital Services	720,939	638,468	82,471	13%
Inpatient Mental Health	265,074	89,162	175,912	197%
Outpatient Mental Health	252,205	233,302	18,903	8%
Durable & Disposable Med. Equip.	182,070	239,760	(57,690)	-24%
Vision	145,796	174,520	(28,724)	-16%
Therapy	145,742	109,480	36,262	33%
Medical Transportation	43,393	42,720	673	2%
Other Services	27,164	24,622	2,542	10%
Less: Collections**	<u>(267,917)</u>	<u>(15,035)</u>	<u>(252,882)</u>	<u>1682%</u>
Total Claims	<u>8,013,156</u>	<u>8,954,906</u>	<u>(941,750)</u>	<u>-11%</u>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	113,140	101,429	11,711	12%
Program Administration	347,365	355,727	(8,362)	-2%
Eligibility	117,017	68,305	48,712	71%
Outreach & Health Promotion	27,597	254,550	(226,953)	-89%
Current	<u>26,014</u>	<u>27,909</u>	<u>(1,895)</u>	<u>-7%</u>
Total Administrative	<u>631,133</u>	<u>807,920</u>	<u>(176,787)</u>	<u>-22%</u>
<b>Total Expenditures</b>	<b><u>8,644,289</u></b>	<b><u>9,762,826</u></b>	<b><u>(1,118,537)</u></b>	<b><u>-11%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>295,973</b>	<b>(75,908)</b>	<b>371,881</b>	<b>-490%</b>
<b>Fund Equity, Beginning</b>	<b><u>13,006,254</u></b>	<b><u>13,159,975</u></b>	<b><u>(153,721)</u></b>	<b><u>-1%</u></b>
<b>Fund Equity, Ending</b>	<b><u>13,302,227</u></b>	<b><u>13,084,067</u></b>	<b><u>218,160</u></b>	<b><u>2%</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 2014  
For the Two Months Ended August 31, 2013**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Actual Amt Aug-13	Actual Amt Jul-13	Actual Amt Jun-13
Projected Cost	\$47,897,012	\$7,982,835	\$8,939,537	(\$956,701)	-12%	\$3,991,418	\$5,240,481	\$3,699,055	\$4,025,776
Premiums	969,397	161,566	\$142,028	(\$19,538)	-12%	80,783	65,128	\$76,900	68,764
Subrogation & Rebates	457,374	76,229	\$267,917	191,688	251%	38,115	0	267,917	62,749
Net Benefit Cost	46,470,241	7,814,917	\$8,529,591	(\$714,675)	-9%	3,907,458	5,175,353	\$3,354,238	3,894,263
Salaries & Benefits	\$710,522	\$118,420	\$113,140	\$5,280	4%	\$59,210	\$50,520	\$62,620	\$50,169
Program Administration	3,024,544	504,091	\$353,538	150,553	30%	252,045	260,264	93,274	237,982
Eligibility	400,000	66,667	\$116,592	(49,925)	-75%	33,333	0	116,592	105,234
Outreach & Health Prom.	1,000,000	166,667	\$25,330	141,337	85%	83,333	9,026	16,304	0
Current Expense	170,000	28,333	\$25,696	2,637	9%	14,167	8,133	17,563	14,865
Total Admin Cost	\$5,305,066	\$884,178	\$634,296	\$249,882	28%	\$442,089	\$327,943	\$306,353	\$408,250
Total Program Cost	\$51,775,307	\$8,699,094	\$9,163,887	(\$464,793)	-5%	\$4,349,547	\$5,503,296	\$3,660,591	\$4,302,513
Federal Share 79.76%	41,642,879	6,996,682	\$7,370,515	(373,833)	-5%	3,469,199	4,426,301	2,944,214	3,460,511
State Share 20.24%	10,132,428	1,702,413	\$1,793,373	(90,960)	-5%	880,348	1,076,995	716,378	842,002
Total Program Cost **	\$51,775,307	\$8,699,094	\$9,163,887	(\$464,793)	-5%	\$4,349,547	\$5,503,296	\$3,660,591	\$4,302,513

\* Positive percentages indicate favorable variances

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

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

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

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

# WVCHIP Enrollment Report

ATTACHMENT 1

September 2013

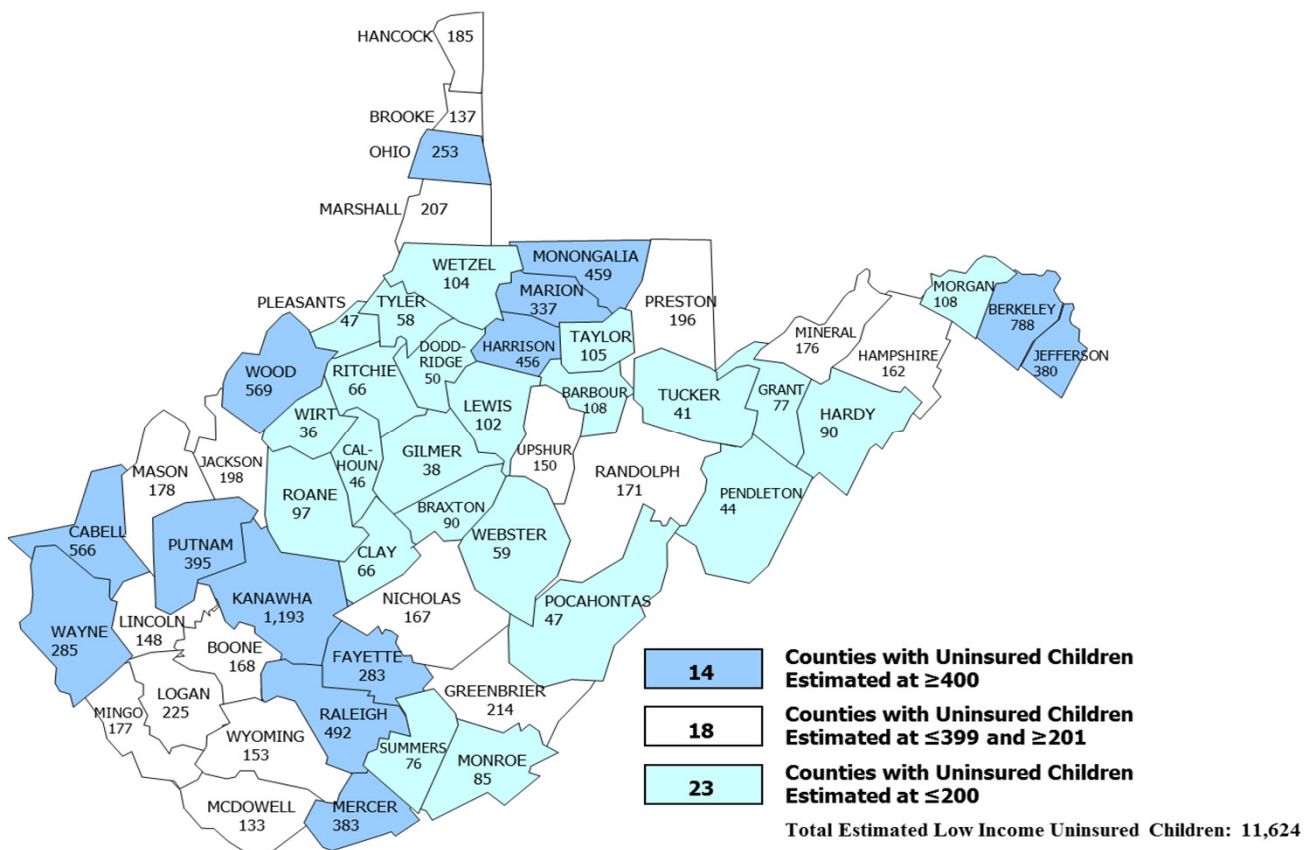
<u>County</u>	<u>County Pop.</u> <u>2010 Est.</u> <u>(0-18 Yrs)</u>	<u>Total CHIP</u> <u>Enrollment</u> <u>Sep-13</u>	<u>Total Medicaid</u> <u>Enrollment</u> <u>Sep-13</u>	<u>Total</u> <u>CHIP/Medicaid</u> <u>Enrollment</u>	<u>CHIP/Medicaid</u> <u>Enrollment</u> <u>% of Population</u>	<u>2010</u> <u>Est.</u> <u>Uninsured</u> <u>3%</u>	<u>2010</u> <u># Children</u> <u>Uninsured</u> <u>Ranking*</u>
Barbour	3,600	282	1,475	1,757	48.8%	108	33
Berkeley	26,251	1,387	8,445	9,832	37.5%	788	2
Boone	5,615	326	2,584	2,910	51.8%	168	25
Braxton	3,006	214	1,431	1,645	54.7%	90	40
Brooke	4,573	289	1,493	1,782	39.0%	137	31
Cabell	18,879	986	8,183	9,169	48.6%	566	4
Calhoun	1,518	118	744	862	56.8%	46	51
Clay	2,215	183	1,343	1,526	68.9%	66	44
Doddridge	1,673	156	596	752	44.9%	50	48
Fayette	9,438	773	4,490	5,263	55.8%	283	13
Gilmer	1,260	69	528	597	47.4%	38	54
Grant	2,555	189	932	1,121	43.9%	77	42
Greenbrier	7,131	594	2,861	3,455	48.4%	214	16
Hampshire	5,392	276	1,982	2,258	41.9%	162	27
Hancock	6,166	394	2,358	2,752	44.6%	185	20
Hardy	3,015	184	1,230	1,414	46.9%	90	39
Harrison	15,202	964	5,399	6,363	41.9%	456	7
Jackson	6,602	422	2,735	3,157	47.8%	198	18
Jefferson	12,679	554	3,127	3,681	29.0%	380	10
Kanawha	39,771	2,367	16,824	19,191	48.3%	1,193	1
Lewis	3,389	248	1,537	1,785	52.7%	102	37
Lincoln	4,930	355	2,726	3,081	62.5%	148	30
Logan	7,496	495	3,867	4,362	58.2%	225	15
Marion	11,227	690	4,186	4,876	43.4%	337	11
Marshall	6,886	357	2,684	3,041	44.2%	207	17
Mason	5,929	276	2,650	2,926	49.3%	178	21
McDowell	4,423	297	3,032	3,329	75.3%	133	32
Mercer	12,764	1,064	6,735	7,799	61.1%	383	9
Mineral	5,868	284	1,946	2,230	38.0%	176	23
Mingo	5,905	385	3,206	3,591	60.8%	177	22
Monongalia	15,294	796	4,306	5,102	33.4%	459	6
Monroe	2,835	231	993	1,224	43.2%	85	41
Morgan	3,596	267	1,364	1,631	45.4%	108	34
Nicholas	5,561	398	2,504	2,902	52.2%	167	26
Ohio	8,444	499	2,872	3,371	39.9%	253	14
Pendleton	1,462	116	517	633	43.3%	44	52
Pleasants	1,551	121	546	667	43.0%	47	50
Pocahontas	1,561	150	667	817	52.3%	47	49
Preston	6,536	454	2,392	2,846	43.5%	196	19
Putnam	13,150	782	3,492	4,274	32.5%	395	8
Raleigh	16,403	1,250	7,589	8,839	53.9%	492	5
Randolph	5,705	516	2,528	3,044	53.4%	171	24
Ritchie	2,205	139	924	1,063	48.2%	66	45
Roane	3,239	314	1,645	1,959	60.5%	97	38
Summers	2,521	189	1,223	1,412	56.0%	76	43
Taylor	3,514	226	1,273	1,499	42.7%	105	35
Tucker	1,371	127	463	590	43.0%	41	53
Tyler	1,924	105	727	832	43.2%	58	47

# WVCHIP Enrollment Report

ATTACHMENT 1

September 2013

<u>County</u>	<u>County Pop.</u> <u>2010 Est.</u> <u>(0-18 Yrs)</u>	<u>Total CHIP</u> <u>Enrollment</u> <u>Sep-13</u>	<u>Total Medicaid</u> <u>Enrollment</u> <u>Sep-13</u>	<u>Total</u> <u>CHIP/Medicaid</u> <u>Enrollment</u>	<u>CHIP/Medicaid</u> <u>Enrollment</u> <u>% of Population</u>	<u>2010</u> <u>Est.</u> <u>Uninsured</u> <u>3%</u>	<u>2010</u> <u># Children</u> <u>Uninsured</u> <u>Ranking*</u>
Upshur	4,996	372	2,334	2,706	54.2%	150	29
Wayne	9,516	511	4,189	4,700	49.4%	285	12
Webster	1,977	154	1,152	1,306	66.1%	59	46
Wetzel	3,466	219	1,537	1,756	50.7%	104	36
Wirt	1,201	94	652	746	62.1%	36	55
Wood	18,956	1,129	8,187	9,316	49.1%	569	3
Wyoming	5,116	420	2,517	2,937	57.4%	153	28
<b>Totals</b>	<b>387,459</b>	<b>24,757</b>	<b>157,922</b>	<b>182,679</b>	<b>47.1%</b>	<b>11,624</b>	



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

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



# **Department of Administration Real Estate Division Leasing Report**

**For the period of September 1, 2013 through September 30, 2013**

## **NEW CONTRACT OF LEASE**

### **COAL HERITAGE HIGHWAY AUTHORITY**

**CHH-007** New Contract of Lease for 30 years consisting of 14,500 square feet of office space at the annual rate of \$1.00, 814 Main Street, in the City of Mt. Hope, Fayette County, West Virginia.

### **DIVISION OF CORRECTIONS**

**COR-091** New Contract of Lease for 5 years consisting of 3,850 square feet of office space at the annual per square foot rate of \$11.00, annual cost \$42,350.00, Lessor pays garbage and snow removal, 159 Davis Street, in the City of Princeton, Mercer County, West Virginia.

## **NEW CONTRACT OF SUBLEASE**

### **STATE TAX DEPARTMENT**

**TAX-058-SUB** New Contract of SubLease for 3 years consisting of 1,925 square feet of office space at the annual per square foot rate of \$9.50, annual cost \$18,287.50, full service, 200 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

## **STRAIGHT RENEWAL – DOA OWNED**

### **PUBLIC EMPLOYEES INSURANCE AGENCY**

**PEI-003**Renewal for 1 year consisting of 17,962 square feet of office space at the current annual per square foot rate of \$16.68, annual cost \$299,606.16, full service, 601 57<sup>th</sup> Street, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL**

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

**HHR-170**Renewal for 3 years consisting of 140 square feet of office space along with the use of office equipment at the current monthly rate of \$200.00, full service, annual cost \$2,400.00, full service, janitorial only, 800 North Side Drive, in the City of Summersville, Nicholas County, West Virginia.

**HHR-173**Renewal for 1 year consisting of 8,160 square feet of office space at the current annual per square foot rate of \$8.80, annual cost \$71,808.00, corner of Viand and Eighth Street, in the City of Point Pleasant, Mason County, West Virginia.

**HHR-178**Renewal for 5 years consisting of 3,325 square feet of office space at the current annual per square foot rate of \$7.95, annual cost \$26,433.75, South High Street, in the City of Morgantown, Monongalia County, West Virginia.

**HHR-227**Renewal for 5 years consisting of 12,823 square feet of office space at the current annual per square foot rate of \$15.03, annual cost \$192,720.96, full service,janitorial only, 800 North Side Drive, in the City of Summersville, Nicholas County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **WEST VIRGINIA CONSERVATION AGENCY**

**SCC-013** Renewal on a month-to-month basis consisting of 144 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000, corner of Viand and Eighth Street, in the City of Point Pleasant, Mason County, West Virginia.

### **DEPARTMENT OF VETERANS ASSISTANCE**

**VET-006** Renewal for 1 year consisting of 529 square feet of office space at the current annual per square foot rate of \$5.67, annual cost \$3,000.00, full service, Corner of Third and Market Street, in the City of Parkersburg, Wood County, West Virginia.

**VET-007** Renewal for 1 year consisting of 739.5 square feet of office space at the current annual per square foot rate of \$1.62, annual cost \$1,200.00, full service, 1500 Main Street, in the City of Princeton, Mercer County, West Virginia.

### **WEST VIRGINIA BOARD OF PHYSICAL THERAPY**

**PTB-005** Renewal for 2 years consisting of 802 square feet of office space at the current annual per square foot rate of \$13.21, annual cost \$10,594.42, full service, 101 Dee Drive, Suite A, in the City of Charleston, Kanawha County, West Virginia.

### **PUBLIC EMPLOYEES GRIEVANCE BOARD**

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

## **STRAIGHT RENEWAL OF SUBLEASE**

### **NORTHERN PANHANDLE WORKFORCE INVESTMENT BOARD**

**NPW-001-SUB** Renewal for 1 year consisting of 1,332 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$17,316.00, full service, 100 Municipal Plaza, in the City of Weirton, Hancock County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **WEST VIRGINIA STATE POLICE**

**PSA-047** Renewal for 3 years consisting of 1,512 square feet of office space with an increase in the annual per square foot rate from \$5.56 to \$5.96, annual cost \$9,000.00, State Route 14, in the City of Elizabeth, Wirt County, West Virginia.

## **INCREASE IN RENT AND SQUARE FEET**

### **DEPARTMENT OF EDUCATION**

**EDU-026** Increase of square feet from 2,681 square feet to 3,493 square feet of office space and an increase in the annual per square foot rate of from \$11.50 to \$12.95, annual cost \$45,240.00, snow/garbage removal, 3918 MacCorkle Ave, in the City of Charleston, Kanawha County, West Virginia.



## **CANCELLATION**

### **DIVISION OF CORRECTIONS**

**COR-039** Lease cancellation consisting of 1,916 square feet of office space, at the annual per square foot rate of \$9.08 annual cost \$17,400.00, full service, in the City of Princeton, Mercer County, West Virginia.

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	State Tax Department	TAX-058	Harrison	1,925	9.50	18,288
2	Coal Heritage Highway Authority	CHH-007	Fayette	14,500	0.00	1
3	Division of Corrections	COR-091	Mercer	3,850	11.00	42,350
4	Northern Panhandle Workforce Investment Board	NPW-001	Hancock	1,332	13.00	17,316
5	Department of Health and Human Resources	HHR-170	Nicholas	140	0.00	2,400
6	Department of Health and Human Resources	HHR-173	Mason	8,160	8.80	71,808
7	Department of Health and Human Resources	HHR-178	Monongalia	3,325	7.95	26,434
8	Department of Health and Human Resources	HHR-227	Nicholas	12,823	15.03	192,730
9	West Virginia Conservation Agency	SCC-013	Mason	144	0.00	3,000
10	Department of Veterans Assistance	VET-006	Wood	529	5.67	2,999
11	Department of Veterans Assistance	VET-007	Mercer	740	1.62	1,198
12	Public Employees Insurance Agency	PEI-003	Kanawha	17,962	16.68	299,606
13	West Virginia Board of Physical Therapy	PTB-005	Kanawha	802	13.21	10,594
14	Public Employees Grievance Board	EGB-011	Raleigh	0	0.00	6,000
15	West Virginia State Police	PSA-047	Wirt	1,512	5.96	9,000
16	Department of Education	EDU-026	Kanawha	3,493	12.95	45,240

	121.37
Total Rentable Square Feet	<u>71,237</u>
Average Annual Rental Rate	<u>10.11</u>
Total Annual Rent	<u>748,964</u>

CANCELLATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Corrections	COR-039	Mercer	1,916	9.08	17,397

Total Rentable Square Feet	<u>1,916</u>
Total Annual Rent	<u>17,397</u>

**Joint Committee on Government and Finance**

**October 2013**

**Department of Health and Human Resources**

**MEDICAID REPORT**

**August 2013 Data**

**Legislative Oversight Commission on  
Health and Human Resources Accountability**

**October 2013**

**Department of Health and Human Resources**

**MEDICAID REPORT  
August 2013 Data**

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

MONTH OF AUGUST 2013		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014		Current Month Ended 8/31/13	Current Month 8/31/13	Year To-Date Thru 8/31/13	9/1/13 Thru 6/30/14
EXPENDITURES:							
Inpatient Hospital - Reg. Payments	155,429,299	199,265,328		16,712,766	12,069,958	32,089,928	167,175,400
Inpatient Hospital - DSH	56,816,481	56,580,000		13,877,453	14,145,000	13,877,453	42,702,547
Inpatient Hospital - Supplemental Payments	114,105,226	96,139,194		5,174,804	5,174,805	19,088,443	77,050,751
Inpatient Hospital - GME Payments	6,164,764	6,228,590		1,544,373	1,557,148	1,544,373	4,684,217
Mental Health Facilities	87,243,074	114,848,923		5,802,014	7,128,008	13,927,366	100,921,557
Mental Health Facilities - DSH Adjustment Payments	18,880,975	18,882,000		4,723,151	4,720,500	4,723,151	14,158,849
Nursing Facility Services - Regular Payments <sup>(2)</sup>	537,541,608	554,417,908		46,340,349	46,216,108	91,647,082	462,770,826
Nursing Facility Services - Supplemental Payments	-	-		-	-	-	-
Intermediate Care Facilities - Public Providers	-	-		-	-	-	-
Intermediate Care Facilities - Private Providers	68,163,593	67,331,000		5,731,519	5,610,917	11,542,192	55,788,808
Intermediate Care Facilities - Supplemental Payments	-	-		-	-	-	-
Physicians Services - Regular Payments	117,203,017	182,914,843		9,461,392	11,453,520	18,391,049	164,523,794
Physicians Services - Supplemental Payments	28,092,471	29,903,100		-	-	6,434,452	23,468,648
Outpatient Hospital Services - Regular Payments	102,898,953	145,154,798		7,568,668	8,801,968	17,269,917	127,884,881
Outpatient Hospital Services - Supplemental Payments	124,121,376	69,977,047		16,310,684	16,310,683	17,589,146	52,287,301
Prescribed Drugs	331,397,125	356,724,143		20,208,880	20,271,666	42,704,025	314,020,118
Drug Rebate Offset - National Agreement	(201,903,185)	(202,289,800)		(4,455,104)	(5,661,426)	(45,062,183)	(157,227,617)
Drug Rebate Offset - State Sidebar Agreement	(16,603,872)	(16,895,800)		(467,396)	(472,858)	(4,130,511)	(12,765,289)
Drug Rebate Offset - MCO National	(799,544)	(812,900)		(92,941)	(22,750)	(177,614)	(635,286)
Drug Rebate Offset - MCO State Sidebar Agreement	-	-		-	-	-	-
Dental Services	55,866,868	78,358,578		4,655,180	4,748,423	9,009,729	69,348,849
Other Practitioners Services - Regular Payments	11,566,376	18,600,155		931,962	1,163,377	1,833,804	16,766,351
Other Practitioners Services - Supplemental Payments	-	-		-	-	-	-
Clinic Services	4,566,348	6,309,621		310,140	391,331	684,808	5,624,813
Lab & Radiological Services	22,573,569	33,844,618		2,400,198	2,052,704	4,623,898	29,220,720
Home Health Services	47,334,128	59,832,974		3,738,583	3,663,031	7,681,392	52,151,582
Hysterectomies/Sterilizations	133,155	221,588		12,673	13,408	26,448	195,140
Pregnancy Terminations	-	-		-	-	-	-
EPSDT Services	1,363,840	2,034,978		114,377	123,546	222,358	1,812,620
Rural Health Clinic Services	7,886,514	10,330,901		491,751	630,215	1,208,679	9,122,222
Medicare Health Insurance Payments - Part A Premiums	18,215,881	19,650,400		1,519,950	-	3,049,244	16,601,156
Medicare Health Insurance Payments - Part B Premiums	81,258,370	90,272,700		6,959,342	-	13,981,015	76,291,685
120% - 134% Of Poverty	6,160,455	6,509,900		535,829	500,762	1,062,112	5,447,788
135% - 175% Of Poverty	-	-		-	-	-	-
Coinurance And Deductibles	8,417,028	8,653,000		643,590	665,615	1,426,731	7,226,269

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

MONTH OF AUGUST 2013						
	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2013	SFY2014	Current Month Ended 8/31/13	Current Month 8/31/13	Year To-Date Thru 8/31/13	9/1/13 Thru 6/30/14
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	397,197,343	479,275,213	41,146,055	39,939,601	81,118,888	398,156,325
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	375,282	525,400	35,568	40,415	105,386	420,014
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	342,155,532	352,000,000	28,672,009	27,076,923	58,731,972	293,268,028
Home & Community-Based Services (Aged/Disabled)	125,334,180	136,776,585	8,491,285	10,521,700	18,789,501	117,987,085
Home & Community-Based Services (Traumatic Brain Injury)	156,502	2,720,625	38,943	209,279	72,759	2,647,866
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	61,699,408	80,252,679	5,977,483	4,862,262	11,543,230	68,709,449
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,668,659	4,035,719	266,146	245,077	441,508	3,594,211
Primary Care Case Management Services	163,137	241,420	11,847	14,608	23,790	217,630
Hospice Benefits <sup>(1)</sup>	24,909,406	33,408,296	1,709,680	2,021,446	4,888,203	28,520,093
Emergency Services Undocumented Aliens	285,046	362,067	14,690	21,908	21,351	340,716
Federally Qualified Health Center	18,240,226	24,443,404	1,118,883	1,489,054	2,694,130	21,749,274
Non-Emergency Medical Transportation	25,112,179	34,840,953	1,802,848	2,108,215	4,039,383	30,801,570
Physical Therapy	2,102,592	3,161,494	192,882	191,362	357,101	2,804,393
Occupational Therapy	370,520	481,061	45,726	29,108	75,696	405,365
Services for Speech, Hearing & Language	408,350	603,122	31,979	36,515	71,694	531,428
Prosthetic Devices, Dentures, Eyeglasses	1,551,271	2,490,832	144,881	151,146	280,392	2,210,440
Diagnostic Screening & Preventive Services	553,321	768,682	37,130	46,515	82,303	686,379
Nurse Mid-Wife	230,458	423,216	21,548	25,608	41,768	381,448
Emergency Hospital Services	(2,247)	(1,200)	(503)	(92)	(503)	(697)
Critical Access Hospitals	31,395,064	48,996,857	2,294,436	2,967,054	5,238,653	43,758,204
Nurse Practitioner Services	2,006,168	3,499,907	197,010	211,969	377,867	3,122,040
School Based Services	52,157,547	54,149,130	3,946,763	4,166,600	12,929,882	41,219,248
Rehabilitative Services (Non-School Based)	76,111,131	98,820,482	8,549,312	6,037,362	15,610,462	83,210,020
Private Duty Nursing	5,290,076	7,034,325	425,563	428,738	1,013,206	6,021,119
Other Care Services	21,997,876	31,932,187	1,765,469	1,936,604	3,852,394	28,079,793
Less: Recoupments	-	-	(230,060)	-	(327,474)	327,474
NET EXPENDITURES:	2,986,562,919	3,414,230,245	277,461,760	266,034,634	508,442,029	2,905,788,216

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

MONTH OF AUGUST 2013

Collections: Third Party Liability (line 9A on CMS-64)  
Collections: Probate (line 9B on CMS-64)  
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)  
Collections: Other (line 9D on CMS-64)

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

Plus: Medicaid Part D Expenditures  
Plus: State Only Medicaid Expenditures  
Plus: Money Follow the Person Expenditures

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables <sup>(1)</sup>

TOTAL EXPENDITURES

ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
SFY2013	SFY2014	Current Month Ended 8/31/13	Current Month 8/31/13	Year To-Date Thru 8/31/13	9/1/13 Thru 6/30/14
(10,619,577)	-	-	-	-	-
(252,779)	-	-	-	-	-
(21,585)	-	-	-	-	-
(9,910,781)	-	-	-	-	-
2,965,748,198	3,414,230,245	277,461,760	266,034,634	508,442,029	2,905,788,216
36,222,591	36,395,195	3,060,272	-	6,100,795	30,294,400
2,998,425	3,834,747	231,088	294,980	429,408	3,405,339
30,838	4,409,797	31,531	339,215	50,078	4,359,719
\$ 3,005,000,052	\$ 3,458,869,984	\$ 280,784,651	\$ 266,668,829	\$ 515,022,311	\$ 2,943,847,673
7,514,299	8,055,095	574,622	619,623	1,206,505	6,848,590
\$ 3,012,514,351	\$ 3,466,925,079	\$ 281,359,273	\$ 267,288,452	\$ 516,228,816	\$ 2,950,696,263

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$3,540,276 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$3,731,740 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

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

2 Months Actuals      10 Months Remaining

MONTH OF AUGUST 2013	ACTUALS SFY2013	ACTUALS Current Month Ended 8/31/13	ACTUALS Year-To-Date Thru 8/31/13	PROJECTED 9/1/2013 Thru 6/30/14	TOTAL SFY2014
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	\$ 8,645,986	\$ 5,185,463	\$ 34,992,812	\$ -	\$ 34,992,812
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	193,207,966	17,993,711	42,282,333	295,055,841	337,338,174
MRDD Waiver (0403/466)	88,753,483	5,916,899	11,833,798	76,919,685	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	432,668	2,163,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	1,059,334	5,296,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	53,333	106,667	693,333	800,000
Title XIX Waiver for Seniors (0403-533)	11,912,263	906,241	1,812,482	11,781,138	13,593,620
Medical Services Surplus (0403/633)	88,305,104	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	33,147,815	7,416,615	7,416,615	24,049,843	31,466,458
Lottery Transfer (5405/871)	8,670,000	2,200,000	2,200,000	6,470,000	8,670,000
Excess Lottery (5365/189)	24,503,890	12,111,465	12,111,465	37,888,535	50,000,000
Trust Fund Appropriation (5185/189)	173,603,846	3,871,268	3,871,268	61,358,631	65,229,899
Provider Tax (5090/189)	225,902,461	21,107,342	35,107,342	168,415,069	203,522,411
Certified Match	23,243,346	1,797,659	4,989,239	20,729,753	25,718,992
Reimbursables - Amount Reimbursed	7,235,570	94,481	294,061	7,761,034	8,055,095
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	3,648,128	79,279	549,644	375,356	925,000
CMS - 64 Adjustments	660,007	-	-	-	-
<b>TOTAL MATCHING FUNDS</b>	\$ 901,191,865	\$ 79,479,757	\$ 159,059,725	\$ 718,958,218	\$ 878,017,943
<b>FEDERAL FUNDS</b>	\$ 2,171,195,579	\$ 205,947,219	\$ 369,169,049	\$ 2,219,266,142	\$ 2,588,435,190
<b>TOTAL REVENUE SOURCES</b>	<b>\$ 3,072,387,444</b>	<b>\$285,426,975</b>	<b>\$528,228,774</b>	<b>\$2,938,224,360</b>	<b>\$3,466,453,134</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 3,012,514,351	\$ 281,359,273	\$ 516,228,816	\$ 2,950,696,263	\$ 3,466,925,079
<b>TOTAL</b>	<b>\$ 59,873,093</b>	<b>\$ 4,067,702</b>	<b>\$ 11,999,958</b>		<b>\$ (471,945)</b>

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



**Joint Committee on Government and Finance**

**October 2013**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT**

**August 2013 Data**

**Legislative Oversight Commission on  
Health and Human Resources Accountability**

**October 2013**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT**

**August 2013 Data**

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

WV Aged & Disabled Waiver August 31, 2013		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 to date
Slots approved by CMS (1)		7,210	6,275	6,275											6,275
Total number of members served YTD (unduplicated slots used) (2)		7,107	5,732	5,777											5,777
Applicants determined eligible (3)		1888	107	26											133
Applicants determined ineligible (3)		328	17	0											17
<b>Active Members</b>															
Active members at end of calendar month (unduplicated slots active) (1)		4,438	5,666	5,650											5,650
ADW Members whose case was closed in month		1311	125	59											184
ADW members whose case was closed by reason	Deceased	730	61	46											107
	Left program to enter a facility (nursing home, ICF/MR)	114	23	3											26
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	444	41	10											51
<b>Managed Enrollment List</b>															
Number of individuals added to the Managed Enrollment List (4)		1805	115	106											221
Applicants with a Medicaid Card		791	48	48											88
Individuals moved from the Managed Enrollment List into the Program		204	5	45											50
Individuals removed from the Managed Enrollment due to death (5)		248	28	20											48
Total Number of individuals on Managed Enrollment list at end of month		2283	2347	2388											2388
Individuals on Managed Enrollment who are in a nursing facility		47	5	6											11
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		204	7	9											16

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

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

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

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

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

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

WV Intellectual/Developmental Disability Waiver Reported August 31, 2013		FY 2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		4,534	4,534	4,534											4,534
Total number of members served YTD (unduplicated slots used) (2)		4,534	4,534	4,534											4,534
Applicants determined eligible (3)		388	29	38											67
Applicants determined ineligible (3)		374	30	33											63
Applicants added to the Active Member List		186	140	38											178
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		4,438	4,523	4,515											4,515
I/DDW Members who were discharged this month		162	13	6											19
I/DDW Deceased		69	6	1											7
Other reasons such as: lost eligibility, moved out of state, no longer members whose case was closed by reason		93	7	1											8
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List		383	29	38											67
Applicants with a Medicaid Card		432 Avg.	444	471											471
Individuals moved from the Managed Enrollment List into the Program		188	140	38											178
Individuals removed from the Managed Enrollment due to death		3	1	1											1
Total Number of individuals on Managed Enrollment list at end of month		807	832	744											744
Individuals on Managed Enrollment who are in a Skilled Nursing facility															
Individuals on Managed Enrollment who are in an ICF/MID group home		2 Avg.	1	1											1
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		34 Avg.	45	47											47
Individuals on Managed Enrollment who are receiving Medicaid Personal Care		22 Avg.	33	35											35

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

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

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

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

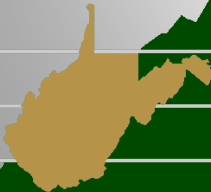
Traumatic Brain Injury Waiver Reported August 31, 2013		FY 2013 To Date	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	FY 2014 To Date
Slots approved by CMS		100	100	100											100
Total number of members served Year to Date (unduplicated slots used) (2)		20	23	26											26
Applicants determined eligible (3)		34	4	5											9
Applicants determined ineligible (3)		11	3	?											4
Active Members															
Active members at end of calendar month (unduplicated slots active) (1)		20	23	26											26
TBIW members whose case was closed by reason	Deceased	0	0	0											0
	Left program to enter a facility	0	0	0											0
	Other reasons such as: lost eligibility, moved out of state, no longer wanted services, etc.	0	0	0											0
		0	0	0											0
Managed Enrollment List															
Number of individuals added to the Managed Enrollment List (4)		N/A	N/A	N/A											N/A
Applicants with a Medicaid Card		N/A	N/A	N/A											N/A
Individuals removed from the Managed Enrollment List into the Program		N/A	N/A	N/A											N/A
Individuals removed from the Managed Enrollment due to death (5)		N/A	N/A	N/A											N/A
Total Number of individuals on Managed Enrollment list at end of month		N/A	N/A	N/A											N/A
Individuals on Managed Enrollment who are in a nursing facility		N/A	N/A	N/A											N/A
Individuals on Managed Enrollment who are receiving Medicaid Personal		N/A	N/A	N/A											N/A

- (1) Unduplicated slots active refers to the total number of active members from the previous month minus those who were discharged/closed during the calendar month plus any members who are newly enrolled for the calendar month.  
(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.  
(3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility. Financial eligibility is not determined until the time medical eligibility is approved and a slot becomes available.  
(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.  
(5) Currently there is no way to track other reasons why someone may leave the managed enrollment list for reasons such as moved out of state, decided not to participate in program, etc.

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

August 31, 2013



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

	6/30/2013		8/31/2013		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>14,580,737</b>	<b>100.0</b>	<b>14,694,953</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>11,501,368</b>	<b>78.9</b>	<b>11,611,092</b>	<b>79.0</b>							
Public Employees' Retirement System	4,848,377	33.3	4,912,372	33.4	(1.3)	(0.5)	1.5	11.6	10.7	6.9	7.5
Teachers' Retirement System	5,717,583	39.2	5,747,003	39.1	(1.3)	(0.5)	1.5	11.5	10.6	6.6	7.1
Teachers' Employers Cont. Collection A/C	-	0.0	5,557	0.0	0.0	0.0	0.0	0.1	0.1	0.2	
EMS Retirement System	42,603	0.3	43,640	0.3	(1.3)	(0.5)	1.5	11.5	10.6	6.9	
Public Safety Retirement System	520,323	3.6	522,360	3.6	(1.3)	(0.5)	1.5	11.6	10.8	7.0	7.5
Judges' Retirement System	141,476	1.0	142,941	1.0	(1.3)	(0.5)	1.5	11.5	10.7	6.9	7.4
State Police Retirement System	96,092	0.6	98,644	0.7	(1.3)	(0.5)	1.5	11.5	10.6	6.9	7.4
Deputy Sheriffs' Retirement System	134,410	0.9	136,829	0.9	(1.3)	(0.5)	1.5	11.5	10.7	6.9	7.4
Municipal Police & Firefighter Retirement System	504	0.0	563	0.0	(1.3)	(0.6)	1.4	10.6	5.6		
Municipal Model A	-	0.0	1,183	0.0	(1.3)		(1.3)				
<b>Insurance Assets</b>	<b>2,154,563</b>	<b>14.8</b>	<b>2,156,407</b>	<b>14.7</b>							
Workers' Compensation Old Fund	1,036,241	7.1	1,035,690	7.1	(0.8)	(1.4)	0.5	3.3	5.4	4.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	14,487	0.1	14,560	0.1	(0.8)	(1.3)	0.6	4.9	5.4	3.4	
Workers' Comp. Uninsured Employers Fund	9,749	0.1	9,804	0.1	(0.8)	(1.3)	0.6	4.9	4.8	3.0	
Pneumoconiosis	261,636	1.8	260,678	1.8	(0.8)	(1.3)	0.6	4.9	6.3	5.5	5.6
Board of Risk & Insurance Mgmt.	139,875	1.0	134,658	0.9	(0.8)	(1.4)	0.5	4.9	6.4	6.5	
Public Employees' Insurance Agency	194,215	1.3	195,288	1.3	(0.8)	(1.4)	0.6	4.4	6.0	5.8	
WV Retiree Health Benefit Trust Fund	495,926	3.4	503,305	3.4	(1.3)	(0.6)	1.5	10.7	8.0	8.4	
AccessWV	2,434	0.0	2,424	0.0	(0.8)	(2.8)	(0.4)	(2.9)	6.0		
<b>Endowment Assets</b>	<b>924,806</b>	<b>6.3</b>	<b>927,454</b>	<b>6.3</b>							
Wildlife Fund	45,838	0.3	46,585	0.3	(1.3)	(0.5)	1.5	11.5	10.6	6.9	7.5
Prepaid Tuition Trust	76,701	0.5	73,077	0.5	(1.3)	(0.9)	1.1	7.6	9.6	7.0	7.5
Revenue Shortfall Reserve Fund	446,073	3.0	449,974	3.1	(0.9)	(2.9)	(0.4)	(3.2)	3.6	2.5	
Revenue Shortfall Reserve Fund - Part B	348,811	2.4	350,303	2.3	(0.9)	(1.7)	0.4	2.9	6.6	4.0	
WV DEP Trust	7,383	0.1	7,515	0.1	(1.7)	(0.9)	1.8	11.4			

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

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	14,700,765	100.00							
Total Equity Composite	6,737,947	45.83	(2.07)	(0.23)	2.99	18.74	14.42	6.88	8.44
+/- Total Equity Policy Index (b)			0.01	(0.12)	0.23	1.79	1.32	2.02	1.02
US Equity Composite	3,256,246	22.15	(3.15)	0.70	2.45	19.99	19.37	7.84	8.19
+/- Russell 3000 Index			(0.36)	(0.51)	(0.09)	(0.33)	0.50	0.22	0.59
Large Cap Composite	2,400,672	16.33	(3.07)	0.46	2.04	18.07	18.58	7.31	7.30
+/- S&P 500 Index			(0.17)	(0.21)	0.00	(0.63)	0.18	(0.01)	0.18
Non-Large Cap Composite	855,574	5.82	(3.38)	1.37	3.61	25.50	22.31	10.05	10.31
+/- Russell 2500 Index			(0.22)	(0.67)	0.44	(0.46)	1.77	0.92	0.70
International Equity Composite	3,481,701	23.68	(1.03)	(1.15)	3.49	17.41	9.52	5.62	9.66
+/- MSCI AC World ex US Index			0.33	0.30	0.51	3.94	2.11	3.67	0.85
Fixed Income Composite	3,642,011	24.77	(0.39)	(1.57)	(0.11)	0.59	4.11	5.94	5.26
+/- Fixed Income Policy (c)			0.18	0.43	0.14	2.28	0.98	0.62	0.29
Core Fixed Income	1,298,392	8.83	(0.36)	(1.67)	(0.25)	(1.34)	3.64		
+/- Barclays Capital Aggregate			0.15	0.25	0.13	1.13	1.06		
Total Return Fixed Income	2,343,619	15.94	(0.40)	(1.51)	(0.03)	1.66	4.37	6.53	5.91
+/- Barclays Capital US Universal			0.17	0.49	0.22	3.35	1.24	1.21	0.83
TIPS Composite	668,169	4.55	(1.44)	(4.28)	(0.72)	(6.94)	3.67		
+/- Barclays Capital U.S. TIPS			0.01	0.01	0.01	0.03	(0.06)		
Cash Composite	171,756	1.17	(0.01)	0.01	0.00	0.18	0.13	0.26	1.84
+/- Citigroup 90 Day T-Bill + 0.15%			(0.03)	(0.07)	(0.05)	(0.06)	(0.12)	(0.12)	(0.02)
Private Equity Composite	1,151,921	7.84	(0.63)	0.26	0.58	7.18	11.41	6.36	
+/- S&P 500 + 5% (d)								(5.96)	
Real Estate Composite	984,426	6.69	(1.14)	0.75	(0.83)	8.73	9.69	3.84	
+/- NCREIF + 1% (d)								0.05	
Hedge Funds Composite	1,344,535	9.15	(0.38)	(0.63)	0.40	8.89	5.67	4.54	
+/- LIBOR + 4%			(0.73)	(1.71)	(0.32)	4.58	1.31	(0.03)	



**West Virginia Investment Management Board**

Participant Plans Allocation vs. Strategy

As of August 31, 2013

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

**Pension Assets**

Public Employees' Retirement System	24.9	25.0	26.6	25.0	20.2	20.0	9.6	10.0	8.1	10.0	10.1	10.0	0.5	0.0
Teachers' Retirement System	24.8	25.0	26.8	25.0	20.5	20.0	9.4	10.0	8.1	10.0	10.0	10.0	0.4	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	24.9	25.0	26.3	25.0	20.4	20.0	9.3	10.0	8.2	10.0	9.9	10.0	1.0	0.0
Public Safety Retirement System	25.0	25.0	26.8	25.0	19.9	20.0	9.8	10.0	8.4	10.0	10.1	10.0	0.0	0.0
Judges' Retirement System	24.9	25.0	26.7	25.0	20.3	20.0	9.7	10.0	8.1	10.0	10.1	10.0	0.2	0.0
State Police Retirement System	24.9	25.0	26.2	25.0	20.7	20.0	9.1	10.0	8.2	10.0	9.8	10.0	1.1	0.0
Deputy Sheriffs' Retirement System	24.8	25.0	26.6	25.0	20.5	20.0	9.5	10.0	8.2	10.0	10.0	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	23.7	25.0	25.1	25.0	19.0	20.0	9.1	10.0	8.1	10.0	9.5	10.0	5.5	0.0
Municipal Model A	23.7	25.0	26.2	25.0	19.8	20.0	9.9	10.0	7.9	10.0	9.9	10.0	2.6	0.0

**Insurance Assets**

Workers' Compensation Old Fund	10.2	10.0	10.8	10.0	69.8	70.0	0.0	0.0	0.0	0.0	0.0	0.0	9.2	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.2	10.0	10.8	10.0	54.1	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.9	5.0
Workers' Comp. Uninsured Employers Fund	10.1	10.0	10.8	10.0	49.2	50.0	0.0	0.0	0.0	0.0	19.9	20.0	10.0	10.0
Pneumoconiosis	10.1	10.0	10.8	10.0	54.5	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	10.6	10.0	11.2	10.0	56.6	55.0	0.0	0.0	0.0	0.0	20.8	20.0	0.8	5.0
Public Employees' Insurance Agency	10.1	10.0	10.8	10.0	59.2	60.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	25.0	25.0	26.6	25.0	20.9	20.0	9.3	10.0	8.1	10.0	10.1	10.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

**Endowment Assets**

Wildlife Fund	24.7	25.0	26.6	25.0	20.8	20.0	9.6	10.0	8.2	10.0	10.0	10.0	0.1	0.0
Prepaid Tuition Trust	30.7	30.0	16.4	16.0	51.5	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	98.7	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund - Part B	10.1	10.0	10.8	10.0	79.1	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	36.2	35.0	29.4	30.0	34.3	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

## Statutory Limitations

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

**West Virginia Investment Management Board**

Footnotes

As of August 31, 2013

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- (a) PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Agggregate.
- (b) Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.
- (c) Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.
- (d) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (e) Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.
- (f) Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

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



# **Status Report: Workers' Compensation**

Joint Committee on Government & Finance

October 2013

*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.

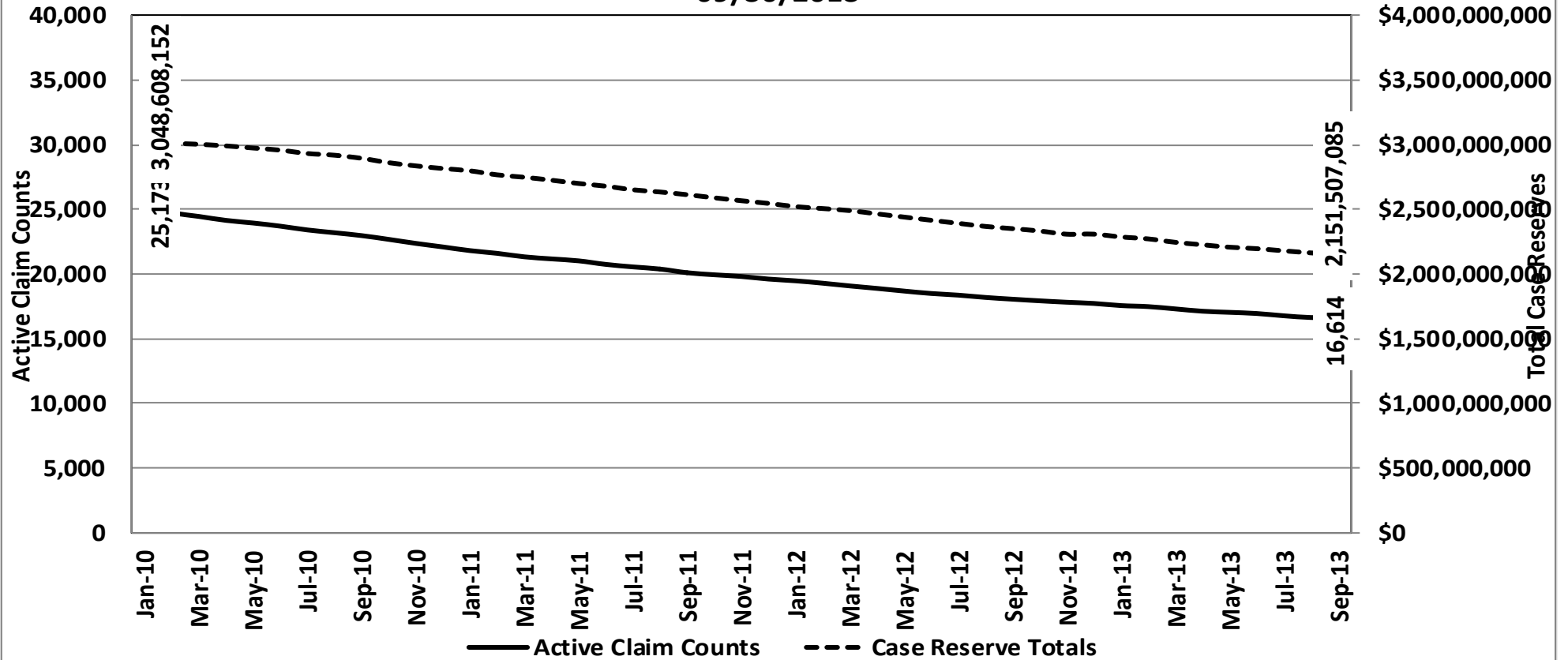
**TPD:** (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average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

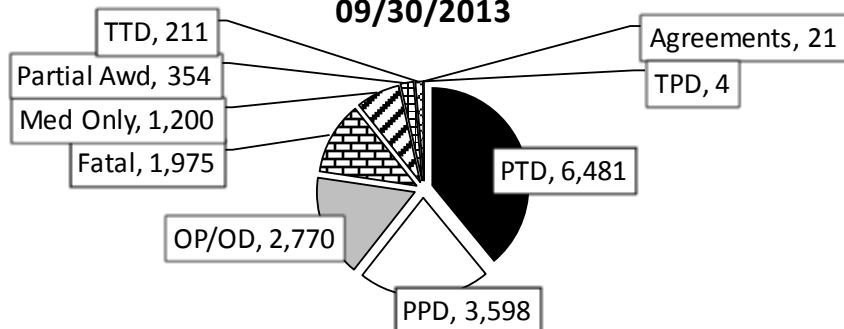
**Uninsured Fund:** State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.



# Old Fund Active Claim Counts and Case Reserves 09/30/2013



## Old Fund Active Claim Counts 09/30/2013



**Agreements** – a legal agreement to settle a payment issue

**Fatal** – worker died due to injury or illness

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

**OP/OD** - Occupational Pneumoconiosis or Occupational Disease

**Partial Awd** – benefits being paid without official awards

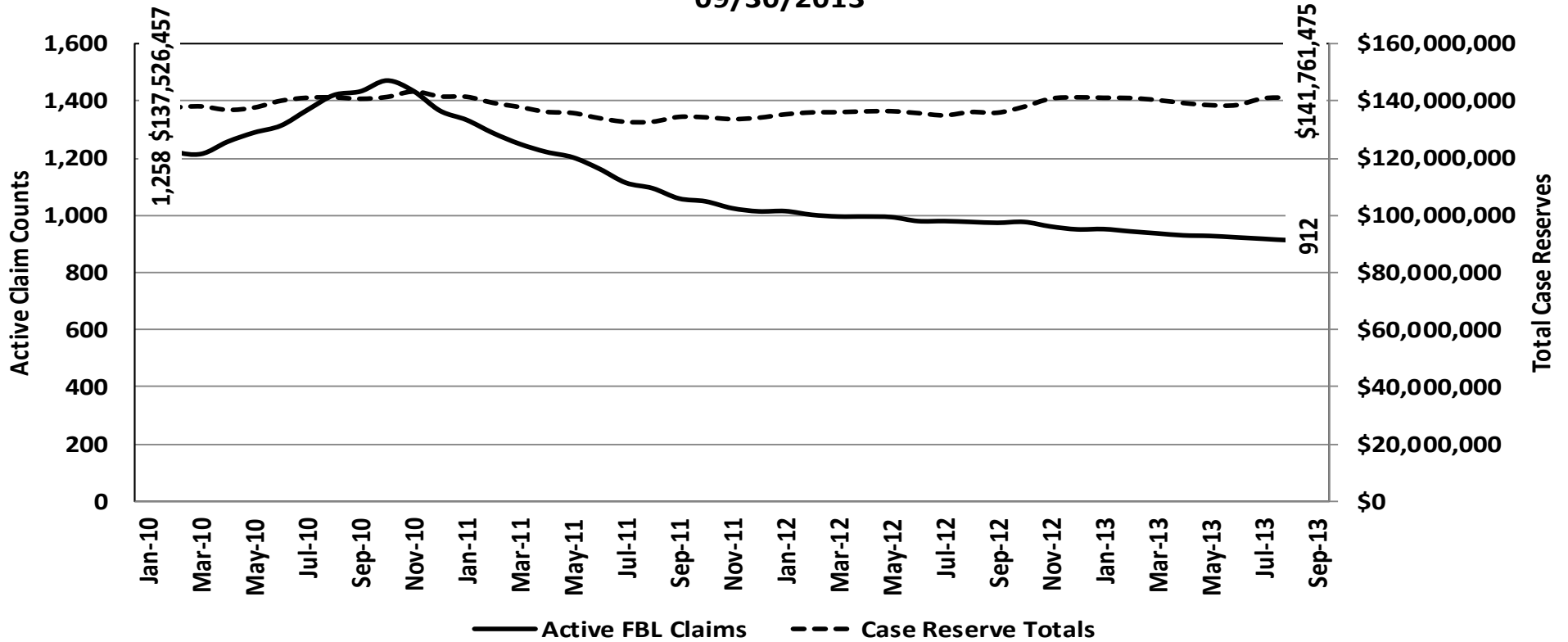
**PPD** - Permanent Partial Disability; unlikely to improve with treatment

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

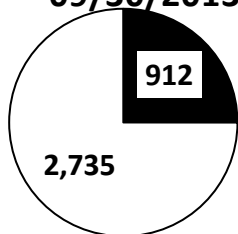
**TPD** - Temporary Partial Disability released to work with restrictions

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

### CWP Fund (FBL) Active Claim Counts and Case Reserves 09/30/2013



### CWP Fund (FBL) Active and Inactive Claims 09/30/2013



■ Active □ Inactive

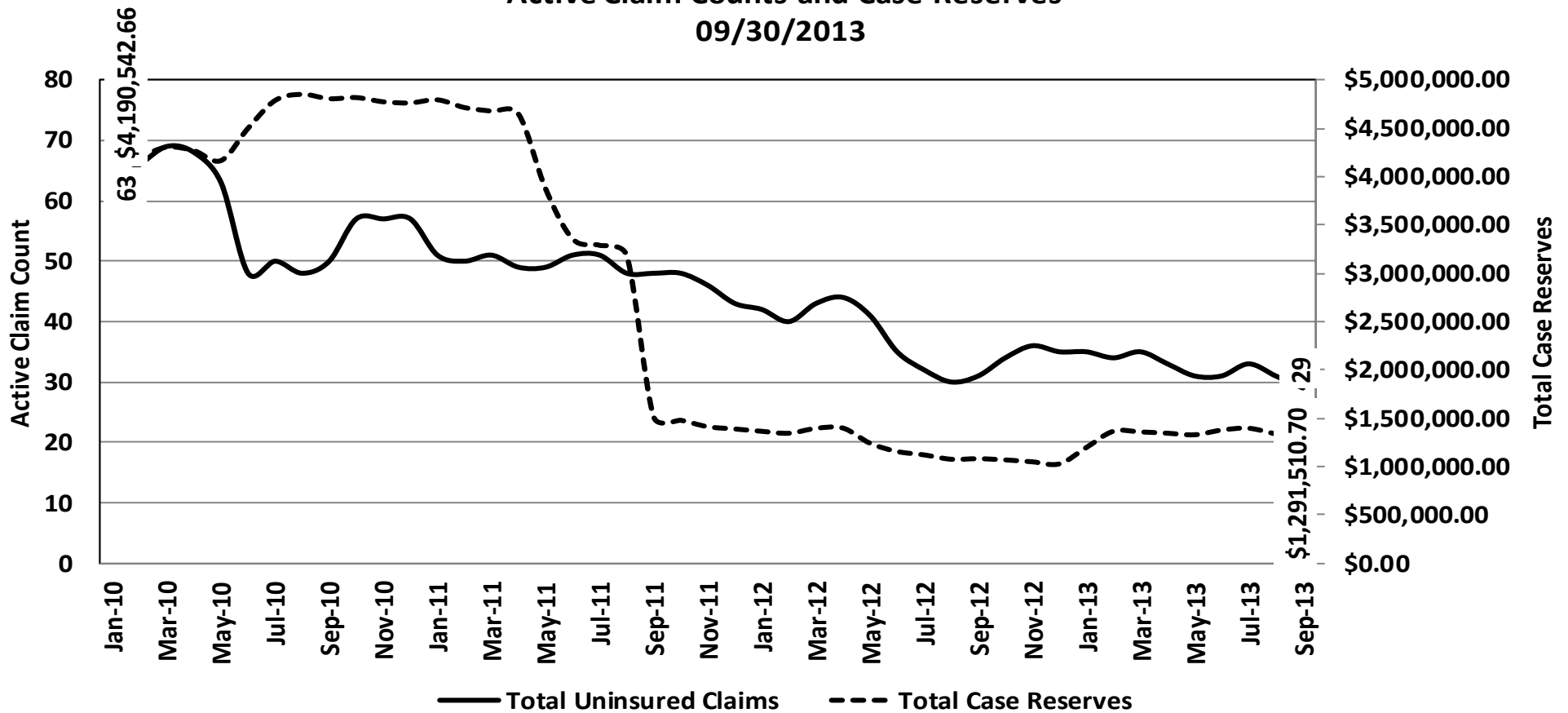
**Active** – Benefits being paid to claimant/beneficiary

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

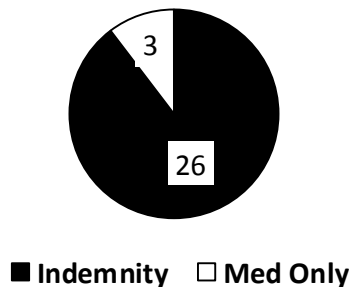
**FBL** - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

# Uninsured Fund Active Claim Counts and Case Reserves 09/30/2013



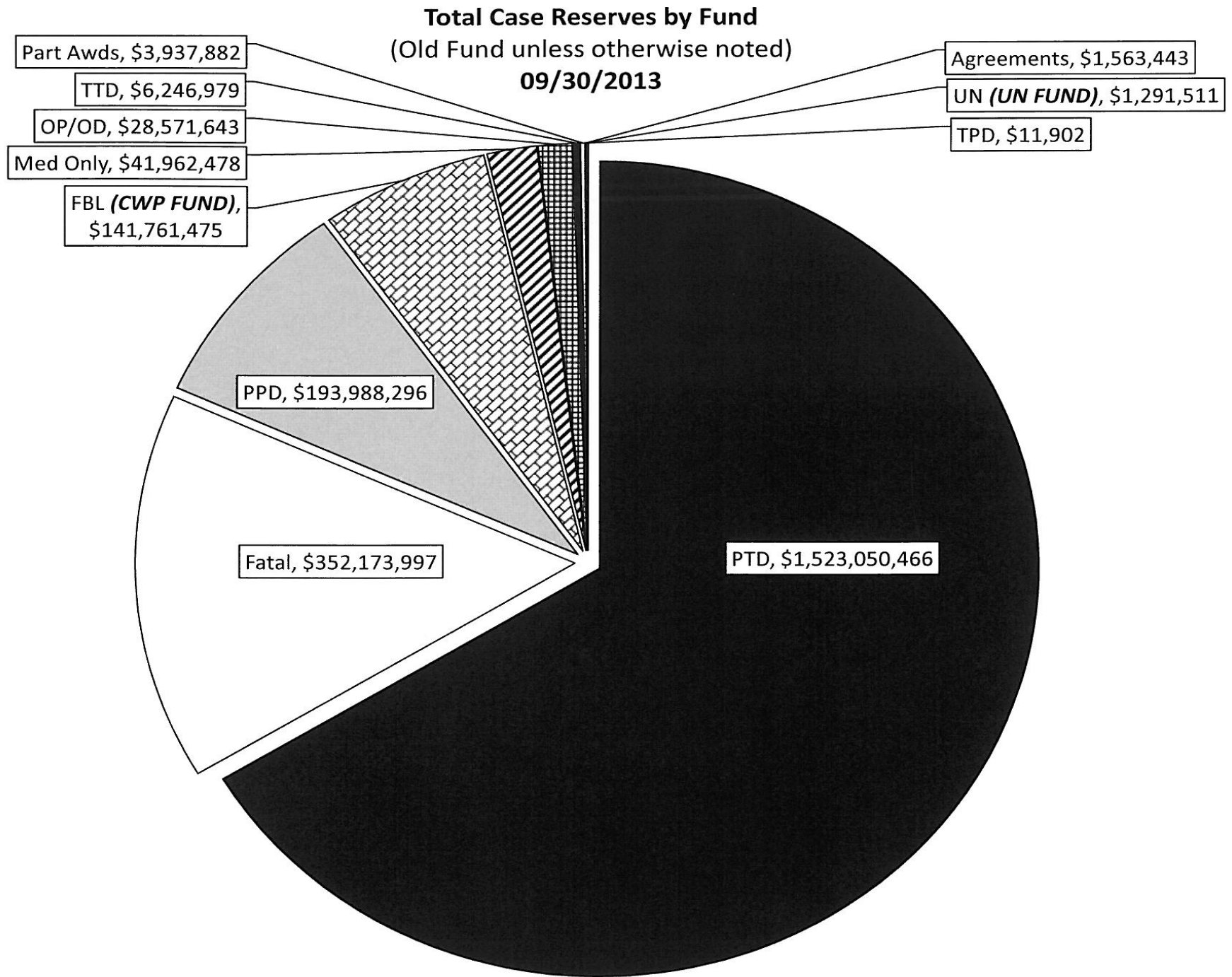
## Uninsured Fund Active Claim Counts 09/30/2013



**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.



# OLD FUND CASH STATEMENT

September 30, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	YTD FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>1,061,595,681</b>	<b>942,505,408</b>	<b>119,090,273</b>	<b>942,505,408</b>	<b>943,172,539</b>	<b>888,535,954</b>
<b>Revenues</b>						
Personal Income Tax	-	-	-	95,400,000	95,400,000	95,400,000
Severance Tax	26,178,212	18,676,500	7,501,713	94,562,969	93,947,355	93,112,747
Debt Reduction Surcharge	7,897,140	9,654,524	(1,757,384)	36,853,941	39,758,082	41,096,360
Self-Insured Debt Reduction Surcharge	2,152,687	1,570,775	581,912	8,733,494	9,620,197	8,058,590
Video Lottery	9,587,752	10,872,339	(1,284,587)	11,000,000	11,000,000	11,000,000
Employer Premium	46,844	89,249	(42,405)	335,102	575,167	3,120,389
Other Income - Return of Unclaimed Property	74,177	25,103	49,074	48,332	202,103	191,860
<b>Operating Revenues</b>	<b>45,936,812</b>	<b>40,888,489</b>	<b>5,048,323</b>	<b>246,933,837</b>	<b>250,502,904</b>	<b>251,979,946</b>
Investment / Interest Earnings (Losses)	(15,192,842)	30,937,838	(46,130,680)	77,380,803	18,284,929	88,270,887
<b>Total Revenues</b>	<b>30,743,970</b>	<b>71,826,327</b>	<b>(41,082,357)</b>	<b>324,314,640</b>	<b>268,787,833</b>	<b>340,250,833</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	8,272,806	8,462,371	(189,565)	33,512,816	39,226,318	41,972,430
Permanent Total Disability	28,438,910	29,804,926	(1,366,016)	118,396,619	124,963,432	136,800,060
Permanent Partial Disability	216,185	343,779	(127,594)	1,137,910	1,822,571	2,513,255
Temporary Disability	-	32,006	(32,006)	59,227	188,666	384,571
Fatals	6,680,910	6,719,157	(38,247)	26,966,847	28,139,830	29,994,599
104 weeks death benefit	1,530,060	1,521,360	8,700	6,670,578	6,729,656	6,321,554
Settlements	2,639,033	4,148,739	(1,509,706)	9,011,730	56,164,626	50,628,569
Loss Adjustment Expenses	244,888	270,644	(25,756)	998,774	2,333,885	4,514,323
Total	48,022,793	51,302,982	(3,280,189)	196,754,501	259,568,984	273,129,360
Less: Claims credits and overpayments	1,409,057	1,876,365	(467,308)	4,617,178	8,161,625	7,666,404
Total Benefits Paid	46,613,736	49,426,617	(2,812,881)	192,137,323	251,407,359	265,462,956
Administrative Expenses	4,828,006	4,449,347	378,659	13,087,043	18,047,605	20,151,292
<b>Total Expenditures</b>	<b>51,441,741</b>	<b>53,875,963</b>	<b>(2,434,222)</b>	<b>205,224,366</b>	<b>269,454,964</b>	<b>285,614,248</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(20,697,771)</b>	<b>17,950,364</b>	<b>(38,648,135)</b>	<b>119,090,274</b>	<b>(667,131)</b>	<b>54,636,585</b>
<b>Cash Ending Balances</b>	<b>1,040,897,910</b>	<b>960,455,772</b>	<b>80,442,138</b>	<b>1,061,595,681</b>	<b>942,505,408</b>	<b>943,172,539</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

September 30, 2013

				Three Year History for years ended:		
				FY2013	FY2012	FY2011
	<b>YTD FY2014</b>	<b>YTD FY2013</b>	<b>Change</b>			
<b>Cash Beginning Balances</b>	<b>266,720,430</b>	<b>254,523,752</b>	<b>12,196,678</b>	<b>254,523,752</b>	<b>262,926,105</b>	<b>244,074,613</b>
<b>Revenues</b>						
Investment Earnings (Losses)	(3,553,721)	8,462,215	(12,015,936)	24,801,113	2,745,783	29,283,335
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
<b>Total Revenues</b>	<b>(3,553,721)</b>	<b>8,462,215</b>	<b>(12,015,936)</b>	<b>24,801,113</b>	<b>2,745,783</b>	<b>29,283,335</b>
<b>Expenditures</b>						
Payment of Claims	3,466,849	2,631,511	835,338	12,550,216	11,131,012	10,415,160
Contractual / Professional	-	3,770	(3,770)	53,287	17,124	16,683
Legal	-	-	-	932	-	-
<b>Total Expenditures</b>	<b>3,466,849</b>	<b>2,635,281</b>	<b>831,568</b>	<b>12,604,435</b>	<b>11,148,136</b>	<b>10,431,843</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(7,020,570)</b>	<b>5,826,934</b>	<b>(12,847,504)</b>	<b>12,196,678</b>	<b>(8,402,353)</b>	<b>18,851,492</b>
<b>Cash Ending Balances</b>	<b>259,699,861</b>	<b>260,350,686</b>	<b>(650,825)</b>	<b>266,720,430</b>	<b>254,523,752</b>	<b>262,926,105</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  
September 30, 2013

				Three Year History for years ended:		
	YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>14,815,337</b>	<b>10,829,975</b>	<b>3,985,362</b>	<b>10,829,975</b>	<b>9,744,809</b>	<b>8,112,918</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	30,818	256,496	(225,679)	851,410	1,093,066	1,119,674
Collateral Proceeds	-	-	-	2,399,380	-	-
Investment Earnings (Losses)	(196,675)	357,348	(554,023)	1,186,338	125,813	592,165
<b>Total Revenues</b>	<b>(165,858)</b>	<b>613,844</b>	<b>(779,702)</b>	<b>4,437,128</b>	<b>1,218,879</b>	<b>1,711,839</b>
<b>Expenditures</b>						
Payment of Claims	49,932	49,900	32	332,894	28,466	28,707
Contractual / Professional	15,909	4,470	11,439	92,122	105,247	51,241
Legal	49	-	49	26,750	-	-
<b>Total Expenditures</b>	<b>65,890</b>	<b>54,370</b>	<b>11,520</b>	<b>451,765</b>	<b>133,713</b>	<b>79,948</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(231,748)</b>	<b>559,474</b>	<b>(791,222)</b>	<b>3,985,363</b>	<b>1,085,166</b>	<b>1,631,891</b>
<b>Cash Ending Balances</b>	<b>14,583,590</b>	<b>11,389,449</b>	<b>3,194,141</b>	<b>14,815,337</b>	<b>10,829,975</b>	<b>9,744,809</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  
September 30, 2013

	YTD FY2014	YTD FY2013	Change	Three Year History for years ended:		
				FY2013	FY2012	FY2011
<b>Cash Beginning Balances</b>	<b>6,754,601</b>	<b>203,518</b>	<b>6,551,083</b>	<b>203,518</b>	<b>205,705</b>	<b>173,041</b>
<b>Revenues</b>						
Security Risk Pool Assessments	3,749	-	3,749	2,575,705	-	115,568
Collateral Proceeds	-	-	-	4,657,620	-	-
<b>Total Revenues</b>	<b>3,749</b>	<b>-</b>	<b>3,749</b>	<b>7,233,325</b>	<b>-</b>	<b>115,568</b>
<b>Expenditures</b>						
Payment of Claims	285,720	57,694	228,026	530,804	2,187	73,649
Contractual / Professional	15,003	-	15,003	60,413	-	9,255
Legal	146	-	146	91,025	-	-
<b>Total Expenditures</b>	<b>300,869</b>	<b>57,694</b>	<b>243,175</b>	<b>682,242</b>	<b>2,187</b>	<b>82,904</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(297,120)</b>	<b>(57,694)</b>	<b>(239,426)</b>	<b>6,551,083</b>	<b>(2,187)</b>	<b>32,664</b>
<b>Cash Ending Balances</b>	<b>6,457,481</b>	<b>145,824</b>	<b>6,311,657</b>	<b>6,754,601</b>	<b>203,518</b>	<b>205,705</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  
September 30, 2013

				Three Year History for years ended:			
		YTD FY2014	YTD FY2013	Change	FY2013	FY2012	FY2011
	Cash Beginning Balances	10,801,353	9,574,065	1,227,288	9,574,065	9,086,330	8,905,444
<b>Revenues</b>							
	Fines and Penalties	225,119	177,812	47,307	747,771	948,896	939,626
	Investment Earnings (Losses)	(123,884)	289,438	(413,322)	871,603	99,906	474,728
	<b>Total Revenues</b>	<b>101,235</b>	<b>467,250</b>	<b>(366,015)</b>	<b>1,619,374</b>	<b>1,048,802</b>	<b>1,414,354</b>
<b>Expenditures</b>							
	Payment of Claims	69,685	3,503	66,182	262,002	553,676	1,224,982
	Contractual/Professional	6,353	407	5,946	15,024	7,392	8,486
	General and Administrative	60	15	45	60	-	-
	Insurance	57,500	-	57,500	115,000	-	-
	<b>Total Expenditures</b>	<b>133,598</b>	<b>3,925</b>	<b>129,673</b>	<b>392,086</b>	<b>561,067</b>	<b>1,233,468</b>
	<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(32,363)</b>	<b>463,325</b>	<b>(495,688)</b>	<b>1,227,288</b>	<b>487,735</b>	<b>180,886</b>
	<b>Cash Ending Balances</b>	<b>10,768,990</b>	<b>10,037,390</b>	<b>731,600</b>	<b>10,801,353</b>	<b>9,574,065</b>	<b>9,086,330</b>

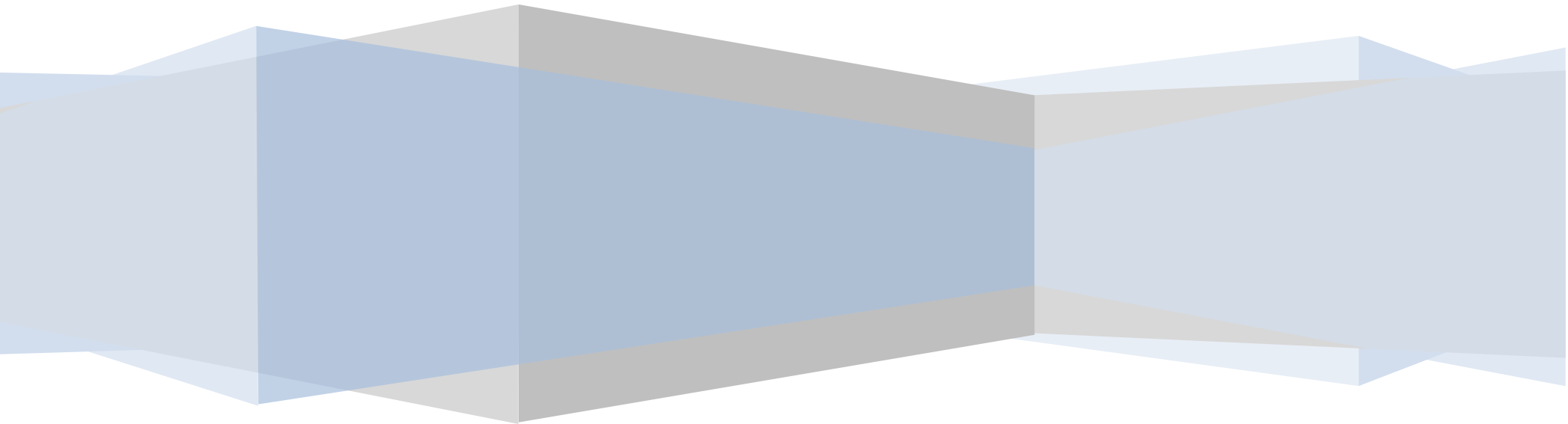
The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right 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 – October 4, 2013**

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

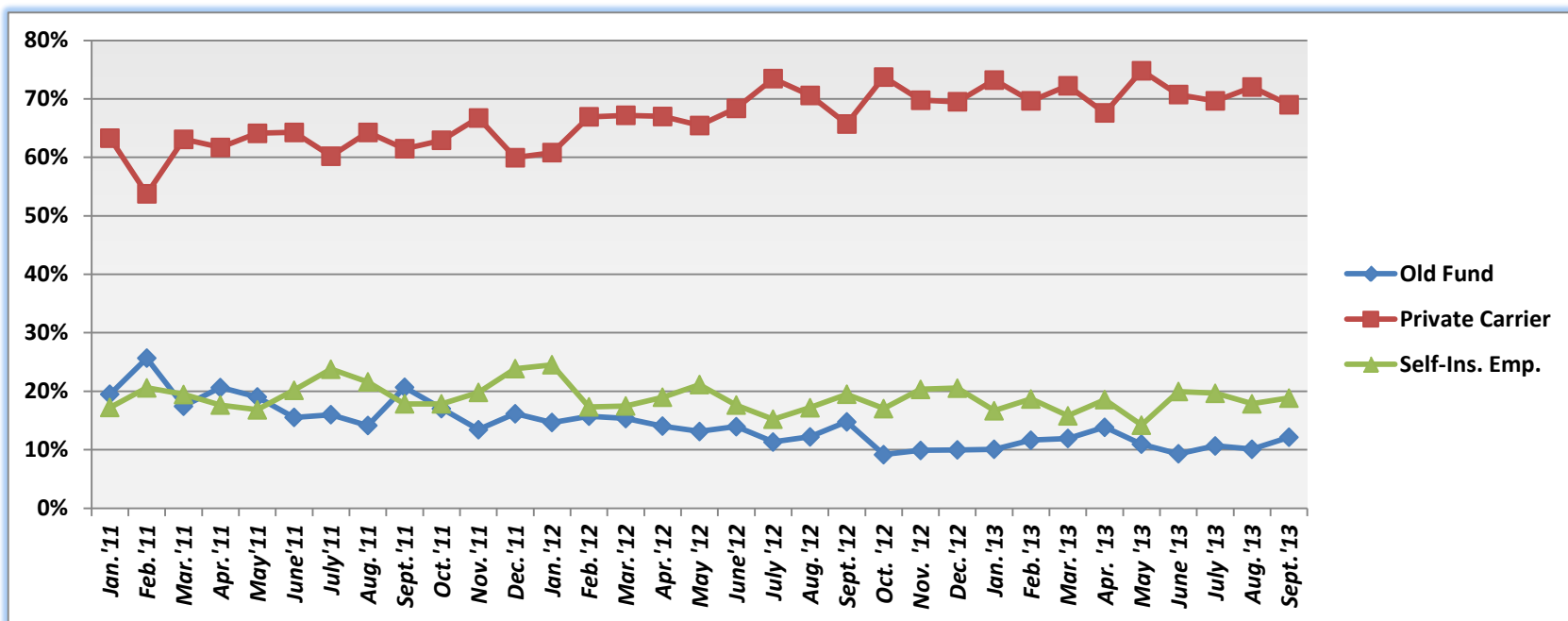


## Statistical Analysis

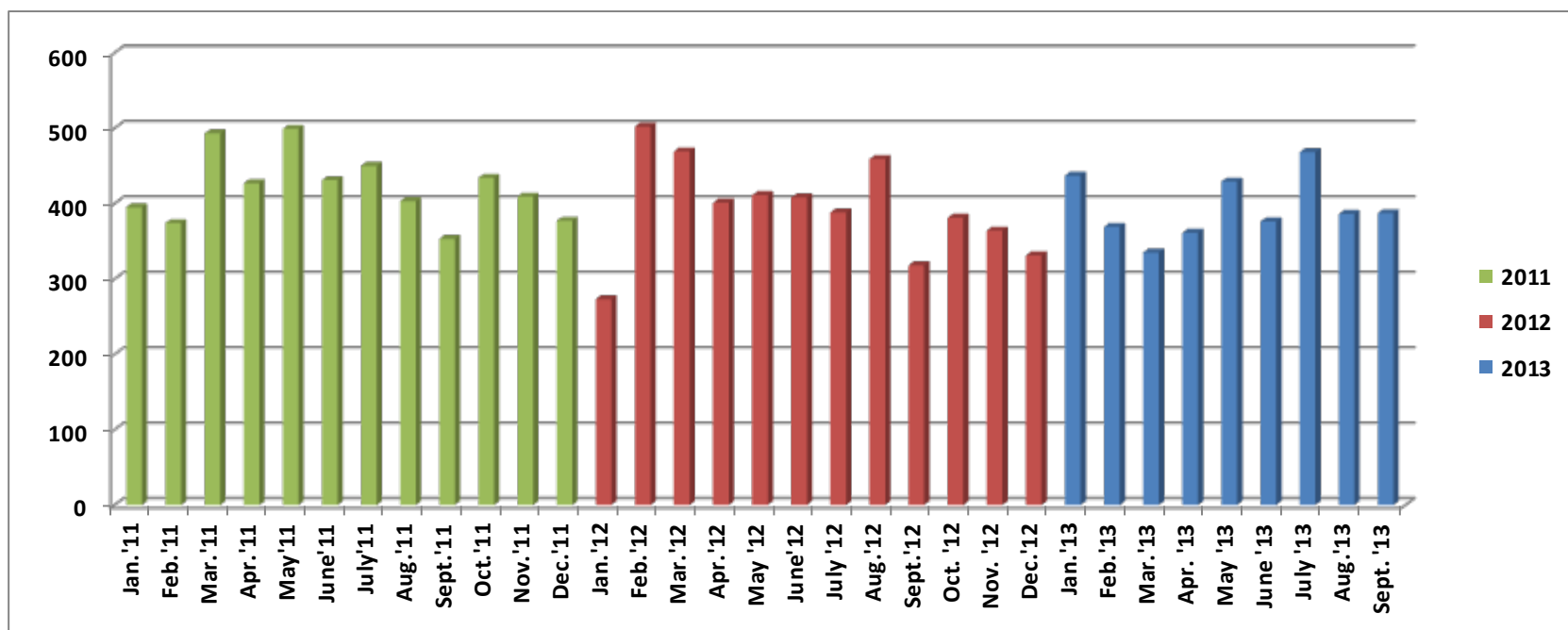
A.     Protests Acknowledged:                      2012                      Sept.                      2013  
    4705                      387                      3548

### Fund Involved:

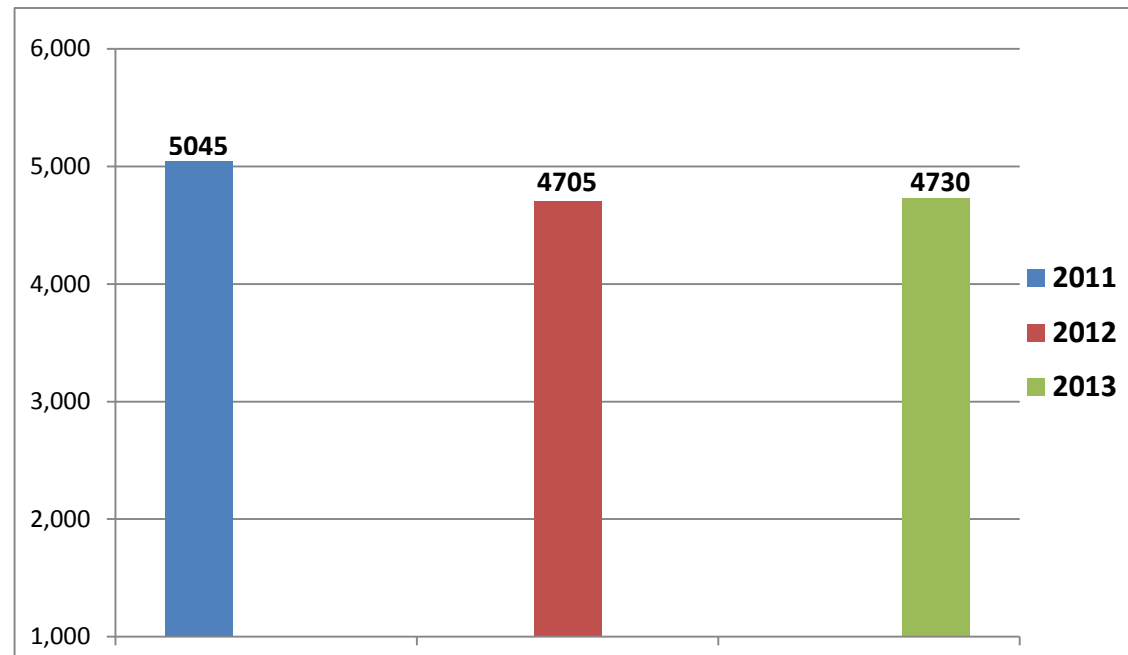
FUND	2012	% of protests	Sept. '13	% of protests	2013	% of protests
Old Fund	593	12.60%	47	12.14%	395	11.13%
Private Carrier	3233	68.72%	267	69.00%	2521	71.06%
Self-Insured	879	18.68%	73	18.86%	632	17.81%
Subtotal	4705		387		3548	
Temporary	708		66		421	
Total	5413		453		3969	



Protests Acknowledged by Carrier Type



Protests Acknowledged by Month

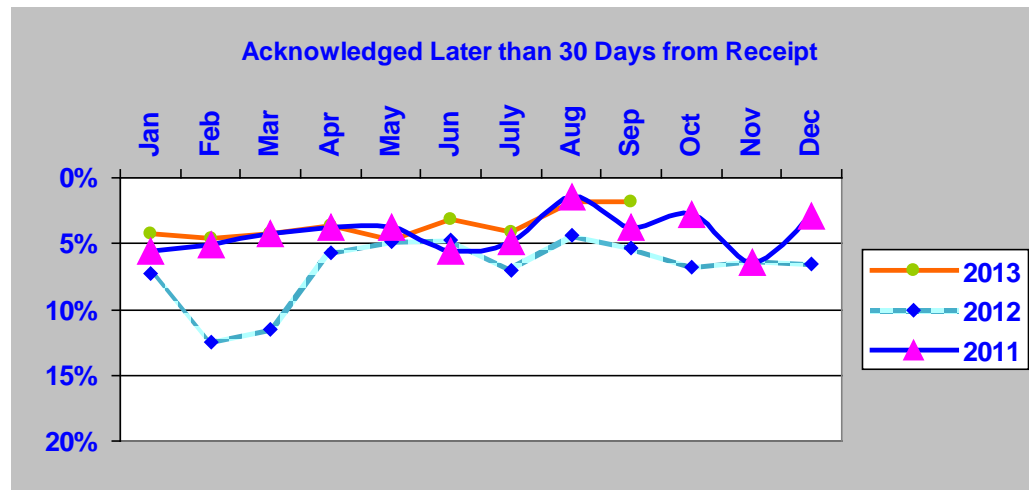


**Protests Acknowledged by Year**

### C. Pending Caseload Report

<b>PENDING AS OF October 3, 2013</b>	<b>3166</b>
PENDING 1 MONTH BEFORE	3147
PENDING 2 MONTHS BEFORE	3138
PENDING 3 MONTHS BEFORE	3129
PENDING 6 MONTHS BEFORE	3251
PENDING 12 MONTHS BEFORE	3328

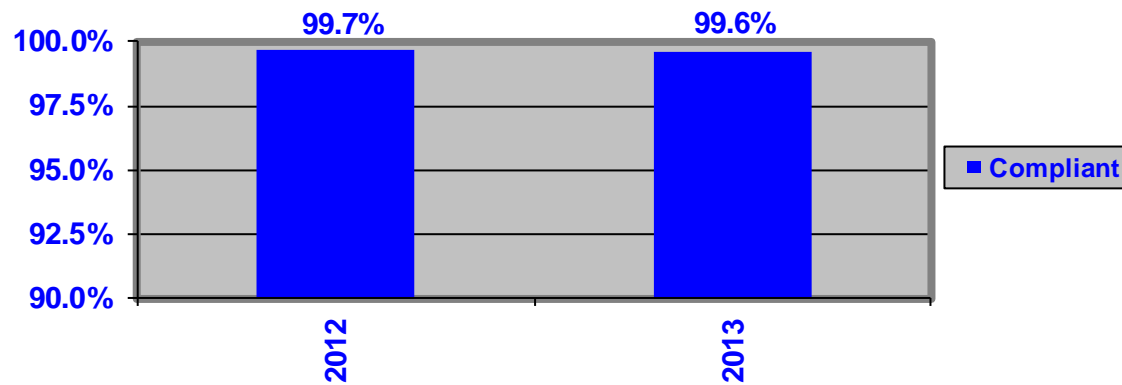
<b>D. Acknowledgment Timeliness:</b>	<b><u>2012</u></b>	<b><u>Sept.</u></b>	<b><u>2013</u></b>
Protest Ackn. >30 days	7.0%	1.8%	3.6%
Protest Ackn. 24-30 days	3.1%	2.3%	2.5%
Protest Ackn. 11-23 days	24.4%	17.6%	16.4%
Protest Ackn. <11 days	65.5%	78.3%	77.5%



		<u>Sept. '13</u>	<u>2013</u>
<b>E. Protests Resolved:</b>	1. Protests decided:	231	2243
	2. Withdrawals:	65	663
	3. "No Evidence" Dismissals:	27	343

		<u>2012</u>	<u>Sept. '13</u>	<u>2013</u>
<b>F. Final Decision Timeliness</b>	1. <30 days:	46.5%	41.5%	39.5%
	2. 30-60 days:	50.3%	51.0%	56.2%
	3. 60-90 days:	2.9%	5.8%	3.9%
	4. +90 days:	0.3%	1.7%	0.4%

**Decision Within Rule's Time Limits**



		<u>2012</u>	<u>Sept.</u>	<u>2013</u>
<b>G. Time Standard Compliance</b>		92.5%	93.9%	94.2%

Thursday, October 03, 2013

## Time Standard Compliance

Report Dates: From 9/1/2013 thru 9/30/2013

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	11	11	100%	0	0%
TRMT/EQUIP CL	33	31	93.90%	2	6.10%
DEP BEN FATAL	1	1	100%	0	0%
PPD	25	25	100%	0	0%
REOPENING	4	4	100%	0	0%
REHABILITATION	1	1	100%	0	0%
OP NON-MED	2	2	100%	0	0%
TTD	13	10	76.90%	3	23.10%
OPBD	9	8	88.90%	1	11.10%
Total	99	93	93.9%	6	6.1%



Thursday, October 03, 2013

## Final Decision Compliance

Report Dates: From 9/1/2013 thru 9/30/2013

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	44	20	45.5%	23	52.3%	1	2.3%	0	0.0%
TRMT/EQUIP CL	90	44	48.9%	38	42.2%	8	8.9%	0	0.0%
COMPENSABILITY	42	14	33.3%	26	61.9%	2	4.8%	0	0.0%
REHABILITATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
TTD	21	7	33.3%	14	66.7%	0	0.0%	0	0.0%
OPBD	16	6	37.5%	9	56.3%	1	6.3%	0	0.0%
DEP BEN FATAL	3	0	0.0%	2	66.7%	1	33.3%	0	0.0%
FAILURE TO ACT 15 DAY	9	3	33.3%	2	22.2%	1	11.1%	3	33.3%
FAILURE TO ACT 30 DAY	3	0	0.0%	2	66.7%	0	0.0%	1	33.3%
OP NON-MED	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
REOPENING	6	4	66.7%	2	33.3%	0	0.0%	0	0.0%
SPECIAL CATEGORY	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
<b>Totals</b>	241	100	41.5%	123	51.0%	14	5.8%	4	1.7%

## Motion Resolution Compliance

Report Dates: From 9/1/2013 thru 9/30/2013

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT RATE	3	3	100%	0	0%
COMPENSABILITY	202	198	98%	4	2%
PTD ENTITLEMENT	1	1	100%	0	0%
APPLICATION THRESHOLD	1	1	100%	0	0%
FAILURE TO ACT 15 DAY	5	5	100%	0	0%
TEMP	2	2	100%	0	0%
OPBD	27	27	100%	0	0%
OP NON-MED	8	8	100%	0	0%
REOPENING	36	36	100%	0	0%
DEP BEN FATAL	14	14	100%	0	0%
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	6	5	83.30%	1	16.70%
SPECIAL CATEGORY	19	19	100%	0	0%
PPD	161	152	94.40%	9	5.60%
TRMT/EQUIP CL	246	245	99.60%	1	0.40%
TTD	74	73	98.60%	1	1.40%
Total	805	789	98%	16	2%

\* Action Date < Motion Date

\*\* Action Date > Motion Date

## Acknowledgement Goal

Report Dates: From 9/1/2013 thru 9/30/2013

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>APPLICATION THRESHOLD</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>100.0%</b>
CFA-CL APP.THRESHOLD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
<b>BENEFIT OVERPAYMENT</b>	<b>Total: 3</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>3</b>	<b>100.0%</b>
CBO-CL BEN. OVERPAYMENT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
<b>COMPENSABILITY</b>	<b>Total: 59</b>	<b>2</b>	<b>3.4%</b>	<b>2</b>	<b>3.4%</b>	<b>12</b>	<b>20.3%</b>	<b>43</b>	<b>72.9%</b>
CCS-CL SEC.CONDITION	15	0	0.0%	1	6.7%	4	26.7%	10	66.7%
CHC-CL COMPENSABILITY	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CIM-CL SI COMPENSABLE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIS-CL SI SEC.CONDITION	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CLB-CL COMP ON LIMITED BASIS	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CPI-CL SI REJECT CLAIM	10	0	0.0%	0	0.0%	3	30.0%	7	70.0%
CPJ-CL REJECT CLAIM	22	1	4.5%	1	4.5%	1	4.5%	19	86.4%
CQR-CL SI REJ OCCDISEASE	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CRZ-CL REJ OCC DISEASE	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
<b>DEP BEN FATAL</b>	<b>Total: 7</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>5</b>	<b>71.4%</b>	<b>2</b>	<b>28.6%</b>
CDF-CL DENY/GRNT DTH BEN	7	0	0.0%	0	0.0%	5	71.4%	2	28.6%
<b>FAILURE TO ACT 15 DAY</b>	<b>Total: 9</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>7</b>	<b>77.8%</b>	<b>2</b>	<b>22.2%</b>
C01-CL FTA INJ COMPENSAB	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C03-CL FTA TREATMENT	7	0	0.0%	0	0.0%	5	71.4%	2	28.6%
FTA Multiple Issues-FTA MULTIPLE ISSUES	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<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>0</b>	<b>0.0%</b>	<b>2</b>	<b>100.0%</b>
C6A-CL FTA ACT UPON PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7E-CL FTA CPLY OJ/BR/SC	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>OP NON-MED</b>	<b>Total: 8</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>8</b>	<b>100.0%</b>
CNR-CL NON-MED ORDER	7	0	0.0%	0	0.0%	0	0.0%	7	100.0%
ENR-EM NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>OPBD</b>	<b>Total: 31</b>	<b>3</b>	<b>9.7%</b>	<b>0</b>	<b>0.0%</b>	<b>4</b>	<b>12.9%</b>	<b>24</b>	<b>77.4%</b>
CAO-CL ADD BOARD FINDING	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CBF-CL % BOARD FINDING	14	2	14.3%	0	0.0%	1	7.1%	11	78.6%
CSF-CL% SI BOARD FINDING	10	1	10.0%	0	0.0%	2	20.0%	7	70.0%
CSO-CL SI AD.BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EAO-EM ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF-EM % BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>PPD</b>	<b>Total: 91</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>1.1%</b>	<b>15</b>	<b>16.5%</b>	<b>75</b>	<b>82.4%</b>
CAA-CL ADDL % AWARD D/G	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CAD-CL % AWARD DENY/GRNT	71	0	0.0%	1	1.4%	9	12.7%	61	85.9%
CIE-CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG-CL SI %AWARD DNY/GNT	17	0	0.0%	0	0.0%	6	35.3%	11	64.7%
<b>PTD REVIEWING BODY IMPAIRMENT DETERMINATION</b>	<b>Total: 1</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
CEB-CL PTD REV. BODY DETERMINATION	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>REHABILITATION</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>
CIB-CL SI G/D VOC REHAB	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPB-CL GRNT/DNY VOC REHA	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CTP-CL GRNT/DNY TP REHAB	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>REOPENING</b>	<b>Total: 18</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>5.6%</b>	<b>5</b>	<b>27.8%</b>	<b>12</b>	<b>66.7%</b>
CIQ-CL SI DY/GNT R/O PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIY-CL SI DY/GNT R/O TTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CJV-CL DNY/GRNT R/O PPD	5	0	0.0%	1	20.0%	1	20.0%	3	60.0%
CRD-CL DENY/GRNT R/O TTD	9	0	0.0%	0	0.0%	3	33.3%	6	66.7%
<b>SPECIAL CATEGORY</b>	<b>Total: 14</b>	<b>1</b>	<b>7.1%</b>	<b>2</b>	<b>14.3%</b>	<b>0</b>	<b>0.0%</b>	<b>11</b>	<b>78.6%</b>
C1I-CL SI SL CATEGORY	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CNW-CL SPL CATEGORY	11	1	9.1%	2	18.2%	0	0.0%	8	72.7%

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: 104</b>	<b>1</b>	<b>1.0%</b>	<b>2</b>	<b>1.9%</b>	<b>12</b>	<b>11.5%</b>	<b>89</b>	<b>85.6%</b>
C1Y-CL SI TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBX-CL TRMT DENY	86	1	1.2%	2	2.3%	10	11.6%	73	84.9%
CKN-CL D/G PROV CHNG	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CSX-CL SI TRMT DENY	15	0	0.0%	0	0.0%	2	13.3%	13	86.7%
<b>TTD</b>	<b>Total: 33</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>3.0%</b>	<b>6</b>	<b>18.2%</b>	<b>26</b>	<b>78.8%</b>
CCC-CL CLOSING THE CLAIM	26	0	0.0%	1	3.8%	6	23.1%	19	73.1%
CIC-CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CJS-CL TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals: Claims 332	387	7	1.8%	9	2.3%	68	17.6%	303	78.3%

Thursday, October 3, 2013

**Resolution of Issues**  
**Report Dates: Decision Date 09/01/2013 thru 09/30/2013**

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Benefit Rate	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
Compensability	52	19	36.5	18	34.6	1	1.9	12	23.1	1	1.9	1	1.9	0	0	0	0
Dep Ben Fatal	4	0	0	3	75	0	0	0	0	0	0	0	0	0	0	1	25
Failure to Act 15 day	3	0	0	0	0	0	0	3	100	0	0	0	0	0	0	0	0
OP Non-Med	3	0	0	2	66.7	0	0	1	33.3	0	0	0	0	0	0	0	0
OPBD	22	4	18.2	10	45.5	0	0	8	36.4	0	0	0	0	0	0	0	0
PPD	85	12	14.1	29	34.1	7	8.2	36	42.4	1	1.2	0	0	0	0	0	0
PTD Reviewing Body Impairment Determination	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
Reopening	10	2	20	4	40	2	20	2	20	0	0	0	0	0	0	0	0
Special Category	4	1	25	1	25	1	25	0	0	0	0	1	25	0	0	0	0
TRMT/Equipment CL	115	23	20	51	44.3	12	10.4	17	14.8	9	7.8	2	1.7	1	0.9	0	0
TTD	33	4	12.1	13	39.4	4	12.1	11	33.3	1	3	0	0	0	0	0	0
<b>Totals</b>	334	65	19.5	133	39.8	27	8.1	91	27.2	12	3.6	4	1.2	1	0.3	1	0.3

**Petitions received 1/1/2013 through 9/30/13****11**

Petitions denied on face: 1  
 Petitions denied by ALJ Decision: 2  
 Petitions granted: 3  
 Petitions withdrawn through settlement: 2  
 Petitions currently pending: 6\*

*\*Includes 3 petitions pending from 2012***Failure to Timely Act Process****Petitions filed 1/1/2013 through 9/30/13**

Filed: **80**  
 Denied/dismissed: 38  
 Withdrawn: 0  
 Reports to OIC: 39  
 Pending 32

*\*Resolutions of FTA include petitions filed prior to 2013***Expedited Hearings Scheduled**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2011</b>	10	16	11	15	21	16	11	13	9	8	12	10	<b>152</b>
<b>2012</b>	14	2	18	12	13	5	7	3	2	11	16	10	<b>113</b>
<b>2013</b>	14	10	11	22	12	15	19	15	18				<b>136</b>

**Pro Se Claimant Information as of October 3, 2013**

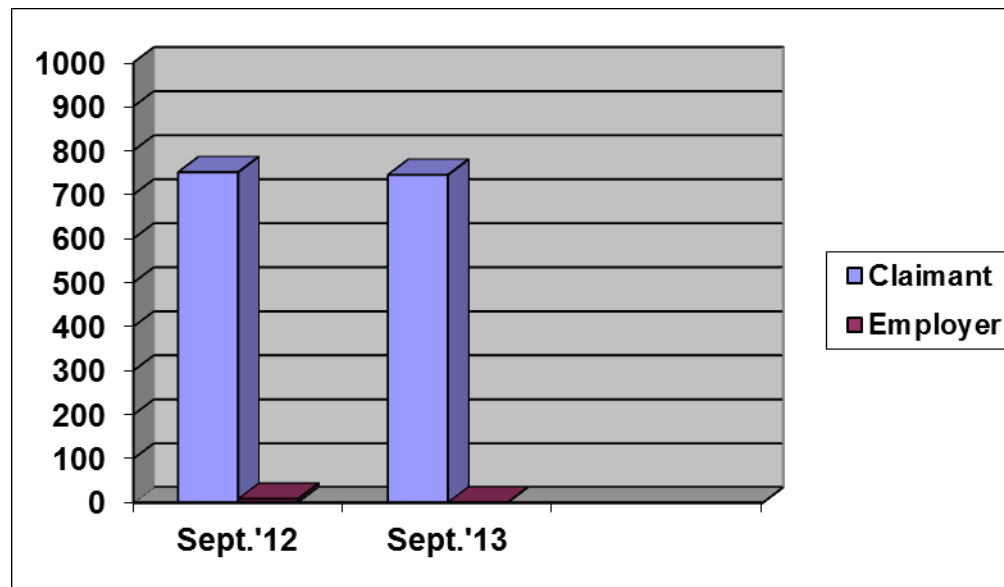
Pending Protests Involving Pro Se Claimants: 459

:

## OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Sept. '13	% Protests	Month Sept. '12	% Protests
Claimant	745	23.53%	751	22.57%
Employer	0	0%	9	0.02%
<b>Total</b>	<b>745</b>		<b>760</b>	

Pending Treatment Issues

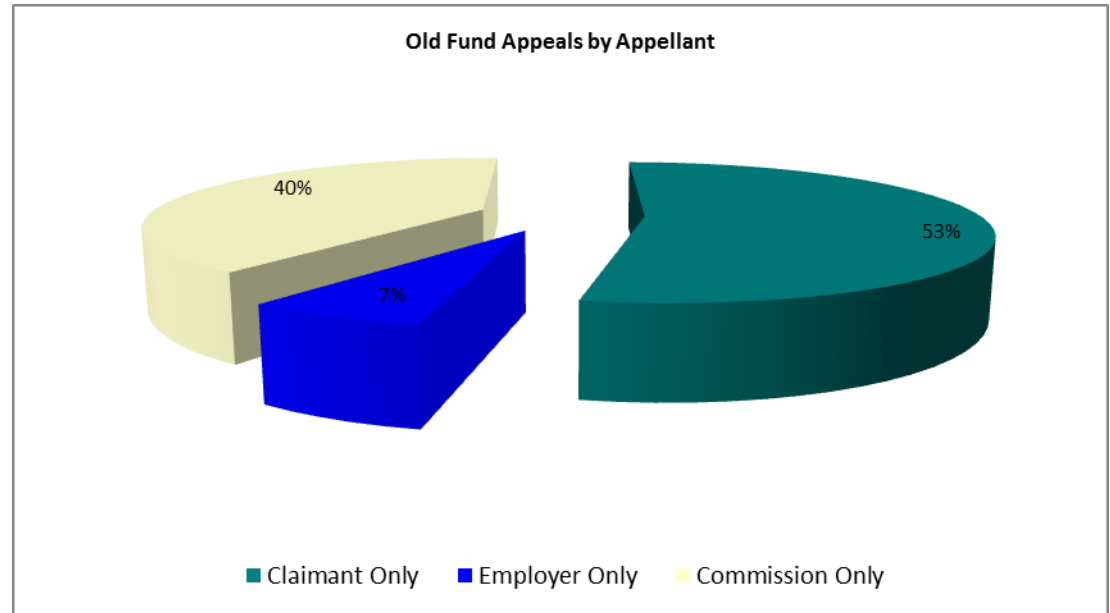




Appeals Received  
From September 1, 2013 Thru September 30, 2013

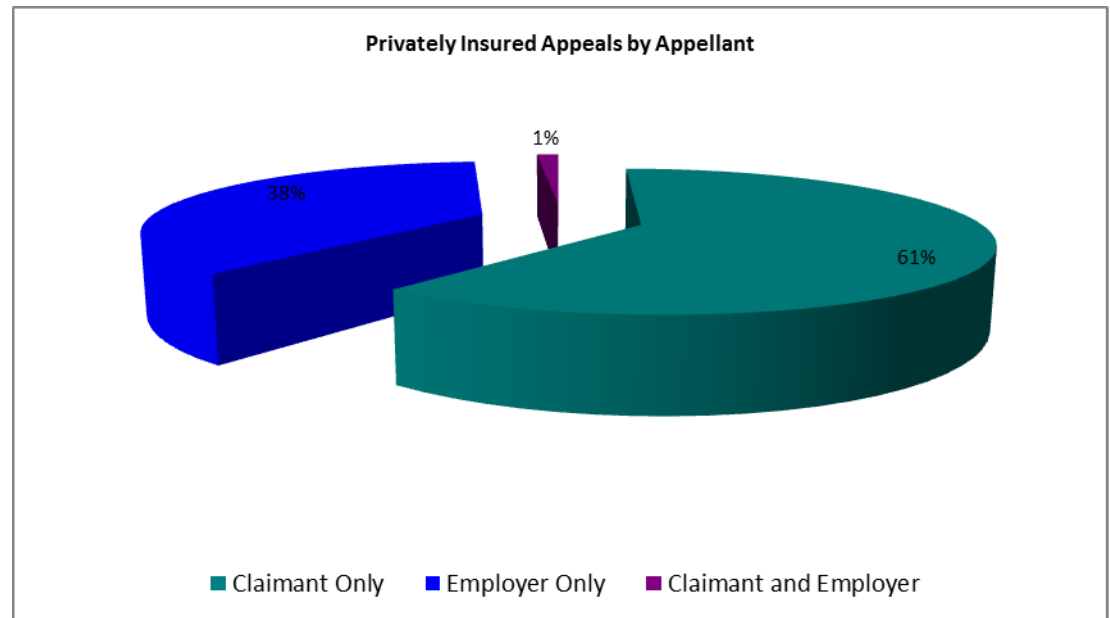
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	8
Employer Only	1
Commission Only	6
Old Fund Total	15



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

Appellant	Count
Claimant Only	47
Employer Only	29
Claimant and Employer	1
Privately Insured Total	77
Total Appeals	92

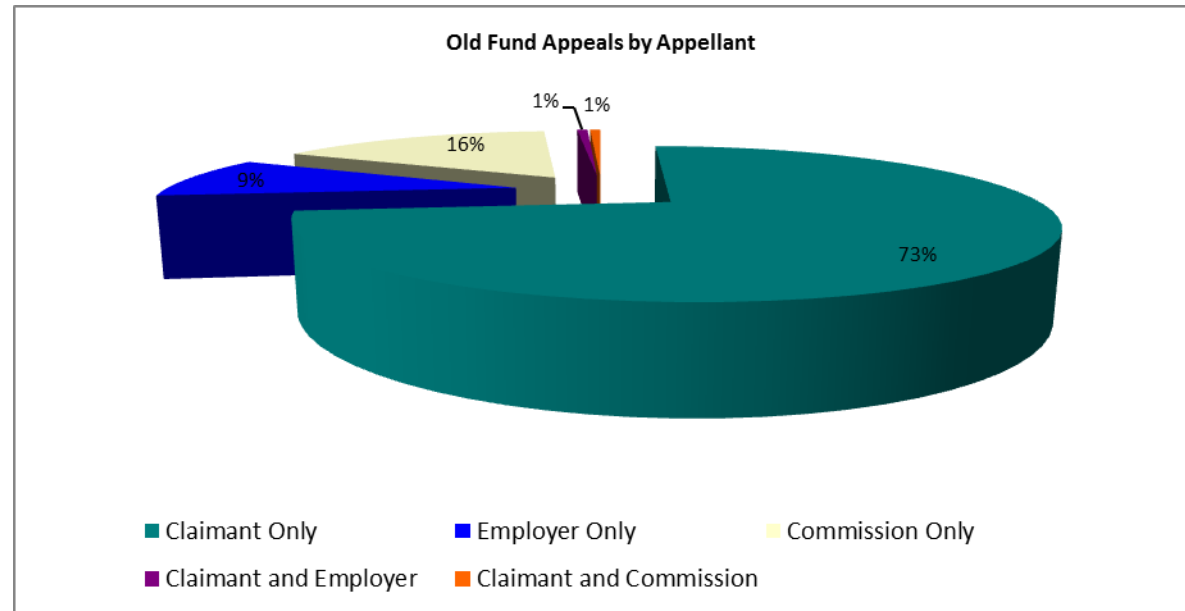


Appeals counted more than once:

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

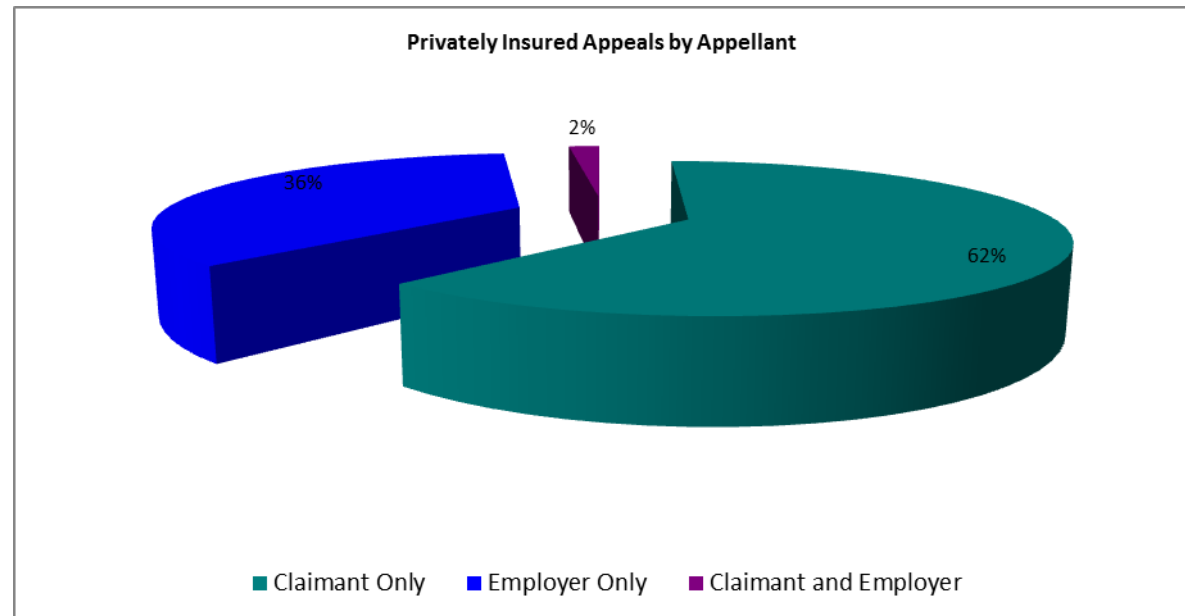
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	117
Employer Only	15
Commission Only	26
Claimant and Employer	1
Claimant and Commission	1
Old Fund Total	160



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

Appellant	Count
Claimant Only	388
Employer Only	226
Claimant and Employer	11
Privately Insured Total	625
Total Appeals	785



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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	18	1	5.6	17	94.4
CL % BOARD FINDING	3	0	0.0	3	100.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	5	0	0.0	5	100.0
CL D/G PROV CHNG	1	0	0.0	1	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	2	0	0.0	2	100.0
CL DNY/GRNT R/O PPD	1	1	100.0	0	0.0
CL INITIAL TTD	2	0	0.0	2	100.0
CL NON-MED ORDER	1	0	0.0	1	100.0
CL PTD REV. BODY DETERMINATION	3	3	100.0	0	0.0
CL REJ OCC DISEASE	1	0	0.0	1	100.0
CL REJECT CLAIM	10	0	0.0	10	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	1	1	100.0	0	0.0
CL SI DY/GNT R/O TTD	2	0	0.0	2	100.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	3	0	0.0	3	100.0
CL SI SL CATEGORY	1	0	0.0	1	100.0
CL SI TRMT DENY	9	1	11.1	8	88.9
CL SPL CATEGORY	2	2	100.0	0	0.0
CL TRMT DENY	24	4	16.7	20	83.3
CL TTD	1	0	0.0	1	100.0
EM % BOARD FINDING	1	0	0.0	1	100.0
EM DENY/GRNT DTH BEN	1	0	0.0	1	100.0
EM GRNT/DNY VOC REHA	1	1	100.0	0	0.0
Not All Parties cc'd	1	0	0.0	1	100.0
<b>Totals</b>	105	16	15.2	89	84.8

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	101	5	5.0	96	95.0
CL % BOARD FINDING	8	1	12.5	7	87.5
CL ADD BOARD FINDING	5	3	60.0	2	40.0
CL ADDL % AWARD D/G	11	3	27.3	8	72.7
CL APP.THRESHOLD	4	3	75.0	1	25.0
CL BEN. OVERPAYMENT	3	0	0.0	3	100.0
CL CLOSING THE CLAIM	55	1	1.8	54	98.2
CL COMPENSABILITY	13	0	0.0	13	100.0
CL D/G PROV CHNG	3	0	0.0	3	100.0
CL DENY/GRANT PTD	10	10	100.0	0	0.0
CL DENY/GRNT DTH BEN	11	10	90.9	1	9.1
CL DENY/GRNT R/O TTD	23	0	0.0	23	100.0
CL DNY/GRNT R/O PPD	7	3	42.9	4	57.1
CL DNY/GRNT R/O PTD	2	2	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0
CL INITIAL TTD	6	0	0.0	6	100.0
CL NON-MED ORDER	4	2	50.0	2	50.0
CL OIC %AWRD DNY/GNT	1	0	0.0	1	100.0
CL OIC ADD% AWRD D/G	1	1	100.0	0	0.0
CL PRSTS BEN RATE	2	0	0.0	2	100.0
CL PTD REV. BODY DETERMINATION	10	10	100.0	0	0.0
CL REJ OCC DISEASE	14	2	14.3	12	85.7
CL REJECT CLAIM	98	0	0.0	98	100.0
CL SEC.CONDITION	52	3	5.8	49	94.2
CL SI %AWARD DNY/GNT	35	5	14.3	30	85.7
CL SI AD.BRD FINDING	3	0	0.0	3	100.0
CL SI ADD% AWARD D/G	7	4	57.1	3	42.9
CL SI APP.THRESHOLD	1	0	0.0	1	100.0
CL SI AUT/RPR HA D/G	2	2	100.0	0	0.0
CL SI CLSING THE CLM	13	1	7.7	12	92.3
CL SI COMPENSABLE	6	0	0.0	6	100.0
CL SI D/G 104 WKS	1	1	100.0	0	0.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0
CL SI DY/GNT DTH BEN	9	7	77.8	2	22.2
CL SI DY/GNT R/O PPD	5	3	60.0	2	40.0
CL SI DY/GNT R/O TTD	13	0	0.0	13	100.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0
CL SI G/D VOC REHAB	1	0	0.0	1	100.0
CL SI IEB DETRM'TION	1	1	100.0	0	0.0
CL SI REJ OCCDISEASE	1	0	0.0	1	100.0
CL SI REJECT CLAIM	22	0	0.0	22	100.0
CL SI SEC.CONDITION	16	0	0.0	16	100.0
CL SI SL CATEGORY	2	0	0.0	2	100.0
CL SI TRMT DENY	68	16	23.5	52	76.5
CL SI TRMT GRANT	1	0	0.0	1	100.0
CL SPL CATEGORY	8	2	25.0	6	75.0
CL TRMT DENY	199	53	26.6	146	73.4
CL TRMT GRANT	2	1	50.0	1	50.0
CL TTD	9	0	0.0	9	100.0
CL% SI BOARD FINDING	3	1	33.3	2	66.7
EM % BOARD FINDING	2	0	0.0	2	100.0
EM ADD BOARD FINDING	1	0	0.0	1	100.0
EM DENY/GRNT DTH BEN	1	0	0.0	1	100.0
EM GRNT/DNY VOC REHA	1	1	100.0	0	0.0
EM OIC SPL CATEGORY	1	0	0.0	1	100.0
EM SI DENY/GRANT PTD	1	1	100.0	0	0.0
NonPrstable Protest	2	0	0.0	2	100.0
Not All Parties cc'd	4	1	25.0	3	75.0
<b>Totals</b>	<b>890</b>	<b>163</b>	<b>18.3</b>	<b>727</b>	<b>81.7</b>

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

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	19	12	63.2	6	31.6	0	0.0	1	5.3
CL % BOARD FINDING	3	3	100.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	5	3	60.0	2	40.0	0	0.0	0	0.0
CL D/G PROV CHNG	1	1	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	0	0.0	0	0.0	0	0.0	1	100.0
CL DENY/GRNT R/O TTD	2	2	100.0	0	0.0	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 INITIAL TTD	2	1	50.0	1	50.0	0	0.0	0	0.0
CL NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	3	2	66.7	0	0.0	0	0.0	1	33.3
CL REJ OCC DISEASE	1	1	100.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	10	4	40.0	6	60.0	0	0.0	0	0.0
CL SEC.CONDITION	6	2	33.3	4	66.7	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	1	0	0.0	1	100.0	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
CL SI REJECT CLAIM	2	2	100.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	3	1	33.3	2	66.7	0	0.0	0	0.0
CL SI SL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	9	3	33.3	6	66.7	0	0.0	0	0.0
CL SPL CATEGORY	2	1	50.0	0	0.0	0	0.0	1	50.0
CL TRMT DENY	24	15	62.5	7	29.2	0	0.0	2	8.3
CL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0
EM % BOARD FINDING	1	0	0.0	1	100.0	0	0.0	0	0.0
EM DENY/GRNT DTH BEN	1	0	0.0	1	100.0	0	0.0	0	0.0
EM GRNT/DNY VOC REHA	1	1	100.0	0	0.0	0	0.0	0	0.0
Not All Parties cc'd	1	1	100.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>106</b>	<b>61</b>	<b>57.5</b>	<b>39</b>	<b>36.8</b>	<b>0</b>	<b>0.0</b>	<b>6</b>	<b>5.7</b>

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

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	69	84.1%	57.0%	448	87.5%	59.3%
	DISMISSED	5	6.1%	4.1%	28	5.5%	3.7%
	MODIFY				2	0.4%	0.3%
	REMAND	3	3.7%	2.5%	14	2.7%	1.9%
	REVERSE	5	6.1%	4.1%	20	3.9%	2.6%
	Total Dispositions	82			512		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	2	100.0%	1.7%	9	81.8%	1.2%
	MODIFY				1	9.1%	0.1%
	REVERSE				1	9.1%	0.1%
	Total Dispositions	2			11		
<b>EMPLOYER</b>	AFFIRMED	25	75.8%	20.7%	143	68.1%	18.9%
	DISMISSED	3	9.1%	2.5%	24	11.4%	3.2%
	MODIFY	1	3.0%	0.8%	5	2.4%	0.7%
	REMAND	2	6.1%	1.7%	6	2.9%	0.8%
	REVERSE	2	6.1%	1.7%	32	15.2%	4.2%
	Total Dispositions	33			210		
<b>DIVISION/OIC</b>	AFFIRMED	1	25.0%	0.8%	13	56.5%	1.7%
	DISMISSED	2	50.0%	1.7%	5	21.7%	0.7%
	MODIFY				1	4.3%	0.1%
	REVERSE	1	25.0%	0.8%	4	17.4%	0.5%
	Total Dispositions	4			23		
	Grand Totals	121			756		

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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	12	9	75.0	2	16.7	1	8.3	0	0.0	0	0.0	0	0.0	0	0.0
CL % BOARD FINDING	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL ADD BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	4	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	8	7	87.5	0	0.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	5	4	80.0	1	20.0	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	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	23	22	95.7	0	0.0	0	0.0	0	0.0	1	4.3	0	0.0	0	0.0
CL SEC.CONDITION	17	13	76.5	0	0.0	3	17.6	0	0.0	1	5.9	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	6	5	83.3	0	0.0	1	16.7	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 CLSING THE CLM	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	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	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	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	3	1	33.3	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	26	15	57.7	4	15.4	4	15.4	1	3.8	2	7.7	0	0.0	0	0.0
CL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM GRNT/DNY VOC REHA	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Not All Parties cc'd	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>132</b>	<b>101</b>	<b>76.5</b>	<b>10</b>	<b>7.6</b>	<b>15</b>	<b>11.4</b>	<b>1</b>	<b>0.8</b>	<b>5</b>	<b>3.8</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, 2013 Thru September 30, 2013

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	90	75	83.3	8	8.9	6	6.7	0	0.0	1	1.1	0	0.0	0	0.0
CL % BOARD FINDING	8	7	87.5	0	0.0	0	0.0	0	0.0	1	12.5	0	0.0	0	0.0
CL ADD BOARD FINDING	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	15	12	80.0	1	6.7	2	13.3	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	5	3	60.0	1	20.0	1	20.0	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	50	42	84.0	5	10.0	3	6.0	0	0.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	20	12	60.0	2	10.0	3	15.0	1	5.0	2	10.0	0	0.0	0	0.0
CL D/G PROV CHNG	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	10	10	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	10	71.4	2	14.3	2	14.3	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	9	6	66.7	3	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	11	5	45.5	2	18.2	3	27.3	0	0.0	1	9.1	0	0.0	0	0.0
CL NON-MED ORDER	4	0	0.0	1	25.0	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	6	3	50.0	1	16.7	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL REJ OCC DISEASE	13	9	69.2	2	15.4	2	15.4	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	97	78	80.4	6	6.2	10	10.3	0	0.0	3	3.1	0	0.0	0	0.0
CL SEC.CONDITION	62	51	82.3	1	1.6	8	12.9	1	1.6	1	1.6	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	34	24	70.6	5	14.7	3	8.8	0	0.0	2	5.9	0	0.0	0	0.0
CL SI AD.BRD FINDING	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI APP.THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	13	9	69.2	2	15.4	0	0.0	2	15.4	0	0.0	0	0.0	0	0.0
CL SI COMPENSABLE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	5	5	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	10	10	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL SI REJECT CLAIM	20	16	80.0	1	5.0	2	10.0	0	0.0	1	5.0	0	0.0	0	0.0
CL SI SEC.CONDITION	9	8	88.9	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	3	2	66.7	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	58	50	86.2	6	10.3	1	1.7	0	0.0	1	1.7	0	0.0	0	0.0
CL SI TRMT GRANT	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SPL CATEGORY	7	5	71.4	0	0.0	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	172	142	82.6	12	7.0	10	5.8	2	1.2	6	3.5	0	0.0	0	0.0
CL TRMT GRANT	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	9	9	100	0	0	0	0	0	0	0	0	0	0	0	0
CL% SI BOARD FINDING	3	3	100	0	0	0	0	0	0	0	0	0	0	0	0
EM ADD BOARD FINDING	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM GRNT/DNY VOC REHA	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DENY/GRANT PTD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM SI DY/GNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
NonPrstable Protest	2	0	0	0	0	1	50	0	0	1	50	0	0	0	0
Not All Parties cc'd	4	3	75	1	25	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>818</b>	<b>659</b>	<b>80.562</b>	<b>64</b>	<b>7.824</b>	<b>67</b>	<b>8.1907</b>	<b>7</b>	<b>0.8557</b>	<b>21</b>	<b>2.5672</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Workers' Compensation - Revenue Recovery**  
*September 2013*

<b>COLLECTION ACTIVITY</b>	
<b>Receipts - Old Fund</b> (Employer out of business)	\$ 9,204.59
<b>Receipts - PC &amp; NU</b> (Private Carrier Cancellation & Rogue Employers)	\$ 57,358.88
<b>Receipts - Payment Agreements</b> (Old Fund and UEF Combined)	\$ 8,178.22
# of active accounts uninsured (cumulative)	356
\$ of active accounts uninsured (cumulative)	\$ 1,225,168.00
Telephone contacts	1,304
Walk-ins	8
<b>LIENS</b>	
Liens sent to county clerks for recordation	71
Liens sent to county clerks for release	50
Intent to lien letters sent to employer/owner/officer/member	60
<b>Uninsured Accounts Resolved</b>	213
<b>All Cash Receipts from WC accounts</b>	\$ 74,741.69

<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	6
Hearings attended	0
# of injunction complaints accepted by court	1
# of injunctions granted	0
# of agreed orders entered	0
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	7
Agreements set up	7
Total # of agreements on system (cumulative)	56
Intent to void letters mailed	2
Agreements voided	3
<b>MISCELLANEOUS</b>	
Terminations Processed	46
Rule 11 Letters Mailed	174
Rule 11 hearings	0

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTE

Board Meeting  
October 31, 2013

## OPERATING REPORT AUGUST 2013

### Board of Treasury Investments

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

### Board of Directors

John D. Perdue,  
State Treasurer,  
Chairman  
  
Earl Ray Tomblin,  
Governor  
  
Glen B. Gainer III,  
State Auditor  
  
Martin Glasser, Esq.  
Attorney  
Appointed by the  
Governor  
  
Richard "Chap"  
Donovan, CPA  
Appointed by the  
Governor

### Executive Staff

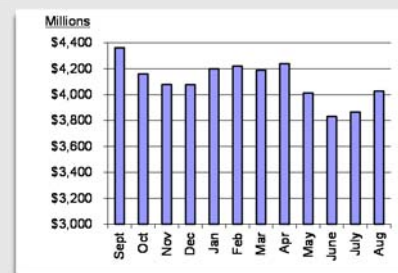
Executive  
Director  
Kara K. Hughes,  
CPA, MBA, CFE  
  
Chief Financial  
Officer  
Karl Shanholtzer,  
CIA, CPA

### Total Net Assets Under Management

**\$4,026,892,000**

Last Month  
**\$3,866,125,000**

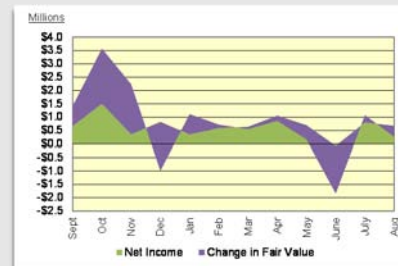
Beginning of Fiscal Year  
**\$3,831,716,000**



Net Assets for the Past  
12 Months

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$1,338,000**



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

### Money Market Pools As of August 31, 2013

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1118%	.1123%	.1175%	50 Days	\$2.5 Billion
WV Gov't Money Market	.0274%	.0229%	.0272%	55 Days	\$342.5 Million

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

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

# **WEST VIRGINIA BOARD OF TREASURY INVESTMENTS**

## **THE ECONOMIC STATE**

### **AUGUST 2013**

---

#### **August Sees Opportunity to Evaluate Risk Exposure**

##### **Market Environment**

Global equity markets were pulled lower in August by concerns around an impending “tapering” of accommodative monetary policy in the US, and fears of escalating conflict in Syria affecting global energy supplies. Led downward by the shares of smaller companies, US stocks underperformed non-US equity, reversing a trend that held for most of the year so far. Yields on US Treasuries continued to climb during the month as investors priced in expectations of a less supportive Federal Reserve, with the 10-year note ending the month at 2.78%, up more than 1% since the start of the year. While rising rates typically push bond prices down, emerging market bonds issued in local currency fared the worst amid expectations of lower growth that are fueling alarm about a possible balance of payment squeeze in a number of developing countries. Commodities--led higher by spiking oil prices powered by unrest in the Middle East, and, renewed interest in gold as a hedge against macro risks--were the best performing asset category in August.

It has been a difficult year for diversified investment portfolios: US stocks, by far, have been the best performing asset category, while non-US developed market equities lagged. Treasuries, TIPS, bonds, commodities, and emerging markets--equity and debt--are in the red so far this year. The historically volatile month of September is unlikely to put investors at ease as we face a gamut of uncertainties, ranging from conflict in the Middle East to a pivotal election in Germany, and a new stance by the Fed. We take this opportunity to remind investors that allocations to a balanced set of risk exposures are the best way to be positioned for the long-term. In August, diversification was somewhat rewarded, as US equities sold off more than any other category with the exception of local currency emerging market debt. In addition, as we evaluate global markets, we recognize that emerging economy stocks and bonds appear attractive on a valuation basis. While it has been painful to buy into these markets amidst their decline so far this year, we recommend investors reallocate to emerging stock and bond markets on a measured basis over the coming months as we acknowledge the possibility of more volatility in the near term. For investors with the ability to lock-up capital, we continue to see compelling opportunities in private markets, particularly in strategies which replace traditional bank activities such as direct lending.

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

Equity markets fell across the board in August. Broad US stock market indices, including the S&P 500 and Russell 3000 Index, posted negative returns of 2.9% and 2.8%, respectively. Small cap stocks reversed their recent torrid streak, falling 3.2% as measure by the Russell 2000 Index. Calendar year-to-date, U.S. returns remain strong with the Russell 3000 Index posting a year-to-date return of 16.9%.

International equity markets also generated negative returns for the month. Once again, developed markets outperformed their less developed counterparts. Developed markets, represented by the MSCI EAFE Index, fell 1.3%, while their less established brethren, represented by the MSCI Emerging Markets Index, fell 1.9%.

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

Bond market results were nearly all negative in August. The Barclays Capital Aggregate Index, a broad measure of the US bond market, declined 0.5%. Global bonds fared slightly better, as the JP Morgan Non-US WGBI (unhedged) fell 0.4%. The Citigroup 3-month T-bill generated a 0.01% return, while 3-month Libor was up 0.02%.

# West Virginia Board of Treasury Investments

## Financial Highlights as of August 31, 2013

### WV Short Term Bond Pool

#### Rates of Return for the Past 12 Months

*Net of All Fees*

<u>September 1 - August 31</u>	<u>Return</u>	<u>Net Assets At August 31 (In Millions)</u>
2013	0.5%	\$ 716.6
2012	1.1%	\$ 500.0
2011	1.1%	\$ 473.6
2010	3.1%	\$ 459.4
2009	4.8%	\$ 342.3

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

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

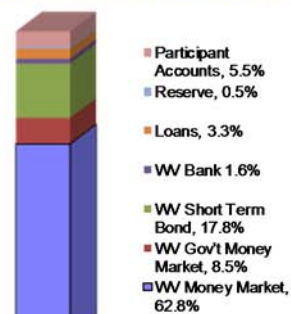
*Past 12 Months  
September 1 - August 31*



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

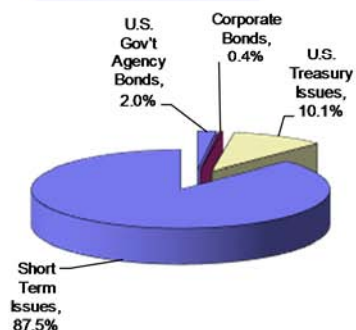
<u>Pool</u>	<u>Net Asset Value</u>	<u>Aug Net Income</u>	<u>Fiscal YTD Net Income</u>
WV Money Market	\$2,528,959	\$ 268	\$ 511
WV Gov't Money Market	342,487	8	16
WV Short Term Bond	716,634	40	771
WV Bank	65,043	7	13
Loans	131,940	(98)	(44)
Reserve	21,710	5	10
Participant Accounts	220,119	30	60
	<u>\$4,026,892</u>	<u>\$ 260</u>	<u>\$ 1,337</u>

#### Percent of Total Net Asset Value

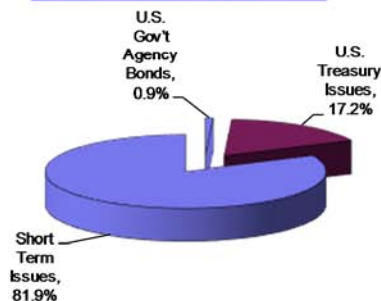


### Securities by Type for Operating Pools (Percentage of Asset Value)

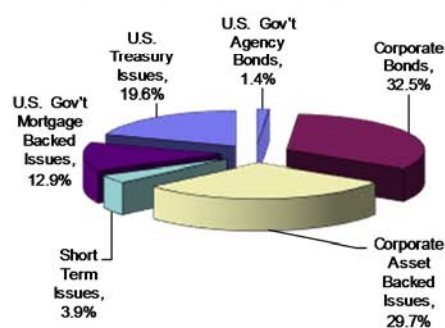
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



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

**AUGUST 31, 2013**

(IN THOUSANDS)

	<b>WV Money Market Pool</b>	<b>WV Government Money Market Pool</b>	<b>WV Short Term Bond Pool</b>	<b>WV Bank Pool</b>	<b>Other Pools</b>	<b>Participant Directed Accounts</b>
<b>Assets</b>						
Investments:						
At amortized cost	\$ 2,538,138	\$ 342,377		\$ 65,017	\$ 153,630	\$ 216,300
At fair value	-	-	\$ 715,321	-	-	3,296
Cash	-	-	-	-	-	-
Other assets	1,028	141	1,864	28	24	523
Total assets	2,539,166	342,518	717,185	65,045	153,654	220,119
<b>Liabilities</b>						
Accrued expenses, dividends payable & payable for investments purchased	10,207	31	551	2	4	-
Total liabilities	10,207	31	551	2	4	-
<b>Net Assets</b>	<b>\$ 2,528,959</b>	<b>\$ 342,487</b>	<b>\$ 716,634</b>	<b>\$ 65,043</b>	<b>\$ 153,650</b>	<b>\$ 220,119</b>
<b>Investment income</b>						
Interest and dividends	\$ 455	\$ 54	\$ 858	\$ 9	\$ 24	\$ 141
Net accretion (amortization)	(48)	(24)	(363)	-	-	(87)
Provision for uncollectible loans	-	-	-	-	(113)	-
Total investment income	407	30	495	9	(89)	54
<b>Expenses</b>						
Fees	139	22	65	2	4	-
Total expenses	139	22	65	2	4	-
Net investment income	268	8	430	7	(93)	54
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(390)	-	-	(24)
Net gain (loss) from investments	-	-	(390)	-	-	(24)
<b>Net increase (decrease) in net assets from operations</b>	268	8	40	7	(93)	30
<b>Distributions to participants</b>	268	8	430	7	(93)	-
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	969,818	74,152	912	14	10	14
Redemptions and withdrawals	853,316	30,091	2	7	376	-
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
<b>Net increase (decrease) in net assets from participant activity</b>	116,502	44,061	910	7	(366)	14
Increase (decrease) in net assets	116,502	44,061	520	7	(366)	44
Net assets at beginning of period	2,412,457	298,426	716,114	65,036	154,016	220,075
<b>Net assets at end of period</b>	<b>\$ 2,528,959</b>	<b>\$ 342,487</b>	<b>\$ 716,634</b>	<b>\$ 65,043</b>	<b>\$ 153,650</b>	<b>\$ 220,119</b>



To: Joint Committee on Government and Finance  
Legislative Oversight Commission on Education Accountability  
From: West Virginia Workforce Investment Council  
Re: §5B-2B-4a. Report to Legislature  
Date: October 21, 2013

Activity within the Marcellus Shale Gas Field continues to have a positive impact on West Virginia's economy. Statewide employment in oil and gas extraction core industries in 2012 has grown by 2,123, an improvement of just slightly over 20 percent since 2011. The average wage has increased by nearly \$5,500 during this period, from a level of \$70,082 to an annual average wage of \$75,580 in 2012.

Primarily, employment and wage growth has occurred in two industry sectors. Establishments engaged in **Oil and Gas Pipeline and Related Structures Construction (237120)** have shown significant increases over the year. Employment in this sector stood at 1,920 in 2011, but had expanded to 3,941 by 2012, an increase of 2,021 or 105.3 percent. Wages during this period grew by approximately 13.3 percent from an average wage of \$71,723 in 2011 to an average wage of \$81,250 in 2012. The other sector experiencing considerable employment and wage gains was **Support Activities for Oil and Gas Operations (213112)**. In 2011, statewide employment in this sector was 3,793, and rose to 4,074 in 2012, a gain of 281, or 7.4 percent. The average annual wage climbed from \$59,969 in 2011 to \$63,607 in 2012, an increase of \$3,638 or 6.1 percent. Though both industry sectors include **oil and gas** in their definition of activities, there can be no doubt the current upswing in activity within the two can be attributed to activity in the Marcellus Shale gas field.

### Workforce Investment Board Regional Activity

Employment and wage activity related to oil and gas extraction varied considerably across the state's seven workforce investment areas. Within Workforce Investment Area 1, wages rose slightly between 2011 and 2012, climbing from \$68,956 to \$70,669. Employment declined, however falling from 474 to 400, or 15.6 percent.

Workforce Investment Area 2 saw an increase in the oil and gas core sectors, climbing 224, or 28.6 percent. Wages rose from \$71,823 to \$80,031.

Workforce Investment Area 3 experienced a decline in employment in these core sectors, falling 197, or 11.8 percent. However, wages rose from \$89,294 to \$94,929.

Workforce Investment Area 4 experienced a gain of only 76 in oil and gas core industries between 2011 and 2012. This amounts to an employment increase of roughly 5 percent. Wages climbed slightly from \$47,650 to \$51,812.

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)



Workforce Investment Area 5 experienced growth of 130, an increase of 56 percent. Wages rose from \$68,284 to \$70,504.

Workforce Investment Area 6 contained the largest employment in oil and gas related sectors among the regions. Employment climbed 186, from 4,275 to 4,461, between 2011 and 2012, a gain of only 4.4 percent. The average wage was nearly unchanged, climbing slightly from \$71,048 to \$71,674.

Workforce Investment Area 7 contains little activity in the oil and gas extraction related sectors. Employment rose only 2 over the year, although wages jumped considerably from \$71,661 to \$74,808.

### **Employment Change by Race, Gender, and Ethnicity**

Between Q2 2008 and Q2 2012, employment at the state level fell in two core oil and gas industry NAICS codes: **Oil and Gas Extraction (2111)** and **Pipeline Transportation of Natural Gas (4862)**. Employment fell by 12.7 percent in **Oil and Gas Extraction** and 26 percent in **Pipeline Transportation**. During this same period, however, employment grew in **Support Activities for Mining (2131)** by 24.2 percent, and in **Utility System Construction (2371)** by 53.4 percent.

These industry sectors are dominated by male employees, but female workers have made some inroads into the oil and gas industry between 2008 and 2012. The number of female employees grew by 36.9 percent within **Support Activities for Mining (2131)**, and by 57.6 percent within **Utility System Construction (2371)** during this period.

Employment gains by race and ethnicity varied by industry sector, but some notable employment increases by percentage for **Support Activities for Mining (2131)** included 22.3 percent for whites, 160 percent for blacks, 52.9 percent for American Indians, 250 percent for Asians, and 260 percent for Hispanics. Notable employment gains by race and ethnicity within **Utility System Construction (2371)** included 51 percent for whites, 255 percent for blacks, 273 percent for American Indians, 156 percent for Asians, and 310 percent for Hispanics.

According to WorkForce West Virginia, 2,013 people who received unemployment benefits gained employment in a subsequent quarter of 2012 in one of the six core oil and gas industry sectors. Of these 2,013, there were 970 of them who had not been employed within one of these six sectors prior to 2012.

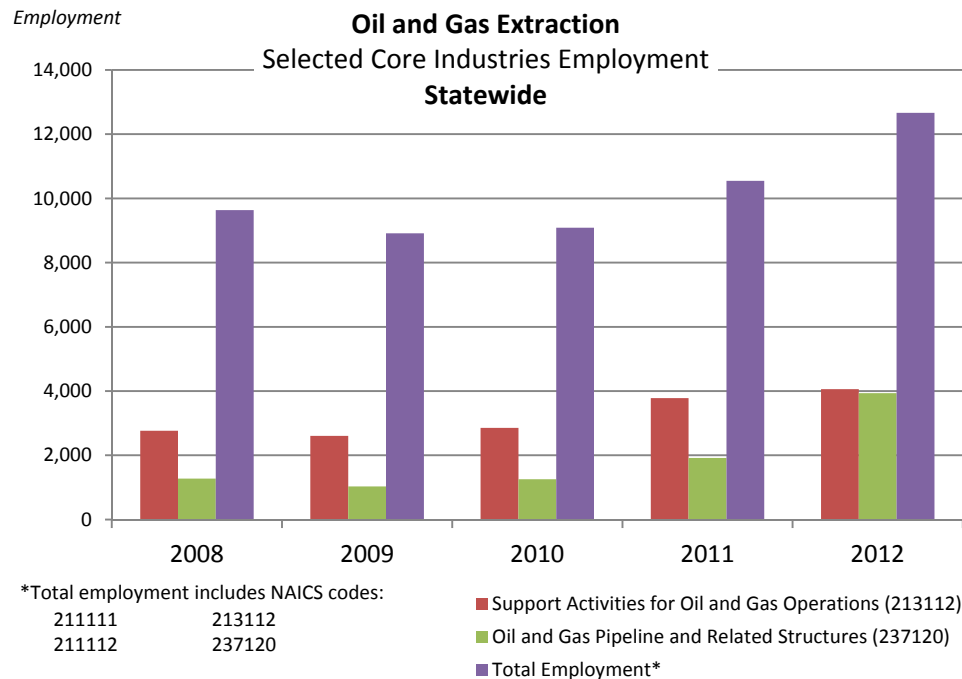
**Recommendations for the establishment of an overall workforce investment public education agenda with goals and benchmarks toward maximizing job creation opportunities in the state of West Virginia.** WorkForce West Virginia is actively pursuing this issue as a member of the State Workforce Planning Council, which includes leaders from the West Virginia Department of Education, the West Virginia Community and Technical College System, the West Virginia Higher Education Policy Commission, the West Virginia Development Office, along with the Secretary of Education and the Arts.

## Update on Employment and Wages and the Influence of the Marcellus Shale in West Virginia

An examination of employment and wages and the Marcellus Shale in a November 2012 WorkForce West Virginia report indicated the significant influence this industry is beginning to exert on the state's economy, as well as a movement towards a greater share of power generation by the gas industry sector. Recently released data from the Quarterly Census of Employment and Wages for 2012 provides an interesting additional twelve-month perspective to the earlier report. For example, statewide employment for those industry sectors within the gas industry grew by 20 percent from 10,549 in 2011 to a level of 12,666 in 2012. Most notably, the support activities of excavation, well surveying, and running and cutting casings expanded employment by 7.4 percent and 280 employees while the industry sector engaged in

construction of oil and gas pipelines and storage tanks grew by 105 percent and 2,016 jobs.

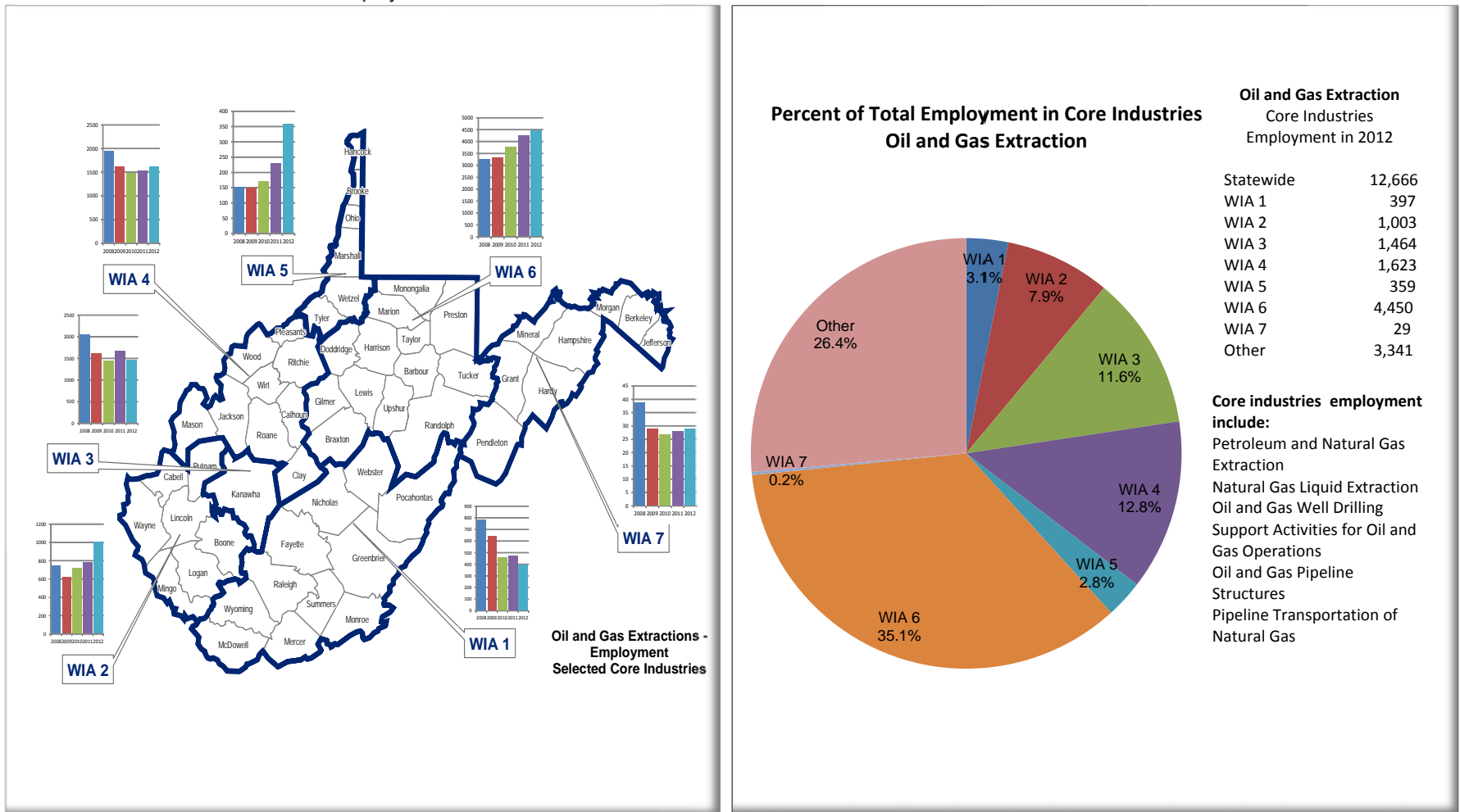
Figure 1



Not unexpected, the individual workforce investment areas (WIA) mimicked this movement in their labor force. Employment in WIA 2 increased by 222 or 28 percent, while WIA 5 expanded by 128 or 55 percent. By contrast, WIA 6 grew by only 4.4 percent and 187 additional jobs. The net effect through all seven WIAs was positive growth. However, that data alone does not explain all the movement in these industry sectors. There is employment outside these areas that cannot be connected to a specific WIA. Because the affected individuals work in different parts of the state throughout the year and are not identifiable to a particular WIA, for purposes of this update they will be identified as WIA 0 (zero). Employment in this group stood at 1,569 in 2011 and by 2012 had added 1,772,

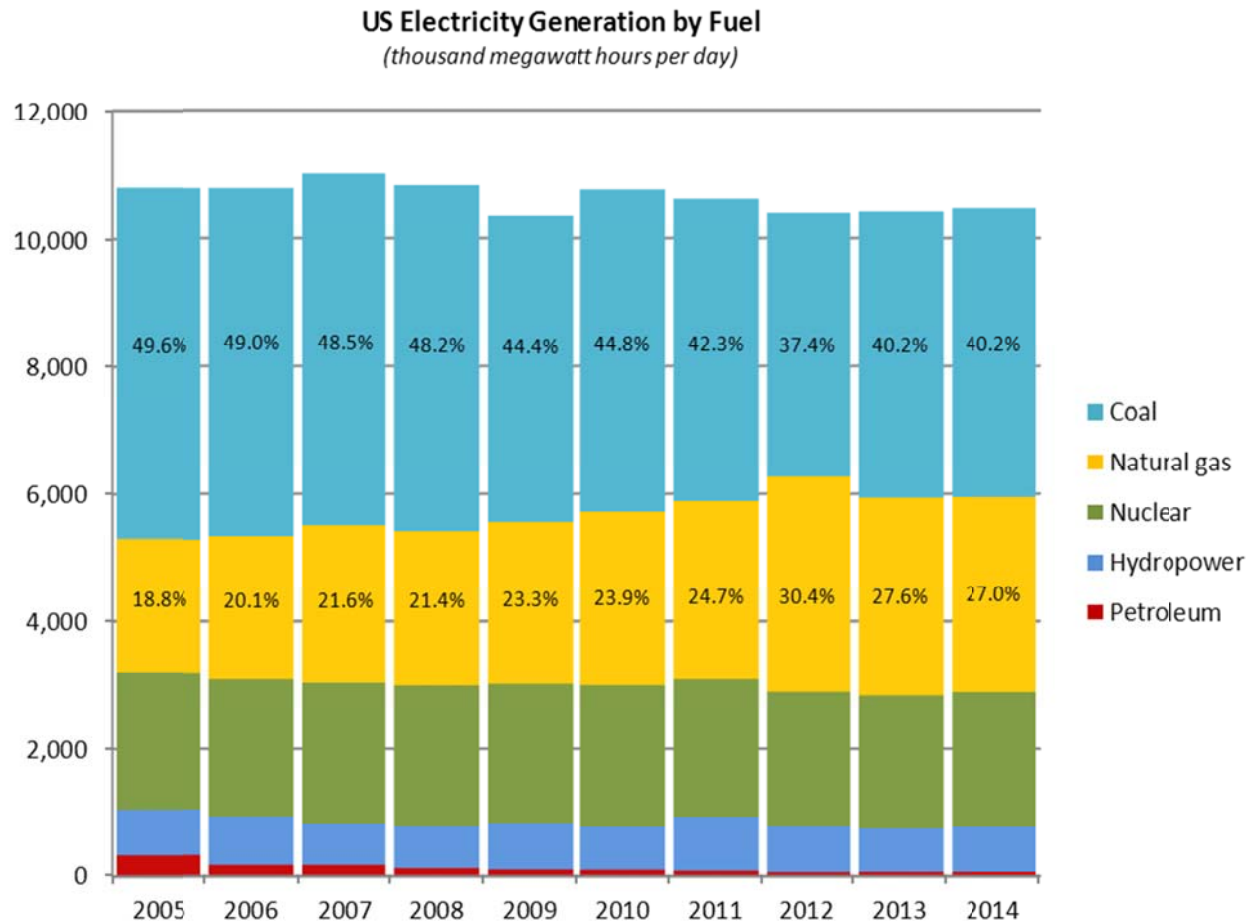
an expansion exceeding 113 percent. And as the pie chart in Figure 3 depicts, WIA 6 employment is the largest of the seven with more than 35 percent of the total.

Figure 2 Oil and Gas Extraction Employment 2008 - 2012



The growing influence of the Marcellus Shale and the natural gas industry in general is expected to continue. Data from U.S. Energy Information Administration (EIA) reveal electricity generation by natural gas exceeded 30 percent in 2012, and is forecast to level off to 27 percent through 2014 (See Figure 4). Coal has been the foremost supplier in the energy sector for many years, but if this relationship changes as it has in the recent past, the share of electricity generated by natural gas will continue to expand.

Figure 4



Labels show percentage share of total generation provided by coal and natural gas.  
Source: Short-Term Energy Outlook, June 2013. EIA

## Note:

### <sup>1</sup> Core Industries NAICS codes used for employment and wage analysis:

211111	Crude Petroleum and Natural Gas Extraction
211112	Natural Gas Liquid Extraction
213111	Drilling Oil and Gas Wells
213112	Support Activities for Oil and Gas Operations
237120	Oil and Gas Pipeline and Related Structures Construction
486210	Pipeline Transportation of Natural Gas

Table 1

## Select Oil and Gas Data for Workforce Investment Areas from Quarterly Census of Employment and Wages

Core Industries		2008				2009				2010				2011				2012			
NAICS	Title	Est.	Emp.	Total Wages	Avg. Wage	Est.	Emp.	Total Wages	Avg. Wage	Est.	Emp.	Total Wages	Avg. Wage	Est.	Emp.	Total Wages	Avg. Wage	Est.	Emp.	Total Wages	Avg. Wage
<b>STATEWIDE</b>																					
213112	Support Activities for Oil & Gas Operations	205	2,782	\$129,683,237	\$46,615	214	2,608	\$126,898,032	\$48,657	252	2,855	\$156,131,917	\$54,687	292	3,793	\$227,462,040	\$59,969	265	4,074	\$259,133,017	\$63,607
237120	Oil & Gas Pipeline & Related Structures	67	1,276	\$76,979,554	\$60,329	69	1,026	\$55,731,065	\$54,319	75	1,253	\$81,445,426	\$65,000	88	1,920	\$137,708,242	\$71,723	100	3,941	\$320,204,425	\$81,250
<b>Totals</b>		<b>682</b>	<b>9,664</b>	<b>\$598,180,284</b>	<b>\$61,898</b>	<b>678</b>	<b>8,933</b>	<b>\$564,466,349</b>	<b>\$63,189</b>	<b>737</b>	<b>9,110</b>	<b>\$587,576,156</b>	<b>\$64,498</b>	<b>825</b>	<b>10,580</b>	<b>\$741,466,533</b>	<b>\$70,082</b>	<b>771</b>	<b>12,703</b>	<b>\$960,086,592</b>	<b>\$75,580</b>
<b>Workforce Investment Area 1</b>																					
<b>Totals</b>		<b>33</b>	<b>787</b>	<b>\$55,514,358</b>	<b>\$70,539</b>	<b>33</b>	<b>648</b>	<b>\$42,777,745</b>	<b>\$66,015</b>	<b>32</b>	<b>460</b>	<b>\$32,320,284</b>	<b>\$70,261</b>	<b>40</b>	<b>474</b>	<b>\$32,685,002</b>	<b>\$68,956</b>	<b>36</b>	<b>400</b>	<b>\$28,267,414</b>	<b>\$70,669</b>
<b>Workforce Investment Area 2</b>																					
213111	Drilling Oil & Gas Wells	5	14	\$406,205	\$29,015	4	51	\$4,216,498	\$82,676	4	170	\$14,337,507	\$84,338	4	178	\$19,159,660	\$107,639	2	114	\$14,261,279	\$125,099
<b>Totals</b>		<b>55</b>	<b>747</b>	<b>\$44,706,361</b>	<b>\$59,848</b>	<b>59</b>	<b>623</b>	<b>\$35,949,476</b>	<b>\$57,704</b>	<b>59</b>	<b>721</b>	<b>\$47,019,232</b>	<b>\$65,214</b>	<b>57</b>	<b>782</b>	<b>\$56,165,768</b>	<b>\$71,823</b>	<b>53</b>	<b>1,006</b>	<b>\$80,510,863</b>	<b>\$80,031</b>
<b>Workforce Investment Area 3</b>																					
237120	Oil & Gas Pipeline & Related Structures	7	180	\$14,564,556	\$80,914	9	100	\$6,157,596	\$61,576	12	251	\$22,473,029	\$89,534	12	483	\$39,655,186	\$82,102	13	356	\$29,681,724	\$83,376
<b>Totals</b>		<b>89</b>	<b>2,064</b>	<b>\$165,196,111</b>	<b>\$80,037</b>	<b>89</b>	<b>1,616</b>	<b>\$141,166,308</b>	<b>\$87,355</b>	<b>98</b>	<b>1,448</b>	<b>\$123,829,115</b>	<b>\$85,517</b>	<b>94</b>	<b>1,667</b>	<b>\$148,852,897</b>	<b>\$89,294</b>	<b>88</b>	<b>1,470</b>	<b>\$139,545,419</b>	<b>\$94,929</b>
<b>Workforce Investment Area 4</b>																					
237120	Oil & Gas Pipeline & Related Structures	15	384	\$19,965,312	\$51,993	13	243	\$12,430,150	\$51,153	15	193	\$11,716,474	\$60,707	16	393	\$23,780,774	\$60,511	15	411	\$27,386,624	\$66,634
<b>Totals</b>		<b>186</b>	<b>1,959</b>	<b>\$81,411,562</b>	<b>\$41,558</b>	<b>180</b>	<b>1,634</b>	<b>\$67,589,948</b>	<b>\$41,365</b>	<b>186</b>	<b>1,488</b>	<b>\$65,894,349</b>	<b>\$44,284</b>	<b>187</b>	<b>1,550</b>	<b>\$73,857,121</b>	<b>\$47,650</b>	<b>179</b>	<b>1,626</b>	<b>\$84,246,492</b>	<b>\$51,812</b>
<b>Workforce Investment Area 5</b>																					
213112	Support Activities for Oil & Gas Operations	1	2	\$43,723	\$21,862	2	2	\$95,205	\$47,603	5	27	\$1,200,773	\$44,473	7	68	\$4,103,791	\$60,350	10	108	\$6,781,317	\$62,790
<b>Totals</b>		<b>22</b>	<b>154</b>	<b>\$8,732,990</b>	<b>\$56,708</b>	<b>19</b>	<b>148</b>	<b>\$9,033,726</b>	<b>\$61,039</b>	<b>25</b>	<b>173</b>	<b>\$11,606,242</b>	<b>\$67,088</b>	<b>33</b>	<b>232</b>	<b>\$15,841,970</b>	<b>\$68,284</b>	<b>34</b>	<b>362</b>	<b>\$25,522,285</b>	<b>\$70,504</b>
<b>Workforce Investment Area 6</b>																					
213112	Support Activities for Oil & Gas Operations	77	979	\$44,023,583	\$44,968	78	1,060	\$49,536,199	\$46,732	95	1,490	\$83,525,835	\$56,058	108	2,085	\$133,208,320	\$63,889	102	2,356	\$158,987,066	\$67,482
<b>Totals</b>		<b>216</b>	<b>3,259</b>	<b>\$202,290,844</b>	<b>\$62,071</b>	<b>209</b>	<b>3,335</b>	<b>\$211,032,145</b>	<b>\$63,278</b>	<b>227</b>	<b>3,779</b>	<b>\$246,996,790</b>	<b>\$65,360</b>	<b>248</b>	<b>4,275</b>	<b>\$303,730,245</b>	<b>\$71,048</b>	<b>242</b>	<b>4,461</b>	<b>\$319,737,347</b>	<b>\$71,674</b>
<b>Workforce Investment Area 7</b>																					
<b>Totals</b>		<b>6</b>	<b>40</b>	<b>\$2,425,443</b>	<b>\$60,636</b>	<b>6</b>	<b>29</b>	<b>\$2,083,727</b>	<b>\$71,853</b>	<b>6</b>	<b>27</b>	<b>\$1,981,611</b>	<b>\$73,393</b>	<b>6</b>	<b>27</b>	<b>\$1,934,842</b>	<b>\$71,661</b>	<b>5</b>	<b>29</b>	<b>\$2,169,420</b>	<b>\$74,808</b>

Source:

US Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 2

### Key Occupations in Marcellus Shale related core industries

SOC	SOC / Job Title	Ann Wage*	Education	Work Experience	Job Training
17-2171	Petroleum Engineers	\$110,355	Bachelor's Degree		
19-2042	Geoscientists, except Hydrologists & Geographers	\$60,177	Bachelor's Degree		
47-2061	Construction Laborers	\$34,724	Less than High School		Short-term on-the-job training
47-2073	Operating Engineers & Other Construction Equipment	\$44,856	High school diploma or equivalent		Moderate-term on-the-job training
47-2152	Plumbers, Pipefitters, & Steamfitters	\$46,386	High school diploma or equivalent		Apprenticeship
47-5011	Derrick Operators, Oil & Gas	\$44,844	Less than high school		Short-term on-the-job training
47-5012	Rotary Drill Operators, Oil & Gas	\$53,523	Less than high school		Moderate-term on-the-job training
47-5013	Service Unit Operators, Oil, Gas, & Mining	\$48,050	Less than high school		Moderate-term on-the-job training
47-5071	Roustabouts, Oil & Gas	\$27,464	Less than high school		Moderate-term on-the-job training
49-9041	Industrial Machinery Mechanics	\$42,267	High school diploma or equivalent		Long-term on-the-job training
51-4121	Welders, Cutters, Solderers, & Brazers	\$39,350	High school diploma or equivalent	< 1 year	Moderate-term on-the-job training
51-8092	Gas Plant Operators	\$63,747	High school diploma or equivalent		Long-term on-the-job training
53-3032	Truck Drivers, Heavy & Tractor-Trailer	\$34,681	High school diploma or equivalent	1 - 5 years	Short-term on-the-job training
53-7071	Gas Compressor & Gas Pumping Station Operators	\$53,765	Less than high school		Moderate-term on-the-job training
53-7073	Wellhead Pumpers	\$36,674	Less than high school	< 1 year	Moderate-term on-the-job training

\* 2013 Second Quarter

The majority of key occupations in Marcellus Shale related core industries require at least a high school diploma or equivalent and moderate –term on-the-job training.

Source: WorkForce West Virginia, Research, Information and Analysis, Occupational Employment Statistics, Occupational Employment and Wages 2013 Q3

Table 3

## Employment Change

NAICS	Industry	Year	All Races			Individual Races					Ethnicity
			Total	Male	Female	White	Black	American Indian	Asian	Native Hawaiian or other	Hispanic
2111	Oil and Gas Extraction	2008 Q2	2,418	1,909	509	2,385	15	3	4	n/a	20
		2012 Q2	2,111	1,748	363	2,086	8	5	4	n/a	18
2131	Support Activities for Mining <sup>(1)</sup>	2008 Q2	5,781	5,375	406	5,673	55	17	10	3	42
		2012 Q2	7,181	6,625	556	6,938	143	26	35	3	151
2371	Utility System Construction <sup>(2)</sup>	2008 Q2	3,599	3,396	203	3,541	20	11	9	n/a	40
		2012 Q2	5,520	5,200	320	5,347	71	41	23	3	164
4862	Pipeline Transportation of Natural Gas	2008 Q2	1,498	1,206	292	1,448	31	n/a	4	n/a	9
		2012 Q2	1,108	912	196	1,080	18	n/a	4	n/a	7

Source: US Census Bureau, Local Employment Dynamics (LED) Partnership

Note: LED data are only available down to the four-digit NAICS level of detail

1) Includes support activities for all forms of mining, including oil, gas, coal, metal, and mineral.

2) Includes Water and Sewer Line Construction (23711), Oil and Gas Pipeline Construction (23712) and Power and Communication Line Construction (23713)