



JOINT COMMITTEE
ON GOVERNMENT & FINANCE
INTERIM BOOK

Materials Distributed
September 7, 2025



Joint Committee on Government & Finance Interim Book

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West Virginia Department of Economic Development
Office of Broadband
Report to the
Joint Committee on Government and Finance

Prepared by the
West Virginia Office of Broadband
September 4, 2025

<https://broadband.wv.gov>

<https://internetforallwv.wv.gov>

American Rescue Plan Act (ARPA) Funding

The West Virginia Legislature's allocation of State Local Fiscal Recovery Funds (SLFRF) and General Revenue funding provided a historic \$100 million investment for broadband development in West Virginia. This funding will complement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the American Rescue Plan Act (ARPA). West Virginia was among the first four states in the nation to receive approval from the U.S. Treasury for funding under the ARPA CPF program in June 2022. West Virginia received \$136 million in ARPA CPF funding to support broadband development.

The ARPA SLFRF and CPF broadband funding allocations represent a major transition to state-led broadband development through which states will oversee the investment of broadband funding. CPF funding, combined with the Legislature's allocation of SLFRF funding in the amount of \$90 million and General Revenue Funding in the amount of \$10 million, provides a combined total of \$236 million for broadband development in West Virginia under ARPA.

The West Virginia Division of Economic Development, Office of Broadband (WVDED), in coordination with the West Virginia Broadband Enhancement Council, developed and launched the West Virginia Broadband Investment Plan (WVBIP). The WVBIP includes three separate programs for projects that can be awarded funding from Capital Projects Fund or State and Local Fiscal Recovery Fund (SLFRF). The programs were developed to align with ARPA rules and guidance and contain three well defined infrastructure grant initiatives.

Following Treasury guidelines, ARPA programs focus on last mile connections to locations without access to reliable wireline service of 25/3 Mbps. Deployed networks will deliver a minimum of 100/20 Mbps and are scalable to symmetrical 100 Mbps.

The WVBIP is designed to:

- Leverage Private Investment
- Involve Local Governments
- Encourage Public-Private Partnerships
- Connect the Unconnected

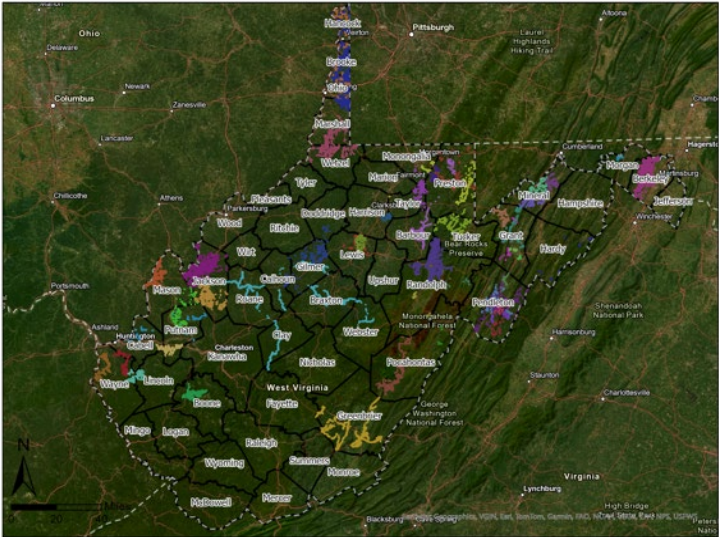
ARPA Investment to Date

In 2025, the WVDED recommended the final set of awards for broadband deployment projects under the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) and Capital Projects Fund (CPF) programs. To date, these projects represent a combined total allocation of more than \$204 million. Total investment to date includes \$124 million through the CPF program and \$80 million through the SLFRF program. Private investment has exceeded \$67 million, for a total investment of nearly \$274 million under West Virginia's ARPA initiative. As of the second quarter of 2025, more than \$20 million in SLFRF funds and more than \$15 million in CPF funds have been disbursed to grantees.

Progress reports are collected from grantees and submitted to the U.S. Treasury on a quarterly basis. As of July 2025, nearly 8,000 locations are now served by ARPA funded networks.

ARPA CPF and SLFRF Project Map

Eligible ARPA locations were determined by the 2024 BEAD challenge process and made available for funding as part of the Application Extension Round. A total of 47 projects will result in the construction of more than 4,100 miles of fiber infrastructure, providing broadband connectivity to more than 42,000 locations in 42 West Virginia counties.



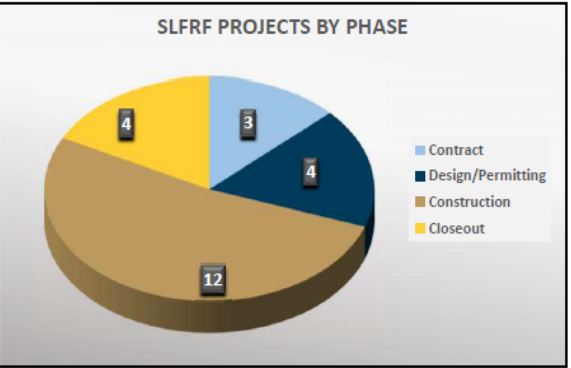
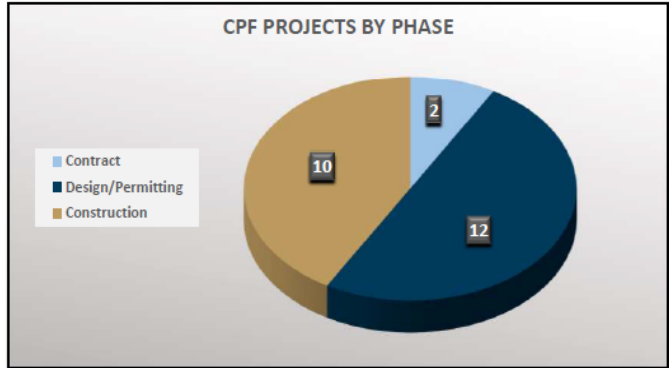
All awards will be made available to view in the [West Virginia Broadband Investment Plan Dashboard](#) and shown here.

ARPA Key Performance Indicators

The WVDED is currently coordinating with permitting stakeholders such as the WVDOH and pole owners to ensure projects are completed prior to the December 31, 2026, ARPA deadline. Projects are underway throughout West Virginia as shown below.

AWARDED PROJECTS BY PHASE			
	CPF	SLFRF	WIN*
Contract	2	3	0
Design/Permitting	12	4	1
Construction	10	12	0
Closeout	0	4	0

*WIN is a planning grant only.



Projects Completed to Date:

1. ARPA-SLFRF Citynet, Green Valley Line Extension
2. ARPA-SLFRF Citynet, Shavers Fork, Helvetia, Crestview Line Extension
3. ARPA-SLFRF Hardy Telecommunications, East Hardy Line Extension
4. ARPA-SLFRF Shentel, Grant County North Fork

Projects Currently in Construction

1. ARPA-CPF Armstrong Telecommunications - Wayne-Lincoln-East Lynn Extension
2. ARPA-SLFRF Citynet - Thornton, Gladesville & Morgantown South
3. ARPA-SLFRF Comcast - Brooke, Hancock, Marshall, Ohio Line Extension
4. ARPA-SLFRF Comcast - Cabell, Kanawha, Morgan, Putnam Line Extension
5. ARPA-CPF Comcast - Northern Panhandle
6. ARPA-SLFRF Frontier - Boone County, Turtle Creek
7. ARPA-SLFRF Frontier - West Mason
8. ARPA-CPF Frontier - Ravenswood
9. ARPA-CPF Frontier - Ripley
10. ARPA-SLFRF Frontier - Berkeley County; Hedgesville, Gerrardstown, Martinsburg, Inwood
11. ARPA-SLFRF Hardy Telecommunications, South Mill Creek Road Line Extension
12. ARPA-CPF Micrologic - Randolph County Fiber Deployment
13. ARPA-CPF Micrologic - Grant County MBPS-Maysville, New Creek, Cabins, Keyser
14. ARPA-SLFRF Prodigy - North-Central Preston Extensions
15. ARPA-SLFRF Prodigy - West Preston-Valley District Extension
16. ARPA-SLFRF Prodigy - East Monongalia and East Preston Rural Broadband
17. ARPA-SLFRF Prodigy - Tucker County, Parsons, Hambleton, Aurora
18. ARPA-SLFRF Prodigy - Preston to Barbour Rural Expansion
19. ARPA-CPF Roane EDA – Multi County Broadband
20. ARPA-CPF Spruce Knob - Pendleton County, Franklin, Milam
21. ARPA-CPF Spruce Knob - Pendleton County, Franklin, Upper Tract
22. ARPA-CPF Spruce Knob - Pendleton County, Brandywine, Sugar Grove, Milam

Projects Scheduled to Start Construction 2025-2026

1. ARPA-CPF Greenbrier County Commission: Greenbrier County
2. ARPA-SLFRF Shentel Lewis - County Broadband Project
3. ARPA-CPF Spruce Knob - Pendleton; Brandywine
4. ARPA-CPF Spruce Knob - Pendleton; Upper Tract
5. ARPA-CPF Spruce Knob - Pocahontas; Green Bank, Arbovale, Durbin
6. ARPA-SLFRF Citynet - Slatyfork, Marlinton, Hillsboro, Valley Head
7. ARPA-SLFRF Citynet - Marshall-Wetzel Fiber Expansion
8. ARPA-CPF Armstrong Telecommunications - Putnam: Hurricane, Culloden, Scott Depot
9. ARPA-CPF Lingo - East Pendleton Phase 1 Line Extension
10. ARPA-CPF Shentel - Grant County-Gormaniana, Bismarck, Mount Storm

Final Allocation of ARPA Broadband Funds Approved June 2025

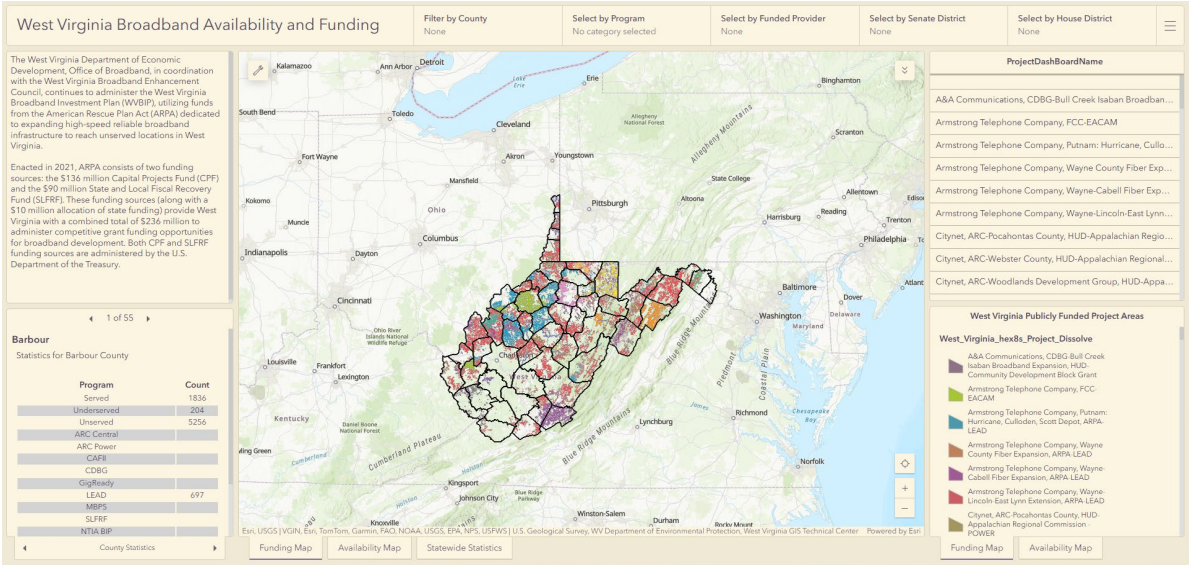
Governor Patrick Morrisey announced the final allocation of ARPA funds for the deployment of broadband infrastructure projects on June 20, 2025. Projects are funded through the ARPA State and Local Fiscal Recovery Fund (ARPA-SLFRF), and Capital Projects Fund (ARPA-CPF) as part of West Virginia's Line Extension Advancement and Development (LEAD) program.

West Virginia Broadband Dashboard

The West Virginia Broadband Dashboard tracks broadband availability and investment across West Virginia. The Office of Broadband created this interactive application to display information about broadband projects throughout the State. This dashboard is available at broadband.wv.gov.

Using the National Broadband Serviceable Location Fabric, FCC data, and other project data, the West Virginia Broadband Dashboard allows users to:

- Search addresses to determine locations within a project area,
- Search addresses to determine providers by area,
- View statistics and filter by county, senate district, and house district, programs and projects,
- View funding data by funding programs, specific project data, and rother metrics, such as address counts by project and provider.



Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

Since June 2023, when NTIA announced that West Virginia would be awarded \$1.2 billion in federal Broadband Equity, Access and Deployment (BEAD) funding for broadband development in West Virginia, the state had moved forward based on guidance from the National Telecommunication and Information Administration (NTIA), which administers the BEAD program. The historic investment in broadband infrastructure is key to realizing universal broadband access in West Virginia.

Prior to the state’s award, the state worked through a multi-step BEAD application which included a Five-Year Action Plan, Initial Proposal Volumes I and II, followed by a Final Proposal. As directed by NTIA, BEAD funding places the highest priority on expanding broadband to unserved locations, followed by underserved locations, and community anchor institutions.

West Virginia’s broadband access gap remains significant. However, ongoing projects are helping to increase the percentage of locations that have access to broadband connectivity. As of December 31, 2022, Federal Communications Commission (FCC) data showed that only 65.3% of West Virginia’s

Broadband Serviceable Locations (BSLs) were classified as fully served.¹ At the start of 2025, Federal Communications Commission (FCC) data showed that 78.31% of West Virginia's Broadband Serviceable Locations (BSLs) are now classified as fully served.

To be considered fully served under BEAD, a BSL must have a terrestrial or licensed fixed wireless internet service provider that provides, or could easily provide, a minimum connection speed of 100/20 Mbps, with latency less than or equal to 100 milliseconds. Underserved locations are subsequently defined as BSLs with maximum speeds between 25/3 Mbps, and 100/20 Mbps. Finally, unserved locations are defined by the BEAD program as BSLs with speeds less than 25/3 Mbps.²

Unserved and underserved locations exclude those with existing enforceable federal, state, or local commitments to provide service.³ Ongoing state and federal investments are projected to increase the number of connected BSLs, but there is still a long way to go to reach 100%.⁴ This gap in broadband access impedes full participation in an increasingly digital economy and limits economic growth.

The IJA includes three major programs:

1. Broadband Equity, Access, and Deployment (BEAD) Program (\$42.5 billion)
2. Digital Equity Act programs (\$2.75 billion-Terminated by NTIA in May 2025)
3. Enabling Middle Mile Broadband Infrastructure Program (BIP)

Each program is briefly detailed below:

1. Broadband, Equity, Access, and Deployment (BEAD)

- a. On June 26, 2023, NTIA announced that **West Virginia will receive \$1,210,800,969.15** in BEAD funding.
- b. West Virginia was among the first states in the nation to gain NTIA approval of its Initial Proposal Volume 1. The plan approval date was January 29, 2024, and is posted at broadband.wv.gov.
- c. West Virginia was among the first states in the nation to begin its BEAD Challenge Process.
 - The process began on February 10 and concluded on April 14, 2024.
 - A list of all challenged locations was publicly posted at broadband.wv.gov on April 24, 2024.
 - NTIA approved West Virginia's post-challenge results on August 20, 2024.
- d. West Virginia's Initial Proposal Volume 2 is posted at <https://broadband.wv.gov/>.
 - NTIA announced approval of the state's BEAD IPV II on April 18, 2024.
- e. West Virginia was among the first states in the nation to achieve approval of Initial Proposal Volume 2.
- f. West Virginia was among the first states in the nation to open its BEAD Full Application Portal.

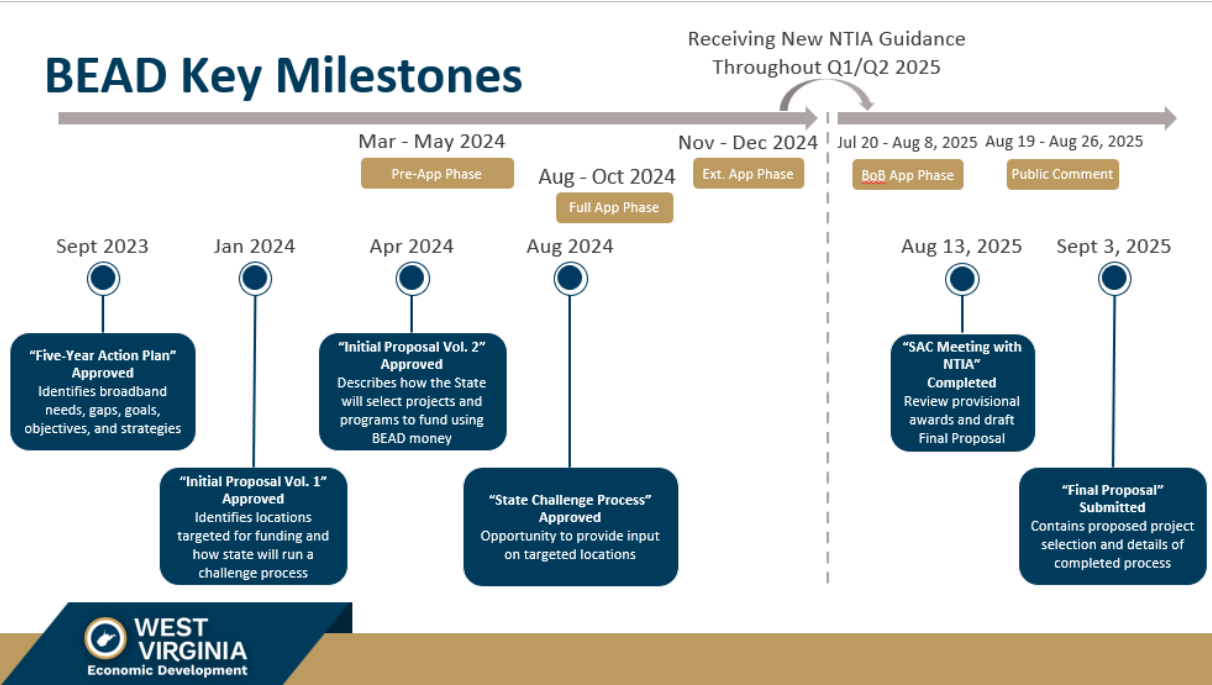
¹ This number reflects residential broadband availability rankings; the FCC does not provide data for statewide combined residential, mixed-use, and non-residential rankings.

² <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p16 and p17

³ NTIA, Notice of Funding Opportunity (NOFO) Broadband Equity, Access, and Deployment Program, <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p36

⁴ Derived from calculations by WVDED. For more details, please see Section 3.1.

- g. West Virginia conducted its Full Application phase on August 26-October 24, 2024: <https://broadband.wv.gov/west-virginia-bead-final-challenge-results-approved-by-ntia-project-application-portal-to-open-august-26-2024/>.
- h. WVDED conducted the BEAD Deployment Extension Application from November 13, 2024 to December 19, 2024. Learn more here: <https://broadband.wv.gov/west-virginia-opens-bead-extension-extension-target-areas-posted/>.



BEAD Key Milestones

As shown above, NTIA issued a BEAD Restructuring Policy Notice in June 2025. The policy created a new 90-day deadline for all states to submit their BEAD Final Proposals. The Final Proposal must be submitted to NTIA on or before September 4, 2025. The Notice revised several elements of the BEAD Program and required a "Benefit of the Bargain Round" prioritizing low-cost projects and a technology-neutral approach.

In accordance with the policy notice, the WVDED provided an opportunity for broadband service providers using specific technologies operating in West Virginia to claim and evidence a reclassification of broadband serviceable locations (BSLs) from eligible for BEAD Program funding to ineligible. This opportunity was available for providers of HFC, fiber-to-the-premises, licensed terrestrial fixed wireless, or licensed by-rule terrestrial fixed wireless service.

- Providers could submit claims and evidence for locations served by their own networks, and only for service availability to locations as of December 31, 2024, that the provider has previously submitted to the FCC. Responses were due June 25, 2025.

- West Virginia conducted the Benefit of the Bargain Round, July 10-20, 2025. New and existing BEAD applicants had the opportunity to provide new and revised projects during the Benefit of Bargain Round.
- West Virginia conducted its BEAD Final Proposal Public Comment period, August 19-26, 2025. The draft Final Proposal included provisional awards to nine companies serving all locations eligible for BEAD funding in West Virginia, approximately 74,000 locations including unserved, underserved, and community anchor institutions.
- West Virginia's BEAD Final Proposal is due on or before September 4, 2025. The draft Final Proposal is available [here](#). Following the submission, NTIA has indicated that it will review Final Proposals within 90 days.

West Virginia's Digital Equity Program

The 2021 Digital Equity Act (DEA) was a component of the Infrastructure Investment and Jobs Act (IIJA). The goal of this program was to close the "digital divide" across the nation in coordination with the BEAD program, ensuring that everyone has access to affordable, high-speed internet service, affordable digital devices, and the tools and training necessary to make full use of the internet's benefits. The DEA contained three grant programs:

1. The Planning Grant (\$60 million)
2. The Capacity Grant (\$1.44 billion)
3. The Competitive Grant (\$1.25 billion)

In October 2022, WVDED was awarded over \$732,000 through the Digital Equity Planning Grant Program to create a State Digital Equity Plan. WVDED and its partners completed the West Virginia Digital Equity Plan on December 14, 2023. NTIA approved the Plan on February 29, 2024. The Plan was created in consultation with West Virginia residents and community organizations from across the state.

WVDED was awarded a \$9 million Digital Equity Capacity Grant (DECG) from NTIA on December 1, 2024. This program was terminated by NTIA on May 9, 2025. Planned activities included three subgrant programs dedicated to digital skills training, affordable devices, and local planning, regular updates to the State Digital Equity Plan, and promotion of low-cost internet service plans. WVDED is currently completing the necessary closeout requirements for its DECG award.

NTIA awarded a \$12 million Digital Equity Competitive Grant to American Connection Corps (ACC), an AmeriCorps program that works to connect unserved and underserved communities through digital inclusion projects. ACC's Competitive Grant project involved hiring more ACC members in West Virginia and 12 other states. This was the only Digital Equity Competitive Grant involving West Virginia. The program was terminated by NTIA on May 9, 2025.

DE Key Accomplishments

- WVDED was awarded over \$732,000 through the Digital Equity Planning Grant program to create a State Digital Equity Plan. In consultation with thousands of state residents, WVDED and its partners completed West Virginia's first Digital Equity Plan in December 2023.

- WVDED and the 11 Regional Planning and Development Councils (RPDCs) hosted over 100 public listening sessions, which garnered feedback from almost 2,000 West Virginians across the state.
- WVDED partnered with the national survey firm Thomas P. Miller Associates (TPMA), to conduct a statewide broadband survey, which gathered valuable internet speed, access, and adoption data from over 2,000 West Virginians in 2023.
- WVDED convened a Steering Committee consisting of the Broadband Enhancement Council, AARP WV, Generation WV, and the West Virginia Library Commission to provide insight and guidance for the program.
- In coordination with the Digital Equity Planning Grant activities, WVDED and its partners promoted the FCC's Affordable Connectivity Program (ACP), which subsidized monthly broadband service for low-income households. At the time of the ACP's end in May 2024, 128,571 West Virginia households were enrolled in the program. The ACP provided over \$81.6 million in support for West Virginians across its lifespan.
- WVDED partnered with the ARC, Connect Humanity, Generation West Virginia, and Regional Optical Communications (ROC) to execute the Appalachia Digital Accelerator Project, which organized and created 18 county-level Digital Equity plans for ARC-distressed counties in West Virginia.
- In Fall 2024, WVDED created a Digital Opportunity Asset Map to display detailed digital inclusion resources, such as public computer labs, digital skills training, and digital navigators, across the state. The map will be updated on an ongoing basis.
- WVDED partnered with the National Digital Inclusion Alliance (NDIA), Merit Network, the Digital Equity Resource Center (DERC), and seven other states to create and pilot the State Digital Inclusion (DI) Impact Tool. The DI Impact Tool is meant to help states, project leaders, and researchers better assess the impacts of digital inclusion projects as well as gauge the overall health of a state's digital equity ecosystem.

June 26, 2025

The Honorable Randy Smith
President
West Virginia Senate
Room 229M
State Capitol Complex
Charleston, WV 25305

The Honorable Roger Hanshaw
Speaker
West Virginia House of Delegates
Room 228M, Building 1
State Capitol Complex
Charleston, WV 25305

Dear President Smith and Speaker Hanshaw:

Pursuant to W.Va. Code §31G-1A-7, I hereby certify to the Joint Committee on Government and Finance that the below itemized projects are being awarded funds from the American Rescue Plan Act (ARPA) Capital Projects Fund (CPF) and State Local Fiscal Recovery Fund (SLFRF) programs. These projects will provide broadband connectivity to approximately 2,897 locations throughout West Virginia, in compliance with regulations issued pursuant to ARPA.

1. Citynet, Extension: Calhoun, Doddridge, Gilmer, and Lewis Counties - **\$2,779,895 (SLFRF)**
2. Comcast, Extension: Jackson, Mason, and Putnam Counties - **\$7,744,946 (CPF)**
3. Digital Connections, Inc. dba Prodigy, Extension: Preston County, Big Bear Lake - **\$10,333,384 (CPF)**
4. Spruce Knob Seneca Rocks Telephone, Extension: Pendleton County - **\$9,920,660 (SLFRF)**
5. Micrologic, Extension: Grant County - **\$3,822,632 (SLFRF)**

Should you need additional information, please contact my office at 304-558-2234.

Sincerely,



Michael. R. Graney
Acting Secretary
West Virginia Department of Economic Development

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

June 22, 2025

4:00 p.m. – 5:00 p.m.

Senate	House
Smith, Chair	Hanshaw, Chair
Barrett	Akers
Jeffries	Criss
Martin	Hornbuckle (absent)
Stuart (absent)	Howell, G.
Woelfel (absent)	McGeehan
	Phillips (absent)

Speaker Hanshaw: “Okay, let's go ahead and call this afternoon's meeting of the Joint Committee on Government and Finance to order. Chair will note for the record we do have the presence of a quorum for today's meeting. We are live streaming the meeting so the chair will ask all of our members of the committee if you have questions to ask or comments to make today, we'll ask you to go to the center microphone so that the folks watching remotely can get the benefit of your question. So, the first order of business of course is the usual approval of the minutes. The agenda packet for this afternoon's meeting was distributed to all members in advance as a PDF document. I hope all members have had a chance to look at that. The question before us now is approval of the minutes of the February 11th meeting. Are there questions or comments about the draft minutes that were distributed electronically? If not, chair will recognize the President for a motion for approval.”

President Smith: “I move the minutes of the February 11th, 2025, meeting of the Joint Committee on Government and Finance as contained in the members’ packets be approved.”

Speaker Hanshaw: “The question is on the President’s motion that the draft minutes of the February 11th meeting of the Joint Committee on Government and Finance be approved as distributed. Those in favor of the motion will please say aye, those opposed will please say no. The ayes have it and that motion is adopted. For the benefit of all the members the regular periodic and quarterly reports of the various agencies that report to the Joint Committee on Government and Finance were distributed electronically so you have available for inspection each of those reports.

Our first order of business today is an overview of the administration's approach to economic development. We have Nick Preservati with us from the...the administration. Nick is director of the Office of Energy but also has responsibilities more broadly across economic development for the administration. So, Mr. Preservati welcome to the Joint Committee on Government and Finance.”

Nicholas Preservati: “All right, let's try it now. Mr. Speaker, Mr. President, senators, delegates. On behalf of Governor Morrissey and Secretary Herridge, thank you for the opportunity to speak today. Want to give you a baseline of where economic development stands today with two overriding factors. The first being, we're several months into a new administration and then secondly, in eight days Economic Development is going to go from a department back under Commerce as a division. With those two factors, we've done a comprehensive...are in the process of finalizing a comprehensive review of Economic Development top to bottom and I want to spend some

time going over that review with you with a couple of caveats. The first is obviously until it's complete any recommendations that we make to the governor are just that, recommendations. Recognizing the governor has the ultimate authority to accept or reject those recommendations. So, I just want to be sure that I'm not boxing the governor in with any comments that we say here today until we finish that review and secondly, I think out of respect to the previous administration I want to acknowledge that any change in direction that we take or any changes that we make is not directed towards the previous administration because they had a lot of significant success...successes in economic development. So, I just want to say that to the extent there's a change in direction it mirrors the governor's priorities and the economic reality at the state and the federal level with a lot of funds in that financial situation being different than it was in the last several years...and then finally, I don't have a lot of historical knowledge on a lot of the programs and the funding. So, to the extent that there are technical questions and there's questions I can't answer, we'll write those down and get back to you as quickly as we can.

So, I'd like to start off...is talking about the strategy and how we're looking at economic development and to start, we're not looking at in a vacuum, we're looking at economic development in conjunction with energy policy in the workforce policy and we think they all three have to be based upon the same principles. So, what we're looking at is focusing on what West Virginia does best which is energy, which is manufacturing, and we're taking a team approach. We're focusing on technology, energy, and advanced manufacturing, and that's the focus that we're looking at on everything that we do in regards to economic development...and then the next step would be then to develop an energy policy that supports the investment in the technology, energy, and advanced

manufacturing sectors, and then finally then making sure the workforce development strategy supports that and provides the workers and the companies the skills that they need to support the economic development strategy and the energy policy.

Another concept that we are looking at is we want to look at the number of touches a project has with the West Virginia economy and what we mean by that is if you have a widget company that distributes widgets overseas...yeah, that helps the West Virginia economy but it doesn't touch it as much as say a fertilizer plant that uses the state's natural gas to develop the fertilizer, uses the state's coal reserves to generate the electricity, sends the fertilizer in state for agriculture and blasting, and something like that will touch the economy three, four, five times and have a much more significant effect on the economy than a one off. So, we're trying to find the projects that affect the state at a much wider breadth. So, going back to the first step, the way that we're looking at this is... we developed this teams approach...is we go into the technology for example and say, we can't do all technology So, what are we going to look at? We're going to look at data centers, maybe cryptocurrency, biotechnology, cybersecurity, and we're detailing certain criteria under technology that we think West Virginia has an advantage on. We do the same with energy, electricity generation, looking at our reserves, minerals, clay, quartz, limestone, energy infrastructure. What areas do we succeed on energy? And then lastly advanced manufacturing, we're in the process of identifying what types of advanced manufacturing. It's the aerospace industry, aeronautics, automobiles, pharmaceuticals, and an overall general manufacturing, and then once we have that determined and look at those different areas that we think we should focus on, then we have to go and do ...look at our financing priorities. So, do we look at a company...company's history...do

we want long term established companies have been around for hundreds of years that everyone knows, or do we want to have a priority on emerging technology? It's not going to be one or the other it's probably going to be a percentage. So, what's that percentage going to be? Do we want to focus primarily on emerging companies or on standard companies?

Then looking at the financial focus, do we want to look at the collateral and the cash flow or are we more concerned about risk tolerance? So, we got to see our financing priorities, what's more important to us and how are we going to invest our dollars? And then the investment method, do we want long term loans, forgivable loans, grants? What works best for specific companies might not work best for others. So, that's some of the priorities we're looking at. Do we want large cap, medium cap, small cap companies, what percentage do we want of those and then how are we going to finance those? So, we're taking a detailed approach at all of that, and the key is once we answer those questions, once we identify the industries, we identify the priorities, the size of the companies, how we want to invest, then we start looking at actual targets within those industries. For example, we...technology, we talked about this, looking at NVIDIA, Meta, Google, Microsoft. You start (...inaudible...) down and listing individual companies and targets you go after, and that's the same for energy, and advanced manufacturing. So, that's...that's sort of the strategy of how we're looking at that but we're also looking at it like how do we do this? Who do we partner with? When you're looking at the economic development authorities, we want to partner with them and make sure we have a big connection with them. Do we focus on the large companies, partner with them on the medium sized companies, let them take the smaller companies? We just got to figure out

how we do that and how we approach all of those different authorities and different entities out there so we're all rowing in the same direction. So, that's the primary, that's the strategy.

What I think is important, and I think it's really important to you guys, site identification. That's the issue in West Virginia and we've broken that down into three categories but first it's site identification. What's the (...inaudible...) of properties we're looking at? Some databases we've seen have 600 properties, another database that we're looking at has 4500 parcels. We're looking at developing a database that has every single parcel in the state of West Virginia that we can look at so we at least know what's out there. So, that's the first step, site identification. We can do that in house pretty simple.

Next one, site screening, how do we take those 4500 properties and get it down to eight or ten properties that a prospect may want? Again, that's something we...we can do in house, we have the ability to do that. You look at are they in the floodplain? How far are they from electricity? How far are they from water? That's something that we can do no problem. Here's the issue that's the biggest issue and I think this legislature understands that, site readiness. What do we do once we have those five sites? We're looking at what other states do. Do they put millions of dollars in it? Do we do that beforehand? Do we do it after the fact? Do we work with them to get tax incentives? That's the crux of the problem for West Virginia. How do we handle site readiness? I know that there was \$5 million dollars given to the...from the legislature...to economic development, I want to give you a quick update on that one. There was approximately 100 sites, those have been paired down to ten sites. A consultant has gone through and taken an objective approach, taking those 100 down to ten, and those ten sites are going to be funded at

\$75,000 apiece for a mini site readiness grant. After those ten sites are done, there's \$3.25 million left to do the next round of funding.

In regards to projects themselves, no projects have been rejected in this state from the previous administration. We're going through them, we're reviewing them, and we should have a review of those very shortly. Available funds...also...Cleveland-Cliffs, we have another \$50 million dollars available for the EDA from Cleveland-Cliffs...from them pulling out. \$30 million dollars available from the Infrastructure and Jobs Council with \$12 million more available come July 1...and of the \$30 million appropriated to the legislature, \$7 million of that is still available, and then finally, last update, data centers, I know everybody wants to hear about the data centers. I have three points about that. One, we've had overwhelming response from the utilities and from microgrids. We have companies coming in every day that want to work with utilities. We have companies coming in every day that want a micro grid and the interest is there. The U.S. Department of Energy called us and want to discuss our micro grid bill. They said we want you to come to D.C. and explain the bill to us because we think it's amazing, and we want every single state in the country to adopt your bill. To which we said, we don't want every state in the country to adopt our bill and we don't want to come talk to you about it. I say that halfway in jest...and then finally the DOE has reached out to us on the MEGA-DC Project...and that is Managing Energy Growth Associated with Data Centers...they are going to help us determine the data centers and the growth of energy for the next fifty years in the state of West Virginia. It's Oak Ridge National Labs, the laboratory that developed the Manhattan Project and the atomic bomb, is working with West Virginia

individually to help us do our data centers. So, with that Mr. President, Mr. Speaker, any questions you guys may have.”

Speaker Hanshaw: “...begin with members of the committee. Let's...let's take questions from members of the committee first. Maybe I'll start, Mr. Preservati, are you able to talk about the current administration's thinking or...or the current situation not with just the Department of Economic Development...or soon to be the division...but also the EDA?”

Nicholas Preservati: “In regards to?”

Speaker Hanshaw: “Just what...what the administration believes to be the working relationship there, how...how the administration will...will use the two in...in partnership or what the administration intends to do with...with the EDA as it relates to the ongoing work at the department or soon to be Division of Economic Development?”

Nicholas Preservati: “Well thank you for that and yes, I can speak to that. So, everything that I've talked about with the strategy has involved the EDA. So, they've been at the table with us, with the DED, talking about the strategy, how do we focus on the teams approach, technology, energy, advanced manufacturing. They're the ones that helped give us the ideas of saying; how do we look at our bonding? Do we focus on large companies, medium sized companies, how do we use our bond allocation? We need to have a strategy. How do we do a strategy on all of our loan proceeds? So, we are working hand in hand with them and see economic development as being the marketing tool and the people that go out and try to bring in those projects, and then having the EDA be the

ones that do a lot of the financing and the loans themselves, but we are working hand in hand with each other.”

Speaker Hanshaw: “Delegate Criss.”

Delegate Criss: “Hello? Okay. The things you mentioned sounds like you're trying to reinvent the wheel again because you have a change in administration. So, the opportunities that were towards the end of the previous administration where people had been here, the...the economic development staff had been working with, are they still involved, or have they walked away?”

Nicholas Preservati: “One, they haven't walked away and we're not reinventing the wheel. I appreciate the concern, but I want to reiterate very strongly, we're not reinventing the wheel but what we are doing is saying do the projects from the previous administration (...inaudible...) pipeline, are they part of a comprehensive cohesive strategy? Do they work for West Virginia and we're reviewing that and as I said before no project has been rejected but we have... in those meetings that we sit down...we have current staff at DED from the Secretary, to the...to the Deputy Secretary, to other staff members, in all of those meetings participating in that. So, yes, they are involved in it, not reinventing the wheel but we do feel like we have to be a little more focused with a more of a direct strategy and what I'll say to that is in some of the things that we looked at before we see them as tactics not strategy. So, we want to incorporate the stuff that DED has historically done when they say they want to retain, expand, attract businesses. We agree with that wholeheartedly, but we see that that's a tactic, not a strategy. So, overarching we're going to focus on energy companies and technology companies and

then look at those companies to retain their business, expand their business, or attract those companies.”

Delegate Criss: “So, you're not looking at traditional steel or traditional type of manufacturing concerns that...that were already in the pipeline?”

Nicholas Preservati: “No. Oh absolutely, that goes under energy, still goes under energy because of the involvement and use of coal.”

Delegate Criss: “Well, you didn't say that earlier that's why I'm trying to expand... expand what you're looking at.”

Nicholas Preservati: “Yeah. No, advanced manufacturing, all types of manufacturing because manufacturing is viewed as a high energy industry, all high energy industry is something that we're going to pursue because of our natural resources so that we can utilize our natural gas and coal resources.”

Delegate Criss: “All right, thank you.”

Nicholas Preservati: “Thank you.”

Speaker Hanshaw: “Questions from other members of committee? Senator Martin.”

Senator Martin: “Thank you and thank you for being here. I know that one of the questions that you are asking is...is how do we identify those...those small grants, big grants. When are we going to have a timeline on what we're actually trying to...the program that we're trying to enforce here?”

Nicholas Preservati: “The best way I can answer that is as soon as possible. We recognize the importance of it and we're trying to get through that as quickly as possible. The longer...right now that's on us, that's on me, that's other individuals in commerce finalizing this and getting it together and then getting that in front of the governor for his final approval...but what I can say to you is we're going as hard as we can, it's marked number one priority, and we want to get that to you guys so that everyone knows what our strategy is and how we're pursuing it as soon as possible.”

Senator Martin: “And while you're doing these new programs, have we given some of these companies that are wanting to come into the state answers on yes, the...the state will agree to this, or have we attracted any of those businesses or are they also on hold until we get this program started?”

Nicholas Preservati: “Well and let me be clear, I want to say I want to make sure that I'm not overstating it because it's not new programs, it's just a strategy in how we're utilizing the tools we already have. How we utilize the Department of Economic Development now, what we're going after, who we're seeking. So, we're not trying to put a big infrastructure or this big set of programs up, we're just trying to determine how we focus...but yes, the answer to that is there are multiple companies that received loans through EDA that were pending approval, and they have received notice that their loans are approved. There are others that have not.”

Senator Martin: “And maybe the program wasn't the right word to use but, you know, on the strategy I'm just trying to determine on...when are we going to have that strategy and when are we going to start using that strategy to start attracting businesses here and not leaving the ones that we have talked to in the past on hold?”

Nicholas Preservati: “Well, I don't think we're leaving anyone on, we're not trying to leave anyone on hold. It's review of those projects and if those projects...unless there's some issue with those projects, we recognize that a previous administration has made commitments to those loans and those programs. So, we're going to deal with those as fairly and as quickly as we can.”

Senator Martin: “So, the...the businesses that we do...or the opportunities we have on the table now, do you have an idea of a timeline of reviewing those?”

Nicholas Preservati: “They're already being reviewed and as I said some of them have already been approved and they've received notice of that approval. For example, Form Energy is one that was waiting for the last set of financing that was from the previous administration. We reviewed it, we acknowledged it, we approved it, we have advised them of it. There are other companies, I would say a good number have already received approval and we're trying to get the other ones out as quickly as possible.”

Senator Martin: “All right, thank you.”

Nicholas Preservati: “Thank you.”

Speaker Hanshaw: “Delegate Akers.”

Delegate Akers: “Thank you for being here this evening Mr. Preservati, it's always nice to see you. So, when you talk to some of these outside interests and let's use data centers as an example, but you can talk about any industry or commercial entity you want. Is the approach you all are taking, is it hey we have the framework in place, this is what we already offer if it fits with your business model, we'd like to have you come to West Virginia or is your all's office looking at specific ways to do additional incentivization

whether it's through tax structure, low interest no interest loans, or any other emphasis you can...you can place on it. So, again roundabout way is...so, with the microgrid bill you're saying hey, this is the framework we have for you. Were you guys going to offer additional things that we should be trying to think about ourselves in terms of legislative priorities to try to cooperate with you all and make sure we get the things done ahead of time before it's needed?"

Nicholas Preservati: "I appreciate it and that's a great question. So, I want to be clear...is...yes, we're...we're looking at everything and it goes back to Delegate Criss' comment earlier. When we say we're focusing on technology, energy, advanced manufacturing, we're just focusing on what we're really good at. Like you're saying we already have that infrastructure there. It's like with data centers, they know that we have transmission, they know that we have generation, they know that we have these things. We're not turning anyone away and if a company comes in and it's completely unrelated to that and they...they make whatever and they want to come to West Virginia, we're going to pursue them and we're going to work with them as much as we can to bring them here and get those jobs. So, anything that we can do, all economic development is on the table, all projects are on the table regardless of industry. So, if there are new ways and other things that we can do and work with the legislature, we're 100% in support of that. So, I don't want to give the impression that we're only focusing on those three areas. It's just we're trying to pick the low hanging fruit and the things that we're really good at and that we have the resources to do and then anything else that's on the table we'll go after as well. Does that answer the question?"

Delegate Akers: “Sorry, I'm going to make the chair of finance mad at me if I keep doing this. It...it does, I guess I just wanted to figure out if...again without asking you to commit to anything specifically...if a company comes in and says hey, we like what you have to offer but maybe we need a better tax structure on...for our type of business or maybe we need incentivization through a loan package. Those are things you're saying are on the table. I guess I'm trying to figure out if there is anything this administration maybe is going to say, hey we're not going to do this. So, as a legislature go ahead and steer clear of these ideas, this isn't something the administration will support or...I think what you just told us is all the above is available whether it's tax, regulatory structure, loan incentivization, whatever it may be, you all are willing to consider everything.”

Nicholas Preservati: “Oh yes, I think we're willing to consider anything. I've not been told that anything is off the table.”

Delegate Akers: “Okay. All right, thank you for that.”

Speaker Hanshaw: “Questions from any of the members of the committee. Okay, if not, we do have a number of our members in the audience today who are not on the committee. So, if there is no objection from the committee, perhaps I'll open the...the opportunity for other members of the...of the legislature who are with us today to also ask questions. No? Okay, Mr. President. Okay.”

President Smith: “Thank you Nick for being here. Excuse me. I have a couple questions. First of all, this past session in our budget we put \$30 million dollars for small business and that was one of my concerns in the past with the past administration...is I don't...I didn't think we focused on small business West Virginia, the people we actually

represent just wanting to start business, to expand business, we didn't help them enough. We was...focused on, you know, the big-time players and I'm all for that...you know, because that's, you know...any kind of investment is good but especially the big kind but what's the plans of this administration with the small businesses? Helping the, you know, mom and pop shops.”

Nicholas Preservati: “Yeah, I think again that that’s...there is 100% interest in moving forward and helping the small mom and pops and those kinds of shops. What we're trying to do is figure out how we do that and how best we do that, and I think that's something that we'd be more than willing to work with you guys to figure out what's the best strategy to do that, but I think absolutely 100% doing that. I think that's what I was saying earlier we need to reach out also to the economic development authorities and the counties and have better communication with them to identify what those opportunities are and develop a process where we can help them develop those so it's not just the state but it's the local economic development authorities that help identify those processes or those opportunities. Bring them to us so that we can help them.”

President Smith: “All right, I appreciate that especially the funding because we have \$30 million dollars funding and most of these small businesses don't...don't know where to go or how to get there and it's...it seems like we don't have a, you know...which I agree, you know, your local economic development would be great for that but that's something I'm very passionate about is the...you know...small businesses in West Virginia because that's who most of...employs most of our people...is our small businesses in West Virginia and that's something, you know, when I became Senate President that, you know, I talked to Senator Jeffries and that's one thing, you know, he

agrees with. We need to focus on our...the people we represent more than what we have in the past. So, I appreciate your saying that and I know...I know of one business we lost because...and I think, I'm hoping it was just because of the transition of power, nobody was there...but they couldn't get anybody to call them back and we lost them to I believe it was Tennessee or Kentucky. I forget, it was one of the...or not, it wasn't Tennessee, it was one of our border states Pennsylvania, Ohio, or one of them. Is it...have you made steps to make sure that doesn't happen because it seems like you know the House and Senate both in the last several years has taken economic development very seriously and did a lot of the legwork on it, you know, recruiting these companies. Going out, you know, meeting with them on our own dime and...and then, you know, the governor would step in and take the credit more or less but...but you know, it kind of concerned me that we couldn't get anybody back from the governor's office to contact them. Do you know anything about that or..."

Nicholas Preservati: "I don't know anything about that, and I will say that that's part of what we're looking at...is this overall strategy that we're looking at...is to make sure from top to bottom that we're not just as efficient but as effective as possible. So, if that's the case I wasn't aware of that and I will look into it because I think we all agree we have to call people back and do that. That's the lifeblood of economic development."

President Smith: "Okay and I suggest that you work with the...both the House Economic Development and Senate Economic Development because like I said they've been very aggressive...or we've been, I shouldn't say they, we're part of, you know...very proactive on this and you know, it would be nice if all three of us work together, the executive branch, and the legislative branch, and..."

Nicholas Preservati: “Mr. President, I will say that I have seen over the years and even months the cooperation with the Senate and the House, the Speaker, and Senator Jeffries, etcetera. I think it's what sets us apart when people come in, they say in no other state can you get the level of leadership that we get in our meetings. So, I think it's absolutely imperative that we do that going forward with this. I'm a...I'm a huge supporter of that.”

President Smith: “Good, I...I agree with that because the last thing we need to do is start micromanaging it with...you know...with just the executive branch. So, that was just one of my concerns. All right, thank you Nick. Thanks for being here.”

Nicholas Preservati: “Thank you.”

Speaker Hanshaw: “Senator Jeffries.”

Senator Jeffries: “Thank you, Mr. Speaker. Good to see you, Nick. I guess maybe I got a threefold question here. So, has the governor's office...has he expressed to you, being the Department of Energy, to really start promoting West Virginia and has he given you the resources that is going to be necessary...needed to be able to do that? First question. So, second question would be now that you're starting to get...as most of us have been...calls about the micro grid bill, what kind of comments have you been getting from these companies? What are they looking for? What are they wanting to understand and one of the first things that I would think of that...that is probably the most important part of that deal, was putting together...getting a liaison in place. Can you kind of comment on it, where that stands at? So, that there will be that one point person there that can point them in the directions that they need to go.”

Nicholas Preservati: “So...so, the first question was on the energy. I will say that the governor has 100% stood behind energy and recognizes its importance. Its importance to the state, its importance to economic development, and I think you see that that's the instruction from him that's caused us to go with that teams approach. I think you've seen the...the diagram where we have three concentric circles with that...teams in the middle connecting economic development with energy, with workforce. Energy is absolutely critical and I...we've been instructed to...to push as fast and as hard as we can on an energy policy that incorporates our base load generation. Not just coal, natural gas, potential nuclear, legislature lifted the restriction on nuclear. We're pushing hard on that; we're pushing hard on all sources of base load generation, and it is a priority of the governor. So, I'm very excited about the support that we're getting from the governor's office on energy...for that point. In regards to the data centers...the questions that...the response that we get...and I think this should be taken as a complement to the legislature... is they are blown away by the bill. They said it is extremely comprehensive, they didn't expect anything like that from any state, and they've been very very supportive of the bill and the issues that it addresses. The biggest concern to them when they talk to us, it's not necessarily incentives, it's not necessarily...I mean taxes are important and low taxes...the biggest thing to them is speed to power and they like the flexibility of being able to work with the utilities to go in to get the power...the primary power...and provide their own backup power or flipping it. Providing their own primary power and getting the backup power from the utility. They like the flexibility that that bill gives them because it allows them to tinker with the economics to make the situation right for them. So, the biggest thing that we've heard from them is we need to be, as a state, able to move with

them on site readiness (...inaudible...) it's all about the sites. You get us sites, we want to come, that's what we hear from them.

In regards to the data center liaison, I do know that there are interviews being conducted and we're pursuing that as fast as we can to get someone in...in line there but we're also making sure that we understand exactly what that position needs to be. So, as we write legislative rules, as we talk with the data centers, we're using every opportunity as an instruction to see like what are the questions they're asking us because the questions they are asking us are the questions they're going to be asking the data liaison and that's what we're seeing. So, we're...we're making progress there. I...I can't speak...I'm not involved in the interviewing process, so I don't want to make representations that I just...I just don't know how far along in that process, but I do know there is interviews being conducted. Is that...does that cover your questions?"

Senator Jeffries: "... (inaudible)...nuclear...(inaudible)..."

Nicholas Preservati: "Oh yeah, absolutely. So, two things that we've got on the nuclear front is National Governors Association reached out to West Virginia. They reached out to all states, all fifty states, and they want to have a in state cohort for three states, and the whole purpose of that is to bring in individuals, utilities, members from the legislature, the governor's office, whomever, and bring in subject matter experts for a one day conference that they're putting together to assist states that want to bring in nuclear to their state and saying these are the things you want to consider from a legislative point of view, these are the things you need to consider from infrastructure point of view, from an education point of view, here are the rough spots and the things you won't see. So, they're bringing in...Kentucky's one of those states that want to do that, Tennessee's

already there. Tennessee's acting like almost as a nuclear Big Brother to us, helping us along the path but West Virginia was one of those states that was selected, and we have...I believe it's July 9th they're coming to the capitol complex to present this. If there are individuals in the legislature that want to participate in this...we've reached out to some...reach out to our office and it's...it's an open door if you guys want to come. I know we've reached out to some but anyone else that's interested, more than welcome to participate...and then we also have another coalition of states, about eight states that are called the first movers that are working together on nuclear trying to develop best practice etcetera for developing nuclear in their...their states. West Virginia is a part of that as well. So, we are pursuing nuclear, along with coal, natural gas, etcetera.”

Speaker Hanshaw: “Other questions from any member of the legislature that we might have? Delegate Riley.”

Delegate Riley: “Thank you and thank you, Nick. I do have a couple of questions. I have heard from a couple companies who have given me feedback that they can't get answers on their investments out of the executive branch but what you're telling me is that's not the case?”

Nicholas Preservati: “I will say it's not the case across the board. If they can't get answers, I don't know if they're saying they can't get answers or they're not getting a final decision.”

Delegate Riley: “They're not getting a final decision.”

Nicholas Preservati: “Final decision. I believe there are some instances where final decisions have not been made and I...I will tell you that the governor's office is well

aware of that issue. They're well aware of some of the companies being very frustrated and wanting those decisions and we're working as quickly as we can to get them out.”

Delegate Riley: “Yeah, I mean so obviously they're making hundreds of millions of dollars in investments. When they're trying to get a final decision, you know, that...that becomes very frustrating. I know of at least two companies who have walked away from West Virginia so that gives me a little bit of a concern. Following up from the Senate Majority Leader’s questions with regards to the timing of the strategy. So, EDA has seen a reduction in pipeline coming in over the past six months. Do you attribute that as to an economic thing or a lack of the execution and the strategy?”

Nicholas Preservati: “I believe it's due to the economic circumstances. I will tell you that we talked with the...the people in economic development now...they're working very hard, they are bringing in a lot of companies, the pipeline is still there—”

Delegate Riley: “I'm talking the EDA.”

Nicholas Preservati: “EDA. Yes. On the EDA, not as familiar with that but I understand they're still pursuing projects. They're still trying to get them in the pipeline.”

Delegate Riley: “So, what I understand and from a lot of the banking industry is they can't get a decision on the underwriting, which then allow...which has made...has deterred them from filing applications and beginning down that process. So, you have seen a reduction significantly over the past six months. So, would you mind looking into that to make sure that we can smooth that process out?”

Nicholas Preservati: “Yeah, absolutely. I know Mr. Webb just...I believe he's...he's left—”

Delegate Riley: “He is. Yeah.”

Nicholas Preservati: “Yes and we are...yeah, we're working with the new...the new leadership there. Absolutely, look into that—”

Delegate Riley: “Okay.”

Nicholas Preservati: “—and if there are specific instances, please feel free to call me if, along the process, if we need to move on something.”

Delegate Riley: “Okay, the last thing has to do with site readiness. So, when do you anticipate announcing those ten sites? Do you know—”

Nicholas Preservati: “I don't—”

Delegate Riley: “—an approximate time frame?”

Nicholas Preservati: “—know. I will...I can talk to Mr. Graney...”

Delegate Riley: “Okay.”

Nicholas Preservati: “...Secretary Graney and see.”

Delegate Riley: “So, you talked about 100 sites and then dropping out. So, the concern that I had mentioned to you back in the session is a significant amount of dollars spent on consulting fees and most of the economic development agencies dropped out because they didn't feel that the process was giving them what they needed. So, I asked at the...back in the session...if you would follow up with the EDC and the ED...the Economic Development Council...to really have that discussion because I mean essentially what you're looking for is to take out the fatal flaws and the due diligence, not

to tell them hey, they don't have water. So, have you been able to follow up with the Economic Development Council?”

Nicholas Preservati: “Yeah, I have met with multiple members from the council. I invited them in and met with them and have discussed many of these issues and when we say we're looking at a strategy that's part of it. Bringing them in, not just the authorities but—”

Delegate Riley: “Good.”

Nicholas Preservati: “—the councils. So, yes and your concerns are heard, and they've been echoed before. So yes, we are looking into that.”

Delegate Riley: “Okay and do you anticipate matching grants in this second round of being open as just opposed to micro grants?”

Nicholas Preservati: “That's something...so, that's...the micro grants have been held by Economic Development and that's a process we're looking at. When we say we're looking at possibly changing that that's something that we're looking at putting on the table is expanding it. Again, I don't want to commit to that but that is something that we are absolutely looking at. All options on that are on the table.”

Delegate Riley: “Good.”

Nicholas Preservati: “We want to use the remaining funds as economically and as effectively as possible.”

Delegate Riley: “When...when counties who have money say we would like to spend our own money to match with yours, that's usually a pretty good investment so—”

Nicholas Preservati: "I agree with that."

Delegate Riley: "Thank you and I appreciate that."

Nicholas Preservati: "Thank you."

Speaker Hanshaw: "Okay, other questions from any member? Okay, if not Mr. Preservati, thank you very much for making the trip up. We appreciate you making time to be with us this afternoon."

Nicholas Preservati: "Absolutely, thank you. Thank you."

Speaker Hanshaw: "Okay. For the benefit of all members, the periodic distribution of the Board of Treasury Investments report is in the electronic packet. So, for all members that's available for your inspection. Other business to come before today's meeting? If not, Mr. President?"

President Smith: "Mr. Speaker, I move we adjourn."

Speaker Hanshaw: "Question is on the President's motion that we adjourn. Those in favor will please say aye, those opposed will please say no. The ayes have it, we are adjourned. Thank you."

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE*Budget Division*

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William Spencer, CPA
Director

September 2, 2025

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

- West Virginia Lottery as of July 31, 2025
Gross profit as of July 31, 2025, was \$50 million. Gross profit as of July 31, 2024, was \$48.5 million.
- West Virginia Unemployment Compensation Fund as of July 31, 2025.
Total disbursements were \$3.1 million lower than in fiscal year 2025. Overall ending trust fund balance was \$4.2 million higher on July 31, 2025, than on July 31, 2024.
- General Revenue Fund as of August 31, 2025
The general revenue collections ended the second month of fiscal year 2026 at 102% of the estimate for the year. Total collections were \$17.3 million above the estimate for the fiscal year.
- State Road Fund as of August 31, 2025
The road revenue collections ended the second month of fiscal year 2026 at 102% of the estimate for the year. Total collections were \$4.9 million above the estimate for the fiscal year.

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William Spencer, CPA
Director

MEMORANDUM

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

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

Date: August 18, 2025

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2025

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for July 31, 2025, 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 \$110 million for July of fiscal year 2026. Table games accounted for \$3 million of this total. Historic Resort Hotel video lottery accounted for \$326 thousand of total gross receipts. Gross lottery revenue has increased by \$3.9 million, or 3.7%, when compared with July of fiscal year 2025. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July 2025 was \$50 million; for July 2024, it was \$48.4 million. Expressed as a percentage, gross profit is 3.2% lower for fiscal year 2026 than for fiscal year 2025.

Operating Transfers to the State of West Virginia:

A total of \$48,471,000.00 has been accrued to the state of West Virginia for fiscal year 2025-2026. 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:

State Lottery Fund

Bureau of Senior Services	\$19,775,000.00
Community and Technical College	\$500,000.00
Department of Education	\$7,081,000.00
Library Commission	\$3,398,000.00
Higher Education-Policy Commission	\$2,234,000.00
Tourism	\$2,100,000.00
General Revenue	\$00.00
Department of Natural Resources	\$1,163,000.00
Fire Protection Fund	\$12,000,000.00
Division of Culture and History	\$950,000.00
Economic Development Authority	\$999,000.00
School Building Authority	\$1,800,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$40,000,000.00

Excess Lottery Fund

Economic Development Fund	\$203,000.00
Higher Education Improvement Fund	\$1,500,000.00
Economic Development Authority	\$439,000.00
General Purpose Fund	\$00.00
Education Improvement Fund	\$00.00
State Park Improvement Fund	\$00.00
School Building Authority	\$1,764,000.00
Refundable Credit	\$00.00
WV Racing Commission	\$00.00
WV Division of Human Services	\$00.00
Teacher's Retirement Savings	\$00.00
Department of Education	\$00.00
Division of Human Services	\$00.00
WV Lottery Statutory Transfers	\$00.00
General Revenue Fund	\$00.00
Office of Technology	\$00.00
Excess Lottery Surplus	\$00.00
WV Infrastructure Council Fund	\$547,000.00
Total State Excess Lottery Revenue Fund	\$4,453,000.00

Lottery continued

Total Budgetary Distributions:	\$44,453,000.00
Veterans Instant Ticket Fund	\$31,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	\$44,484,000.00

* CASH BASIS

Total Accrued last FY 2025:	\$142,469,000.00
Total Cash Distributions FY 2026:	\$ 44,484,000.00
Applied to FY 2025:	\$ 44,484,000.00
Applied to FY 2026:	\$ 000.00
Accrued for FY 2026 as of July 31:	\$ 48,471,000.00




P.O. BOX 2067
CHARLESTON, WV 25327

DAVID R. BRADLEY
ACTING DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: David R. Bradley, Acting Director 

RE: Monthly Report on Lottery Operations
Month Ending July 31, 2025

DATE: August 14, 2025

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

Financial statements of the Lottery for the month ending July 31, 2025 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$109,893,332 for the month of July.

Transfers of lottery revenue totaling \$44,484,107 made for the month of July to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2025 was 1,488 and 1,179 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.

DRB
Attachment

pc: Honorable Patrick Morrisey, Governor
Eric Nelson, Cabinet Secretary – Department of Revenue
Larry Pack, Treasurer
Mark Hunt, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

July 31, 2025

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

ASSETS	July 31, 2025	June 30, 2025
Current Assets:		
Cash and cash equivalents	\$ 188,104	\$ 181,723
Accounts receivable	35,278	37,339
Inventory	1,350	1,209
Other assets	223	223
Total Current Assets	<u>224,955</u>	<u>220,494</u>
Capital assets	65,660	65,658
Less accumulated depreciation and amortization	<u>(25,804)</u>	<u>(25,582)</u>
Net Capital Assets	<u>39,856</u>	<u>40,076</u>
Net Pension Asset	883	883
Net OPEB Asset	<u>2</u>	<u>2</u>
Total Noncurrent Assets	<u>40,741</u>	<u>40,961</u>
Total Assets	<u>\$ 265,696</u>	<u>\$ 261,455</u>
Deferred outflows of resources	<u>\$ 2,251</u>	<u>\$ 2,251</u>
Total assets and deferred outflows	<u>\$ 267,947</u>	<u>\$ 263,706</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 146,114	\$ 142,469
Estimated prize claims	23,072	22,030
Accounts payable	2,141	3,813
Other accrued liabilities	35,898	34,672
Total Current Liabilities	<u>207,225</u>	<u>202,984</u>
Deferred inflows	<u>\$ 1,182</u>	<u>1,182</u>
Net Position:		
Net Investment in capital assets	39,856	40,076
Unrestricted	<u>19,684</u>	<u>19,464</u>
Total Net Position	<u>59,540</u>	<u>59,540</u>
Total net position, liabilities, and deferred inflows	<u>\$ 267,947</u>	<u>\$ 263,706</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 ONE MONTH PERIOD ENDED JULY 31, 2025
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2026	FY 2025	FY 2026	FY 2025
Lottery revenues				
On-line games	\$ 5,110	\$ 5,396	\$ 5,110	\$ 5,396
Instant games	13,732	14,169	13,732	14,169
E instants	1,914	-	1,914	-
Racetrack video lottery	41,747	40,831	41,747	40,831
Limited video lottery	39,277	39,479	39,277	39,479
Table games	3,004	2,327	3,004	2,327
Historic resort	326	468	326	468
Sports Wagering	310	305	310	305
Interactive Wagering	4,473	3,015	4,473	3,015
	<u>109,893</u>	<u>105,990</u>	<u>109,893</u>	<u>105,990</u>
Less commissions				
On-line games	340	375	340	375
Instant games	961	992	961	992
Racetrack video lottery	23,148	22,401	23,148	22,401
Limited video lottery	19,246	19,345	19,246	19,345
Table games	1,303	993	1,303	993
Historic resort	155	225	155	225
	<u>45,153</u>	<u>44,331</u>	<u>45,153</u>	<u>44,331</u>
Less on-line prizes	2,621	2,703	2,621	2,703
Less instant prizes	9,433	9,731	9,433	9,731
Less e instant prizes	1,505	-	1,505	-
Less ticket costs	197	165	197	165
Less vendor fees and costs	1,043	682	1,043	682
	<u>14,799</u>	<u>13,281</u>	<u>14,799</u>	<u>13,281</u>
Gross profit	<u>49,941</u>	<u>48,378</u>	<u>49,941</u>	<u>48,378</u>
Administrative expenses				
Advertising and promotions	509	537	509	537
Wages and related benefits	1,184	722	1,184	722
Telecommunications	68	126	68	126
Contractual and professional	193	972	193	972
Rental	6	10	6	10
Depreciation and amortization	222	141	222	141
Other administrative expenses	232	(25)	232	(25)
	<u>2,414</u>	<u>2,483</u>	<u>2,414</u>	<u>2,483</u>
Other Operating Income	<u>944</u>	<u>385</u>	<u>944</u>	<u>385</u>
Operating Income	<u>48,471</u>	<u>46,280</u>	<u>48,471</u>	<u>46,280</u>
Nonoperating income (expense)				
Investment income	669	1,006	669	1,006
Distributions to municipalities and counties	(770)	(774)	(770)	(774)
Distributions -capital reinvestment	(241)	(39)	(241)	(39)
Distributions to the State of West Virginia	(48,129)	(46,473)	(48,129)	(46,473)
	<u>(48,471)</u>	<u>(46,280)</u>	<u>(48,471)</u>	<u>(46,280)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>59,540</u>	<u>61,532</u>	<u>59,540</u>	<u>61,532</u>
Net position, end of period	<u>\$ 59,540</u>	<u>\$ 61,532</u>	<u>\$ 59,540</u>	<u>\$ 61,532</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2025

(In Thousands)

-Unaudited-

	2026	2025
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 112,898	\$ 111,553
Cash payments for:		
Personnel costs	(490)	(722)
Suppliers	(9,720)	(2,503)
Other operating costs	(55,728)	(54,349)
Cash provided by operating activities	<u>46,960</u>	<u>53,979</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(44,484)	(46,441)
Distributions to municipalities and counties	(731)	(791)
Distributions to racetrack from racetrack cap. reinv. fund	3,969	(6,346)
Cash used in noncapital financing activities	<u>(41,246)</u>	<u>(53,578)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(2)</u>	<u>(4)</u>
Cash flows from investing activities:		
Investment earnings received	<u>669</u>	<u>1,006</u>
Cash provided by investing activities	<u>669</u>	<u>1,006</u>
Increase (decrease) in cash and cash equivalents	6,381	1,403
Cash and cash equivalents - beginning of period	<u>181,723</u>	<u>227,763</u>
Cash and cash equivalents - end of period	<u>\$ 188,104</u>	<u>\$ 229,166</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 48,471	\$ 46,280
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	222	141
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	2,061	5,178
(Increase) decrease in inventory	(141)	3
(Increase) decrease in other assets		
Increase (decrease) in estimated prize claims	1,042	1,001
Increase (decrease) in accounts payable	(1,672)	(2,685)
Increase (decrease) in other accrued liabilities	(3,023)	4,061
Cash provided by operating activities	<u>\$ 46,960</u>	<u>\$ 53,979</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; 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 \$893,184 and \$887,847 at June 30, 2025 and 2024, 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.

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 July 31, 2025 the carrying amounts of deposits (overdraft) with financial institutions were \$1,411 thousand with a bank balance (overdraft) of \$1,456 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	July 31, 2025	June 30, 2025
Deposits with financial institutions	\$ 1,411	\$ 1,427
Cash on hand at the Treasurer's Office	6,109	5,532
Investments with BTI reported as cash equivalents	180,584	174,764
	\$ 188,104	\$ 181,723

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 July 31, 2025 is as follows (in thousands):

Capital Assets:	Historical Cost At June 30, 2025	Additions	Deletions	Historical Cost At July 31, 2025
Construction in Progress	212	2	-	214
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	15,522	-	-	15,522
	<u>\$ 65,658</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 65,660</u>
Accumulated Depreciation:	Historical Cost At June 30, 2025	Additions	Deletions	Historical Cost At July 31, 2025
Buildings	\$ 15,093	\$ 102	\$ -	\$ 15,195
Equipment	10,489	120	-	10,609
	<u>\$ 25,582</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 25,804</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 LOTTO AMERICA® 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, Lotto America, 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®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended July 31, 2025 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	\$ 1,995,044	\$ 1,995,044
Lotto America	441,358	441,358
Mega Millions	823,990	823,990
Total	\$ 3,260,392	\$ 3,260,392

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,001,532	\$ 1,001,532
Lotta America	220,691	220,691
Mega Millions	412,003	412,003
Total	\$ 1,634,226	\$ 1,634,226

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>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$132,000,000	\$12,000,000	\$110,000,000

At July 31, 2025, 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	\$ 130,717,565	\$ 1,137,959
Lotto America	11,232,639	879,623
Mega Millions	98,521,634	728,529
Total	\$ 240,471,838	\$ 2,746,111

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

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

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

principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$35,176,503 on July 31, 2025, of which the Lottery's share was \$222,434.

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 and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." 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 (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) 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 11 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, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 12.

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.

A summary of racetrack video lottery revenues for the month ended July 31, 2025 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2026	2025	2026	2025
Total credits played	\$ 511,269	\$ 490,677	\$ 511,269	\$ 490,677
Credits (prizes) won	(460,588)	(441,807)	(460,588)	(441,807)
Promotional credits played	(8,934)	(8,039)	(8,934)	(8,039)
Gross terminal income	41,747	40,831	41,747	40,831
Administrative costs	(1,670)	(1,633)	(1,670)	(1,633)
Net Terminal Income	40,077	39,198	40,077	39,198
Less distribution to agents	(23,148)	(22,401)	(23,148)	(22,401)
Racetrack video lottery revenues	<u>\$ 16,929</u>	<u>\$ 16,797</u>	<u>\$ 16,929</u>	<u>\$ 16,797</u>

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

	Current Month	Year-to-Date
State Lottery Fund	\$ 12,023	\$ 12,023
State Excess Lottery Revenue Fund	4,906	4,906
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 16,929</u>	<u>\$ 16,929</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

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. This percentage is 50 percent. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses.

A summary of limited video lottery revenues for the month ended July 31, 2025 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2026	2025	2026	2025
Total credits played	\$ 530,370	\$ 533,431	\$ 530,370	\$ 533,431
Credits (prizes) won	(491,093)	(493,952)	(491,093)	(493,952)
Gross terminal income	\$ 39,277	\$ 39,479	\$ 39,277	\$ 39,479
Administrative costs	(785)	(790)	(785)	(790)
Gross Profit	38,492	38,689	38,492	38,689
Commissions	(19,246)	(19,345)	(19,246)	(19,345)
Municipalities and Counties	(770)	(774)	(770)	(774)
Limited video lottery revenues	<u>\$ 18,476</u>	<u>\$ 18,570</u>	<u>\$ 18,476</u>	<u>\$ 18,570</u>

NOTE 8 – TABLE GAMES

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

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

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two 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. Transfer three 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 Excess Lottery Revenue Fund.

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 12- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended July 31, 2025 were \$8,584,074 and \$8,584,074, 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	
	2026	2025	2026	2025
Table Games Privilege Tax	\$ 3,004	\$ 2,327	\$ 3,004	\$ 2,327
Interest on Table Games Fund	17	25	17	25
Administrative costs	(258)	(199)	(258)	(199)
Total Available for Distribution	<u>2,763</u>	<u>2,153</u>	<u>2,763</u>	<u>2,153</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	208	150	208	150
Thoroughbred & Greyhound Development Funds	166	120	166	120
Racing Association Pension Plan	76	60	76	60
Municipalities/ Counties	853	663	853	663
Total Distributions	<u>1,303</u>	<u>993</u>	<u>1,303</u>	<u>993</u>
Excess Lottery Fund	<u>\$ 1,460</u>	<u>\$ 1,160</u>	<u>\$ 1,460</u>	<u>\$ 1,160</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 200Hotel 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.

A summary of historic resort hotel video lottery revenues for the month ended July 31, 2025 and fiscal year-to-date follows (in thousands):

	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Total credits played	\$ 5,688	\$ 3,523	\$ 5,688	\$ 3,523
Credits (prizes) won	(5,374)	(3,182)	(5,374)	(3,182)
Promotional credits played	(122)	(60)	(122)	(60)
Gross terminal income	192	281	192	281
Capital reinvestment	(9)	(13)	(9)	(13)
Excess Lottery Fund	(2)	(3)	(2)	(3)
Administrative costs	(10)	(15)	(10)	(15)
Hotel commissions	(81)	(119)	(81)	(119)
Net terminal income	90	131	90	131
Historic Resort Hotel Fund	57	83	57	83
Human Resource Benefit Fund	33	48	33	48

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty-five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended July 31, 2025 were \$384,464 and \$384,464 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:

	2026	2025	2026	2025
Table games privilege tax	\$ 134	\$ 187	\$ 134	\$ 187
Administrative Costs	(17)	(24)	(17)	(24)
Total Available for Distribution	117	163	117	163
Historic Resort Hotel Fund	98	136	98	136
Human Resource Benefit Fund	19	27	19	27

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) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) 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;
- 5) 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;
- 6) 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	\$ 57	\$ 57
Historic Resort Table Games	98	98
Interest on Historic Resort Hotel Fund	3	3
Historic Resort Hotel Fund Net Income	158	158
Municipalities/ Counties	22	22
Excess Lottery Fund	136	136
Total Distributions	\$ 158	\$ 158

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10– SPORTS WAGERING

Sports Wagering legislation passed in 2018 per Senate Bill 415. Each racetrack and historic resort hotel licensee is subject to a privilege tax of ten percent (10%) of adjusted gross wagering receipts which will be deposited weekly into the Sports Wagering Fund.

From the privilege tax deposited into the Sports Wagering Fund, the Commission, on a monthly basis shall: Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

After the reduction for administrative expenses, the net profit shall be deposited into the State Lottery Fund until a total of \$15 million is deposited. The remainder of net profit shall be deposited into the Public Employees Insurance Agency Financial Stability Fund.

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended July 31, 2025 were \$3,104,482 and \$3,104,482, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2026	2025	2026	2025
Sports Wagering Privilege Tax	\$ 310	\$ 305	\$ 310	\$ 305
Interest on Sports Waging Fund	7	7	7	7
Administrative Costs	(47)	(46)	(47)	(46)
Total Available for Distribution	270	266	270	266

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11– INTERACTIVE WAGERING

Interactive Wagering legislation passed in 2019 per House Bill 2934. Each racetrack and historic resort hotel licensee is subject to a privilege tax of fifteen percent (15%) of adjusted gross interactive gaming receipts which will be deposited weekly into the Interactive Wagering Fund.

From the privilege tax deposited into the Interactive Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

In each fiscal year, the Lottery Commission shall deposit one-quarter of a percent of the net profit into each of the four special funds established by the Racing Commission, pursuant to §29-22A-10 and §29-22C-27 to be used for payment into the pension plan for the employees of the licensed racing associations in this state.

After the reduction for administrative expenses and the pension plans for the racing associations, the net profit shall be deposited into the State Lottery Fund.

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended July 31, 2025 were \$29,817,341 and \$29,817,341 respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2026	2025	2026	2025
Interactive Wagering Privilege Tax	\$ 4,473	\$ 3,015	\$ 4,473	\$ 3,015
Interest on Interactive Wagering Fund	54	51	54	51
Administrative Costs	(671)	(452)	(671)	(452)
Total Available for Distribution	<u>3,856</u>	<u>2,614</u>	<u>3,856</u>	<u>2,614</u>

A summary of Interactive Gaming Fund related distributions is as follows (in thousands):

	Current Month	Year-to-Date
Pensions	39	39
Lottery Fund	3,817	3,817
Total Distributions	<u>\$ 3,856</u>	<u>\$ 3,856</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 12- 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, 2026 the State Legislature budgeted \$157,382,400 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 \$4,453,098 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be 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 July 31, 2025 the Lottery has accrued additional distributions of \$146,114,340. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>July 31, 2025</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 500
Bureau of Senior Services	19,775	19,775
Department of Education	7,081	7,081
Library Commission	3,398	3,398
Higher Education-Policy Commission	2,234	2,234
Tourism	2,100	2,100
General Revenue		
Natural Resources	1,163	1,163
Fire Protection Fund		
Division of Culture & History	950	950
Economic Development Authority	999	999
School Building Authority	1,800	1,800
Total State Lottery Fund	\$ 40,000	\$ 40,000

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 203	\$ 203
Higher Education Improvement Fund	1,500	1,500
Economic Development Authority	439	439
General Purpose Account		
Higher Education Improvement Fund		
State Park Improvement Fund		
School Building Authority	1,764	1,764
Refundable Credit		
WV Racing Commission		
Division of Human Services		
WV Lottery Statutory Transfers		
General Revenue Fund		
West Va. Infrastructure Council	547	547
Total State Excess Lottery Revenue Fund	<u>\$ 4,453</u>	<u>\$ 4,453</u>
Total Budgetary distributions:	<u>\$ 44,453</u>	<u>\$ 44,453</u>
Veterans Instant Ticket Fund	\$ 31	\$ 31
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 44,484	\$ 44,484
Accrued nonoperating distributions, beginning	(142,469)	(142,469)
Accrued nonoperating distributions, end	146,114	146,114
	<u>\$ 48,129</u>	<u>\$ 48,129</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – 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 cancellable operating leases. Rental expense for the fiscal year-to-date ended July 31, 2025 and July 31, 2024 approximated \$6,026 and \$9,865 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 July 31, 2025 and July 31, 2024 approximated \$92,241 and \$103,152 respectively.

NOTE 14 – COMMITMENTS

For the years ended June 30, 2025 and June 30, 2024 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2025 and 2024, \$4,783,397 and \$5,321,574, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 15 - 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 hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 10% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending July 31, 2025 and fiscal year-to-date are as follows (in thousands):

	<u>July 31, 2025</u>	<u>Year-to-Date</u>
Employee contributions	\$ 49	\$ 49
Lottery contributions	87	87
Total contributions	<u>\$ 136</u>	<u>\$ 136</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16 - 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.

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.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
LOTTERY FUND AND EXCESS LOTTERY FUND
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2025
(In Thousands)**

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	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	13,732	12,916	13,732	12,916
On-line games	5,110	6,500	5,110	6,500
E-Instants	1,914	-	1,914	-
Racetrack video lottery	41,747	40,440	41,747	40,440
Limited video lottery	39,277	38,484	39,277	38,484
Racetrack table games	3,004	2,272	3,004	2,272
Historic resort	326	330	326	330
Sports wagering	310	297	310	297
Interactive wagering	4,473	2,058	4,473	2,058
Total gross revenues	<u>109,893</u>	<u>103,297</u>	<u>109,893</u>	<u>103,297</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,459	1,265	1,459	1,265
On-line games	1,330	1,953	1,330	1,953
Racetrack Video Lottery	12,201	11,762	12,201	11,762
Sports wagering	271	253	271	253
Interactive wagering	3,817	1,732	3,817	1,732
Total Lottery Fund net revenues	<u>19,078</u>	<u>16,965</u>	<u>19,078</u>	<u>16,965</u>
Excess Lottery Fund				
Racetrack Video Lottery	4,776	4,705	4,776	4,705
Limited Video Lottery	18,688	18,103	18,688	18,103
Limited Video Lottery Fees	266	-	266	-
Racetrack table games	1,460	1,085	1,460	1,085
Historic resort	138	126	138	126
Total Excess Lottery Fund Net Revenues	<u>25,328</u>	<u>24,019</u>	<u>25,328</u>	<u>24,019</u>
Total Net Revenues	<u>44,406</u>	<u>40,984</u>	<u>44,406</u>	<u>40,984</u>

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE
Budget Division

**1900 Kanawha Blvd. East,
Room W-314
Charleston, WV 25305-0610
(304) 347-4870**



**William Spencer, CPA
Director**

Memorandum

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

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

Date: September 2, 2025

Re: Status of General Revenue Fund and State Road Fund as of
August 31, 2025 (FY 26)

We have read the cash flow of the West Virginia general revenue fund as of August 31, 2025, which is the second month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 102% of the estimate for the fiscal year. Total collections were \$17.3 million above the estimate for the fiscal year.

Personal Income Tax collections were \$14.1 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$9.8 million above the estimate for the year.

Severance Tax was \$24.5 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$7.6 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 102% of the estimate for the fiscal year. Total collections were \$4.9 million above the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$765,953,162.29 as of August 31, 2025.

Balance July 1, 2025	\$ 753,659,221.13
* Fiscal year 25 Surplus	\$ 00.00
Earnings	\$ 12,293,941.16
**Balance August 31, 2025	\$ 765,953,162.29

***Source: State Budget Office.**

****\$79 million loan to state General Revenue Fund 7/01/2025 for beginning of the year cash flow, to be repaid within 90 days, is included.**

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$608,066,918.78 as of August 31, 2025.

Balance July 1, 2025	\$ 593,777,914.78
Earnings	\$14,289,004.00
Balance August 31, 2025	\$ 608,066,918.78

The **Personal Income Tax Reserve** Fund had a \$460,000,000.00 cash balance as of August 31, 2025.

Balance July 1, 2025	\$460,000,000.00
Balance August 31, 2025	\$460,000,000.00

**REVENUE COLLECTIONS
FISCAL YEAR 2026
as of August 31, 2025**

GENERAL REVENUE FUND

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 137,449,000	\$ 143,084,222	\$ 5,635,222	\$ 277,408,000	\$ 291,508,275	\$ 14,100,275	105%
Consumer Sales Tax & Use Tax	165,971,000	179,837,073	13,866,073	306,762,000	316,600,909	9,838,909	103%
Severance Tax	51,393,000	29,021,815	(22,371,185)	54,908,000	30,454,818	(24,453,182)	55%
Corporate Net Income Tax	1,124,000	(362,631)	(1,486,631)	14,305,000	21,916,750	7,611,750	153%
Insurance Tax	393,000	1,752,561	1,359,561	30,648,000	31,741,062	1,093,062	104%
Tobacco Products Tax	13,305,000	9,904,592	(3,400,408)	25,690,000	23,974,225	(1,715,775)	93%
Business and Occupation	9,799,000	7,861,999	(1,937,001)	18,356,000	21,829,363	3,473,363	119%
Liquor Profit Transfers	2,578,000	2,897,675	319,675	5,984,000	7,965,382	1,981,382	133%
Departmental Collections	1,583,000	1,910,394	327,394	2,705,000	3,409,825	704,825	126%
Property Transfer Tax	-	556,831	556,831	-	556,831	556,831	0%
Property Tax	504,000	559,916	55,916	657,000	679,009	22,009	103%
Beer Tax and Licenses	576,000	583,891	7,891	1,269,000	1,322,262	53,262	104%
Miscellaneous Transfers	36,000	-	(36,000)	36,000	850	(35,150)	0%
Interest Income	10,500,000	12,072,269	1,572,269	22,000,000	25,621,091	3,621,091	116%
Refundable Credit Reimb Liability	200,000	187,934	(12,066)	200,000	187,934	(12,066)	0%
HB 102 - Lottery Transfers	6,250,000	6,780,467	530,467	6,250,000	6,780,467	530,467.30	0%
Miscellaneous	250,000	215,403	(34,597)	500,000	312,165	(187,835)	62%
Business Franchise Fees	21,000	65,208	44,208	85,000	164,042	79,042	193%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	0	-	-	101,000	98,757	(2,243)	98%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	-	-	-	25	25	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	17,230	17,230	-	24,358	24,358	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	79,000,000	-	0%
Soft Drink Excise Tax	-	(126)	(126)	-	(262)	(262)	
SUBTOTALS	\$ 401,932,000	\$ 396,946,723	\$ (4,985,277)	\$ 767,864,000	\$ 864,148,139	\$ 17,284,139	
Less: Cash Flow Transfer	-	-	-	-	79,000,000	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
TOTALS	\$ 401,932,000	\$ 396,946,723	\$ (4,985,277)	\$ 767,864,000	\$ 785,148,139	\$ 17,284,139	
Percent of Estimates		99%			102%		
Collections this day		\$ 7,993,750					

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 02, 2025

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
AUGUST 2024 vs AUGUST 2025**

GENERAL REVENUE FUND

	Actual Collections Aug 2024	Actual Collections Aug 2025	Actual Collections 2 Months Jul-Aug 2024	Actual Collections 2 Months Jul-Aug 2025	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 151,176,242	\$ 143,084,222	\$ 294,069,009	\$ 291,508,275	\$ (2,560,734)	-1%
Consumer Sales Tax & Use Tax	166,200,336	179,837,073	258,894,484	316,600,909	57,706,425	22%
Severance Tax	25,396,362	29,021,815	28,523,832	30,454,818	1,930,986	7%
Corporate Net Income Tax	4,885,079	(362,631)	23,850,140	21,916,750	(1,933,390)	-8%
Insurance Tax	391,670	1,752,561	29,040,863	31,741,062	2,700,199	9%
Tobacco Products Tax	12,880,592	9,904,592	24,733,267	23,974,225	(759,041)	-3%
Business and Occupation	8,321,145	7,861,999	18,180,045	21,829,363	3,649,317	20%
Liquor Profit Transfers	3,006,567	2,897,675	6,837,447	7,965,382	1,127,936	16%
Departmental Collections	1,649,607	1,910,394	2,882,711	3,409,825	527,114	18%
Property Transfer Tax	554,499	556,831	1,598,122	556,831	(1,041,291)	-65%
Property Tax	527,638	559,916	627,682	679,009	51,327	8%
Beer Tax and Licenses	585,253	583,891	1,286,105	1,322,262	36,158	3%
Miscellaneous Transfers	-	-	184,700	850	(183,850)	-100%
Interest Income	21,505,598	12,072,269	40,329,986	25,621,091	(14,708,895)	-36%
Refundable Credit Reimb Liability	267,099	187,934	267,099	187,934	(79,165.00)	-30%
HB 102 - Lottery Transfers	6,165,018	6,780,467	6,165,018	6,780,467	615,448.83	10%
Miscellaneous	211,800	215,403	300,328	312,165	11,837	4%
Business Franchise Fees	69,775	65,208	78,218	164,042	85,824	110%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	42,642	-	141,399	98,757	(42,642.16)	-30%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	41	-	266	25	(241)	-91%
Video Lottery Transfers	6,827	17,230	(33,848)	24,358	58,206	0%
July-Dec Retro Rev Adj	-	-	-	-	-	0%
Cash Flow Transfer	-	-	78,500,000	79,000,000	500,000	0%
Soft Drink Excise Tax	(1,272)	(126)	1,214,099	(262)	(1,214,361)	-2%
SUBTOTALS	\$ 403,842,518	\$ 396,946,723	\$ 817,670,974	\$ 864,148,139	\$ 46,477,165	
Less: Cash Flow Transfer	-	-	78,500,000	\$ 79,000,000	500,000	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 403,842,518	\$ 396,946,723	\$ 739,170,974	\$ 785,148,139	\$ 45,977,165	
Increase/Decrease over Prior Period		\$ (6,895,795)		\$ 45,977,165		
% Increase/Decrease over Prior Period		-1.71%		6.22%		

**REVENUE COLLECTIONS
FISCAL YEAR 2026
as of August 31, 2025**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 29,500,000	\$ 29,890,209	\$ 390,209	\$ 70,100,000	\$ 68,208,898	\$ (1,891,102)	97%
Sales/Privilege Tax	29,500,000	31,148,778	1,648,778	56,000,000	59,794,015	3,794,015	107%
Licenses & Registration	13,500,000	10,876,616	(2,623,384)	28,600,000	25,080,391	(3,519,609)	88%
Miscellaneous	106,000,000	112,993,103	6,993,103	110,000,000	116,408,639	6,408,639	106%
Highway Litter Control	165,000	174,258	9,258	333,000	405,984	72,984	122%
Federal Reimbursement	81,500,000	91,348,833	9,848,833	154,675,000	166,269,048	11,594,048	107%
SUBTOTALS	\$ 260,165,000	\$ 276,431,796	\$ 16,266,796	\$ 419,708,000	\$ 436,166,975	\$ 16,458,975	
Less: Federal Reimbursement	81,500,000	91,348,833	9,848,833	154,675,000	166,269,048	11,594,048	
TOTALS	\$ 178,665,000	\$ 185,082,963	\$ 6,417,963	\$ 265,033,000	\$ 269,897,927	\$ 4,864,927	

Percent of Estimates

104%

102%

Collections past two days

\$ 10,318,309

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of August 31, 2025 : \$765,953,162.29

\$79 million loan to the General Revenue fund 7/1/25 for beginning of the year cash flow, to be repaid within 90 days, is included.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of August 31, 2025: \$ 608,066,918.78

SPECIAL INCOME TAX REFUND RESERVE FUND as of August 31, 2025: \$460,000,000.00

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 02, 2025

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
AUGUST 2024 vs AUGUST 2025**

STATE ROAD FUND

	Actual Collections Aug 2024	Actual Collections Aug 2025	Actual Collections 2 Months Jul-Aug 2024	Actual Collections 2 Months Jul-Aug 2025	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 32,813,020	\$ 29,890,209	\$ 77,611,918	\$ 68,208,898	\$ (9,403,020)	-12%
Privilege Tax	27,879,292	31,148,778	57,147,606	59,794,015	2,646,408	5%
Licenses & Registration	13,105,161	10,876,616	28,911,365	25,080,391	(3,830,974)	-13%
Miscellaneous	5,566,588	112,993,103	5,494,579	116,408,639	110,914,061	2019%
Highway Litter Control	171,190	174,258	367,581	405,984	38,403	10%
Federal Reimbursement	83,651,732	91,348,833	155,139,480	166,269,048	11,129,568	7%
 SUBTOTALS	\$ 163,186,983	\$276,431,796	\$ 324,672,529	\$436,166,975	\$ 111,494,446	
Less: Federal Reimbursement	83,651,732	91,348,833	155,139,480	166,269,048	11,129,568	
 TOTALS	\$ 79,535,251	\$185,082,963	\$ 169,533,049	\$269,897,927	\$ 100,364,878	
 Increase/Decrease over Prior Period		\$ 105,547,712		\$ 100,364,878		
 % Increase/Decrease over Prior Period		132.7%		59.2%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
September 02, 2025

Final FY 2025 State Road Fund Collections

\$ Millions

*FY 2024 Collections included \$310 Million in one-time General Revenue Fund Appropriations

Revenue Source	FY 2025 Actual	FY 2025 Estimate	FY 2025 Relative to Estimate (\$)	FY 2024 Actual	FY 2024 to FY 2025 Growth (\$)	FY 2024 to FY 2025 Growth (%)
Motor Fuel Tax	\$ 431.015	\$ 435.000	\$ (3.985)	\$ 445.055	\$ (14.040)	-3.2%
Sales (Privilege) Tax	334.106	305.000	29.106	317.180	16.926	5.3%
Registration Fees	137.381	155.000	(17.619)	129.179	8.202	6.3%
Litter Control	1.711	1.700	0.011	1.606	0.106	6.6%
Miscellaneous*	62.758	90.000	(27.242)	400.355	(337.597)	-84.3%
Federal Reimbursement	764.105	929.175	(165.070)	822.906	(165.070)	-7.1%
Total State Road Fund	<u>\$ 1,731.076</u>	<u>\$ 1,915.875</u>	<u>\$(184.799)</u>	<u>\$ 2,116.280</u>	<u>\$(385.204)</u>	<u>-18.2%</u>

Final FY 2025 General Revenue Collections

\$ Millions

Revenue Source	FY2025 Actual	FY2025 Estimate	FY2025 Relative to Estimate	FY2024 Actual	FY2024 - FY2025 Growth (\$)	FY2024 - FY2025 Growth (%)
Personal Income Tax	\$ 2,126.396	\$ 2,023.300	\$ 103.096	\$ 2,239.859	\$ (113.463)	-5.1%
Sales & Use Tax	1,821.247	1,841.000	(19.753)	1,816.544	4.702	0.3%
Severance Tax	439.022	406.300	32.722	368.874	70.148	19.0%
Corporate Net Income Tax	376.219	318.000	58.219	465.463	(89.244)	-19.2%
Business & Occupation Tax	103.890	115.000	(11.110)	126.751	(22.861)	-18.0%
Tobacco Products Tax	137.883	147.600	(9.717)	153.220	(15.336)	-10.0%
Insurance Tax	133.005	120.000	13.005	120.736	12.269	10.2%
Interest Income	186.815	125.000	61.815	226.562	(39.748)	-17.5%
All Other	194.886	168.336	26.550	192.566	2.320	1.2%
Total General Revenue	<u>\$ 5,519.363</u>	<u>\$ 5,264.536</u>	<u>\$ 254.827</u>	<u>\$ 5,710.575</u>	<u>\$ (191.212)</u>	<u>-3.3%</u>

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE*Budget Division*

1900 Kanawha Blvd. East,
 Room W-314
 Charleston, WV 25305-0610
 (304) 347-4870



William Spencer, CPA
Director

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

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

Date: September 02, 2025

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the July 31, 2025, monthly report of the Unemployment Compensation Trust Fund we received from Workforce West Virginia.

As of July 31, 2025, of fiscal year 2025-2026, the Trust Fund cash flow was as follows:

Beginning Cash Balance July 1, 2024	\$ 435,104,769.53
Receipts July 1, 2024-April 30, 2025	\$ 48,232,395.80
Disbursements July 1, 2024-April 30, 2025	\$ 41,321,023.51
Ending Cash Balance April 30, 2025	\$ 442,016,141.82

ITEMS OF NOTE:

Regular benefits paid for July 2025 were \$2.2 million less than July 2024.

Federal emergency benefits were \$0 for July 2025. For July 2024, federal emergency benefits were also \$0.

Total disbursements were \$3.1 million less in July 2025 than the preceding July 2024.

Receipts, year to date, as of July 2025, were \$73 thousand more than the preceding July 2024. Overall ending trust fund balance was \$4.2 million higher on July 31, 2025, than on July 31, 2024.

Seasonally adjusted unemployment rate for July 2025 was 3.7 percent. The national rate was 4.2 percent in July.

Since July 2024, employment has increased by 5,100 jobs. Employment declines included (-2,700) in leisure and hospitality, (-600) in mining and logging, (-200) in manufacturing, and (-300) financial activities. Employment gains included (+2,100) in private education and business services, (+4,100) in construction, (+600) in professional and business services, (+200) in trade, transportation, and utilities, (+1,500) in government, (+200) in information, and (+200) in other services.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING MAY 2024 AND MAY 2025**

	MAY 2024	JUNE 2024	JULY 2024	MAY 2025	JUNE 2025	JULY 2025	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$ 421,382,588.91	\$ 438,824,870.99	\$ 434,053,523.79	\$ 424,272,138.45	\$443,530,173.82	\$435,104,769.53	\$ 8,646,098.11	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	29,911,356.31	1,449,214.25	17,998,166.50	29,705,464.12	958,850.90	18,974,994.90	280,572.86	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	3,818.58	3,256.00	-	-	7,632.00	-	557.42	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	-	-	-	-	-	-	-	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	(4,798.58)	3,300.00	900.00	-	8,400.00	362.00	9,360.58	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(6,466.00)	39,921.00	(3,570.00)	(2,347.00)	(3,072.00)	(10,990.80)	(46,294.80)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	43,746.82	34,135.22	63,790.31	62,318.49	71,156.10	73,070.30	64,872.54	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	-	-	-	-	-	-	-	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	-	2,913,562.02	-	-	3,398,762.02	-	485,200.00	10. Treasury Interest Credits
11. UCX (Military Agencies)	61,943.86	58,852.98	70,899.89	40,827.21	39,404.67	34,130.70	(77,334.15)	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	-	-	12. Temporary Compensation
13. BT to State UI Account	-	5,000,000.00	-	-	-	-	(5,000,000.00)	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	\$ 74,642,045.82	\$ 27,730,470.16	\$ 48,159,607.56	\$ 73,306,652.77	\$ 17,520,749.67	\$ 48,232,395.80	\$ (11,472,325.30)	Total Monthly Receipts
Less Disbursements:								
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 12,469,873.03	\$ 14,092,450.03	\$ 14,233,919.86	\$ 10,447,414.19	\$ 12,774,675.32	\$ 12,073,331.66	(5,500,821.75)	Regular Benefits:
Federal Emergency Compensation - PEUC	3,818.58	3,256.00	-	-	7,632.00	-	557.42	PEUC
Federal Additional Compensation - FPUC	(4,798.58)	3,300.00	1,230.00	-	8,400.00	362.00	9,030.58	FPUC
Pandemic Unemployment Assistance PUA	(6,466.00)	39,921.00	(3,570.00)	(2,347.00)	(3,072.00)	(10,990.80)	(46,294.80)	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	-	-	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	22,404.00	-	-	-	-	(22,404.00)	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	44,122.02	44,991.04	54,132.32	62,333.05	76,448.51	66,410.73	61,946.91	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	60,769.86	67,266.60	63,148.27	40,827.21	42,454.15	31,081.22	(76,822.15)	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	-	-	-	-	-	-	-	EUISAA Title IX/STC
Total Monthly Disbursements	\$ 57,199,763.74	\$32,501,817.36	\$44,378,281.31	\$54,048,617.40	\$25,946,153.96	\$41,321,023.51	\$ (12,764,067.54)	Total Monthly Disbursements
Trust Fund Balance	\$ 438,824,870.99	\$434,053,523.79	\$437,834,850.04	\$443,530,173.82	\$435,104,769.53	\$442,016,141.82	\$ 9,937,840.35	Trust Fund Balance

* 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.

Indicates prior month values that have been updated

**Note: UI Trust Fund Balance Includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

**Note: Reed Act funds of \$549,468.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.

UC TRUST FUND – 2025

Month	Receipts	Disbursements	Trust Fund Balance
2024			
Balance 1/1/2024			\$ 406,309,428
January	\$ 41,041,993	\$ 47,064,592	\$ 400,286,829
February	\$ 28,824,885	\$ 37,422,044	\$ 389,689,670
March	\$ 17,566,730	\$ 29,810,943	\$ 377,424,125
April	\$ 127,728,175	\$ 83,769,711	\$ 421,382,589
May	\$ 74,642,045	\$ 57,199,763	\$ 438,824,871
June	\$ 27,730,470	\$ 32,501,817	\$ 434,053,524
July	\$ 48,159,607	\$ 44,378,281	\$ 437,834,850
August	\$ 31,371,798	\$ 33,149,694	\$ 436,056,954
September	\$ 15,204,501	\$ 23,971,988	\$ 427,289,467
October	\$ 35,676,337	\$ 36,368,037	\$ 426,597,767
November	\$ 25,914,739	\$ 28,992,223	\$ 423,520,283
December	\$ 21,588,827	\$ 34,418,950	\$ 410,690,158
Totals - 2024	\$ 495,450,827	\$ 489,048,043	\$ 410,690,158
2025			
January	\$ 40,023,920	\$ 49,813,538	\$ 400,900,540
February	\$ 30,174,347	\$ 41,155,602	\$ 389,919,285
March	\$ 19,398,414	\$ 31,660,700	\$ 377,656,999
April	\$ 112,235,282	\$ 65,620,143	\$ 424,272,138
May	\$ 73,306,652	\$ 54,048,617	\$ 443,530,173
June	\$ 17,520,749	\$ 25,946,153	\$ 435,104,769
July	\$ 48,232,395	\$ 41,321,023	\$ 442,016,141
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2025	\$	\$	\$

Benefits and Technical Support Section • Unemployment Compensation Division
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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING MAY 2024 AND MAY 2025**

	MAY 2024	JUNE 2024	JULY 2024	MAY 2025	JUNE 2025	JULY 2025	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$ 421,382,588.91	\$ 438,824,870.99	\$ 434,053,523.79	\$ 424,272,138.45	\$443,530,173.82	\$435,104,769.53	\$ 8,646,098.11	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	29,911,356.31	1,449,214.25	17,998,166.50	29,705,464.12	958,850.90	18,974,994.90	280,572.86	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	3,818.58	3,256.00	-	-	7,632.00	-	557.42	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	-	-	-	-	-	-	-	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	(4,798.58)	3,300.00	900.00	-	8,400.00	362.00	9,360.58	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(6,466.00)	39,921.00	(3,570.00)	(2,347.00)	(3,072.00)	(10,990.80)	(46,294.80)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	43,746.82	34,135.22	63,790.31	62,318.49	71,156.10	73,070.30	64,872.54	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	-	-	-	-	-	-	-	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	-	2,913,562.02	-	-	3,398,762.02	-	485,200.00	10. Treasury Interest Credits
11. UCX (Military Agencies)	61,943.86	58,852.98	70,899.89	40,827.21	39,404.67	34,130.70	(77,334.15)	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	-	-	12. Temporary Compensation
13. BT to State UI Account	-	5,000,000.00	-	-	-	-	(5,000,000.00)	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	\$ 74,642,045.82	\$ 27,730,470.16	\$ 48,159,607.56	\$ 73,306,652.77	\$ 17,520,749.67	\$ 48,232,395.80	\$ (11,472,325.30)	Total Monthly Receipts
Less Disbursements:								
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 12,469,873.03	\$ 14,092,450.03	\$ 14,233,919.86	\$ 10,447,414.19	\$ 12,774,675.32	\$ 12,073,331.66	(5,500,821.75)	Regular Benefits:
Federal Emergency Compensation - PEUC	3,818.58	3,256.00	-	-	7,632.00	-	557.42	PEUC
Federal Additional Compensation - FPUC	(4,798.58)	3,300.00	1,230.00	-	8,400.00	362.00	9,030.58	FPUC
Pandemic Unemployment Assistance PUA	(6,466.00)	39,921.00	(3,570.00)	(2,347.00)	(3,072.00)	(10,990.80)	(46,294.80)	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	-	-	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	22,404.00	-	-	-	-	(22,404.00)	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	44,122.02	44,991.04	54,132.32	62,333.05	76,448.51	66,410.73	61,946.91	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	60,769.86	67,266.60	63,148.27	40,827.21	42,454.15	31,081.22	(76,822.15)	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	-	-	-	-	-	-	-	EUISAA Title IX/STC
Total Monthly Disbursements	\$ 57,199,763.74	\$32,501,817.36	\$44,378,281.31	\$54,048,617.40	\$25,946,153.96	\$41,321,023.51	\$ (12,764,067.54)	Total Monthly Disbursements
Trust Fund Balance	\$ 438,824,870.99	\$434,053,523.79	\$437,834,850.04	\$443,530,173.82	\$435,104,769.53	\$442,016,141.82	\$ 9,937,840.35	Trust Fund Balance

* 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.

Indicates prior month values that have been updated

**Note: UI Trust Fund Balance Includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

**Note: Reed Act funds of \$549,468.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.

Regular UI Account Summary July 2025

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Beginning UI Balance	\$ 399,895,342.60	\$388,959,074.46	\$382,479,452.00	\$367,868,188.34	\$416,441,761.82	\$439,773,982.14	\$432,459,449.47					
Contributory Employer Deposits	3,727,697.03	9,236,822.68	505,667.84	55,543,930.35	32,396,273.11	755,966.36	15,982,018.79					
Interstate Payments In	2,035,502.44	995,075.48	51,784.39	2,525,064.92	1,360,557.71	125,119.34	1,087,054.73					
U.S. Treasury Interest Credits	3,294,574.06			3,140,523.32		3,398,762.02	-					
UI Reimbursable Employer Deposits	\$584,902.97	877,777.32	96,932.16	654,069.65	1,041,426.89	72,533.64	676,381.21					
Total UI Receipts	\$ 9,642,676.50	\$ 11,109,675.48	\$ 654,384.39	\$ 61,863,588.24	\$ 34,798,257.71	\$ 4,352,381.36	\$ 17,745,454.73	-	-	-	-	-
Contributory Employer Payments	19,636,491.97	16,800,628.10	14,201,718.34	11,552,770.73	10,540,015.26	10,995,727.32	10,963,479.50					
Interstate Payments Out	318,015.47	213,771.41	417,263.73	1,179,384.55	407,160.21	-	388,681.91					
UI Reimbursable Employer Payments	624,437.20	574,898.43	646,665.98	557,859.48	518,861.92	671,186.71	711,334.03					
Total UI Monthly Disbursements	\$ 20,578,944.64	\$ 17,589,297.94	\$ 15,265,648.05	\$ 13,290,014.76	\$ 11,466,037.39	\$ 11,666,914.03	\$ 12,063,495.44	-	-	-	-	-
UI Trust Fund Balance	\$ 388,959,074.46	\$382,479,452.00	\$367,868,188.34	\$416,441,761.82	\$439,773,982.14	\$432,459,449.47	\$438,141,408.76					
ASAP Daily report total	\$ 388,959,074.46	\$382,479,452.00	\$367,868,188.34	\$416,441,761.82	\$439,773,982.14	\$432,459,449.47	\$438,141,408.76					

FOR RELEASE: August 13, 2025
Contact: Andy Malinoski
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304-553-9305

State Unemployment Rate Remains at 3.7 Percent in July 2025

West Virginia's seasonally adjusted unemployment rate was 3.7 percent in July. This marks the third consecutive month at 3.7 percent; the lowest unemployment rate for the state since May 2023. The number of unemployed state residents decreased by 100 over the month, sliding to 29,100. Total employment increased by 400, bumping up to 750,900. Nationally, the seasonally adjusted unemployment rate ticked up one-tenth of one percentage point to 4.2 percent in July 2025.

Total nonfarm payroll employment slipped by 300 jobs in July as the service-providing sector decreased by 300 and the goods-producing sector went unchanged. The goods-producing sector saw manufacturing shed 500 jobs and mining and logging shed 100 jobs, meanwhile construction continued to build, adding 600.

The service-providing sector saw a light dip over the month as losses outpaced gains. Losses came in professional and business services (-900), leisure and hospitality (-400), and in financial activities (-200). Gains came in government employment (+700), seen primarily at the local level, in trade, transportation, and utilities (+400), and in other services (+100). Employment in information and in private education and health services was unchanged over the month.

Over the year, total nonfarm payroll employment increased by 5,100 jobs. The bulk of job gains since July 2024 came in three broad industries: construction (+4,100), private education and health services (+2,100), and government (+1,500). Over-the-year gains also came in professional and business services, up 600 jobs, and in trade, transportation, and utilities, in information, and in other services, each of which added 200 jobs. Over-the-year declines came in leisure and hospitality (-2,700), mining and logging (-600), financial activities (-300), and in manufacturing (-200).

West Virginia's seasonally adjusted labor force participation rate remained unchanged over the month at 54.3 percent in July.

The state's not seasonally adjusted unemployment rate decreased one-tenth of one percentage point to 4.0 percent.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
July 2025

	Prelim. Jul 2025	Revised Jun 2025	Revised Jul 2024	Change from:	
				Jun 2025	Jul 2024
Civilian Labor Force	780.0	779.6	787.6	0.4	-7.6
Total Employment	750.9	750.5	755.3	0.4	-4.4
Total Unemployment	29.1	29.2	32.3	-0.1	-3.2
Unemployment Rate	3.7	3.7	4.1	xx	xx
Labor Force Participation Rate	54.3	54.3	54.9	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	720.4	720.7	715.3	-0.3	5.1
Total Private	569.5	570.5	565.9	-1.0	3.6
Goods Producing	103.4	103.4	100.1	0.0	3.3
Mining and Logging	20.7	20.8	21.3	-0.1	-0.6
Construction	37.3	36.7	33.2	0.6	4.1
Manufacturing	45.4	45.9	45.6	-0.5	-0.2
Durable Goods	27.5	27.9	27.3	-0.4	0.2
Non-Durable Goods	17.9	18.0	18.3	-0.1	-0.4
Service-Providing	617.0	617.3	615.2	-0.3	1.8
Private Service-Providing	466.1	467.1	465.8	-1.0	0.3
Trade, Transportation, and Utilities	123.5	123.1	123.3	0.4	0.2
Wholesale Trade	18.6	18.9	19.6	-0.3	-1.0
Retail Trade	79.8	78.7	78.4	1.1	1.4
Transportation, Warehousing, and Utilities	25.1	25.5	25.3	-0.4	-0.2
Information	8.0	8.0	7.8	0.0	0.2
Financial Activities	25.5	25.7	25.8	-0.2	-0.3
Finance and Insurance	18.6	18.9	19.0	-0.3	-0.4
Real Estate and Rental and Leasing	6.9	6.8	6.8	0.1	0.1
Professional and Business Services	72.2	73.1	71.6	-0.9	0.6
Professional, Scientific & Technical Services	29.8	30.0	30.4	-0.2	-0.6
Administrative and Support and Waste Mgmt	34.7	35.3	33.5	-0.6	1.2
Private Education and Health Services	143.9	143.9	141.8	0.0	2.1
Private Educational Services	6.8	6.9	7.0	-0.1	-0.2
Health Care and Social Assistance	137.1	137.0	134.8	0.1	2.3
Leisure and Hospitality	68.7	69.1	71.4	-0.4	-2.7
Arts, Entertainment, and Recreation	8.5	8.5	9.0	0.0	-0.5
Accommodation and Food Service	60.2	60.6	62.4	-0.4	-2.2
Other Services	24.3	24.2	24.1	0.1	0.2
Government	150.9	150.2	149.4	0.7	1.5
Federal Government	26.2	26.1	26.6	0.1	-0.4
State Government	46.9	47.1	46.3	-0.2	0.6
Local Government	77.8	77.0	76.5	0.8	1.3

BRIM
September 2025
Interim Packet

**West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the One Month Ending July 31, 2025**

**Talking Points for Joint Committee on Government and Finance Meeting
September 2025**

1. **Premium Revenue** for July reflects the premiums earned for the first month of the current fiscal year. BRIM premiums in FY'26 reflect an increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
2. **Claims Expense** reflects net claims payments made in July plus an estimated accrual for the month of July. Claim payments in July were lower than in July of last year.
3. **Investments** reflect a loss of \$176 thousand year to date. Investment returns in July of last year were higher than in July of this year. The interest rate environment during FY'25 was uncertain and there was volatility in the equities markets. In FY'26 the outlook for investment income is uncertain given the continued volatility of the equities markets and the interest rate environment.
4. BRIM continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the One Month Ended July 31st

	2025	2024
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,449	\$ 40,567
Advance deposits with insurance company and trustee	289,616	255,628
Receivables	63,270	26,010
Prepaid insurance	793	0
Restricted cash and cash equivalents	12,462	8,680
Premiums due from other entities	1,216	1,539
Total current assets	404,806	332,424
Noncurrent assets:		
Equity position in internal investments pools	40,063	59,162
Restricted investments	36,077	33,111
Total noncurrent assets	76,140	92,274
Total assets	480,946	424,698
Deferred Outflows of Resources	243	243
Deferred Outflows of Resources - OPEB	10	10
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	75,991	91,641
Unearned premiums	26,442	24,039
Agent commissions payable	1,774	1,932
Claims Payable	0	0
Accrued expenses and other liabilities	56,631	19,968
Total current liabilities	160,839	137,579
Estimated unpaid claims and claims adjustment expense net of current portion	209,197	200,925
Compensated absences	173	182
Net pension liability	(4)	(4)
Total noncurrent liabilities	209,366	201,103
Total liabilities	370,205	338,682
Deferred Inflows of Resources	0	0
Deferred Inflows of Resources - OPEB	64	64
Net position:		
Restricted by State code for mine subsidence coverage	44,390	38,026
Unrestricted	61,027	37,826
Net Assets (Deficiency)	5,513	10,353
Net position	\$ 110,930	\$ 86,205

Unaudited

Statements of Revenues, Expenses, and Changes in Net Position

For the One Month Ended July 31st

	2025	2024
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	11,272	\$ 10,102
Less coverage/reinsurance programs	(201)	(66)
Net operating revenues	11,071	10,036
 Operating expenses		
Claims and claims adjustment expense	4,829	5,104
General and administrative	553	445
Total operating expenses	5,382	5,549
 Operating income (loss)	5,689	4,487
 Nonoperating revenues		
Investment income	(176)	5,865
OPEB Non Operating Income	0	0
Net nonoperating revenues	(176)	5,865
Changes in net position	5,513	10,353
 Total net position, beginning of year	105,417	75,852
 Total net position, end of period	\$ 110,930	\$ 86,205

Unaudited

PEIA
September 2025
Interim Packet

PEIA September Interim Talking Points

- **PEIA and RHBT preliminary, unaudited financial statements for June 2025 are available for your review.**
- **PEIA statements indicate PEIA finished approximately \$48 million ahead of plan. This is due to lower than forecast medical claims.**
- **RHBT statements indicate RHBT finished ahead of plan by \$64 million. This is due to higher than forecast investment income.**
- **The 2025 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$103, \$7.4 and \$133 million respectively.**
- **These reserve levels represent 12%, 3.8% and 69% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses. The required reserve for PEIA is 12% and the PEIA reserve is 10.4%.**

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Twelve Months Ending Monday, June 30, 2025
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

Monday, June 30, 2025

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			OPERATING REVENUE				
			Premium Revenue				
\$639,204	\$638,859	\$600,773	Health Insurance - State Gov. - Employers	\$345	0%	\$38,431	6%
163,602	164,191	147,244	Health Insurance - State Gov. - Employees	(\$589)	(0%)	\$16,358	11%
181,447	180,173	163,779	Health Insurance - Local Gov. - All	\$1,274	1%	\$17,668	11%
4,981	4,619	4,956	Administrative Fees, Net of Refunds	\$362	8%	\$25	1%
1,899	2,453	2,520	Other Premium Revenue	(\$554)	(23%)	(\$621)	(25%)
991,133	990,295	919,272	Total Operating Revenue	838	0%	71,861	8%
			NON-OPERATING REVENUE				
2,513	2,454	2,376	Life Insurance	59	2%	137	6%
87,000	-	-	Direct Transfer	87,000	100%	87,000	100%
18,743	9,570	14,558	Interest and Investment Income	9,173	96%	4,185	29%
29,132	29,000	-	WV RHBT Pay Go Premiums	132	0%	29,132	100%
137,388	41,024	16,934	Total Non-Operating Revenue	96,364	235%	120,454	711%
1,128,521	1,031,319	936,206	TOTAL REVENUE	97,202	9%	192,315	21%
			EXPENSES				
621,453	647,331	642,624	Claims Expense - Medical	25,878	4%	21,171	3%
396,861	404,996	371,807	Gross Claims Expense - Drugs	8,135	2%	(25,054)	(7%)
(147,966)	(154,138)	(129,331)	Prescription Rebate	(6,172)	(4%)	18,635	14%
248,895	250,858	242,476	Net Claims Expense- Drugs	1,963	1%	(6,419)	(3%)
69,525	67,417	64,226	Payments to Managed Care Org.	(2,108)	(3%)	(5,299)	(8%)
22,420	31,670	21,796	Administrative Service Fees	9,250	29%	(624)	(3%)
1,076	2,214	437	Wellness and Disease Management	1,138	51%	(639)	(146%)
5,976	8,092	5,577	Other Operating Expenses	2,116	26%	(399)	(7%)
2,107	2,172	2,094	Life Insurance Expense	65	3%	(13)	(1%)
554	467	514	ACA Comparative Effectiveness Fee	(87)	(19%)	(40)	(8%)
29,132	29,000	-	WV RHBT Pay Go Premiums	(132)	(0%)	(29,132)	100%
1,001,138	1,039,221	979,744	TOTAL EXPENSES	38,083	4%	(21,394)	(2%)
127,383	(7,902)	(43,538)	YTD Surplus (Deficit)	135,285	(1,712%)	170,921	(393%)
81,292	81,292	124,830	Total Net Position, Beginning of Period	-	0%	(43,538)	(35%)
\$208,675	\$73,390	\$81,292	Total Net Position, End of Period	\$135,285	184%	\$127,383	157%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
Monday, June 30, 2025
In Thousands

BASED ON TENTATIVE IMB INVESTMENT INCOME & IBNR

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$2,033	\$1,958	\$2,032	Health premiums - Non Par	\$75	4%	\$1	0%
6,490	6,561	7,525	Health Premiums - RLC Health, Life	(71)	(1%)	(1,035)	(14%)
29,132	29,000	(7)	Pay Go Premiums	132	0%	29,139	100%
30,000	30,000	30,000	State appropriation - OPEB	-	0%	-	0%
67,655	67,519	39,550	Total Employer Premiums	136	0%	28,105	71%
			Other Additions:				
500	500	186	Retiree Drug Subsidy	-	0%	314	169%
205,731	135,836	201,842	Investment Income	69,895	51%	3,889	2%
273,886	203,855	241,578	TOTAL ADDITIONS	70,031	34%	32,308	13%
			DEDUCTIONS				
65,586	55,362	53,545	Payments to Managed Care Org.	(10,224)	(18%)	(12,041)	(22%)
26,139	27,692	26,305	Life Insurance Expense	1,553	6%	166	1%
59,251	62,888	64,857	Medical Claims Expense	3,637	6%	5,606	9%
24,741	27,302	26,954	Pharmacy Claims Expense	2,561	9%	2,213	8%
1,279	993	1,512	Administrative Service Fees (External)	(286)	(29%)	233	15%
(59,265)	(61,409)	(57,578)	Member Health premiums	(2,144)	(3%)	1,687	3%
(26,150)	(27,732)	(26,318)	Member Life Insurance Premiums	(1,582)	(6%)	(168)	(1%)
3,112	4,145	2,422	Other Operating Expenses	1,033	25%	(690)	(28%)
94,693	89,241	91,699	TOTAL DEDUCTIONS	(5,452)	(6%)	(2,994)	(3%)
179,193	114,614	149,879	NET POSITION INCREASE (DECREASE)	64,579	56%	29,314	20%
			Net Position Restricted for Post Employment Benefits				
1,945,517	1,945,517	1,795,638	Beginning of Period Total Net Position	-	0%	149,879	8%
1,923,365	1,858,786	1,744,172	End of Period Net Position - Restricted	64,579	3%	179,193	10%
201,345	201,345	201,345	End of Period Net Position - PSR	-	0%	-	0%
\$2,124,710	\$2,060,131	\$1,945,517	End of Period Total Net Position	\$64,579	3%	\$179,193	9%

Real Estate Division
September 2025
Interim Packet

Department of Administration Real Estate Division Leasing Report

For August Second Half, 2025

There are 14 leasing changes for this period, and they are as follows:

- 1 - New Contract of Lease
- 1 - Straight Renewal
- 3 - Renewal with Increase in Rent - DOA Owned
- 4 - Renewal with Decrease in Rent - DOA Owned
- 2 - Renewal with Increase in Square Feet and Decrease in Rent - DOA Owned
- 1 - Renewal with Decrease in Square Feet and Decrease in Rent - DOA Owned
- 2 - Cancellation

Department of Administration Real Estate Division Leasing Report

For the period of August Second Half, 2025

NEW CONTRACT OF LEASE

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-048 New Contract of Lease for 5 years consisting of 4,981 square feet of office space at the monthly rate of \$5,000.00, annual cost \$60,000.00, includes snow/ice and garbage removal, 127 Green Lane, in the City of Lewisburg, Greenbrier County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF CORRECTIONS AND REHABILITATION

COR-090 Renewal for 3 years consisting of 2,284 square feet of office space at the current annual per square foot rate of \$10.50, annual cost \$23,982, includes utilities, garbage removal and snow/ice removal, 1200 Harrison Avenue, in the City of Elkins, Randolph County, West Virginia.

RENEWAL WITH INCREASE IN RENT – DOA OWNED

WEST VIRGINIA HOSPITAL FINANCE AUTHORITY

HFA-001 Auto-Renewal consisting of 427 square feet of office space with an increase in the current annual per square foot rate from \$14.52 to \$14.80, annual cost \$6,319.60, starting July 1, 2025, and shall continue until updated, canceled, or terminated, full service, Building #86, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ADMINISTRATION, PURCHASING DIVISION OF SURPLUS PROPERTY

SRP-001 Auto-Renewal consisting of 29,217 square feet of office space with an increase in the current annual per square foot rate from \$2.47 to \$2.72, annual cost \$79,470.24, starting July 1, 2025, and shall continue until updated, canceled, or terminated, 2700 Charles Avenue, in the City of Dunbar, Kanawha County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-051 Auto-Renewal consisting of 2,074 square feet of office space with an increase in the current annual per square foot rate from \$22.99 to \$25.10 annual cost \$52,057.44, starting July 1, 2025, and shall continue until updated, canceled, or terminated, full service, Building #53, 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

RENEWAL WITH DECREASE IN RENT – DOA OWNED

DIVISION OF HIGHWAYS

HWY-026 Auto-Renewal consisting of 41,430 square feet of office space with a decrease in the current annual per square foot rate from \$12.16 to \$11.55, annual cost \$478,516.50, from July 1, 2025, through June 30, 2026, then decrease to \$11.02, annual cost \$456,558.60 from July 1, 2026 and shall continue until updated, canceled, or terminated, full service, Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN RENT – DOA OWNED (Continued)

DIVISION OF REHABILITATION SERVICES

DRS-133 Auto-Renewal consisting of 5,364 square feet of office space with a decrease in the current annual per square foot rate from \$14.56 to \$14.30, annual cost \$76,705.20, from January 1, 2025, through June 30, 2025, then decrease to \$13.71, annual cost \$73,540.44, from July 1, 2026, and shall continue until updated, canceled, or terminated, full service, Building #37, 601 57th Street SE, in the City of Charleston, Kanawha County, West Virginia.

WEST VIRGINIA DEPARTMENT OF COMMERCE

COM-001 Auto-Renewal consisting of 7,975 square feet of office space with an decrease in the current annual per square foot rate from \$16.29 to \$15.48, annual cost \$123,453.00, starting July 1, 2025, and shall continue until updated, canceled, or terminated, full service, Building #3, 1900 Kanawha Boulevard, in the City of Charleston, Kanawha County, West Virginia.

ATTORNEY GENERAL'S OFFICE

AGO-022 Auto-Renewal consisting of 20,763 square feet of office space with a decrease in the current annual per square foot rate of \$12.16 to \$11.55, annual cost \$239,812.65, from July 1, 2025, through June 30, 2026, then decrease to \$11.02, annual cost \$228,808.32, from July 1, 2026, and shall continue until updated or until canceled or terminated, full service, Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN SQUARE FEET AND DECREASE IN RENT – DOA OWNED

DEPARTMENT OF EDUCATION

EDU-032 Auto-Renewal lease with an increase of square feet from 79,109 square feet to 80,109 square feet of office with a decrease in the annual per square foot rate from \$12.10 to \$11.50, annual cost \$921,253.56 from July 1, 2025 through June 30, 2026, then a decrease in the annual per square foot rate to \$11.02, annual cost \$882,801.24 from July 1, 2026, and shall continue until updated or until canceled or terminated, full service, Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

WEST VIRGINIA DEPARTMENT OF ECONOMIC DEVELOPMENT

ECO-001 Auto-Renewal lease with an increase of square feet from 41,183 square feet to 46,738 square feet of office space with a decrease in the current annual per square foot rate from \$16.29 to \$15.48 annual cost \$723,504.24, starting July 1, 2025, and shall continue until updated, canceled, or terminated, full service, Building #3, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FEET AND DECREASE IN RENT DOA-Owned

DIVISION OF LABOR

LAB-002 Auto-Renewal lease with a decrease of square feet from 21,756 square feet to 17,074 square feet of office space, with a decrease in the current annual per square foot rate from \$16.29 to \$15.48 annual cost \$264,305.52, starting July 1, 2025, and shall continue until updated, canceled, or terminated, full service, Building #3, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

CANCELLATION

NATIONAL COAL HERITAGE AREA AUTHORITY

CHH-006 Lease cancellation consisting of 1,800 square feet of office space and 500 square feet of storage space for a total of 2,300 square feet, at the annual per square foot rate of \$12.00 annual cost \$27,600.00, includes utilities and snow/ice removal, 100 Kelly Avenue, in the City of Oak Hill, Fayette County, West Virginia.

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-032 Lease cancellation consisting of 4,700 square feet of office space, at the annual per square foot rate of \$12.00 annual cost \$4,700.00, includes utilities, garbage removal, and snow/ice removal, 316 Maplewood Avenue, in the City of Lewisburg, Greenbrier County, West Virginia.

MEDICAID REPORT

June 2025



Joint Committee on Government and Finance and
Legislative Oversight Commission on Health and
Human Resources Accountability
August 2025

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2025

	MONTH OF JUNE 2025		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2024	SFY2025	Current Month Ended 06/30/25	SFY2025	Current Month Ended 06/30/25	Current Month Ended 06/30/25	Year To-Date Thru 06/30/25	Budget vs 6/30/2025
EXPENDITURES:								
Inpatient Hospital - Reg. Payments	83,817,704	80,487,667	8,020,447	80,487,667	6,439,013	6,439,013	85,365,611	(4,877,944)
Inpatient Hospital - DSH	50,312,786	53,500,000	-	53,500,000	-	4,280,000	54,207,638	(707,638)
Inpatient Hospital - Supplemental Payments	-	-	1,726,006	-	1,726,006	-	4,801,783	(4,801,783)
Inpatient Hospital - GME Payments	14,955,984	13,452,984	-	13,452,984	-	1,076,239	16,701,237	(3,248,253)
Mental Health Facilities	9,303,347	6,126,772	1,725,718	6,126,772	1,725,718	490,142	10,615,519	(4,488,747)
Mental Health Facilities - DSH Adjustment Payments	21,401,331	18,887,045	-	18,887,045	-	1,510,964	18,887,044	1
Nursing Facility Services - Regular Payments	1,015,122,804	977,819,307	87,671,810	977,819,307	87,671,810	78,225,545	1,059,748,152	(81,928,844)
Nursing Facility Services - Supplemental Payments	-	25,000,000	-	25,000,000	-	2,000,000	-	25,000,000
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	72,228,418	63,354,257	6,795,327	63,354,257	6,795,327	5,068,341	77,215,234	(13,860,977)
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-	-	-
Physicians Services - Regular Payments	31,193,313	26,937,348	2,586,945	26,937,348	2,586,945	2,154,988	28,106,317	(1,168,968)
Physicians Services - Supplemental Payments	-	-	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	40,442,837	36,161,261	3,816,264	36,161,261	3,816,264	2,892,901	46,603,402	(10,442,141)
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-	-	-
Prescribed Drugs	870,892,219	982,436,076	86,032,100	982,436,076	86,032,100	78,594,886	860,919,893	121,516,183
Drug Rebate Offset - National Agreement	(499,047,033)	(555,000,000)	(24,093,048)	(555,000,000)	(24,093,048)	(44,400,000)	(457,685,117)	(97,314,883)
Drug Rebate Offset - State Sidebar Agreement	(110,721,125)	(50,000,000)	(2,144,137)	(50,000,000)	(2,144,137)	(4,000,000)	(114,736,794)	64,736,794
Drug Rebate Offset - MCO National	(6,058,271)	(10,600,000)	(656,372)	(10,600,000)	(656,372)	(848,000)	(6,461,157)	(4,138,843)
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	-	-	554	(554)
ODD Medication Assisted Treatment-Drugs	88,015,331	-	8,954,038	-	8,954,038	-	99,723,645	(99,723,645)
Dental Services	4,984,609	3,176,416	425,097	3,176,416	425,097	254,113	4,751,886	(1,575,470)
Other Practitioners Services - Regular Payments	204,036,097	148,476,163	270,351	148,476,163	270,351	11,878,093	6,015,352	142,460,810
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-	-	-
Clinic Services	3,424,613	2,830,187	9,665	2,830,187	9,665	226,415	195,568	2,634,619
Lab & Radiological Services	6,347,377	2,973,175	899,273	2,973,175	899,273	237,854	6,028,377	(3,055,202)
Home Health Services	19,827,448	22,173,528	2,221,045	22,173,528	2,221,045	1,773,882	17,300,008	4,873,520
Hysterectomies/Sterilizations	4,402	2,617	-	2,617	-	209	1,566	1,051
Pregnancy Terminations ⁽²⁾	-	9,500	-	9,500	-	760	-	9,500
EPSDT Services	1,624,351	984,638	199,936	984,638	199,936	78,771	1,670,232	(685,594)
Rural Health Clinic Services	3,596,071	1,635,084	347,089	1,635,084	347,089	130,807	2,941,463	(1,306,379)
Medicare Health Insurance Payments - Part A Premiums	29,878,225	30,546,783	2,557,326	30,546,783	2,557,326	2,443,743	31,129,530	(582,747)
Medicare Health Insurance Payments - Part B Premiums	147,248,461	171,623,734	13,051,893	171,623,734	13,051,893	13,729,899	152,317,594	19,306,140
120% - 134% Of Poverty	16,268,702	16,303,907	1,122,580	16,303,907	1,122,580	1,304,313	13,899,204	2,404,703
135% - 175% Of Poverty	-	-	-	-	-	-	-	-
Coinsurance And Deductibles	13,872,088	13,234,165	2,270,049	13,234,165	2,270,049	1,058,733	15,701,201	(2,467,036)

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2025

	MONTH OF JUNE 2025		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2024	SFY2025	Current Month Ended 06/30/25	SFY2025	Current Month Ended 06/30/25	Current Month Ended 06/30/25	Year To-Date Thru 06/30/25	Budget vs 6/30/2025
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,266,208,133	2,252,164,686	154,767,139		180,173,175		2,118,641,241	133,523,445
Medicaid MCO - Evaluation and Management	-	-	-		-		-	-
Medicaid MCO - Vaccine Codes	-	-	-		-		-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	2,557,631	2,345,281	635,783		187,622		3,227,388	(882,107)
Medicaid Health Insurance Payments: Coinsurance	-	-	-		-		-	-
Medicaid Health Insurance Payments: Other	-	-	-		-		-	-
Home & Community-Based Services (IDD)	329,808,774	425,642,440	33,648,191		34,051,395		382,273,625	43,368,815
Home & Community-Based Services (Aged/Disabled)	56,452,071	173,750,658	21,645,647		13,900,053		205,054,673	(31,304,016)
Home & Community-Based Services (Traumatic Brain Injury)	1,275,260	2,366,248	270,777		189,300		2,796,587	(430,339)
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	15,087,039	79,295,592	9,897,288		6,343,647		96,977,641	(17,682,049)
Personal Care Services - SDS 1915(j)	-	-	-		-		-	-
Targeted Case Management Services - Com. Case Management	-	-	-		-		-	-
Targeted Case Management Services - State Wide	675,729	2,173,559	27,161		173,885		489,236	1,684,323
Primary Care Case Management Services	-	-	-		-		-	-
Hospice Benefits	37,776,695	27,406,107	4,454,703		2,192,489		45,847,729	(18,441,622)
Emergency Services Undocumented Aliens	862,430	599,959	114,532		47,997		1,166,502	(566,543)
Federally Qualified Health Center	16,145,868	19,980,394	1,098,344		1,598,432		11,084,634	8,895,760
Non-Emergency Medical Transportation	39,975,647	38,198,127	3,345,969		3,055,850		39,063,986	(865,858)
Physical Therapy	1,022,382	970,227	92,940		77,618		1,002,892	(32,665)
Occupational Therapy	424,227	377,068	30,929		30,165		396,829	(19,761)
Services for Speech, Hearing & Language	285,602	250,955	15,101		20,076		270,218	(19,263)
Prosthetic Devices, Dentures, Eyeglasses	830,381	784,017	78,964		62,721		788,184	(4,167)
Diagnostic Screening & Preventive Services	92,984	62,227	7,322		4,978		84,947	(22,720)
Nurse Mid-Wife	119,754	99,331	6,714		7,946		81,099	18,232
Emergency Hospital Services	1,347	-	-		-		-	-
Critical Access Hospitals	24,477,636	23,478,001	2,301,843		1,878,240		28,881,239	(5,403,238)
Nurse Practitioner Services	6,088,515	4,369,853	990,830		349,588		6,443,380	(2,073,527)
School Based Services	32,300,499	30,000,000	29,258,524		2,400,000		31,801,995	(1,801,995)
Rehabilitative Services (Non-School Based)	32,984,078	28,282,709	2,672,379		2,356,892		34,276,380	(5,993,671)
2a) Opioid Treatment Program (OTP) - Methadone services	163,700	-	20,003		-		2,917,446	(2,917,446)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	4,567	-	83,834		-		629,149	(629,149)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	11,203,875	-	1,571,750		-		11,823,698	(11,823,698)
2a) OUD Medicaid Assisted Treatment Services	16,943,910	-	1,927,682		-		19,267,757	(19,267,757)
2a) Opioid Treatment Program (OTP) - Other	689,814	-	77,717		-		925,709	(925,709)
Private Duty Nursing	5,407,133	3,524,030	440,767		281,922		5,663,588	(2,139,558)
Freestanding Birth Centers	-	-	-		-		-	-
Health Home for Enrollees w Chronic Conditions	2,022,694	2,494,719	-		199,577		306,627	2,188,092
Other Care Services	33,133,542	34,525,780	3,320,183		2,762,062		33,215,156	1,310,624
Less: Recoupments	-	-	(388,735)		-		(1,500,721)	1,500,721
NET MEDICAID EXPENDITURES:	5,067,994,004	5,235,674,582	476,223,683		418,948,242		5,119,863,756	115,810,826

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2025

MONTH OF JUNE 2025

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2024	SFY2025	Current Month Ended 06/30/25	Current Month Ended 06/30/25	Year To-Date Thru 06/30/25	Budget vs 6/30/2025
Collections: Third Party Liability (line 9A on CMS-64)	(6,776,262)	-	-	-	(11,802,331)	11,802,331
Collections: Probate (line 9B on CMS-64)	(4,205,201)	-	-	-	(1,901,358)	1,901,358
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(472,244)	-	-	-	(142,651)	142,651
Collections: Other (line 9D on CMS-64)	(32,211,509)	-	-	-	(21,449,988)	21,449,988
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,024,328,788	5,235,674,582	476,223,683	418,948,242	5,084,567,428	151,107,153
Plus: Medicaid Part D Expenditures	52,812,392	53,881,349	5,106,221	4,310,508	58,027,398	(4,146,050)
Plus: State Only Medicaid Expenditures	204,570	258,896	22,817	20,712	248,911	9,985
Plus: Money Follow the Person Expenditures	1,049,581	1,194,667	164,107	95,573	1,244,706	(50,039)
TOTAL MEDICAID EXPENDITURES	\$5,078,395,331	\$5,291,009,494	\$481,516,827	\$423,375,035	\$5,144,088,444	\$146,921,050
Plus: Reimbursables ⁽¹⁾	5,819,748	-	627,325	-	6,645,993	(6,645,993)
Plus: NATCEP/PASARR/Eligibility Exams	242,674	209,422	15,193	16,754	297,175	(87,753)
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,084,457,753	\$5,291,218,915	\$482,159,346	\$423,391,789	\$5,151,031,612	\$140,187,304

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

(2) Pregnancy Terminations are State Only expenditures and are not currently claimed.

(3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$ 30,809,330 is the amount paid to State Facilities year to date.

**WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2025**

MONTH OF JUNE 2025	ACTUALS	ACTUALS	ACTUALS	Difference	TOTAL
	SFY2024	Current Month Ended 06/30/25	Year-To-Date Thru 06/30/25	Budget vs Actual	SFY2025
REVENUE SOURCES					
Beg. Bal. 7/01/22 (5084/1020 prior mth)	127,247,384	90,480,685	51,699,646	-	51,699,646
MATCHING FUNDS					
General Revenue (0403/189)	267,202,774	-	102,571,866	(34,867,246)	67,704,620
Prescription Drugs (FFS)	-	-	19,740,698	-	19,740,698
Physical and Occupational Therapy (FFS)	-	-	68,792	-	68,792
Speech, Hearing, and Language Disorders (FFS)	-	-	12,813	-	12,813
Respiratory Care Services (FFS)	-	-	10,083	-	10,083
Clinic Services (FFS)	-	-	144,471	-	144,471
Diagnostic, Screening, Preventive and Rehabilitative Services (FFS)	-	-	3,176	-	3,176
Dental Services (FFS)	-	-	166,390	-	166,390
Podiatry Services, Optometry Services, and Prosthetics (FFS)	-	-	31,078	-	31,078
Chiropractic Services (FFS)	-	-	5,206	-	5,206
Private Duty Nurses, Personal Care, and Other Practitioner Services (FFS)	-	-	11,847,294	-	11,847,294
Hospice Benefits (FFS)	-	-	1,398,793	-	1,398,793
Case Management (FFS)	-	-	110,938	-	110,938
Institution for Mental Disease Services (FFS)	-	-	1,276,985	-	1,276,985
Intermediate Care Facility Services (FFS)	-	-	3,233,567	-	3,233,567
Health Homes for Enrollees with Chronic Conditions (FFS)	-	-	127,329	-	127,329
Managed Care Organizations (FFS)	-	-	113,493,869	-	113,493,869
Substance Use Disorder Waiver (FFS)	-	-	842,151	-	842,151
IDD Waiver (0403/466)	108,541,736	-	108,541,736	(10,854,174)	97,687,562
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	-	2,596,000	(259,600)	2,336,400
Tertiary Funding (0403/547)	6,356,000	-	6,356,000	(635,600)	5,720,400
Traumatic Brain Injury (0403/835)	800,000	-	800,000	(80,000)	720,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	-	13,593,620	-	13,593,620
Medical Services Surplus (0403/633)	-	39,376,837	39,376,837	(21,376,837)	18,000,000
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	23,126,633	-	27,386,092	-	27,386,092
Lottery Waiver (0420/539)	10,839,825	-	6,580,366	-	6,580,366
Lottery Transfer (5405/871)	16,400,070	-	16,400,070	-	16,400,070
Excess Lottery (5365/189)	60,716,750	10,506,440	72,739,018	(9,506,440)	63,232,578
Lottery Surplus (5405/68199)	14,750,000	-	14,750,000	-	14,750,000
Lottery Surplus (5365/68100)	17,000,000	45,022,906	62,022,906	(45,022,906)	17,000,000
Trust Fund Appropriation (5185/189)	55,000,000	-	48,616,548	659,534	49,276,082
Provider Tax (5090/189)	393,594,315	74,000,000	696,594,315	(181,522,383)	515,071,932
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-

**WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2025**

MONTH OF JUNE 2025	ACTUALS SFY2024	ACTUALS Current Month Ended 06/30/25	ACTUALS Year-To-Date Thru 06/30/25	Difference Budget vs Actual	TOTAL SFY2025
Certified Match	18,829,653	8,387,317	19,189,430	(4,837,180)	14,352,250
Reimbursables - Amount Reimbursed	5,281,103	-	5,195,573	(5,195,573)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	512,476	79,634	841,314	(841,314)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	1,563,870	-	2,646,811	(2,646,811)	-
TOTAL MATCHING FUNDS	\$ 1,143,952,210	\$ 267,853,818	\$ 1,451,011,781	\$ (316,986,531)	\$ 1,134,025,251
FEDERAL FUNDS	3,991,384,983	327,196,675	3,812,894,131	278,836,178	4,091,730,309
TOTAL REVENUE SOURCES	\$ 5,135,337,193	\$ 595,050,493	\$ 5,263,905,912	\$ (38,150,352)	\$ 5,225,755,560
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,084,457,753	\$ 482,159,346	\$ 5,151,031,612	\$ 140,187,304	\$ 5,291,218,915
TOTAL	\$ 50,879,440	\$ 112,891,148	\$ 112,874,300	\$ (178,337,656)	\$ (65,463,356)

Notes: FMAP (73.84% applicable Oct 2024 - Jun 2025)
FFS: Fee For Service

MEDICAID WAIVER REPORT

June 2025



Joint Committee on Government and Finance and
Legislative Oversight Commission on Health and
Human Resources Accountability
August 2025

WV Department of Human Services
Bureau for Medical Services A&D Waiver Program Report

Aged & Disabled Waiver Reported June 30, 2025		FY2024	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY2025 YTD
Slots Approved By CMS (1)		8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750
-Slots Available for Traditional (ADW-WV) enrollees		8,674	8,424	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		76	76	76	76	76	76	76	76	76	76	76	76	76	76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees															
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		8,551	7,568	7,708	7,851	7,931	8,040	8,106	8,261	8,289	8,416	8,538	8,658	8,618	8,618
Applicants determined eligible this month and added to MEL (3) * 87 of 87 are awaiting Financial Eligibility not yet on MEL		87	130	98	111	146	120	102	100	105	138	223	204	185	185
Applicants determined ineligible		2	1	5	1	1	6	1	7	2	3	3	10	12	12
ACTIVE MEMBERS															
Active Traditional Members at the end of the month		7,530	7,516	7,533	7,565	7,539	7,518	7,508	7,571	7,554	7,556	7,570	7,571	7,470	7,470
Active Take Me Home Members at the end of the month		50	48	51	53	55	54	56	53	46	43	44	45	43	43
Active Money Follows the Person Members at the end of the month															
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		7,580	7,564	7,584	7,618	7,594	7,572	7,564	7,624	7,600	7,599	7,614	7,616	7,513	7,513
Active members enrolled during the calendar month		1,592	75	187	139	142	79	114	177	90	132	176	130	44	1,485
-Total Active Traditional members enrolled during the calendar month		1,541	71	182	135	135	72	107	175	90	127	173	124	43	1,434
-Total Active TMH-WV members enrolled during the calendar month		51	4	5	4	7	7	7	2	0	5	3	6	1	51
-Total Active MFP-WV members enrolled during the calendar month															
Members discharged during the calendar month		1,619	91	167	105	166	101	122	117	114	133	161	128	147	1,552
ADW Members whose case was closed by reason	Member is deceased	742	56	78	44	96	51	67	69	63	82	82	62	59	809
	Other (4)	877	35	89	61	70	50	55	48	51	51	79	66	88	743
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		2,270	368	156	177	209	195	184	161	157	178	180	110	95	2,170
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,010	270	49	76	98	107	87	50	70	81	77	19	7	991
	Applicant became deceased	116	9	14	4	9	3	4	14	1	6	6	6	9	85
	Other (5)	1,144	89	93	97	102	85	93	97	86	91	97	85	79	1,094
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month		0	2	4	2	0	6	0	0	0	0	0	2	8	8
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month		0	3	1	2	0	1	0	0	0	0	0	2	18	18
Applicants on the MEL at the end of month		208	19	23	31	17	14	3	10	22	10	58	182	330	330
Days - Average time spent on the MEL to date Minus MFP Applicants		9	1	3	3	2	5	1	3	2	0	1	13	30	5

(1) Beginning January 1, 2024, an additional 250 slots were approved by CMS, increasing the total to 8750. Of these slots, 76 are reserved for 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) Monthly number added to MEL 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.

(4) Other reasons for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

**WV Department of Human Services
Bureau for Medical Services I/DD Waiver Program Report**

Intellectual/Developmental Disabilities Waiver Reported June 30, 2025		FY2024	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD2025
Slots approved by CMS		6,115	6,115	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165
Total number of members served YTD (unduplicated slots used) (1)		6,109	6,033	6,037	6,040	6,045	6,125	6,138	6,146	6,151	6,154	6,157	6,159	6,157	6,157
Total number of members served YTD in Traditional Slots		6,101	6,033	6,036	6,039	6,043	6,123	6,136	6,143	6,148	6,148	6,152	6,152	6,150	6,150
Total number of members served YTD in Adult Ben H. slots (Active)		5	0	0	0	1	1	1	1	1	1	3	5	5	5
Total number of members served YTD in Children Ben H. slots (Active)		3	0	1	1	1	1	1	2	2	2	2	2	2	2
Applicants determined eligible (2)		459	51	43	39	47	35	51	47	28	44	44	42	52	523
Applicants determined ineligible (3)		556	51	38	44	43	43	44	33	11	40	44	43	53	487
ACTIVE MEMBERS															
# of active members at the end of the month (unduplicated slots active) (1)		5,957	6,015	6,006	6,001	5,992	6,057	6,060	6,054	6,046	6,034	6,019	6,013	5,992	5,992
Discharged members at the end of the calendar month		168	18	15	9	12	16	10	17	13	17	19	7	20	173
Discharged members who were discharged by reason	Deceased	63	6	7	5	4	7	4	6	6	9	13	1	8	76
	Left program to enter a facility	39	6	1	2	2	5	2	4	5	6	2	3	7	45
	a. Hospital	0	0	0	0	0	0	0	0	1	0	0	0	0	1
	b. ICF/IID	18	5	0	2	1	5	1	2	1	3	0	2	6	28
	c. Nursing Facility	21	1	1	0	0	0	1	2	3	3	2	1	1	15
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	f. Other Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (6)	66	6	7	2	6	5	4	9	2	2	4	3	5	55	
MANAGED ENROLLMENT LIST (MEL)															
Total number of applicants on the MEL at the end of the month		753	726	759	792	836	788	826	859	882	921	956	993	1,037	1,037
Number of applicants added to the MEL (4)		459	51	43	39	47	35	51	47	28	44	44	42	52	523
Applicants enrolled (removed from the MEL)		220	76	6	4	3	81	13	11	5	5	4	1	4	213
Applicants removed from the MEL due to Death (5)		4	0	0	0	0	0	0	2	0	0	0	1	1	4
Applicants removed from the MEL due to Other (6)		30	2	4	2	0	2	0	1	0	0	5	3	3	22
Applicants on the MEL who are in a Nursing Facility		2	2	2	1	2	1	2	1	2	4	4	4	6	6
Applicants on the MEL who are in an ICF/IID Group Home		23	35	37	42	42	37	39	40	41	45	44	47	47	47
Applicants on the MEL receiving Personal Care Services each month		14	10	9	13	16	15	16	14	14	17	15	17	22	22
Longest on the MEL to date (7)		1,098	1,129	1,160	1,190	1,221	1,251	1,282	1,313	1,341	1,372	1,402	1,433	1,463	1,463

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

(2) and (3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(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 the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

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

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

**WV Department of Human Services
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported June 30, 2025	FY2024	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY2025 YTD
Slots Approved By CMS (1)	102	102	102	102	102	102	102	102	102	102	102	102	102	102
-Slots Available for Traditional (non TMH-WV) enrollees	100	6	6	6	6	6	6	6	8	9	9	9	10	10
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	2	4	4	4	4	4	4	4	2	1	1	1	0	0
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	100	92	92	92	92	94	95	98	100	101	101	101	102	102
Applicants determined eligible this month and added to MEL (3)	14	0	0	0	3	0	0	3	2	2	2	4	2	18
Applicants determined ineligible	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACTIVE MEMBERS														
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	92	92	92	92	92	91	90	92	90	92	91	90	90	90
Active members enrolled during the calendar month	15	0	0	0	0	2	1	3	0	3	0	1	1	11
-Total Active Traditional members enrolled during the calendar month	13	0	0	0	0	2	1	3	0	3	0	1	1	11
-Total Active TMH-WV members enrolled during the calendar month	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Members discharged during the calendar month	15	0	0	0	0	3	2	1	2	1	1	2	1	13
TBIW Members whose case was closed by reason	Member is deceased	5	0	0	0	0	0	0	1	0	1	0	0	2
	Other (4)	10	0	0	0	0	3	2	1	1	1	0	2	11
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	16	0	0	0	0	0	0	0	0	1	0	0	2	3
TBIW Applicants removed from the MEL	Applicant offered a slot	16	0	0	0	0	0	0	0	1	0	0	1	2
	Applicant became deceased	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other (5)	2	0	0	0	0	0	0	0	0	0	0	1	1
Applicants on the MEL who are in a nursing facility	1	0	0	0	0	0	0	0	0	0	2	4	0	6
Applicants on the MEL receiving Personal Care	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Applicants on the MEL at the end of the month	0	0	0	0	0	0	0	0	0	1	3	6	6	6
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	78	0	0	0	0	0	0	0	0	28	58	89	119	25

(1) CMS Approved 96+6=102 slots. Of the 102 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2025. March 2025 (1) one reserved slot was released and assigned to non TMH applicants.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year. Two (2) funded slots became available, no services paid for this SFY .

(3) Monthly number added to MEL 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.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Reported in actual number of days on the MEL.

NOTE: All data as reported by the Utilization Management Contractor is point-in-time

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

September 2025



West Virginia Children's
Health Insurance Program
Stacey Shamblin, Deputy
Commissioner, WVCHIP, BMS

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Year Ending June 30, 2025 and June 30, 2024

	Annual Budget 2025	Actual		Actual		Budget	
		June 30, 2025	June 30, 2024	Variance \$	%	Variance \$	%
Beginning Operating Fund Balance		\$3,255,799	\$5,382,999	(\$2,127,200)	-40%		
Revenues							
Federal Grants	\$63,527,759	\$66,898,223	\$65,239,204	\$1,659,019	3%	\$3,370,464	5%
State Appropriations	\$12,755,475	\$12,757,825	\$11,026,832	\$0	0%	\$2,350	0%
Premium Revenues	\$83,500	\$531,118	\$128,182	\$402,935	314%	\$447,618	536%
Investment Earnings (Interest)	\$155,000	\$156,742	\$24,780	\$131,962	533%	\$1,742	1%
Total Operating Fund Revenues	\$76,521,734	\$80,343,907	\$76,418,998	\$3,924,910	5%	\$3,822,173	5%
Expenditures:							
Claims Expenses:							
Managed Care Organizations		\$55,896,423	\$54,635,761	\$1,260,663	2%		
Prescribed Drugs		\$14,356,640	\$13,438,772	\$917,867	7%		
Physicians & Surgical		\$2,562,471	\$3,805,922	(\$1,243,451)	-33%		
Medical Transportation		\$2,304,305	\$1,969,256	\$335,048	17%		
Inpatient Hospital Services		\$1,542,969	\$1,362,905	\$180,064	13%		
Outpatient Services		\$1,534,487	\$1,463,916	\$70,570	5%		
Therapy		\$1,134,458	\$308,661	\$825,797	268%		
Dental		\$544,274	\$744,089	(\$199,814)	-27%		
Other Services		\$206,045	\$168,885	\$37,160	22%		
Inpatient Mental Health		\$128,794	\$177,778	(\$48,983)	-28%		
Outpatient Mental Health		\$75,126	\$72,524	\$2,602	4%		
Vision		\$33,325	\$39,962	(\$6,637)	-17%		
Durable & Disposable Med. Equip.		\$16,369	\$23,359	(\$6,990)	-30%		
Less: Other Collections**		(\$26,401)	(\$8,424)	(\$17,977)	213%		
Drug Rebates	\$0	(\$1,081,659)	(\$4,809,999)	\$3,728,340	-78%	\$1,108,061	0%
Total Claims Expenses	\$70,153,130	\$79,227,625	\$73,393,366	\$5,834,259	8%	\$9,074,495	13%
Administrative Expenses:							
Salaries and Benefits	\$557,031	\$355,522	\$323,380	\$32,142	10%	(\$201,509)	-36%
Program Administration	\$5,222,107	\$3,040,064	\$4,788,881	(\$1,748,817)	-37%	(\$2,182,043)	-42%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$225,000	\$225,000	\$0	0%	\$0	0%
Current	\$413,409	\$293,217	\$28,212	\$265,005	939%	(\$120,192)	-29%
Total Administrative Expenses in Operating Fund	\$6,417,547	\$3,913,803	\$5,365,474	(\$1,451,670)	-27%	(\$2,503,744)	-39%
Total Operating Fund Expenditures	\$76,570,677	\$83,141,428	\$78,758,840	\$4,382,589	6%	\$6,570,751	9%
Adjustments		(\$3,479)	\$212,642				
Ending Operating Fund Balance		\$454,799.28	\$3,255,799	(\$2,801,000)	-86%		
Money Market		\$0	\$0				
Bond Pool		\$73,489	\$2,416,748				
Cash on Deposit		\$381,310	\$839,051				
Revenues Outside of Operating Funds:							
Federal Grants		\$5,300,000	\$0	\$5,300,000	0%		
Total WVCHIP Revenues		\$85,643,907	\$76,418,998	\$9,224,910	12%		
Program Expenses outside of Operating Funds:							
Eligibility	\$1,500,000	\$4,360,886	\$2,247,918	\$2,112,967	94%	\$2,860,886	191%
Total Administrative Expenses	\$7,917,547	\$8,274,689	\$7,613,392	\$661,297	9%	\$357,142	5%
Total WVCHIP Expenditures	\$78,070,677	\$87,502,314	\$81,006,758	\$6,495,556	8%	\$9,431,637	12%

Footnotes:

Statement is on cash basis.

Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2025 is \$785,654. The June 30, 2024 estimate was \$998,704.

Administrative Accounts Payable balance on June 30, 2025 is \$1,221,387. The June 30, 2024 balance was \$422,837.

2025 and 2024 adjustments to fund balances represents timing issues between the payment of expense and the draw-down of federal revenues.

Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY25 is 81.87% and during SFY24 is 81.87% (1/1/24); 82.92% (10/1/23); 83.56% (7/1/23).

Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).

Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.

Other Services includes home health, chiropractors, psychologists, podiatrists, and nurse practitioners.

Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (WVPATH).

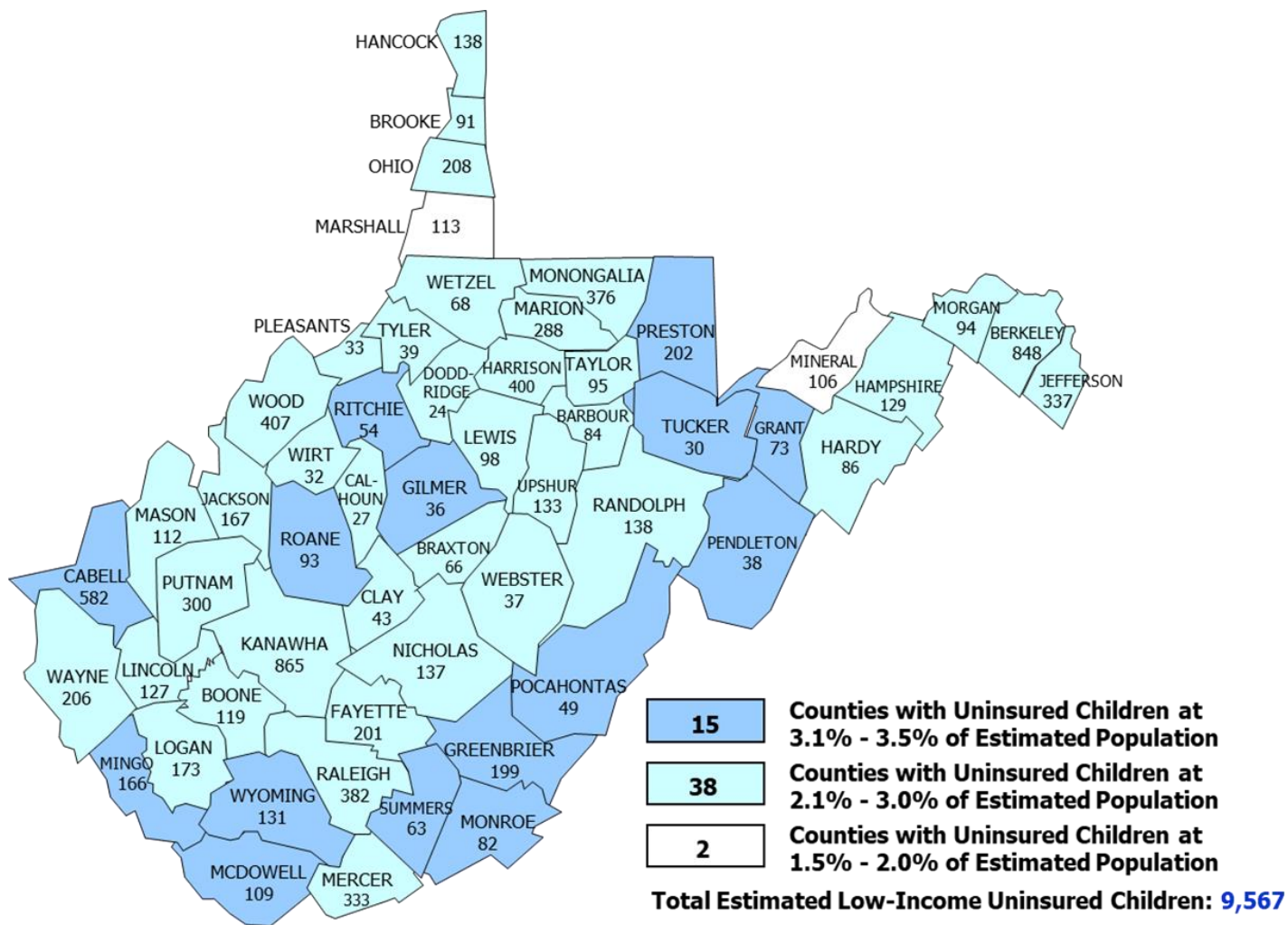
Unaudited - For Management Purposes Only

PRELIMINARY STATEMENT

WVCHIP Enrollment Report

JULY 2025

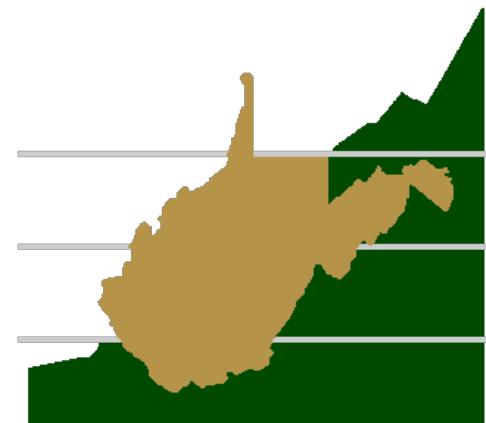
County	County Pop.	MATERNITY			Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2022	2022		
	2021 Est. (0-18 Yrs)	BLUE Jul-25	GOLD Jul-25	PREM Jul-25	BLUE Jul-25	PREM Jul-25	Enrollment Jul-25	Enrollment Jul-25	CHIP/Medicaid Enrollment % of Population	SAHIE Uninsured Est.	SAHIE % Uninsured	
Barbour	3,204	108	39	91	0	1	239	1,558	1,797	56.1%	84	2.6%
Berkeley	30,213	1,245	410	737	16	21	2,429	12,153	14,582	48.3%	848	2.7%
Boone	4,539	131	42	74	2	4	253	2,443	2,696	59.4%	119	2.7%
Braxton	2,378	66	17	59	1	2	145	1,288	1,433	60.3%	66	2.9%
Brooke	4,043	0	0	0	0	0	0	20	20	0.5%	91	2.3%
Cabell	19,300	582	168	332	5	13	1,100	8,351	9,451	49.0%	582	3.1%
Calhoun	1,178	70	14	32	0	1	117	678	795	67.5%	27	2.3%
Clay	1,793	60	26	31	2	2	121	1,095	1,216	67.8%	43	2.4%
Doddridge	1,084	41	18	35	0	0	94	683	777	71.7%	24	2.2%
Fayette	8,467	308	118	186	6	9	627	4,318	4,945	58.4%	201	2.4%
Gilmer	1,140	36	9	35	0	0	80	478	558	48.9%	36	3.1%
Grant	2,230	87	30	66	1	1	185	1,158	1,343	60.2%	73	3.3%
Greenbrier	6,534	274	107	241	7	4	633	3,267	3,900	59.7%	199	3.1%
Hampshire	4,248	183	42	96	2	3	326	2,080	2,406	56.6%	129	3.0%
Hancock	5,604	237	98	178	2	10	525	3,522	4,047	72.2%	138	2.6%
Hardy	2,892	121	43	93	1	4	262	1,223	1,485	51.3%	86	2.9%
Harrison	14,585	468	121	316	8	8	921	5,764	6,685	45.8%	400	2.8%
Jackson	6,181	173	68	114	4	7	366	2,665	3,031	49.0%	167	2.7%
Jefferson	13,328	405	112	271	9	5	802	3,485	4,287	32.2%	337	2.6%
Kanawha	36,989	1,123	424	766	17	25	2,355	28,651	31,006	83.8%	865	2.4%
Lewis	3,706	151	41	107	0	3	302	1,812	2,114	57.0%	98	2.7%
Lincoln	4,606	136	47	101	2	10	296	2,413	2,709	58.8%	127	2.8%
Logan	6,800	183	51	152	5	5	396	3,900	4,296	63.2%	173	2.6%
Marion	11,652	350	143	248	6	8	755	4,786	5,541	47.6%	288	2.5%
Marshall	5,954	160	59	82	2	2	305	2,439	2,744	46.1%	113	2.0%
Mason	5,368	143	57	104	2	2	308	2,655	2,963	55.2%	112	2.1%
McDowell	3,143	116	39	71	2	1	229	2,354	2,583	82.2%	109	3.3%
Mercer	3,802	525	192	372	8	8	1,105	7,098	8,203	215.8%	333	2.6%
Mineral	12,788	179	70	105	1	0	355	2,263	2,618	20.5%	106	1.9%
Mingo	5,538	149	48	77	4	3	281	3,390	3,671	66.3%	166	3.2%
Monongalia	5,227	464	132	355	6	7	964	5,242	6,206	118.7%	376	2.1%
Monroe	18,601	87	44	87	1	2	221	1,102	1,323	7.1%	82	3.3%
Morgan	2,520	149	41	90	3	0	283	1,324	1,607	63.8%	94	3.0%
Nicholas	5,074	212	47	106	5	2	372	2,336	2,708	53.4%	137	2.7%
Ohio	8,461	191	107	113	3	3	417	3,349	3,766	44.5%	208	2.5%
Pendleton	1,195	37	7	40	2	2	88	492	580	48.5%	38	3.3%
Pleasants	1,522	30	16	27	0	4	77	600	677	44.5%	33	2.2%
Pocahontas	1,417	56	14	36	0	2	108	631	739	52.2%	49	3.4%
Preston	6,770	242	62	182	5	6	497	2,698	3,195	47.2%	202	3.2%
Putnam	13,220	349	109	252	9	4	723	3,687	4,410	33.4%	300	2.4%
Raleigh	16,094	544	157	418	12	7	1,138	7,887	9,025	56.1%	382	2.4%
Randolph	5,312	216	76	156	3	2	453	2,353	2,806	52.8%	138	2.7%
Ritchie	1,750	64	17	34	2	1	158	878	1,036	59.2%	54	3.2%
Roane	2,946	117	43	74	1	4	213	1,332	1,545	52.4%	93	3.2%
Summers	1,967	91	37	48	1	3	223	1,248	1,471	74.8%	63	3.3%
Taylor	3,325	121	51	91	2	2	231	1,284	1,515	45.6%	95	2.9%
Tucker	920	40	20	55	1	1	105	467	572	62.2%	30	3.4%
Tyler	1,667	70	15	43	0	0	232	663	895	53.7%	39	2.3%
Upshur	4,995	192	67	147	4	4	422	2,424	2,846	57.0%	133	2.7%
Wayne	8,022	286	92	155	4	4	431	4,165	4,596	57.3%	206	2.6%
Webster	1,639	55	22	45	0	2	153	913	1,066	65.0%	37	2.3%
Wetzel	3,033	60	30	74	2	3	120	1,781	1,901	62.7%	68	2.3%
Wirt	1,108	32	13	25	1	2	385	566	951	85.8%	32	2.8%
Wood	18,255	540	157	337	7	6	821	7,826	8,647	47.4%	407	2.3%
Wyoming	4,418	140	43	111	5	4	303	1,972	2,275	51.5%	131	3.1%
Totals	372,745	12,195	4,072	8,273	194	239	24,973	175,210	200,183	53.7%	9,567	2.6%



WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report (Preliminary)

July 31, 2025



Participant Plans Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2025

	6/30/2025		7/31/2025		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	28,313,707	100.0	28,451,731	100.0								
Pension Assets	23,003,669	81.3	23,115,174	81.3								
Public Employees' Retirement System	9,687,698	34.2	9,741,525	34.2	0.8	6.9	0.8	9.8	9.3	10.1	8.8	7.8
Teachers' Retirement System	10,711,176	37.8	10,750,192	37.8	0.8	6.9	0.8	9.8	9.3	10.1	8.7	7.7
EMS Retirement System	228,660	0.8	231,178	0.8	0.8	6.8	0.8	10.2	9.4	10.2	8.8	
Public Safety Retirement System	858,303	3.1	860,467	3.0	0.9	6.9	0.9	9.8	9.3	10.2	8.8	7.8
Judges' Retirement System	334,677	1.2	336,839	1.2	0.8	6.9	0.8	9.8	9.3	10.1	8.8	7.8
State Police Retirement System	410,820	1.5	414,418	1.5	0.8	6.9	0.8	9.8	9.3	10.1	8.7	7.8
Deputy Sheriffs' Retirement System	390,030	1.4	393,039	1.4	0.8	6.9	0.8	9.8	9.3	10.1	8.7	7.8
Municipal Police & Firefighter Retirement System	59,433	0.2	60,910	0.2	0.8	6.8	0.8	9.8	9.2	10.0	8.6	
Natural Resources Police Office Retirement System	36,752	0.1	37,167	0.2	0.8	6.8	0.8	9.8	9.3			
Municipal Model A	282,115	1.0	285,348	1.0	0.8	6.8	0.8	9.8	9.8	10.5	9.0	
Municipal Model B	4,005	0.0	4,091	0.0	0.9	7.5	0.9	11.3	10.5	7.9		
Insurance Assets	3,544,920	12.5	3,563,296	12.5								
Workers' Compensation Old Fund	834,652	2.9	833,359	2.9	0.6	4.7	0.6	9.1	7.4	5.7	5.5	
Workers' Comp. Self-Insured Guaranty Risk Pool	43,958	0.1	44,207	0.1	0.6	4.7	0.6	9.1	7.6	6.1	5.5	
Workers' Comp. Self-Insured Security Risk Pool	53,574	0.2	53,704	0.2	0.6	4.7	0.6	9.1	7.6	6.1	5.5	
Workers' Comp. Uninsured Employers' Fund	21,083	0.1	21,291	0.1	0.6	4.7	0.6	9.1	7.6	6.0	5.4	
Pneumoconiosis	203,926	0.7	203,540	0.7	0.6	4.7	0.6	9.1	7.6	6.1	5.5	5.3
Board of Risk & Insurance Management	75,732	0.3	76,140	0.3	0.5	4.5	0.5	8.9	7.5	6.0	5.5	5.6
Public Employees' Insurance Agency	164,023	0.6	164,989	0.6	0.6	4.5	0.6	9.4	7.4	5.7	5.3	5.3
WV Retiree Health Benefit Trust Fund	2,147,972	7.6	2,166,066	7.6	0.8	6.9	0.8	9.8	9.3	10.1	8.8	
Endowment Assets	1,765,118	6.2	1,773,261	6.2								
Berkeley County Development Authority	7,519	0.0	7,582	0.0	0.8	6.9	0.8	9.8	9.1	10.0		
Wildlife Fund	78,786	0.3	78,115	0.3	0.8	6.9	0.8	9.8	9.3	10.1	8.7	7.8
WV State Parks and Recreation Endowment Fund	61,485	0.2	63,204	0.2	0.8	6.8	0.8	9.7	9.4			
Revenue Shortfall Reserve Fund	662,866	2.4	664,754	2.4	0.3	2.2	0.3	6.5	4.3	1.9	2.7	
Revenue Shortfall Reserve Fund - Part B	605,710	2.1	608,067	2.1	0.4	3.4	0.4	7.7	5.7	3.7	4.7	
WV DEP Trust	9,140	0.0	9,232	0.0	1.0	7.3	1.0	10.9	10.6	9.6	7.7	
WV DEP Agency	339,612	1.2	342,307	1.2	0.8	6.1	0.8	10.8	9.5	7.5	6.4	

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2025

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	28,465,823	100.00									
Portable Alpha Composite +/- S&P 500 Index	7,022,017	24.67	1.96 (0.29)	14.06 (0.15)	1.96 (0.29)	13.58 (2.75)	15.88 (1.22)	15.49 (0.39)			
Large Cap Domestic Equity Composite +/- S&P 500 Index	384,310	1.35	2.25 0.01	14.19 (0.02)	2.25 0.01	16.30 (0.04)	17.02 (0.09)	15.80 (0.08)	13.41 (0.25)	10.62 (0.04)	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,216,042	4.27	3.18 1.25	14.04 1.02	3.18 1.25	7.50 3.21	12.84 4.43	13.31 2.31	9.35 0.74	9.16 0.62	
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	4,612,817	16.20	0.63 0.83	10.54 1.96	0.63 0.83	18.22 2.92	15.35 2.31	11.39 1.67	7.81 1.10	7.43 1.26	
Fixed Income Composite +/- Bloomberg Universal (b)	4,993,150	17.54	(0.09) 0.06	1.21 0.31	(0.09) 0.06	5.12 1.11	4.00 1.62	0.94 1.46	2.94 0.90	3.86 0.43	
Core Fixed Income Composite +/- Bloomberg US Aggregate	2,272,230	7.98	(0.20) 0.07	0.68 0.13	(0.20) 0.07	3.89 0.51	2.55 0.91	(0.11) 0.96	2.31 0.65		
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	2,720,920	9.56	0.01 0.15	1.66 0.76	0.01 0.15	6.14 2.14	5.01 2.63	1.61 2.13	3.31 1.27	4.22 0.80	
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr (d)	540,844	1.90	0.25 (0.03)	0.69 (0.01)	0.25 (0.03)	5.57 (0.01)	1.80 0.03	1.70 0.03	2.96 0.04		
Cash Composite +/- FTSE 3 Month US T-Bill (e)	242,182	0.85	0.37 (0.01)	1.07 (0.03)	0.37 (0.01)	4.60 (0.18)	4.67 (0.18)	2.84 (0.12)	1.97 (0.08)	1.75 (0.03)	
Private Equity Composite +/- CA Global PE Index (f, g)	2,518,345	8.85	0.01 (0.52)	(0.45) (13.28)	0.01 (0.52)	2.78 (13.76)	4.32 (14.38)	14.40 (3.36)	15.78 (0.03)		
Real Estate Composite +/- NFI-ODCE (net) + 1% (f, j)	2,507,472	8.81	(0.04) (0.39)	0.48 (0.89)	(0.04) (0.39)	1.50 (2.59)	(3.39) (2.03)	3.18 (1.19)	5.14 (1.20)		
Hedge Fund Composite +/- HFRI FOF + 1% (h)	3,156,134	11.09	0.84 (0.20)	4.81 0.54	0.84 (0.20)	12.54 4.01	10.56 3.03	9.96 3.06	6.00 1.12		
Private Credit & Income Composite +/- Morningstar LSTA US LL Index + 1.5% (f, i)	1,272,510	4.47	(0.07) (1.07)	1.52 (0.88)	(0.07) (1.07)	3.07 (5.98)	4.06 (5.12)	6.64 (1.36)			

Participant Plans Allocation vs. Strategy - Preliminary

Period Ending: July 31, 2025

	Equity		Fixed Income		Private Equity		Real Estate		Private Credit & Income		Hedge Funds		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %
Pension Assets														
Public Employees' Retirement System	49.4	45.0	15.0	15.0	9.7	12.0	9.6	12.0	4.9	6.0	11.1	10.0	0.3	0.0
Teachers' Retirement System	49.2	45.0	14.9	15.0	9.7	12.0	9.7	12.0	4.9	6.0	11.0	10.0	0.6	0.0
EMS Retirement System	49.1	45.0	15.1	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.7	0.0
Public Safety Retirement System	49.6	45.0	14.9	15.0	9.7	12.0	9.7	12.0	4.9	6.0	11.1	10.0	0.1	0.0
Judges' Retirement System	49.3	45.0	15.3	15.0	9.7	12.0	9.6	12.0	4.9	6.0	11.1	10.0	0.1	0.0
State Police Retirement System	49.2	45.0	15.2	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.5	0.0
Deputy Sheriffs' Retirement System	49.4	45.0	15.0	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.5	0.0
Municipal Police & Firefighter Retirement System	48.3	45.0	14.8	15.0	9.4	12.0	9.4	12.0	4.8	6.0	10.8	10.0	2.5	0.0
Natural Resources Police Office Retirement System	49.1	45.0	14.7	15.0	9.6	12.0	9.6	12.0	4.8	6.0	11.0	10.0	1.2	0.0
Municipal Model A	49.2	45.0	15.0	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.7	0.0
Municipal Model B	55.2	55.0	42.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0
Insurance Assets														
Workers' Compensation Old Fund	27.3	25.0	43.6	45.0	3.3	4.0	3.2	4.0	1.6	2.0	16.8	15.0	4.2	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	27.2	25.0	43.3	45.0	3.2	4.0	3.2	4.0	1.6	2.0	16.7	15.0	4.8	5.0
Workers' Comp. Self-Insured Security Risk Pool	27.4	25.0	43.4	45.0	3.2	4.0	3.2	4.0	1.6	2.0	16.7	15.0	4.5	5.0
Workers' Comp. Uninsured Employers' Fund	27.1	25.0	43.1	45.0	3.2	4.0	3.2	4.0	1.6	2.0	16.6	15.0	5.2	5.0
Pneumoconiosis	27.4	25.0	43.6	45.0	3.3	4.0	3.2	4.0	1.6	2.0	16.8	15.0	4.1	5.0
Board of Risk & Insurance Management	18.3	25.0	29.0	45.0	2.1	4.0	2.1	4.0	1.1	2.0	11.2	15.0	36.2	5.0
Public Employees' Insurance Agency	23.0	22.0	54.8	58.0	0.0	0.0	0.0	0.0	0.0	0.0	22.2	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	49.5	45.0	15.4	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.0	0.0
Endowment Assets														
Berkeley County Development Authority	49.4	45.0	15.5	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.0	0.0
Wildlife Fund	49.3	45.0	15.4	15.0	9.6	12.0	9.6	12.0	4.9	6.0	11.0	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	48.4	45.0	15.2	15.0	9.5	12.0	9.4	12.0	4.8	6.0	10.8	10.0	1.9	0.0
Revenue Shortfall Reserve Fund	10.6	10.0	79.5	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	10.0
Revenue Shortfall Reserve Fund - Part B	19.0	17.5	71.4	72.5	1.6	2.0	1.6	2.0	0.8	1.0	5.6	5.0	0.0	0.0
WV DEP Trust	53.8	50.0	15.2	15.0	8.0	10.0	8.0	10.0	4.0	5.0	11.0	10.0	0.0	0.0
WV DEP Agency	36.8	35.0	37.1	40.0	1.6	2.0	1.6	2.0	0.8	1.0	22.1	20.0	0.0	0.0

Footnotes

- (a) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (b) Prior to April 2008, the index was Bloomberg US Aggregate.
- (c) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (d) Prior to June 2023, the index was Bloomberg US TIPS.
- (e) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (f) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (g) From January 2014 to June 2025, the index was Russell 3000 plus 300 basis points. Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) From June 2023 to June 2025, the index was SOFR plus 400 basis points. From April 2017 to May 2023, the index was CS Leveraged Loan plus 200 basis points. Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (j) Prior to July 2025, the index was NCREIF plus 100 basis points.

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

Disclosure

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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

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Net-of-Fees Returns mean gross-of-fees returns reduced by fees and expenses charged by third-party investment managers on the products of such managers held by client. Net-of-Fees Returns does not include a reduction of returns for Verus' investment management and consulting fees, or other expenses incurred by the asset owner, fund or plan.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

121

Allan L. McVey
Insurance Commissioner

August 5, 2025

Joint Committee on Government and Finance
Building 1, Room E-140
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610

Re: Commissioner's Annual Report on Insurance Innovation

Honorable Committee Members:

House Bill 2221, relating to the establishment of an insurance innovation process, passed the Legislature during the 2021 Regular Session and became effective on July 9, 2021. The bill requires that, on or before September 1 each year, the Insurance Commissioner submit a written report to the Joint Committee on Government and Finance that contains certain information on applicants to the Regulatory Sandbox. Accordingly, I am providing you with this fourth annual report to update the Legislature on the Insurance Commissioner's actions since House Bill 2221 (2021) was enacted.

As noted in W.Va. Code §§33-60-10(b), my office developed an application and process for admission to the Regulatory Sandbox. My office has not received any applications.

I look forward to sharing this information with the Committee in the future on this very important topic. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner



BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
December 09, 2025

OPERATING REPORT

JULY 2025

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbt.com

Board of Directors

Larry Pack,
State Treasurer,
Chairman

Patrick Morrissey,
Governor

Mark A. Hunt,
State Auditor

Patrick M. Smith,
CPA
Appointed by the
Governor

Mark A. Mangano,
Esq. Attorney
Appointed by the
Governor

Executive Staff

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

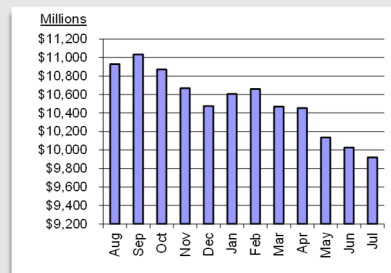
Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,920,337,000

Last Month
\$10,025,892,000

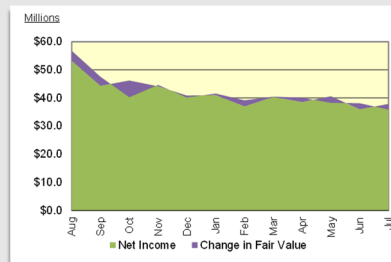
Beginning of Fiscal Year
\$9,920,337,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$35,829,000



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

Money Market Pools

As of July 31, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	4.4510%	40 Days	\$8.5 Billion
WV Gov't Money Market	4.3026%	35 Days	\$633.1 Million

* Yields represent the simple money market yield net of fees.
** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JULY 2025

Uncertainty Ahead in Global Markets

Global markets climbed higher, led by the continued rally of concentrated tech mega-caps focused on artificial intelligence and strong earnings for S&P 500 companies. President Trump's domestic agenda continued to take shape with passage of the omnibus tax and spending package known as, One Big Beautiful Bill Act, that sets fiscal policy. Despite uncertain global economic conditions impacted by ongoing tariff and geopolitical tensions, risk assets were mostly positive in the month and year to date.

Macroeconomics

Second quarter U.S. GDP increased at a higher than expected annualized growth rate of 3%, which was a considerable improvement from Q1's -0.5% contraction. However, it is notable that a slow-down in imports helped boost GDP results. The Q1 surge in imports as companies sought to build inventory ahead of impending tariffs, was a negative drag on GDP, while the imports decline in Q2 was a positive factor. Otherwise, the underlying components were headlined by 1.4% modest growth in consumer spending in Q2.

June's monthly CPI increase of 0.3% was not unexpected, raising annual inflation to 2.7% as the impact of current and anticipated price increases from tariffs continued to seep into the economy. The Fed's preferred measure of inflation, core PCE increased by 0.3% in June with an annualized inflation rate of 2.8%. As anticipated, the Fed held benchmark rates steady at 4.25–4.50% in July with two rate cuts growing more likely by year-end according to the dot plot, as developing softness in certain key economic indicators are beginning to become apparent.

Equity Markets

US equities had a 2.2% return, as the S&P 500 reached 10 all-time highs given strong corporate earnings, despite losing momentum near month-end given pending August 1st tariff/trade deadlines. On a sector basis for the month, Information Technology (+1.7%) was the top contributor and Health Care (-0.3%) was the weakest. On a year to date basis, the only negative portion of US markets remains small capitalization stocks (S&P 600 index at -3.6%).

International equity markets were mixed with, developed (EAFE -1.4%) markets declining and emerging regions (EM +1.9%) increasing. Within developed markets, Pacific (-0.5%) outperformed Europe (-1.8%) on a regional basis with the highest return from Hong Kong (+4.8%). Within emerging markets, Eastern Europe (+3.1%) outperformed Asia (+2.5%) and Latin America (-4.4%) on a regional basis, with the highest return from Thailand (+14.3%). International markets have outperformed the U.S year to date helped by the weakened US Dollar.

Fixed Income

The bond market was generally resilient despite the macro concerns around fiscal deficits, inflation, and tariffs. Fixed income returns were mixed with U.S. Treasury yields rising (inversely prices fell, hence negative returns) across the curve with 2-year U.S. Treasury bonds up 23 bps to 3.9% and 30-year Treasuries up 10 bps to 4.9%. Investment grade, high yield and mortgage-backed securities all saw slightly tighter spreads contribute to positive results across the risk spectrum.

Looking Ahead

Although July finished on a relatively positive note, the months ahead loom with some degree of uncertainty as US trade deals and deadlines continue to shape the global economy. Given an anticipated consumer spending slowdown if prices begin to creep higher, and with employment showing signs of sagging, the probability of Federal Reserve rate cut(s) appear to be on the horizon.

West Virginia Board of Treasury Investments Financial Highlights as of July 31, 2025

WV Short Term Bond Pool

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

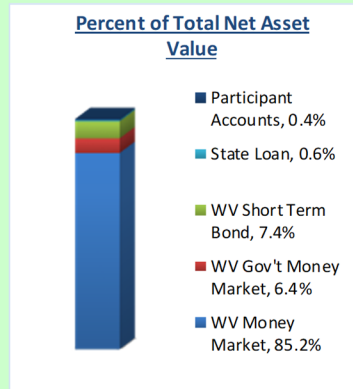
<u>Aug 1 - July 31</u>	<u>Return</u>	<u>Net Assets At Jul 31 (In Millions)</u>
2025	5.3%	\$ 724.1
2024	6.5%	\$ 689.9
2023	1.9%	\$ 705.1
2022	(3.1%)	\$ 695.6
2021	1.2%	\$ 819.7



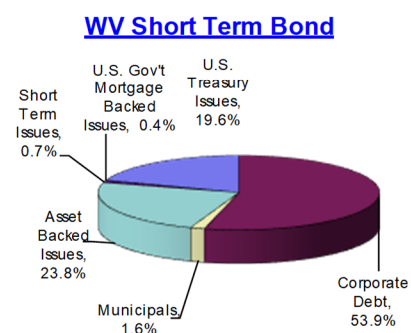
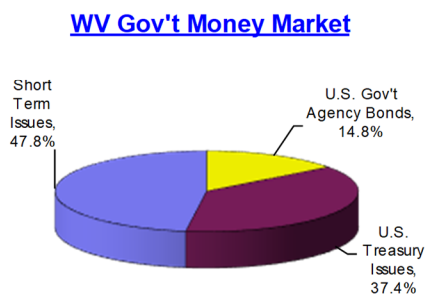
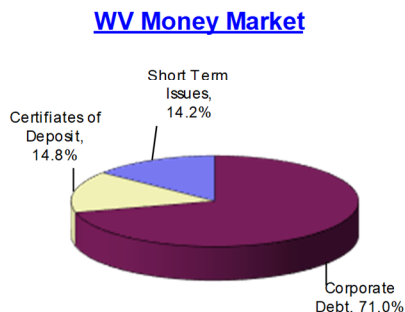
Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

<u>Pool</u>	<u>Net Asset Value</u>	<u>Jul Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,464,526	\$ 32,506	\$ 32,506
WV Gov't Money Market	633,079	2,199	2,199
WV Short Term Bond	724,090	788	788
Loans	57,041	196	196
Participant Accounts	41,601	140	140
	<u>\$ 9,920,337</u>	<u>\$ 35,829</u>	<u>\$ 35,829</u>



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



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
JULY 31, 2025
(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 8,451,323	\$ 638,622	\$ -	\$ 56,846	\$ 40,428	\$ 9,187,219
At fair value	-	-	725,914	-	1,033	726,947
Other assets	14,557	476	15,304	197	142	30,676
Total assets	<u>8,465,880</u>	<u>639,098</u>	<u>741,218</u>	<u>57,043</u>	<u>41,603</u>	<u>9,944,842</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,354	6,019	17,128	2	2	24,505
Total liabilities	<u>1,354</u>	<u>6,019</u>	<u>17,128</u>	<u>2</u>	<u>2</u>	<u>24,505</u>
Net Position						
Held in trust for investment pool participants	8,464,526	633,079	724,090	-	-	9,821,695
Held in trust for individual investment account holders	-	-	-	57,041	41,601	98,642
Total net position	<u>\$ 8,464,526</u>	<u>\$ 633,079</u>	<u>\$ 724,090</u>	<u>\$ 57,041</u>	<u>\$ 41,601</u>	<u>\$ 9,920,337</u>
Additions						
Investment income:						
Interest and dividends	\$ 14,570	\$ 1,611	\$ 2,639	\$ 197	\$ 141	\$ 19,158
Net (amortization) accretion	18,271	612	218	-	-	19,101
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>32,841</u>	<u>2,223</u>	<u>2,857</u>	<u>197</u>	<u>141</u>	<u>38,259</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	335	24	45	1	1	406
Total investment expenses	<u>335</u>	<u>24</u>	<u>45</u>	<u>1</u>	<u>1</u>	<u>406</u>
Net investment income	32,506	2,199	2,812	196	140	37,853
Net realized gain (loss) from investments	-	-	109	-	-	109
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(2,133)</u>	<u>-</u>	<u>-</u>	<u>(2,133)</u>
Net increase (decrease) in net position from operations	32,506	2,199	788	196	140	35,829
Participant transaction additions:						
Purchase of pool units by participants	1,560,362	79,934	900	-	-	1,641,196
Reinvestment of pool distributions	32,506	2,199	3,025	-	-	37,730
Contributions to individual investment accounts	-	-	-	3,920	128	4,048
Total participant transaction additions	<u>1,592,868</u>	<u>82,133</u>	<u>3,925</u>	<u>3,920</u>	<u>128</u>	<u>1,682,974</u>
Total additions	1,625,374	84,332	4,713	4,116	268	1,718,803
Deductions						
Distributions to pool participants:						
Net investment income	32,506	2,199	2,812	-	-	37,517
Net realized gain (loss) from investments	-	-	109	-	-	109
Total distributions to pool participants	<u>32,506</u>	<u>2,199</u>	<u>2,921</u>	<u>-</u>	<u>-</u>	<u>37,626</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,769,474	17,000	-	-	-	1,786,474
Withdrawals from individual investment accounts	-	-	-	130	128	258
Total participant transaction deductions	<u>1,769,474</u>	<u>17,000</u>	<u>-</u>	<u>130</u>	<u>128</u>	<u>1,786,732</u>
Total deductions	<u>1,801,980</u>	<u>19,199</u>	<u>2,921</u>	<u>130</u>	<u>128</u>	<u>1,824,358</u>
Net increase (decrease) in net position from operations	(176,606)	65,133	1,792	3,986	140	(105,555)
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(176,606)	65,133	1,792	3,986	140	(105,555)
Net position at beginning of period	8,641,132	567,946	722,298	53,055	41,461	10,025,892
Net position at end of period	<u>\$ 8,464,526</u>	<u>\$ 633,079</u>	<u>\$ 724,090</u>	<u>\$ 57,041</u>	<u>\$ 41,601</u>	<u>\$ 9,920,337</u>



School Building Authority of West Virginia
Andy Neptune, Executive Director

2300 Kanawha Boulevard, East • Charleston, West Virginia 25311-2306 • Office (304) 558-2541 • Fax (304) 558-2539

June 18, 2025

Via Email and Regular U.S. Mail

Attention: Legislative Auditor
 West Virginia Legislative Manager
 Joint Committee on Government & Finance
 Room E132, Building 1
 State Capital Complex
 Charleston, West Virginia 25305

***Re: School Building Authority MIP and Multi-County/Statewide Projects
 FY2026 Funding***

To Whom it May Concern:

Per the requirements in §18-9D-16, please accept the enclosed information regarding the counties' request for FY2026 MIP and Multi-County Statewide Project funding. All counties were provided an opportunity to submit a request for MIP and Multi-County Statewide Project funding. The enclosed document represents the SBA staff's summary of the county projects that were submitted. This year we received \$20,573,748 in MIP funding requests from twenty-six (26) counties and \$11,571,591 in Multi-County/Statewide Project funding requests from six (6) counties. We have \$11,240,913 in MIP funding and \$6,843,734 in Multi-County/Statewide Project funding available for distribution to fund all requests.

The Authority will make its final selection for project funding during the Quarterly Meeting on Monday, June 23, 2025. Should you have any questions, please feel free to contact our office.

We are pleased to provide you with this information.

Sincerely,

Andy Neptune
 Executive Director

Enclosures
 cc: Jordan Kirk, CFO

Joint Committee

JUN 23 2025

Post Audit Division

School Building Authority of West Virginia
MAJOR IMPROVEMENT PROJECT REQUESTS
 For the FY-2026 Funding Cycle

County	Project Description	Requested MIP Funds	Local Funds Contribution	Other Funds	Total Project Cost
Berkeley	Berkeley Heights ES & Pikeside Windows; Martinsburg HS Roof	\$ 533,795	\$ 533,795		\$ 1,067,590
Braxton	Braxton Co HS Roof Replacement/Water System	\$ 418,840	\$ 50,000		\$ 468,840
Cabell	Cabell Midland HS Admin. Demo/Addition; Structure Stablization	\$ 1,000,000	\$ 47,418		\$ 1,047,418
Clay	Safe School Entrances at Clay ES and Big Otter ES	\$ 796,379	\$ 160,000		\$ 956,379
Fayette	Midland Trail HS/Oak Hill HS Science Lab Renovations	\$ 1,000,000	\$ 250,000		\$ 1,250,000
Grant	Maysville ES HVAC Upgrades & Sprinkler Addition	\$ 1,000,000	\$ 257,040		\$ 1,257,040
Greenbrier	Greenbrier East HS Electric Upgrades	\$ 850,000	\$ 356,653		\$ 1,206,653
Harrison	Bridgeport MS Secure Entrance	\$ 165,000	\$ 48,439		\$ 213,439
Jackson	Evans ES Exterior and Interior Renovations	\$ 327,906	\$ 75,000		\$ 402,906
Lewis	Jane Lew ES HVAC Replacement	\$ 950,000	\$ 125,000		\$ 1,075,000
Lincoln	Lincoln County HS Chiller Replacement	\$ 873,385	\$ 154,127		\$ 1,027,512
Marion	East Fairmont HS Roof Replacement	\$ 1,000,000	\$ 1,905,670		\$ 2,905,670
Mason	Safe School Entrances at 3 schools	\$ 887,819	\$ 125,000		\$ 1,012,819
Mineral	Keyser HS HVAC System Upgrades	\$ 1,000,000	\$ 154,120		\$ 1,154,120
Mingo	Gilbert PK-8 School Renovations	\$ 494,756	\$ 335,000		\$ 829,756
Monroe	James Monroe HS Partial HVAC, Cooling Tower, Controls	\$ 794,000	\$ 200,769		\$ 994,769
Morgan	Berkeley Springs HS Roof Replacement	\$ 975,820	\$ 243,955		\$ 1,219,775
Nicholas	Safe School Entrances at 3 schools	\$ 932,980	\$ 75,000		\$ 1,007,980
Pendleton	Franklin ES Safety & Controls Systems Upgrades	\$ 886,320	\$ 100,000		\$ 986,320
Pocahontas	Marlinton MS Roof Replacement	\$ 993,086	\$ 275,000		\$ 1,268,086
Preston	South Preston School HVAC Renovations	\$ 700,022	\$ 233,341		\$ 933,363
Raleigh	Academy of Careers & Technology HVAC Replacement	\$ 1,000,000	\$ 3,525,000		\$ 4,525,000
Roane	Roane Co. HS Digital Learning Center/HVAC Renovations	\$ 999,999	\$ -		\$ 999,999
Taylor	Flemington ES HVAC Replacement	\$ 542,862	\$ 292,310		\$ 835,172
Tucker	Davis Thomas ES/MS Fire Alarm/Sprinkler Renovations	\$ 565,674	\$ 50,000		\$ 615,674
Wayne	Wayne Co Schools Safe School Entry Project	\$ 885,105	\$ 28,000		\$ 913,105
Totals		\$ 20,573,748	\$ 9,600,637		\$ 30,174,385

School Building Authority of West Virginia
MULTI-COUNTY STATEWIDE GRANT REQUESTS
 For the FY-2026 Funding Cycle

Facility		Requested	Local Funds	Total Project
Calhoun-Gilmer	Renovations to the ProStart Kitchen Area	\$ 2,947,554	\$ -	\$ 2,947,554
Fred Eberle	New Classroom Bldg. & Renovations	\$ 2,055,459	\$ -	\$ 2,055,459
MOVTI	Roof Replacement	\$ 1,008,846	\$ -	\$ 1,008,846
Roane-Jackson	Roof Replacement Buildings A, B and C	\$ 2,115,877	\$ -	\$ 2,115,877
South Branch	Plumbing Renovations	\$ 692,491	\$ -	\$ 692,491
United Technical	Various Renovations	\$ 2,751,364	\$ -	\$ 2,751,364
Totals		\$ 11,571,591	\$ -	\$ 11,571,591