



JOINT COMMITTEE ON GOVERNMENT AND FINANCE

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MINUTES

JOINT COMMITTEE ON GOVERNMENT AND FINANCE
(President Blair)

April 7, 2021

4:00 p.m. – 5:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Baldwin	Boggs
Plymale (absent)	Capito (absent)
Takubo (absent)	Householder
Tarr	Howell
Trump (absent)	Skaff
Weld (absent)	Summers

President Blair: “Joint Committee of Government and Finance will come to order. The first item on the agenda is approval of the February 9, 2021 minutes, Speaker Hanshaw.”

Speaker Hanshaw: “Thank you. I move that the minutes distributed to the members be approved as distributed.”

President Blair: “Speaker Hanshaw moves that the minutes be approved. Is there discussion? All in favor say aye, opposed no. The ayes appear to have it, the ayes do have it. The minutes are approved. I recognize the Speaker for another motion.”

Speaker Hanshaw: “Thank you, Mr. President. I move that the President and Speaker of be authorized to jointly establish the interim committees and their subcommittees as deemed appropriate and be authorized also to appoint as many members as desired to any subcommittee or committee other than those specified by statute and standing committees.”

President Blair: “Question on the motion, is there discussion? All in favor say aye. The ayes have it, I recognize the Speaker for another motion.”

Speaker Hanshaw: “Thank you, Mr. President. I move that the interim committees and subcommittees established by the President and the Speaker be authorized to meet during the 2021 interim period this year.”

President Blair: “Question on the motion. All in favor say aye, those opposed. The ayes appear to have it, I recognize the Speaker for another motion.”

Speaker Hanshaw: “Mr. President, I move that the President and the Speaker be authorized to jointly assign study topics to the interim committees as deemed appropriate for this year.”

President Blair: “The question is on the motion. Is there discussion? All in favor say aye, those opposed. The ayes have it, I recognize the Speaker for another motion.”

Speaker Hanshaw: “Yes, Mr. President. I move that for all committees and subcommittees and commissions that meet during the interim period for which there are an unequal number of delegates and senators, that motions considered by each body must be accepted by a separate majority vote of the committee members from each legislative body.”

President Blair: “Question on the motion. Is there discussion? All in favor say aye, opposed. The ayes appear to have it. I recognize the Speaker for a final motion.”

Speaker Hanshaw: “Yes, Mr. President. I move that the committee establish as dates for interim meetings this year: May 10 with a limited schedule; June 6, 7, and 8; September 12, 13, and 14; October 10, 11, and 12; November 14, 15, and 16; December 5, 6, and 7; and in January 2022, January 9, 10, and 11.”

President Blair: “The question is on the motion. All those in favor say aye, those opposed. The ayes have it. Other business, you’ll find in your packet information from the West Virginia State on the real estate purchase. Also, you’ll find in your packet a notice of capital project from West Liberty University. Both of these are for informational purposes only. Any further business to come before the committee?”

Speaker Hanshaw: “I move that we adjourn.”

President Blair: “Speaker says ... All those in favor say aye, opposed no. The ayes appear to have it, the meeting is adjourned.”

REPORTS SUMMARY

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

April 26, 2021

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

- West Virginia Lottery as of March 31, 2021:
Gross profit year to date was \$374.5 million. Gross profit for fiscal year 2020 was \$364 million.
- West Virginia Unemployment Compensation Fund as of March 31, 2021:
Total disbursements were \$918 million higher than in fiscal year 2020. Overall ending trust fund balance was \$117.4 million lower on March 31, 2021 than on March 31, 2020.
- General Revenue Fund as of March 31, 2021
The general revenue collections ended the ninth month of fiscal year 2021 at 107% of the estimate for the year. Total collections were \$235 million above the estimate for the fiscal year.
- State Road Fund as of March 31, 2021:
The state road fund collections ended the ninth month of fiscal year 2021 at 107% of the estimate for the year. Total collections were \$45 million above the estimate for the fiscal year.

LOTTERY

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

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

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

Date: April 21, 2021

Re: Review of West Virginia Lottery Financial Information
As of March 31, 2021

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for March 31, 2021, 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 \$845 million for July - March of fiscal year 2020-2021. Table games accounted for \$19 million of this total. Historic Resort Hotel video lottery accounted for \$6 million of total gross receipts. Gross lottery revenue has increased by 5% when compared with July - March of fiscal year 2019-2020. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July - March was \$374.5 million; for July - March of last fiscal year it was \$364 million. Expressed as a percentage, gross profit is 2.9% higher for fiscal year 2021 than for fiscal year 2020.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$372,433,000.00 has been accrued to the state of West Virginia for fiscal year 2020-2021. 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	\$57,955,000.00
Community and Technical College	\$4,493,000.00
Department of Education	\$18,882,000.00
Library Commission	\$11,515,000.00
Higher Education-Policy Commission	\$7,265,000.00
Tourism	\$6,732,000.00
Department of Natural Resources	\$3,443,000.00
Division of Culture and History	\$4,185,000.00
General Revenue Fund	\$0.00
Economic Development Authority	\$8,993,000.00
School Building Authority	\$16,200,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$139,663,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$18,913,000.00
Higher Education Improvement Fund	\$13,500,000.00
General Purpose Fund	\$44,057,000.00
Higher Education Improvement Fund	\$19,657,000.00
State Park Improvement Fund	\$1,019,000.00
School Building Authority	\$17,093,000.00
Refundable Credit	\$5,495,000.00
WV Racing Commission	\$1,356,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$17,000,000.00
WV Lottery Statutory Transfers	\$41,360,000.00
Economic Development Authority	\$3,952,000.00
General Revenue Fund	\$0.00
Office of Technology	\$0.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$32,511,000.00
Total State Excess Lottery Revenue Fund	\$215,913,000.00

Total Budgetary Distributions:	\$355,576,000.00
Veterans Instant Ticket Fund	\$472,000.00
Pension Plan	26,000.00
TOTAL TRANSFERS	*\$356,074,000.00

Lottery continued

* CASH BASIS

Total Accrued last FY 2020:	\$115,331,000.00
Total Cash Distributions FY 2021:	356,074,000.00
Applied to FY 2020:	115,331,000.00
Applied to FY 2021:	240,743,000.00
Accrued for FY 2021 as of March 31:	131,690,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wwlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John A. Myers, Director

A handwritten signature in blue ink that reads "John A. Myers".

RE: Monthly Report on Lottery Operations
Month Ending March 31, 2021

DATE: April 16, 2021

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

Financial statements of the Lottery for the month ending March 31, 2021 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$118,356,297 for the month of March.

Transfers of lottery revenue totaling \$35,898,689 made for the month of March to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of March 31, 2021 was 1,507 and 1,227 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.

JAM
Attachment

pc: Honorable Jim Justice, Governor
Dave Hardy, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

March 31, 2021

WEST VIRGINIA LOTTERY

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

ASSETS	March 31, 2021	June 30, 2020
Current Assets:		
Cash and cash equivalents	\$ 149,468	\$ 132,073
Accounts receivable	42,423	152,449
Inventory	927	539
Other assets	1,870	2,167
Total Current Assets	<u>194,688</u>	<u>287,228</u>
Noncurrent Assets:		
Capital assets	61,552	61,552
Less accumulated depreciation and amortization	<u>(18,088)</u>	<u>(16,844)</u>
Net Capital Assets	<u>43,464</u>	<u>44,708</u>
Total Noncurrent Assets	<u>43,464</u>	<u>44,708</u>
Total Assets	<u>\$ 238,152</u>	<u>\$ 331,936</u>
Deferred outflows of resources	<u>\$ 1,355</u>	<u>\$ 1,355</u>
Total assets and deferred outflows	<u>\$ 239,507</u>	<u>\$ 333,291</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 131,690	\$ 115,331
Estimated prize claims	17,150	123,916
Accounts payable	1,792	2,382
Other accrued liabilities	<u>31,379</u>	<u>34,166</u>
Total Current Liabilities	<u>182,011</u>	<u>275,795</u>
Deferred inflows	<u>\$ 1,907</u>	<u>1,907</u>
Net Position:		
Net Investment in capital assets	43,464	44,708
Unrestricted	<u>12,125</u>	<u>10,881</u>
Total Net Position	<u>55,589</u>	<u>55,589</u>
Total net position, liabilities, and deferred inflows	<u>\$ 239,507</u>	<u>\$ 333,291</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 EIGHT MONTH PERIOD ENDED MARCH 31, 2021
(In Thousands)
- Unaudited -

	CURRENT MONTH		YEAR TO DATE	
	FY 2021	FY 2020	FY 2021	FY 2020
Lottery revenues				
On-line games	\$ 5,959	\$ 4,609	\$ 58,583	\$ 46,344
Instant games	18,714	11,601	123,589	95,457
Racetrack video lottery	38,439	20,194	287,180	345,974
Limited video lottery	51,202	20,861	344,636	285,650
Table games	2,375	1,398	18,834	25,255
Historic resort	586	237	6,080	4,734
Sports Wagering	423	111	3,235	1,789
Interactive Wagering	658	-	3,078	-
	<u>118,356</u>	<u>59,011</u>	<u>845,215</u>	<u>805,203</u>
Less commissions				
On-line games	414	331	4,096	3,248
Instant games	1,310	812	8,651	6,682
Racetrack video lottery	19,543	9,874	156,012	184,365
Limited video lottery	25,089	10,222	168,872	139,969
Table games	1,006	593	7,981	10,712
Historic resort	296	123	3,108	2,450
	<u>47,658</u>	<u>21,955</u>	<u>348,720</u>	<u>347,426</u>
Less on-line prizes	3,038	1,816	29,471	22,884
Less instant prizes	12,693	7,820	83,647	63,944
Less ticket costs	160	113	1,163	981
Less vendor fees and costs	917	649	7,715	6,097
	<u>16,808</u>	<u>10,398</u>	<u>121,996</u>	<u>93,906</u>
Gross profit	<u>53,890</u>	<u>26,658</u>	<u>374,499</u>	<u>363,871</u>
Administrative expenses				
Advertising and promotions	249	285	3,243	3,375
Wages and related benefits	845	823	8,153	8,070
Telecommunications	78	1	539	402
Contractual and professional	675	677	4,716	4,632
Rental	24	18	159	152
Depreciation and amortization	138	138	1,244	1,250
Other administrative expenses	127	156	1,112	1,895
	<u>2,136</u>	<u>2,098</u>	<u>19,166</u>	<u>19,776</u>
Other Operating Income	<u>7,970</u>	<u>209</u>	<u>23,976</u>	<u>3,802</u>
Operating Income	<u>59,724</u>	<u>24,769</u>	<u>379,309</u>	<u>347,897</u>
Nonoperating income (expense)				
Investment income	(82)	(353)	536	2,483
Distributions to municipalities and counties	(1,004)	(409)	(6,755)	(5,599)
Distributions -capital reinvestment	(480)	(368)	(657)	(1,785)
Distributions to the State of West Virginia	(58,158)	(23,639)	(372,433)	(342,996)
	<u>(59,724)</u>	<u>(24,769)</u>	<u>(379,309)</u>	<u>(347,897)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>55,589</u>	<u>55,621</u>	<u>55,589</u>	<u>55,621</u>
Net position, end of period	<u>\$ 55,589</u>	<u>\$ 55,621</u>	<u>\$ 55,589</u>	<u>\$ 55,621</u>

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

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2021**

(In Thousands)
-Unaudited-

	2021	2020
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 979,217	\$ 822,361
Cash payments for:		
Personnel costs	(8,153)	(8,070)
Suppliers	(10,706)	(11,309)
Other operating costs	(576,416)	(447,267)
Cash provided by operating activities	<u>383,942</u>	<u>355,715</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(356,074)	(391,517)
Distributions to municipalities and counties	(6,552)	(5,819)
Distributions to racetrack from racetrack cap. reinv. fund	(4,768)	(6,480)
Cash used in noncapital financing activities	<u>(367,394)</u>	<u>(403,816)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>847</u>	<u>2,824</u>
Cash provided by investing activities	<u>847</u>	<u>2,824</u>
Increase (decrease) in cash and cash equivalents	17,395	(45,277)
Cash and cash equivalents - beginning of period	<u>132,073</u>	<u>190,837</u>
Cash and cash equivalents - end of period	<u>\$ 149,468</u>	<u>\$ 145,560</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 379,309	\$ 347,897
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,244	1,250
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	110,026	13,356
(Increase) decrease in inventory	(388)	(118)
(Increase) decrease in other assets	(14)	(77)
Increase (decrease) in estimated prize claims	(106,766)	415
Increase (decrease) in accounts payable	(590)	(441)
Increase (decrease) in other accrued liabilities	1,121	(6,567)
	<u>\$ 383,942</u>	<u>\$ 355,715</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 \$813,247 and \$654,712 at June 30, 2020 and 2019, 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 March 31, 2021 the carrying amounts of deposits (overdraft) with financial institutions were \$475 thousand with a bank balance (overdraft) of \$525 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia’s agent in the State’s name.

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

	March 31, 2021	June 30, 2020
Deposits with financial institutions	\$ 475	\$ 498
Cash on hand at the Treasurer’s Office	36,578	20,485
Investments with BTI reported as cash equivalents	112,415	111,090
	\$ 149,468	\$ 132,073

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended March 31, 2021 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2020	Additions	Deletions	Historical Cost At March 31, 2021
Construction in Progress	\$ 629	\$ -	\$ -	\$ 629
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	<u>\$ 61,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,552</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2020	Additions	Deletions	Historical Cost At March 31, 2021
Buildings	\$ 8,932	\$ 925	\$ -	\$ 9,857
Equipment	7,912	319	-	8,231
	<u>\$ 16,844</u>	<u>\$ 1,244</u>	<u>\$ -</u>	<u>\$ 18,088</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 March 31, 2021 and fiscal year-to-date is as follows:

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,161,255	\$ 21,719,657
Lotta America	410,941	3,418,611
Mega Millions	1,138,366	15,049,990
Total	\$ 3,710,562	\$ 40,188,258

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,085,123	\$ 10,858,190
Lotta America	205,476	1,709,593
Mega Millions	569,261	7,522,935
Total	\$ 1,859,860	\$ 20,090,718

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	\$125,000,000	\$9,000,000	\$45,000,000

At March 31, 2021, 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	\$ 106,722,440	\$ 1,385,632
Lotto America	4,264,072	317,294
Mega Millions	92,198,839	950,324
Total	\$ 203,185,351	\$ 2,653,250

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

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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 \$20,137,334 at March 31, 2021, of which the Lottery's share was \$1,423,698.

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 (57%) 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
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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 11.

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 March 31, 2021 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2021	2020	2021	2020
Total credits played	\$ 431,855	\$ 219,073	\$ 3,270,534	\$ 3,843,021
Credits (prizes) won	(387,614)	(195,892)	(2,936,029)	(3,443,507)
Promotional credits played	(5,802)	(2,987)	(47,325)	(53,540)
MWAP Contributions	-	-	-	-
Gross terminal income	38,439	20,194	287,180	345,974
Administrative costs	(861)	(411)	(10,811)	(11,876)
Net Terminal Income	37,578	19,783	276,369	334,098
Less distribution to agents	(19,543)	(9,874)	(156,012)	(184,365)
Racetrack video lottery revenues	<u>\$ 18,035</u>	<u>\$ 9,909</u>	<u>\$ 120,357</u>	<u>\$ 149,733</u>

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

	March 31, 2021	Year-to-Date
State Lottery Fund	\$ 7,403	\$ 79,040
State Excess Lottery Revenue Fund	10,170	40,855
Capital Reinvestment Fund	462	462
Total nonoperating distributions	<u>\$ 18,035</u>	<u>\$ 120,357</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
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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. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. 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 March 31, 2021 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2021	2020	2021	2020
Total credits played	\$ 659,414	\$ 269,206	\$ 4,448,586	\$ 3,651,213
Credits (prizes) won	(608,212)	(248,345)	(4,103,950)	(3,365,563)
Gross terminal income	\$ 51,202	\$ 20,861	\$ 344,636	\$ 285,650
Administrative costs	(1,024)	(417)	(6,892)	(5,713)
Gross Profit	50,178	20,444	337,744	279,937
Commissions	(25,089)	(10,222)	(168,872)	(139,969)
Municipalities and Counties	(1,004)	(409)	(6,755)	(5,599)
Limited video lottery revenues	\$ 24,085	\$ 9,813	\$ 162,117	\$ 134,369

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
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NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 11- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended March 31, 2021 were \$6,784,923 and \$53,811,128, 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	
	2021	2020	2021	2020
Table Games Privilege Tax	\$ 2,375	\$ 1,398	\$ 18,834	\$ 25,255
Interest on Table Games Fund	-	2	3	46
Administrative costs	(204)	(120)	(1,614)	(2,165)
Total Available for Distribution	<u>2,171</u>	<u>1,280</u>	<u>17,223</u>	<u>23,136</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	153	90	1,211	1,624
Thoroughbred & Greyhound Development Funds	122	72	968	1,298
Racing Association Pension Plan	60	35	474	637
Municipalities/ Counties	671	396	5,328	7,153
Total Distributions	<u>1,006</u>	<u>593</u>	<u>7,981</u>	<u>10,712</u>
Excess Lottery Fund	<u>\$ 1,165</u>	<u>\$ 687</u>	<u>\$ 9,242</u>	<u>\$ 12,424</u>

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

A summary of historic resort hotel video lottery revenues for the month ended March 31, 2021 and fiscal year-to-date follows (in thousands):

Total credits played	\$ 6,345	\$ 2,627	\$ 68,289	\$ 59,257
Credits (prizes) won	(5,854)	(2,403)	(63,144)	(54,661)
Promotional credits played	(100)	(58)	(990)	(1,285)
Gross terminal income	<u>391</u>	<u>166</u>	<u>4,155</u>	<u>3,311</u>
Capital reinvestment	(18)	(8)	(195)	(156)
Excess Lottery Fund	(4)	(1)	(38)	(30)
Administrative costs	(21)	(9)	(224)	(179)
Hotel commissions	<u>(165)</u>	<u>(70)</u>	<u>(1,758)</u>	<u>(1,400)</u>
Net terminal income	183	78	1,940	1,546
Historic Resort Hotel Fund	116	50	1,234	983
Human Resource Benefit Fund	67	28	706	563

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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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 March 31, 2021 were \$557,111 and \$5,499,585 respectively.

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

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Table games privilege tax	\$ 195	\$ 71	\$ 1,925	\$ 1,423
Administrative Costs	(25)	(9)	(247)	(183)
Total Available for Distribution	170	62	1,678	1,240
Historic Resort Hotel Fund	142	52	1,403	1,037
Human Resource Benefit Fund	28	10	275	203

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):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 116	\$ 1,234
Historic Resort Table Games	142	1,403
Interest on Historic Resort Hotel Fund	-	1
Historic Resort Hotel Fund Net Income	258	2,638
Municipalities/ Counties	36	369
Excess Lottery Fund	222	2,269
Total Distributions	<u>\$ 258</u>	<u>\$ 2,638</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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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 March 31, 2021 were \$4,229,266 and \$32,349,124, 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	
	2021	2020	2021	2020
Sports Wagering Privilege Tax	\$ 423	\$ 111	\$ 3,235	\$ 1,789
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(64)	(16)	(485)	(268)
Total Available for Distribution	359	95	2,750	1,521

**WEST VIRGINIA LOTTERY
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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 March 31, 2021 were \$4,384,565 and \$20,521,903 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	
	2021	2020	2021	2020
Interactive Wagering Privilege Tax	\$ 658	\$ -	\$ 3,078	\$ -
Interest on Interactive Wagering Fund	-	-	1	-
Administrative Costs	(99)	-	(462)	-
Total Available for Distribution	559	-	2,617	-

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

	Current Month	Year-to-Date
Pensions	6	26
Lottery Fund	553	2,591
Total Distributions	\$ 559	\$ 2,617

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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, 2021 the State Legislature budgeted \$127,795,650 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 \$6,539,842 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 March 31, 2021 the Lottery has accrued additional distributions of \$131,689,617. 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>March 31, 2021</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 4,493
Bureau of Senior Services		57,955
Department of Education		18,882
Library Commission		11,515
Higher Education-Policy Commission		7,265
Tourism		6,732
General Revenue		
Natural Resources		3,443
Division of Culture & History		4,185
Economic Development Authority	999	8,993
School Building Authority	1,800	16,200
Total State Lottery Fund	<u>\$ 3,298</u>	<u>\$ 139,663</u>

WEST VIRGINIA LOTTERY
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State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,101	\$ 18,913
Higher Education Improvement Fund	1,500	13,500
General Purpose Account	7,400	44,057
Higher Education Improvement Fund	3,302	19,657
State Park Improvement Fund	171	1,019
School Building Authority	1,899	17,093
Refundable Credit	3,397	5,495
WV Racing Commission	228	1,356
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Division of Human Services		17,000
WV Lottery Statutory Transfers	6,947	41,360
Economic Development Authority	439	3,952
General Revenue Fund		
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	5,154	32,511
Total State Excess Lottery Revenue Fund	\$ 32,538	\$ 215,913
Total Budgetary distributions:	\$ 35,836	\$ 355,576
Veterans Instant Ticket Fund	\$ 61	\$ 472
 <u>Other Interactive Gaming distributions</u>		
Pension Plan	\$ 6	\$ 26
Total Other Interactive Gaming distributions	\$ 6	\$ 26
 Total nonoperating distributions to the State of West Virginia (cash basis)		
	\$ 35,903	\$ 356,074
 Accrued nonoperating distributions, beginning		
	(109,435)	(115,331)
 Accrued nonoperating distributions, end		
	131,690	131,690
	\$ 58,158	\$ 372,433

WEST VIRGINIA LOTTERY
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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 cancelable operating leases. Rental expense for the fiscal year-to-date ended March 31, 2021 and March 31, 2020 approximated \$159,257 and \$151,609 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended March 31, 2021 and March 31, 2020 approximated \$805,879 and \$796,994 respectively.

NOTE 14 – COMMITMENTS

For the years ended June 30, 2020 and 2019 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2020 and 2019, \$8,073,287 and \$8,535,120, 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 13.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending March 31, 2021 and fiscal year-to-date are as follows (in thousands):

	March 31, 2021	Year-to-Date
Employee contributions	\$ 29	\$ 301
Lottery contributions	62	627
Total contributions	\$ 91	\$ 928

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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 EIGHT MONTH PERIOD ENDED MARCH 31, 2021
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	18,714	7,500	123,589	67,500
On-line games	5,959	5,034	58,583	45,300
Racetrack video lottery	38,439	40,015	287,180	331,454
Limited video lottery	51,202	34,006	344,636	261,668
Racetrack table games	2,375	2,605	18,834	21,955
Historic resort	586	318	6,080	3,313
Sports wagering	423	441	3,235	3,971
Interactive wagering	658	-	3,078	-
Total gross revenues	118,356	89,919	845,215	735,161
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	2,102	871	14,063	7,836
On-line games	1,677	1,444	16,856	12,999
Racetrack Video Lottery	7,588	5,151	79,245	78,445
Sports wagering	360	375	3,074	3,167
Interactive wagering	554	-	3,269	-
Total Lottery Fund net revenues	12,281	7,841	116,507	99,280
Excess Lottery Fund				
Racetrack Video Lottery	10,171	14,078	40,863	64,182
Limited Video Lottery	24,000	15,996	163,179	122,212
Limited Video Lottery Fees	7,618	7,608	20,043	55,108
Racetrack table games	975	1,279	9,051	10,694
Historic resort	312	111	2,392	1,209
Total Excess Lottery Fund Net Revenues	43,076	39,072	235,528	253,405
Total Net Revenues	55,357	46,913	352,035	352,685

GENERAL REVENUE

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

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

Date: April 21, 2021

Re: Status of General Revenue Fund and State Road Fund as of
March 31, 2021 (FY 21)

We have reviewed the cash flow of the West Virginia general revenue fund as of March 31, 2021 which is the ninth month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 107% of the estimate for the fiscal year. Total collections were \$235 million above the estimate for the fiscal year.

Personal Income Tax collections were \$98 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$41 million above the estimate for the year.

Severance Tax was \$5 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$85 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 107% of the estimate for the fiscal year. Total collections were \$45.5 million above the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$389,364,030.71 as of March 31, 2021.

Balance July 1, 2020	\$373,041,673.22
*Loan-General Revenue Fund 7-1-20	68,600,000.00
Loan Repaid 09/18/20	(68,600,000.00)
Fiscal year 20 Surplus	14,039,843.39
Earnings/(Loss)	2,282,514.10
Balance March 31, 2021	\$389,364,030.71

*\$68.6 million loan to state General Revenue Fund 7/1/2020 for beginning of the year cash flow, to be repaid within 90 days. Paid 09/18/20.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$538,069,236.90 as of March 31, 2021.

Balance July 1, 2020	\$482,975,560.82
Earnings	55,093,676.08
Balance March 31, 2021	\$538,069,236.90

The **Personal Income Tax Reserve** Fund had a \$11,000,000.00 cash balance as of March 31, 2021.

Balance July 1, 2020	\$11,000,000.00
Balance March 31, 2021	\$11,000,000.00

STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
March 2020 vs March 2021

GENERAL REVENUE FUND

	Actual Collections March 2020	Actual Collections March 2021	Actual Collections 9 Months Jul-Mar 2020	Actual Collections 9 Months Jul-Mar 2021	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 143,260,339	\$ 136,297,298	\$ 1,434,894,401	\$ 1,587,558,020	\$ 152,663,619	11%
Consumer Sales Tax & Use Tax	102,251,374	114,076,056	1,024,094,036	1,085,571,528	61,477,492	6%
Severance Tax	39,500,978	47,166,956	222,127,624	165,437,949	(56,689,675)	-26%
Corporate Net Income Tax	8,155,321	8,753,841	119,992,135	183,829,899	63,837,763	53%
Insurance Tax	17,719,299	21,192,453	97,061,321	88,180,034	(8,881,286)	-9%
Tobacco Products Tax	18,315,149	14,320,371	129,720,155	126,292,798	(3,427,357)	-3%
Business and Occupation	11,583,526	13,683,234	101,203,584	95,807,363	(5,396,221)	-5%
Liquor Profit Transfers	1,910,275	3,900,150	16,766,482	18,382,552	1,616,070	10%
Departmental Collections	1,525,398	1,447,248	19,438,176	19,504,932	66,756	0%
Property Transfer Tax	771,567	1,504,205	9,502,775	11,689,369	2,186,594	23%
Property Tax	1,557,204	1,586,930	6,548,699	6,724,818	176,120	3%
Beer Tax and Licenses	184,266	367,601	4,829,239	5,289,933	460,695	10%
Miscellaneous Transfers	0	-	2,045,785	729,830	(1,315,955)	-64%
Interest Income	3,244,644	92,611	33,659,224	8,034,348	(25,624,877)	-76%
Refundable Credit Reimb Liability	3,044,026	3,397,147	5,888,780	5,495,310	(393,470.00)	0%
HB 102 - Lottery Transfers	7,570,634	7,400,154	44,962,096	44,056,733	(905,362.68)	0%
Miscellaneous	1,992,903	334,125	17,913,033	7,636,604	(10,276,429)	-57%
Business Franchise Fees	51,432	72,892	526,418	569,438	43,020	8%
Estate & Inheritance Tax	0	-	-	-	-	0%
Liquor License Renewal	0	45,151	11,807,516	594,071	(11,213,445)	0%
Special Revenue Transfers	0	-	-	-	-	0%
Charter Tax	48	2,514	9,119	10,015	895	10%
Video Lottery Transfers	145,886	-	317,734	-	(317,734)	-100%
July-Dec Retro Rev Adj	-	40,130	-	112,288	112,287.93	0%
Cash Flow Transfer	-	-	-	-	-	0%
SUBTOTALS	\$ 362,784,268	\$ 375,681,066	\$ 3,303,308,332	\$ 3,461,507,833	\$ 158,199,501	
Less: Cash Flow Transfer	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 362,784,268	\$ 375,681,066	\$ 3,303,308,332	\$ 3,461,507,833	\$ 158,199,501	

Increase/Decrease over Prior Period

% Increase/Decrease over Prior Period

\$ 12,896,797

4%

\$ 158,199,501

5%

STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2021
as of March 31, 2021

GENERAL REVENUE FUND

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES		YTD ESTIMATES	ACTUAL YTD COLLECTIONS	COLLECTIONS OVER ESTIMATES		YTD PERCENT COLLECTED
			ESTIMATES	ESTIMATES			ESTIMATES	ESTIMATES	
Personal Income Tax	\$ 136,000,000	\$ 136,297,298	\$ 297,298	\$ 1,489,250,000	\$ 1,587,558,020	\$ 98,308,020	107%		
Consumer Sales Tax & Use Tax	104,500,000	114,076,056	9,576,056	1,044,700,000	1,085,571,528	40,871,528	104%		
Severance Tax	33,000,000	47,166,956	14,166,956	160,200,000	165,437,949	5,237,949	103%		
Corporate Net Income Tax	5,000,000	8,753,841	3,753,841	99,000,000	183,829,899	84,829,899	186%		
Insurance Tax	23,100,000	21,192,453	(1,907,547)	100,000,000	88,180,034	(11,819,966)	88%		
Tobacco Products Tax	12,300,000	14,320,371	2,020,371	117,000,000	126,292,798	9,292,798	108%		
Business and Occupation	11,500,000	13,683,234	2,183,234	91,900,000	95,807,363	3,907,363	104%		
Liquor Profit Transfers	1,810,000	3,900,150	2,090,150	15,780,000	18,382,552	2,602,552	116%		
Departmental Collections	1,500,000	1,447,248	(52,753)	20,000,000	19,504,932	(495,068)	98%		
Property Transfer Tax	800,000	1,504,205	704,205	8,900,000	11,689,369	2,789,369	131%		
Property Tax	1,525,000	1,586,930	61,930	6,445,000	6,724,818	279,818	104%		
Beer Tax and Licenses	490,000	367,601	(122,399)	5,020,000	5,289,933	269,933	105%		
Miscellaneous Transfers	100,000	-	(100,000)	1,750,000	729,830	(1,020,170)	42%		
Interest Income	1,200,000	92,611	(1,107,389)	10,800,000	8,034,348	(2,765,652)	74%		
Refundable Credit Reimb Liability	3,000,000	3,397,147	397,147	5,900,000	5,495,310	(404,690)	0%		
HB 102 - Lottery Transfers	10,127,000	7,400,154	(2,726,846)	30,788,000	44,056,733	13,268,733	0%		
Miscellaneous	2,200,000	334,125	(1,865,875)	8,300,000	7,636,604	(663,396)	92%		
Business Franchise Fees	52,000	72,892	20,892	537,000	569,438	32,438	106%		
Estate & Inheritance Tax	-	-	-	-	-	-	0%		
Liquor License Renewal	46,000	45,151	(849)	9,806,000	594,071	(9,211,929)	6%		
Special Revenue Transfers	-	-	-	-	-	-	0%		
Charter Tax	-	2,514	2,514	-	10,015	10,015	0%		
Telecommunications Tax	-	-	-	-	-	-	0%		
Video Lottery Transfers	-	40,130	40,130	-	112,288	112,288	0%		
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%		
Cash Flow Transfer	-	-	-	-	-	-	0%		
SUBTOTALS	\$ 348,250,000	\$ 375,681,066	\$ 27,431,066	\$ 3,226,076,000	\$ 3,461,507,833	\$ 235,431,833			
Less: Cash Flow Transfer	-	-	-	-	-	-			
Less: Special Revenue Transfer	-	-	-	-	-	-			
TOTALS	\$ 348,250,000	\$ 375,681,066	\$ 27,431,066	\$ 3,226,076,000	\$ 3,461,507,833	\$ 235,431,833			
Percent of Estimates		108%				107%			
Collections this day		\$ 53,884,266							

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
April 01, 2021

STATE OF WEST VIRGINIA
 REVENUE COLLECTIONS
 FISCAL YEAR 2021
 as of March 31, 2021

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YTD ESTIMATES	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 47,000,000	\$ 42,948,318	\$ (4,051,682)	\$ 330,100,000	\$ 301,613,567	\$ (28,486,433)	(28,486,433)	91%
Sales/Privilege Tax	19,118,000	26,511,562	7,393,562	168,580,000	214,527,992	45,947,992	45,947,992	127%
Licenses & Registration	13,012,000	10,276,832	(2,735,168)	117,934,000	99,394,083	(18,539,917)	(18,539,917)	84%
Miscellaneous	749,000	914,772	165,772	26,043,000	72,360,769	46,317,769	46,317,769	278%
Highway Litter Control	137,000	178,738	41,738	1,180,000	1,431,329	251,329	251,329	121%
Federal Reimbursement	29,777,000	40,325,825	10,548,825	375,393,000	277,400,476	(97,992,524)	(97,992,524)	74%
SUBTOTALS	\$109,793,000	\$ 121,156,046	\$ 11,363,046	\$ 1,019,230,000	\$ 966,728,216	\$ (52,501,784)	(52,501,784)	
Less: Federal Reimbursement	29,777,000	40,325,825	10,548,825	375,393,000	277,400,476	(97,992,524)	(97,992,524)	
TOTALS	\$ 80,016,000	\$ 80,830,221	\$ 814,221	\$ 643,837,000	\$ 689,327,740	\$ 45,490,740	45,490,740	

Percent of Estimates 101%

107%

Collections this day \$ 11,202,561

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of March 31, 2021 : \$ 389,364,030.71

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of March 31, 2021: \$ 538,069,236.90

SPECIAL INCOME TAX REFUND RESERVE FUND as of March 31, 2021: \$11,000,000.00

Source: WV OASIS
 Prepared by: Legislative Auditor's Office, Budget Division
 April 01, 2021

STATE OF WEST VIRGINIA
 COMPARISON OF REVENUE
 MARCH 2020 vs MARCH 2021

STATE ROAD FUND

	Actual Collections March 2020	Actual Collections March 2021	Actual Collections 9 Months Jul-Mar 2020	Actual Collections 9 Months Jul-Mar 2021	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 39,396,351	\$ 42,948,318	\$ 340,419,258	\$ 301,613,567	\$ (38,805,691)	-11%
Privilege Tax	19,291,241	26,511,562	205,103,516	214,527,992	9,424,476	5%
Licenses & Registration	13,768,271	10,276,832	93,879,647	99,394,083	5,514,436	6%
Miscellaneous	446,678	914,772	22,735,318	72,360,769	49,625,451	218%
Highway Litter Control	152,067	178,738	1,218,950	1,431,329	212,378	17%
Federal Reimbursement	54,717,032	40,325,825	286,230,523	277,400,476	(8,830,047)	-3%
SUBTOTALS	\$ 127,771,640	\$ 121,156,046	\$ 949,587,213	\$ 966,728,216	\$ 17,141,003	
Less: Federal Reimbursement	54,717,032	40,325,825	286,230,523	277,400,476	(8,830,047)	
TOTALS	\$ 73,054,608	\$ 80,830,221	\$ 663,356,690	\$ 689,327,740	\$ 25,971,050	

Increase/Decrease over Prior Period

\$

7,775,613

\$

25,971,050

% Increase/Decrease over Prior Period

11%

4%

Source: WV OASIS
 Prepared by: Legislative Auditor's Office, Budget Division
 April 05, 2021

UNEMPLOYMENT COMPENSATION

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

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

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

Date: April 16, 2021

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the March 31, 2021 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of March 31, 2021 of fiscal year 2020-2021, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2020	\$ 8,289,482.99
Receipts July 1,2020 thru March 31, 2021	\$ 1,097,587,273.26
Disbursements July 1, 2020 thru March 31, 2021	\$ 1,089,154,340.63
Balance March 31, 2021	\$ 16,722,415.62

ITEMS OF NOTE:

Regular benefits paid for July - March 2021 were \$ 100.3 million more than July - March 2020.

Federal emergency benefits totaled \$14,672.88 for July - March 2021. For July - March 2020, federal emergency benefits totaled (-\$15,121.60).

Total disbursements were \$918 million more in July - March 2021 than the preceding July - March 2020.

Receipts as of July - March 2021, were \$993.4 million more than in July - March 2020. Overall ending trust fund balance was \$117.4 million lower on March 31, 2021 than on March 31, 2020.

Seasonally adjusted unemployment rates for March 2021 were 5.9 percent for West Virginia and 6.0 percent nationally.

Since March 2020, employment has decreased by 32,700. Employment declines included 7,900 in government, 7,600 in leisure and hospitality, 4,200 in educational and health services, 2,600 in other services, 2,400 in construction, 2,100 in manufacturing, 1,800 in professional and business services, 1,800 in trade, transportation, and utilities, 1,300 in financial activities, 600 in information, and 400 in mining and logging.

April 15, 2021

William Spencer
Budget Division
Office of the Legislative Auditor
Building 1, Room 332-West Wing
1900 Kanawha Boulevard East
Charleston, WV 25305-0590

RE: Monthly Status Report

Dear Mr. Spencer:

Please Find attached, the Monthly Status Report for the Joint Committee on Government and Finance, Unemployment Compensation Trust Fund for the month of March 2021.

If you have any question or need any additional information, please feel free to contact Jeff Perkins at 304-558-2631 or Jeff.S.Perkins@wv.gov.

Sincerely,



Scott Adkins
Acting Commissioner

SSA/smd

Enclosure

pc: Jim Justice

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING JANUARY 2020 AND JANUARY 2021**

	JANUARY 2020	FEBRUARY 2020	MARCH 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$191,802,021.83	\$179,733,518.42	\$161,053,932.53	\$23,544,336.17	\$10,015,373.79	\$5,649,152.74	(\$493,380,610.10)
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$14,718,611.11	\$7,185,705.40	\$1,201,944.14	\$6,739,492.94	\$17,141,663.89	\$1,362,765.38	\$2,137,681.56
3. Federal Emergency Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Federal Additional Compensation - FPUC	\$0.00	\$0.00	\$0.00	\$48,952,491.97	\$57,930,487.43	\$63,024,598.03	\$169,907,577.43
6. Pandemic Unemployment Assistance PUA	\$0.00	\$0.00	\$0.00	\$4,977,564.00	\$4,837,291.00	\$5,066,661.00	\$14,813,397.72
7. UCPE (Federal Agencies)	\$61,394.98	\$68,876.49	\$68,118.28	\$156,560.00	\$234,130.99	\$376,989.57	\$637,409.09
8. EUSAA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$111,508.36)	(\$111,508.36)
9. LOAN Advance/PEUC/EB	\$0.00	\$0.00	\$0.00	\$23,582,263.57	\$17,600,324.43	\$41,973,686.33	\$83,156,274.33
11. Treasury Interest Credits	\$0.00	\$0.00	\$1,022,495.20	\$0.00	\$0.00	\$130,969.17	(\$891,526.03)
12. UCX (Military Agencies)	\$67,144.73	\$63,346.17	\$63,338.74	\$60,780.93	\$101,058.68	\$241,379.30	\$189,391.27
13. Temporary Federal Compensation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14. WV Senate Bill 558	\$0.00	\$0.00	\$0.00	\$551,028.00	\$487,199.00	\$533,722.00	\$1,571,949.00
Total Monthly Receipts	\$14,847,150.82	\$7,317,928.06	\$ 2,375,894.36	\$95,188,576.59	\$133,668,137.45	\$115,410,885.62	\$273,614,098.03
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	26,783,281.36	25,858,844.34	29,182,112.07	\$15,389,641.70	\$19,084,337.52	\$20,157,990.44	\$4,452,664.89
Federal Emergency Compensation - PEUC	\$0.00	\$0.00	\$0.00	\$21,280,262.42	\$20,430,144.94	\$20,295,709.94	\$62,006,117.30
Federal Additional Compensation - FPUC	\$0.00	\$0.00	\$0.00	\$66,504,953.49	\$68,019,888.47	\$55,583,265.92	\$170,109,306.88
Pandemic Unemployment Assistance PUA	\$0.00	\$0.00	\$0.00	\$5,028,653.00	\$4,863,785.00	\$4,877,203.00	\$14,772,241.00
Federal Emergency Benefits (EUC08)	(\$1,140.00)	(\$2,600.00)	(\$1,199.00)	(\$498.00)	\$3,996.52	\$3,346.86	\$170,109,306.88
Emergency Benefits (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCFE (Federal Workers) Benefits	\$66,564.36	\$75,643.04	\$69,088.42	\$212,202.00	\$208,411.26	\$350,438.95	\$545,308.88
UCX (Military Workers) Benefits	\$66,948.51	\$65,626.57	\$63,535.93	\$107,538.29	\$72,030.76	\$232,154.43	\$279,148.40
Title IX Funds - Withdrawn (Reed Act/UC Mod Incentive/Special Admin Tr)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Temporary Federal Compensation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	\$26,915,654.23	\$25,997,513.95	\$29,333,537.42	\$108,717,538.97	\$138,034,358.50	\$104,337,622.74	\$326,751,511.88
Trust Fund Balance	\$179,733,518.42	\$161,053,932.53	\$134,096,289.47	\$10,015,373.79	\$5,649,152.74	\$16,722,415.62	(\$546,518,023.95)

* These 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.

** Note: LI 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	38,000,000.00
Repaid on 5/17/2016	(38,000,000.00)
Borrowed on 12/5/2016	50,000,000.00
Repaid on 5/4/2017	(50,000,000.00)
Outstanding Loan from Revenue Shortfall Reserve Fund	<u>50.00</u>

** 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.

WORKFORCE WV UNEMPLOYMENT
COMP TRUST FUND

UC TRUST FUND ACTUAL – 2021

Month	Receipts	Disbursements	Trust Fund Balance
2020			
Balance 1/1/2020			\$ 191,802,022
January	\$ 14,847,151	\$ 26,915,654	\$ 179,733,519
February	\$ 7,317,928	\$ 25,997,514	\$ 161,053,933
March	\$ 2,375,894	\$ 29,333,537	\$ 134,096,290
April	\$ 254,628,576	\$ 280,291,428	\$ 108,433,438
May	\$ 501,990,833	\$ 609,424,785	\$ 999,486
June	\$ 407,289,482	\$ 399,999,484	\$ 8,289,484
July	\$ 310,154,605	\$ 293,185,225	\$ 25,258,864
August	\$ 128,416,645	\$ 165,111,304	\$ (11,435,795)
September	\$ 99,198,241	\$ 71,775,296	\$ 15,987,150
October	\$ 72,249,659	\$ 65,457,768	\$ 22,779,041
November	\$ 90,121,076	\$ 92,585,739	\$ 20,314,378
December	\$ 53,179,447	\$ 49,949,488	\$ 23,544,337
Totals - 2020	\$ 1,941,769,538	\$ 2,110,027,223	\$ 23,544,337
2021			
January	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373
February	\$ 133,688,137	\$ 138,034,358	\$ 5,649,152
March	\$ 115,410,886	\$ 104,337,623	\$ 16,722,416
April	\$	\$	\$
May	\$	\$	\$
June	\$	\$	\$
July	\$	\$	\$
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2021	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373

Benefits and Technical Support Section • Unemployment Compensation Division
 1900 Kanawha Blvd., East • Building 3, Room 300 • Charleston, West Virginia 25305
 Telephone: (304) 558-3309 • Fax: (304) 558-3252

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**' STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
YEAR 2021**

	JANUARY 2021	FEBRUARY 2021	MARCH 2021
Balance Forward	<u>\$23,544,336.17</u>	<u>\$10,015,373.79</u>	<u>\$5,649,152.74</u>
Add Receipts:			
1. Bond Assessment	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$6,739,492.94	\$17,141,683.89	\$1,362,765.38
3. Federal Emergency Benefits (EUC08)	\$0.00	\$0.00	\$0.00
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00
5. Federal Additional Compensation - FPUC	\$48,952,491.97	\$57,930,487.43	\$63,024,598.03
6. Pandemic Unemployment Assistance PUA	\$4,977,564.00	\$4,837,291.00	\$5,066,661.00
7. UCFE (Federal Agencies)	\$156,560.00	\$234,130.99	\$376,989.57
8. EUISAA	\$0.00	\$0.00	(\$111,508.36)
9. LOAN Advance/PEUC/EB	\$23,582,263.57	\$17,600,324.43	\$41,973,686.33
11. Treasury Interest Credits	\$0.00	\$0.00	\$130,969.17
12. UCX (Military Agencies)	\$60,780.93	\$101,058.68	\$241,379.30
13. Temporary Federal Compensation	\$0.00	\$0.00	\$0.00
14. WV Senate Bill 558	\$551,028.00	\$487,199.00	\$533,722.00
Total Monthly Receipts	<u>\$95,188,576.59</u>	<u>\$133,668,137.45</u>	<u>\$115,410,885.62</u>
Less Disbursements:			
Debt Bond Repayment			(Retired)
Regular Benefits:	(Retired)	(Retired)	(Retired)
Federal Emergency Compensation - PEUC	15,389,641.70	19,084,337.52	\$20,157,990.44
Federal Additional Compensation - FPUC	\$21,280,262.42	\$20,430,144.94	\$20,295,709.94
Pandemic Unemployment Assistance PUA	\$56,504,953.49	\$58,019,888.47	\$55,583,265.92
Federal Emergency Benefits (EUC08)	\$5,028,653.00	\$4,863,785.00	\$4,877,203.00
Emergency Benefits (TEUC)	(\$498.00)	\$3,996.52	\$3,346.86
UCFE (Federal Workers) Benefits	\$212,202.00	\$208,411.26	\$350,438.95
UCX (Military Workers) Benefits	\$107,538.29	\$72,030.76	\$232,154.43
Title IX Funds- Withdrawn (Reed Act/UC Mod Incentive/Special Admin Tr)	\$0.00	\$0.00	\$0.00
Temporary Federal Compensation	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	<u>\$108,717,538.97</u>	<u>\$138,034,358.50</u>	<u>\$104,337,622.74</u>
Trust Fund Balance	<u>\$10,015,373.79</u>	<u>\$5,649,152.74</u>	<u>\$16,722,415.62</u>

BRIM

PEIA

REAL ESTATE REPORT

BRIM

April 2021

Interim Packet

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Eight Months Ended February 28th

	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,817	\$ 23,035
Advance deposits with insurance company and trustee	246,150	250,369
Receivables	9,032	8,716
Prepaid insurance	1,465	2,302
Restricted cash and cash equivalents	24,009	20,184
Premiums due from other entities	1,134	1,112
Total current assets	<u>301,607</u>	<u>305,718</u>
Noncurrent assets:		
Equity position in internal investments pools	118,243	103,129
Restricted investments	68,285	59,556
Total noncurrent assets	<u>186,528</u>	<u>162,685</u>
Total assets	<u>488,134</u>	<u>468,403</u>
Deferred Outflows of Resources	215	373
Deferred Outflows of Resources - OPEB	84	65
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	69,336	62,656
Unearned premiums	18,511	16,683
Agent commissions payable	903	904
Claims Payable	209	10
Accrued expenses and other liabilities	3,027	2,784
Total current liabilities	<u>91,986</u>	<u>83,037</u>
Estimated unpaid claims and claims adjustment expense net of current portion	117,370	137,153
Compensated absences	150	124
Net pension liability	214	249
Total noncurrent liabilities	<u>117,734</u>	<u>137,526</u>
Total liabilities	<u>209,720</u>	<u>220,563</u>
Deferred Inflows of Resources	145	200
Deferred Inflows of Resources - OPEB	171	109
Net position:		
Restricted by State code for mine subsidence coverage	78,617	72,466
Unrestricted	179,166	157,204
Net Assets (Deficiency)	20,614	18,300
Net position	<u>\$ 278,397</u>	<u>\$ 247,970</u>

Unaudited

West Virginia Board of Risk and Insurance Management
 Statements of Revenues, Expenses, and Changes in Net Position

For the Eight Months Ended February 28th

	2021	2020
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 54,200	\$ 55,734
Less coverage/reinsurance programs	(2,973)	(4,613)
Net operating revenues	51,227	51,121
Operating expenses		
Claims and claims adjustment expense	47,426	43,928
General and administrative	3,210	3,251
Total operating expenses	50,636	47,180
Operating income (loss)	591	3,941
Nonoperating revenues		
Investment income	20,023	14,358
Net nonoperating revenues	20,023	14,358
Changes in net position	20,614	18,300
Total net position, beginning of year	257,783	229,670
Total net position, end of period	\$ 278,397	\$ 247,970

Unaudited

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Eight Months Ending February 28, 2021

Talking Points for Joint Committee on Government and Finance Meeting
April/May 2021

1. **Premium Revenue** thru February reflects the premiums earned for the first eight months of the fiscal year. BRIM premiums in FY'21 reflect a reduction in premium revenue due to Covid-19 and the impact on the utilization and the exposure of owned and leased vehicles by insureds.
2. **Claims and claims adjustment expenses** reflects net claims payments made thru February plus the actuarially estimated IBNR changes. Higher claims expenses reduced operating income for the current fiscal year when compared to last year.
4. **Investment Income** for fiscal year 2021 reflects a net gain of \$20.0 million for the first eight months due to improved equity markets vs. the prior fiscal year. Better investment earnings resulted in an \$2.3 million increase in net position this year vs. last.
5. BRIM has no un-funded liability and continues to pursue pro-active loss control initiatives.

PEIA
April 2021
Interim Packet

PEIA April Interim Talking Points

- **PEIA and RHBT year to date financial statements for February 28, 2021 are available for your review.**
- **PEIA statements indicates PEIA is currently ahead of plan by \$35 million. This is due to lower than forecast claim expenses and higher than forecast investment income.**
- **RHBT statements indicate RHBT is currently ahead of plan by \$180 million. This is due to higher than forecast investment income.**
- **The 2021 year-end reserve for the State Fund and non-State Fund is projected to be \$202 and \$55 million respectively.**
- **These reserve levels represent 28% and 31% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Eight Months Ending Sunday, February 28, 2021
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

	ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
Health Insurance - State Gov. - Employers	\$251,621	\$253,279	\$251,621	\$2,309	1%	\$3,967	2%
Health Insurance - State Gov. - Employees	80,245	80,142	80,245	496	1%	393	0%
Health Insurance - Local Gov. - All	70,273	71,300	70,273	7,799	11%	8,826	13%
Administrative Fees, Net of Refunds	3,136	3,032	3,136	162	5%	58	2%
Other Premium Revenue	1,037	1,131	1,037	118	10%	212	20%
Total Operating Revenue	406,312	408,884	406,312	10,884	3%	13,456	3%
NON-OPERATING REVENUE							
Life Insurance	910	983	910	825	84%	898	99%
Direct Transfer	20,667	36,667	20,667	(22,667)	(62%)	(6,667)	(32%)
Interest and Investment Income	7,071	7,799	7,071	21,916	281%	22,644	320%
WV RHBT Pay Go Premiums	94,174	90,000	94,174	1,651	2%	(2,523)	(3%)
Total Non-Operating Revenue	122,822	135,449	122,822	1,725	1%	14,352	12%
TOTAL REVENUE	529,134	544,333	529,134	12,609	2%	27,808	5%
EXPENSES							
Claims Expense - Medical	264,800	291,394	264,800	15,458	5%	(11,136)	(4%)
Claims Expense - Drugs	87,828	107,599	87,828	1,066	1%	(18,705)	(21%)
Payments to Managed Care Org.	33,192	34,947	33,192	(866)	(2%)	(2,621)	(8%)
Administrative Service Fees	14,078	16,787	14,078	4,472	27%	1,763	13%
Wellness and Disease Management	252	5,333	252	5,202	98%	121	48%
Other Operating Expenses	2,964	3,013	2,964	(313)	(10%)	(362)	(12%)
Life Insurance Expense	1,062	864	1,062	(835)	(97%)	(637)	(60%)
ACA Comparative Effectiveness Fee	0	0	0	(272)	0%	(272)	0%
WV RHBT Pay Go Premiums	94,174	90,000	94,174	(1,651)	(2%)	2,523	3%
TOTAL EXPENSES	498,350	549,937	498,350	22,261	4%	(29,326)	(6%)
YTD Surplus (Deficit)	30,784	(5,604)	30,784	34,870	(622%)	(1,518)	(5%)
Total Net Position, Beginning of Period							
End of Period Net Position, Actuarially Required Reserve	226,389	225,402	226,389	0	0%	(987)	(0%)
Total Net Position, End of Period							
End of Period Net Position, Actuarially Required Reserve	120,902	126,749	120,902	0	0%	5,847	5%
End of Period Net Position, PEIA PSR	136,271	93,049	136,271	34,870	37%	(8,352)	(6%)
Total Net Position, End of Period	\$257,173	\$219,798	\$257,173	\$34,870	116%	(\$2,505)	(1%)



Public Employees Insurance Agency

WV Toll-free: 1 (888) 680-7342

Phone: 1 (304) 558-7850

Fax: 1 (304) 558-2470

Website: www.wvpeia.com

April 19, 2021

Joint Committee on Government and Finance
Senate Finance – 451M
State Capitol Complex
Charleston, WV 25305

1. The Fiscal Year 2021 Quarterly Report issued March 2021 page A-4, indicates the June 30, 2021 fund balances will be as follows:

	PEIA		RHBT
	State Fund	Non-State Fund	OPEB Fund
June 30, 2021	\$202,234,086	\$54,665,734	\$1,409,306,636

2. Per §5-16-25 the statutorily required reserve for the purposes of offsetting unanticipated claims losses (current FY costs) is the actuarial recommended reserve.

The current recommendation is 14% of the fiscal year expenses for PEIA and RHBT. Per the Quarterly Report, the percentage will be as follows at year end:

June 30, 2021	State Fund Reserve	Non-State Fund Reserve	Total
Reserve Balance	\$202,234,086	\$54,665,734	\$256,899,820
Percentage	27.6%	30.7%	28.2%
	reserve/current FY costs		

3. The objective of the OPEB Reserve is to reach a fully funded status of the actuarially accrued liability (AAL). Therefore, the target is 100%. The reserve balance represents 48% of the actuarially required balance:

	RHBT
June 30, 2021	OPEB Reserve
Reserve Balance	\$1,409,306,636
Percentage	49%
	OPEB Reserve/Actuarial Accrued Liability

4. Anticipated events that may significantly reduce or increase the amount of funds:

The primary anticipated reduction events are the ongoing forecast increases in the cost of healthcare. The below chart indicates the actuarial projected increases in costs for the medical and prescription drugs of the plan. These increased costs represent a total increase of \$263 million over the next four years, requiring an average of \$66 million a year in prior year gain utilization, increased premiums or benefit reductions.

	FY 2022	FY 2023	FY 2024	FY 2025
Medical Trend	6.0%	7.0%	7.5%	8.0%
Rx Trend	13.5%	14.0%	14.5%	15.0%

5. Total amount of benefit payments paid for the month:

	PEIA	RHBT	Total
February 2021	\$50,240,000	\$12,228,000	\$62,468,000

Sincerely,



Jason A. Haight, CPA
Chief Financial Officer

Real Estate Division

April 2021

Interim Packet

Department of Administration Real Estate Division Leasing Report
For the period of March 1 - 31, 2021

There are 15 leasing changes for this period, and they are as follows:

- 1 – Straight Renewal – DOA Owned
- 9 – Straight Renewal
- 3 – Renewal with Increase in Rent
- 1 – Renewal with Increase in Square Feet – DOA Owned
- 1 – Non-Renewal

Department of Administration Real Estate Division Leasing Report
For the period of March 1, 2021 through March 31, 2021

STRAIGHT RENEWAL – DOA OWNED

LOTTERY COMMISSION

LOT-009 Renewal for 3 years consisting of 2,432 square feet of office space at the current annual per square foot rate of \$17.00, annual cost \$41,344.00, full service, Building#34, 100 Municipal Plaza, in the City of Weirton, Hancock County, West Virginia.

STRAIGHT RENEWAL

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-189 Renewal for 2 years consisting of 2,000 square feet of storage space at the current annual per square foot rate of \$6.00, annual cost \$12,000.00, full service, 4998 South Elk River Road, Suite N, in the City of Elkview, Kanawha County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-037 Renewal for 6 months consisting of 3,780 square feet of office space at the current annual per square foot rate of \$13.49, annual cost \$51,000.00, full service, 3554 Teays Valley Road, in the City of Hurricane, Putnam County, West Virginia.

DIVISION OF FORESTRY

FOR-092 Renewal for 2 years consisting of 110 square feet of office space at the current annual per square foot rate of \$10.91, annual cost \$1,200.00, full service minus janitorial, 200 Confederate Road, in the City of Franklin, Pendleton County, West Virginia.

FOR-094 Renewal for 1 year consisting of 156 square feet of office space at the current monthly rate of \$300.00, annual cost \$3,600.00, full service, 89 Richard D. Minnich Drive, in the City of Sutton, Braxton County, West Virginia.

WEST VIRGINIA BOARD OF REGISTRATION FOR FORESTERS

BRF-001 Renewal for 3 years consisting of 100 square feet of storage space at the current monthly rate of \$75.00, annual cost \$900.00, with Lessor responsible for electricity and exterminating services, 124 McGraw Street, in the City of Ripley, Jackson County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-111 Renewal for 5 years consisting of storage space for 6 boats at the current monthly rate of \$270.00, annual cost \$3,240.00, Mountaineer Boat Sales, in the City of Beaver, Raleigh County, West Virginia.

NAT-102 Renewal for 5 years consisting of 341 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$4,092.00, full service, 145 Pilgrim Street, in the City of Inwood, Berkeley County, West Virginia.

STRAIGHT RENEWAL - Continued

LOTTERY COMMISSION

LOT-005 Renewal for 3 years consisting of 386 square feet of office space at the current annual per square foot rate of \$6.56, annual cost \$2,532.12, full service, WV Route 2 South, between the towns of Chester and New Cumberland, Hancock County, West Virginia.

LOT-006 Renewal for 3 years consisting of 190 square feet of office space at the current annual per square foot rate of \$8.00, annual cost \$1,519.92, full service, South Stone Street (Wheeling Island), in the City of Wheeling, Ohio County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-103 Renewal for 5 years consisting of 200 square feet of storage space with an increase in the monthly rate from \$65.00 to \$70.00, annual cost \$840.00, on Lucas Dairy Road, in the City of Grafton, Taylor County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-041 Renewal for 2 years consisting of 1,500 square feet of office space with an increase in the annual per square foot rate from \$10.00 to \$10.50, annual cost \$15,750.00, full service, 109 Randolph Street, in the City of Beckley, Raleigh County, West Virginia.

AVIATION DIVISION

AVD-002 Renewal for 3 years consisting of 2,040 square feet of office space with an increase in the annual per square foot rate from \$16.32 to \$16.50, annual cost \$33,660.00, full service less janitorial, 400 Eagle Mountain Road, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN SQUARE FEET – DOA OWNED

WORKFORCE WEST VIRGINIA

WWV-043 Renewal for 3 years and 3 months with an increase of square feet from 51,763 square feet to 52,600 square feet, consisting of 1,660 square feet of storage space at the current annual per square foot rate of \$14.00 and 50,940 square feet of office space and common area at the current annual per square foot rate of \$19.00, annual cost \$991,100.00, full service, 1900 Kanawha Boulevard, East, Building #03, in the City of Charleston, Kanawha County, West Virginia

NON-RENEWAL

WORKFORCE WEST VIRGINIA

WWV-045 Sublease non-renewal consisting of one cubicle of office space, at the monthly rate of \$225.00, annual cost \$2,700.00, full service, 204 Old Stone Ridge Road, in the City of Ripley, Jackson County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 March 1 - 31, 2020

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Lottery Commission	LOT-009	Hancock	2,432	17.00	41,344	3.00	124,032
2	Department of Environmental Protection	DEP-189	Kanawha	2,000	6.00	12,000	2.00	24,000
3	Workforce West Virginia	WWV-037	Putnam	3,780	13.49	51,000	0.50	25,500
4	Division of Forestry	FOR-092	Pendleton	110	10.91	1,200	2.00	2,400
5	Division of Forestry	FOR-094	Braxton	156	23.08	3,600	1.00	3,600
6	WV Board of Registration for Foresters	BRF-001	Jackson	100	9.00	900	3.00	2,700
7	Division of Natural Resources	NAT-111	Raleigh	6 boats	270/month	900	5.00	4,500
8	Division of Natural Resources	NAT-102	Berkeley	341	12.00	4,092	5.00	20,460
9	Lottery Commission	LOT-005	Hancock	386	6.56	2,532	3.00	7,596
10	Lottery Commission	LOT-006	Ohio	190	8.00	1,520	3.00	4,560
11	Department of Health and Human Resources	HHR-103	Taylor	200	4.20	840	5.00	4,200
12	Department of Veterans Assistance	VET-041	Raleigh	1,500	10.50	15,750	2.00	31,500
13	Aviation Division	AVD-002	Kanawha	2,040	16.50	33,660	3.00	100,980
14	Workforce West Virginia - Storage	WWV-043	Kanawha	1,660	14.00	23,240	3.25	75,530
14	Workforce West Virginia - Office and Common Area	WWV-043	Kanawha	50,940	19.00	967,860	3.25	3,145,545 *

	122.00
Total Rentable Square Feet	<u>65,835</u>
Average Annual Rental Rate	<u>8.71</u>
Total Annual Rent	<u>1,160,439</u>

* Indicates the rental amount will exceed \$1,000,000 within the term of the lease.

TERMINATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Workforce West Virginia	WWV-045	Jackson	1 cubicle	225/month	2,700

Total Rentable Square Feet _____

MEDICAID REPORT

Joint Committee on Government and Finance

May 2021

Department of Health and Human Resources

**MEDICAID REPORT
February 2021 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2021

MONTH OF FEBRUARY 2021

	ACTUALS SFY2020	TOTAL SFY2021	ACTUALS Current Month Ended 02/28/21	ESTIMATE Current Month Ended 02/28/21	ACTUALS Year To-Date Thru 02/28/2021	PROJECTED 03/01/21 Thru 06/30/21
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	97,985,843	95,665,585	7,114,820	7,653,247	49,281,322	46,384,263
Inpatient Hospital - DSH	53,450,766	53,789,156	6,787,625	4,303,132	33,608,735	20,180,421
Inpatient Hospital - Supplemental Payments	-	-	-	-	-	-
Inpatient Hospital - GME Payments	12,183,004	12,365,473	3,184,380	989,238	7,845,701	4,519,772
Mental Health Facilities	33,613,909	39,241,399	662,640	3,139,312	4,442,778	34,798,621
Mental Health Facilities - DSH Adjustment Payments	17,503,899	19,301,726	4,264,692	1,544,138	12,797,772	6,503,954
Nursing Facility Services - Regular Payments ⁽¹⁾	759,691,830	817,702,404	60,647,356	65,416,192	519,399,115	298,303,289
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	67,715,431	71,050,398	6,276,947	5,684,032	47,328,405	23,721,993
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	38,140,554	36,066,892	2,297,737	2,885,351	19,235,424	16,831,468
Physicians Services - Supplemental Payments	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	49,740,650	46,526,655	2,452,185	3,722,132	24,582,356	21,944,299
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	735,519,694	777,516,648	67,099,357	62,201,332	513,575,777	263,940,870
Drug Rebate Offset - National Agreement	(440,398,418)	(427,000,000)	(11,218,397)	(34,160,000)	(305,682,827)	(121,317,173)
Drug Rebate Offset - State Sidebar Agreement	(41,823,225)	(42,000,000)	(1,106,447)	(3,360,000)	(36,973,053)	(5,026,947)
Drug Rebate Offset - MCO National	(11,386,339)	(11,200,000)	(509,150)	(896,000)	(9,304,551)	(1,895,449)
Drug Rebate Offset - MCO State Sidebar Agreement	86,361	-	-	-	1,546	(1,546)
Dental Services	9,762,746	6,210,738	285,143	496,859	2,863,823	3,346,915
Other Practitioners Services - Regular Payments	6,025,073	4,422,966	509,344	353,837	2,671,838	1,751,128
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	1,563,783	865,094	41,282	69,207	811,908	53,186
Lab & Radiological Services	8,138,831	7,418,689	661,317	593,495	4,287,777	3,130,912
Home Health Services	25,693,171	31,257,836	2,623,510	2,500,627	16,014,032	15,243,805
Hysterectomies/Sterilizations	22,630	25,931	11,444	2,074	28,126	(2,195)
Pregnancy Terminations ⁽²⁾	38,707	39,472	2,828	3,158	18,701	20,771
EPSTD Services	1,334,847	666,189	65,085	53,295	480,165	186,024
Rural Health Clinic Services	4,730,991	4,065,304	223,319	325,224	1,373,758	2,691,545
Medicare Health Insurance Payments - Part A Premiums	23,063,910	24,524,802	2,164,510	1,961,984	16,619,699	7,905,103
Medicare Health Insurance Payments - Part B Premiums	119,556,978	136,070,782	10,889,507	10,885,663	85,554,713	50,516,069
120% - 134% Of Poverty	9,831,477	10,028,107	955,895	802,249	6,857,056	3,171,051
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	13,187,270	13,339,616	950,209	1,067,169	7,199,294	6,140,322

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2021

MONTH OF FEBRUARY 2021

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	ACTUALS	PROJECTED
	SFY2020	SFY2021	Current Month Ended 02/28/21	Current Month Ended 02/28/21	Year To-Date Thru 02/28/2021	Year To-Date Thru 02/28/21	03/01/21 Thru 06/30/21
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	1,765,544,532	2,253,564,298	160,462,011	180,285,144	1,340,606,978	1,340,606,978	912,957,320
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	1,235,935	1,337,776	364,720	107,022	1,500,518	1,500,518	(162,742)
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-
Home & Community-Based Services (IDD)	312,481,404	392,436,958	24,867,324	31,394,957	203,076,138	203,076,138	189,360,819
Home & Community-Based Services (Aged/Disabled)	130,111,456	131,821,069	10,750,550	10,545,686	87,290,475	87,290,475	44,530,594
Home & Community-Based Services (Traumatic Brain Injury)	1,917,668	2,226,182	166,390	178,095	1,240,720	1,240,720	985,463
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	71,088,070	68,891,478	6,447,465	5,511,318	48,875,259	48,875,259	20,016,219
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,418,259	2,042,897	208,486	163,432	1,384,653	1,384,653	658,245
Primary Care Case Management Services	-	-	-	-	-	-	-
Hospice Benefits	29,567,073	29,607,479	2,160,647	2,368,598	19,222,405	19,222,405	10,385,074
Emergency Services Undocumented Aliens	609,969	486,513	20,136	38,921	372,354	372,354	114,159
Federally Qualified Health Center	22,224,540	21,842,947	535,540	1,747,436	4,293,528	4,293,528	17,549,420
Non-Emergency Medical Transportation	37,037,744	39,243,822	3,754,154	3,139,506	28,987,210	28,987,210	10,256,612
Physical Therapy	1,076,333	923,190	95,877	73,855	656,070	656,070	267,120
Occupational Therapy	652,703	367,951	53,227	29,436	265,115	265,115	102,836
Services for Speech, Hearing & Language	380,426	157,709	17,738	12,617	121,536	121,536	36,173
Prosthetic Devices, Dentures, Eyeglasses	825,415	448,928	33,421	35,914	211,546	211,546	237,382
Diagnostic Screening & Preventive Services	86,339	98,702	4,437	7,896	48,339	48,339	50,363
Nurse Mid-Wife	139,130	162,976	7,146	13,038	58,740	58,740	104,236
Emergency Hospital Services	-	80	-	-	-	-	80
Critical Access Hospitals	28,488,629	25,164,390	1,518,493	2,013,158	13,277,072	13,277,072	11,887,318
Nurse Practitioner Services	4,338,088	3,556,142	367,607	284,491	2,232,008	2,232,008	1,324,134
School Based Services	31,425,256	19,999,864	189,172	1,599,989	1,654,045	1,654,045	18,345,819
Rehabilitative Services (Non-School Based)	52,436,190	7,593,781	2,091,469	632,815	16,554,456	16,554,456	(8,960,675)
2a) Opioid Treatment Program (OTP) - Methadone services	10,931,763	18,000,000	924,768	1,500,000	8,997,440	8,997,440	9,002,560
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	1,411,620	-	122,757	-	984,361	984,361	(984,361)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	6,354,000	-	360,650	-	2,293,250	2,293,250	(2,293,250)
2a) Opioid Treatment Program (OTP) - Other	114,837	-	3,022	-	81,294	81,294	(81,294)
Private Duty Nursing	5,385,431	3,355,085	580,724	268,407	4,498,943	4,498,943	(1,143,858)
Freestanding Birth Centers	-	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,287,345	2,128,164	215,255	170,253	1,539,176	1,539,176	588,988
Other Care Services	30,261,541	31,324,045	1,819,270	2,505,924	15,397,513	15,397,513	15,926,531
Less: Recoupments	-	-	(711,454)	-	(938,985)	(938,985)	938,985
NET EXPENDITURES:	4,145,806,068	4,784,744,287	384,768,140	382,864,856	2,829,701,548	2,829,701,548	1,955,042,739

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2021

MONTH OF FEBRUARY 2021

ACTUALS	TOTAL	ACTUALS Current Month Ended 02/28/21	ESTIMATE Current Month Ended 02/28/21	ACTUALS Year To-Date Thru 02/28/2021	PROJECTED 03/01/21 Thru 06/30/21
SFY2020	SFY2021				
(3,693,035)	-	-	-	(5,161,019)	5,161,019
(1,951,369)	-	-	-	(111,937)	111,937
(4,476)	-	-	-	(4,941)	4,941
(17,727,403)	-	-	-	(4,014,542)	4,014,542
4,122,429,785	4,784,744,287	384,768,140	382,864,856	2,820,409,108	1,964,335,179
39,118,976	32,995,413	2,565,061	2,639,633	20,145,697	12,849,716
335,451	393,746	31,818	31,500	246,418	147,328
1,015,192	1,035,496	95,167	82,840	848,257	187,239
\$ 4,162,899,405	\$ 4,819,168,942	\$ 387,460,186	\$ 385,618,828	\$ 2,841,649,479	\$ 1,977,519,462
5,840,605	-	570,371	-	3,441,824	(3,441,824)
368,501	77,507	26,200	6,201	1,748,945	(1,671,438)
64,034	250,000	-	20,000	(68,582)	318,582
\$ 4,169,172,545	\$ 4,819,496,449	\$ 388,056,757	\$ 385,645,029	\$ 2,846,771,666	\$ 1,972,724,783

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

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

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

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables ⁽¹⁾
 Plus: NATCEP/PASARR/Eligibility Exams
 Plus: HIT Incentive Payments

TOTAL EXPENDITURES

(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 \$16,195,779.22 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2021

MONTH OF FEBRUARY 2021

8 Months Actuals 4 Months Remaining

	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2020	Current Month Ended 02/28/2021	Year-To-Date Thru 02/28/2021	03/1/2020 Thru 06/30/2021	SFY2021
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	54,359,368	28,587,494	25,964,129		25,964,129
MATCHING FUNDS					
General Revenue (0403/189)	260,292,248	25,709,262	141,050,836	156,804,428	297,855,264
IDD Waiver (0403/466)	90,253,483	9,045,145	63,677,819	44,863,917	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	1,730,666	865,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	4,237,334	2,118,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,667	469,334	330,666	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,132,802	7,974,924	5,618,696	13,593,620
Medical Services Surplus (0403/633)	30,247,035	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	4,015,503	-	3,011,628	1,003,875	4,015,503
Lottery Waiver (0420/539)	29,950,955	-	22,463,217	7,487,738	29,950,955
Lottery Transfer (5405/871)	16,400,070	-	12,300,054	4,100,016	16,400,070
Excess Lottery (5365/189)	53,202,960	-	17,000,000	49,302,960	66,302,960
Lottery Surplus (5405/68199)	16,000,000	-	-	16,000,000	16,000,000
Lottery Surplus (5365/68100)	-	-	-	17,000,000	17,000,000
Trust Fund Appropriation (5185/189)	82,227,707	11,923,731	38,286,393	37,537,706	75,824,099
Provider Tax (5090/189)	213,594,315	17,300,000	159,220,926	223,642,355	382,863,282
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	5,360,000	-	-	-	-
Certified Match	13,081,553	578,689	4,061,378	5,803,747	9,865,125
Reimbursables - Amount Reimbursed	6,724,797	1,580,328	4,922,642	(4,922,642)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	568,267	-	81	699,919	700,000
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	713,612	-	33,357	(33,357)	-
TOTAL MATCHING FUNDS	\$ 900,337,493	\$ 96,670,118	\$ 506,404,719	\$ 568,224,023	\$ 1,074,628,742
FEDERAL FUNDS	3,292,552,765	320,711,318	2,369,137,453	\$1,521,358,326	\$3,890,495,780
TOTAL REVENUE SOURCES	\$ 4,192,890,258	\$ 417,381,436	\$ 2,875,542,173	\$ 2,089,582,349	\$ 4,965,124,522
TOTAL EXPENDITURES:					
Provider Payments	\$ 4,169,172,545	\$ 388,056,757	\$ 2,846,771,666	\$ 1,972,724,783	\$ 4,819,496,449
TOTAL	\$ 23,717,713	\$ 29,324,679	\$ 28,770,507		\$ 145,628,073

Note: FMAP (74.94% applicable Oct. 2019 - Sep. 2020) (74.99% applicable Oct. 2020 - Jun. 2021)

Joint Committee on Government and Finance

May 2021

Department of Health and Human Resources

MEDICAID WAIVER REPORT

February 2021

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

Aged & Disabled Waiver: FEBRUARY 2021	FY 2020	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	FY2021 YTD
Slots Approved By CMS (1)	7,026	7,026	7,026	7,026	7,672	7,672	7,672	7,672	7,672					7,672
-Slots Available for Traditional (ADW-WV) enrollees	6,950	6,950	6,950	6,950	7,598	7,598	7,598	7,598	7,598					7,598
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	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	6,939	6,498	6,669	6,701	6,799	6,926	7,013	7,116	7,336					7,336
Applicants determined eligible this month and added to MEL (3) * 269 of the 412 are awaiting Financial Eligibility not yet on MEL	1,731	102	106	117	124	138	388	292	412					1,679
Applicants determined ineligible	76	2	6	3	6	3	2	35	20					77
ACTIVE MEMBERS														
Active Traditional Members at the end of the month	6,110	6,415	6,541	6,547	6,550	6,561	6,564	6,617	6,787					6,787
Active Take Me Home Members at the end of the month	46	46	48	48	48	51	53	55	61					61
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	6,156	6,461	6,589	6,595	6,598	6,612	6,618	6,696	6,787					6,787
Active members enrolled during the calendar month	1,301	383	204	111	109	96	107	189	187					1,386
-Total Active Traditional members enrolled during the calendar month	1,250	375	193	107	105	92	102	183	180					1,337
-Total Active TMH-WV members enrolled during the calendar month	51	8	11	4	4	4	5	6	7					49
-Total Active MFP-WV members enrolled during the calendar month														
Members discharged during the calendar month	1,044	78	76	105	106	82	101	111	96					755
ADW Members	574	58	57	74	68	58	74	79	65					533
Member is deceased														
Other (4)	470	20	19	31	38	24	27	32	31					222
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	2,042	105	116	93	144	107	220	151	99					1,035
ADW Applicants	1,676	84	99	65	67	79	143	111	66					714
Applicant offered a slot (Traditional + MFP)	125	6	9	9	9	11	23	19	21					107
Applicant removed from the MEL	241	15	8	19	68	17	54	21	12					214
Other (5)	16	1	1	0	0	0	1	2	2					2
Applicants on the MEL who are in a nursing facility														
YTD Column reflects average # members in setting	35	0	0	3	6	2	5	3	0					0
Applicants on the MEL receiving Personal Care														
YTD Column reflects average # members in setting	37	34	24	48	28	59	48	43	27					27
Applicants on the MEL at the end of the month														
Days - Longest time spent on the MEL to date (6)	308	435	405	435	466	496	527	558	586					489
YTD Column reflects average # of days														
Days - Longest time spent on the MEL to date Minus MFP Applicants (7)	54	60	89	119	150	180	211	242	270					270
YTD Column reflects average number of days minus MFP Applicants	28	14	61	25	16	35	20	32	45					31

(1) Of the 7,672 slots approved by CMS, 76 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. When it is identified that slots cannot be used for MFP transitions, these slots are made available for traditional (non-MFP) enrollees. Note: October 2020 Amendment Approved = 646 Additional Slots for FY2021, which increases the FY2021 Slots to a total of 7,672.

(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 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.

(7) Excludes MFP members on MEL not ready for discharge from facility and MFP Applicants, added beginning Dec 2019

NOTE: All data reported by Utilization Management Contractor is effective as of the transpire date in the web-based system. Data is point-in-time.

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

Intellectual/Developmental Disabilities Waiver Reported Feb 28, 2021	FY 2020	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	FY 2021 YTD
Slots approved by CMS	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964
Total number of members served YTD (unduplicated slots used) (1)	5,446	5,506	5,614	5,707	5,744	5,783	5,821	5,852	5,870	5,870	5,870	5,870	5,870	5,870
Total number of members served YTD in Traditional Slots	5,437	5,497	5,605	5,698	5,735	5,774	5,765	5,843	5,860	5,860	5,860	5,860	5,860	5,860
Total number of members served YTD in Adult Ben H. slots (Active)	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Total number of members served YTD in Children Ben H. slots (Active)	3	3	3	3	3	3	3	3	4	4	4	4	4	3
Applicants determined eligible (2)	264	19	43	38	36	30	29	18	22	22	22	22	22	235
Applicants determined ineligible (3)	292	22	36	31	39	41	32	32	25	25	25	25	25	258
ACTIVE MEMBERS														
# of active members at the end of the month (unduplicated slots active) (1)	5,336	5,495	5,594	5,678	5,698	5,726	5,753	5,765	5,772	5,772	5,772	5,772	5,772	5,772
Discharged members at the end of the calendar month	126	15	9	14	20	11	16	21	13	13	13	13	13	119
Deceased	62	4	5	3	7	2	7	9	6	6	6	6	6	43
Left program to enter a facility	21	2	0	3	2	4	4	6	4	4	4	4	4	25
a. Hospital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b. ICF/IID	13	2	1	2	0	2	1	1	1	1	1	1	1	10
c. Nursing Facility	14	0	0	1	2	2	3	5	2	2	2	2	2	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)	36	9	3	6	11	5	5	6	3	3	3	3	3	48
MANAGED ENROLLMENT LIST (MEL)														
Total number of applicants on the MEL at the end of the month	523	343	273	210	195	181	163	144	137	137	137	137	137	137
Number of applicants added to the MEL (4)	264	19	43	38	36	30	29	18	22	22	22	22	22	235
Applicants enrolled (removed from the MEL)	703	174	108	98	40	39	43	33	20	20	20	20	20	555
Applicants removed from the MEL due to Death (5)	15	1	0	0	0	0	0	0	0	0	0	0	0	1
Applicants removed from the MEL due to Other (6)	141	24	5	3	11	5	4	4	9	9	9	9	9	65
Applicants on the MEL who are in a Nursing Facility (9)	0	0	0	1	1	1	1	2	1	1	1	1	1	1
Applicants on the MEL who are in an ICF/IID Group Home (9)	8	6	6	3	4	4	4	3	5	5	5	5	5	5
Applicants on the MEL receiving Personal Care Services each month (8) (9)	9	8	8	3	3	5	5	1	2	2	2	2	2	2
Longest on the MEL to date (7)	433	464	495	525	556	586	617	648	676	676	676	676	676	676

(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.

(8) This number is very different from the previous two months. We are working on getting a more accurate report.

(9) The report has been changed to more accurately reflect the correct numbers, no data reported for November due to the reprogramming of the report parameters

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

Traumatic Brain Injury Waiver Reported February 28, 2021	FY 2020	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	FY 2021 YTD
Slots Approved By CMS (1)	90	90	90	90	90	90	90	90	90	90				90
-Slots Available for Traditional (non TMH-WV) enrollees	89	86	86	86	86	86	86	86	86	86				86
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	1	4	4	4	4	4	4	4	4	4				4
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	89	78	78	78	80	80	84	85	85					85
Applicants determined eligible this month and added to MEL (3)	11	0	1*	2*	0	4*	1*	0	1*					9*
Applicants determined ineligible	0	0	0	0	0	0	0	0	0					0
ACTIVE MEMBERS														
YTD Column reflects most recent month's count	78	77	76	76	78	75	79	80	80					80
Active members enrolled during the calendar month	16	0	0	0	2	0	4	1	0					7
-Total Active Traditional members enrolled during the calendar month	15	0	0	0	2	0	4	1	0					7
-Total Active TMH-WV members enrolled during the calendar month	1	0	0	0	0	0	0	0	0					0
Members discharged during the calendar month	13	1	1	0	0	3	0	0	0					5
TBIW Members whose case was closed by reason	6	0	0	0	0	0	0	0	0					0
Other (4)	7	1	1	0	0	3	0	0	0					5
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	12	1	0	0	0	0	0	0	0					1
TBIW Applicants removed from the MEL	12	1	0	0	0	0	0	0	0					1
Applicant offered a slot														
Applicant became deceased	0	0	0	0	0	0	0	0	0					0
Other (5)	0	0	0	0	0	0	0	0	0					0
Applicants on the MEL who are in a nursing facility	2	0	0	0	0	0	0	0	0					0
Applicants on the MEL receiving Personal Care	2	0	0	0	0	0	0	0	0					0
Applicants on the MEL at the end of the month	1	0	0	0	0	0	0	0	0					0
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	110	0	0	0	0	0	0	0	0					0

(1) Of the 90 slots approved by CMS, 4 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2021.

(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. * **NO MEL awarded a slot**

(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

CHIP

Joint Committee on
Government and Finance
Report

APRIL 2021

Department of Health and Human Resources

State Children's Health Insurance Program
UPDATE

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Eight Months Ending February 28, 2021 and February 29, 2020

	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2021	Year-to-Date	February 28, 2021	February 29, 2020	\$	%	\$	%
Beginning Operating Fund Balance			\$6,218,611	\$5,232,905	\$985,706	19%		
Revenues								
Federal Grants			\$30,389,125	\$35,565,387	(\$5,176,262)	-15%		
State Appropriations			\$4,099,933	\$0	\$0	0%		
Premium Revenues	\$1,243,837	\$829,225	\$56,555	\$934,381	(\$877,826)	-94%	(\$772,670)	-93%
Investment Earnings (Interest)			\$80,808	\$133,879	(\$53,071)	-40%		
Total Operating Fund Revenues			\$34,626,421	\$36,633,647	(\$2,007,226)	-5%		
Expenditures:								
Claims Expenses:								
Prescribed Drugs			\$6,613,189	\$7,427,485	(\$814,296)	-11%		
Physicians & Surgical			\$6,567,678	\$9,391,479	(\$2,823,801)	-30%		
Managed Care Organizations			\$6,221,162	\$0	\$6,221,162	0%		
Dental			\$4,338,390	\$5,370,598	(\$1,032,208)	-19%		
Outpatient Services			\$3,662,409	\$5,752,429	(\$2,090,020)	-36%		
Inpatient Hospital Services			\$2,322,286	\$2,643,279	(\$320,993)	-12%		
Other Services			\$1,578,603	\$2,185,443	(\$606,840)	-28%		
Therapy			\$945,962	\$1,489,745	(\$543,783)	-37%		
Vision			\$378,475	\$449,631	(\$71,156)	-16%		
Inpatient Mental Health			\$310,158	\$395,727	(\$85,569)	-22%		
Durable & Disposable Med. Equip.			\$214,719	\$279,582	(\$64,863)	-23%		
Medical Transportation			\$203,256	\$298,220	(\$94,964)	-32%		
Outpatient Mental Health			\$168,124	\$317,855	(\$149,731)	-47%		
Less: Other Collections**			(\$94,875)	(\$63,999)	(\$30,876)	48%		
Drug Rebates	(\$2,517,954)	(\$1,678,636)	(\$2,131,643)	(\$2,138,922)	\$7,280	0%	\$547,881	-33%
Total Claims Expenses	\$56,575,040	\$37,716,693	\$31,297,893	\$33,798,552	(\$2,500,659)	-7%	(\$6,418,800)	-17%
Administrative Expenses:								
Salaries and Benefits	\$575,350	\$383,567	\$386,459	\$405,596	(\$19,137)	-5%	\$2,892	1%
Program Administration	\$3,305,108	\$2,203,405	\$1,861,860	\$1,941,301	(\$79,441)	-4%	(\$341,545)	-16%
Eligibility			\$0	\$0	\$0	0%	\$0	0%
Outreach & Health Promotion	\$100,000	\$66,667	\$0	\$0	\$0	0%	(\$66,667)	-100%
Health Service Initiative			\$56,250	\$0	\$56,250	0%		
Current	\$175,000	\$116,667	\$61,651	\$143,937	(\$82,286)	-57%	(\$55,016)	-47%
Total Administrative Expenses in Operating Fund	\$4,155,458	\$2,770,305	\$2,366,220	\$2,490,834	(\$124,614)	-5%	(\$404,085)	-15%
Total Operating Fund Expenditures	\$60,730,498	\$40,486,999	\$33,664,113	\$36,289,386	(\$2,625,273)	-7%	(\$6,822,886)	-17%
Adjustments			(\$11,989)	\$408,337				
Ending Operating Fund Balance			\$7,168,930	\$5,985,503	\$1,183,427	20%		
Money Market			\$1,013,057	\$1,008,927				
Bond Pool			\$3,774,424	\$3,669,932				
Cash on Deposit			\$2,381,450	\$1,306,644				
Unrealized Gain/Loss on Investment			(\$27,963)	(\$1,371)				
Ending Fund Balance (Accrued Basis)			\$7,140,967	\$5,984,132	\$1,156,835	19%		
Revenues Outside of Operating Funds:								
Federal Grants			\$0	\$313,498	(\$313,498)	-100%		
Total WVCHIP Revenues			\$34,626,421	\$36,947,145	(\$2,320,724)	-6%		
Program Expenses outside of Operating Funds:								
Salaries and Benefits			\$0	\$352,422	(\$352,422)	-100%		
Eligibility	\$500,000	\$333,333	\$441,043	\$373,201	\$67,842	18%	\$107,710	32%
Total Administrative Expenses	\$4,655,458	\$3,103,639	\$2,807,263	\$3,216,457	(\$409,194)	-13%	(\$296,376)	-10%
Total WVCHIP Expenditures	\$61,230,498	\$40,820,332	\$34,105,156	\$37,015,009	(\$2,909,853)	-8%	(\$6,715,176)	-16%

Footnotes:

- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on January 31, 2021 is \$3,560,000. The January 31, 2020 estimate was \$3,893,496. (February updated IBNR estimate is not yet available.)
- 3) Administrative Accounts Payable balance on February 28, 2021 was \$594,239. The February 29, 2020 balance was \$629,858.
- 4) 2021 and 2020 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues.
- 5) Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY21 was 98.3% starting 01/01/20 and 85.00% starting 10/01/20.
- 6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- 9) During SFY20, the federal share for Salaries and Benefits were paid outside the operating fund. In SFY21, all Salaries and Benefits were paid from the Operating fund.
- 10) Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH). Operating fund costs represent those directly billed to WVCHIP.

Unaudited - For Management Purposes Only
PRELIMINARY STATEMENT

WVCHIP Enrollment Report

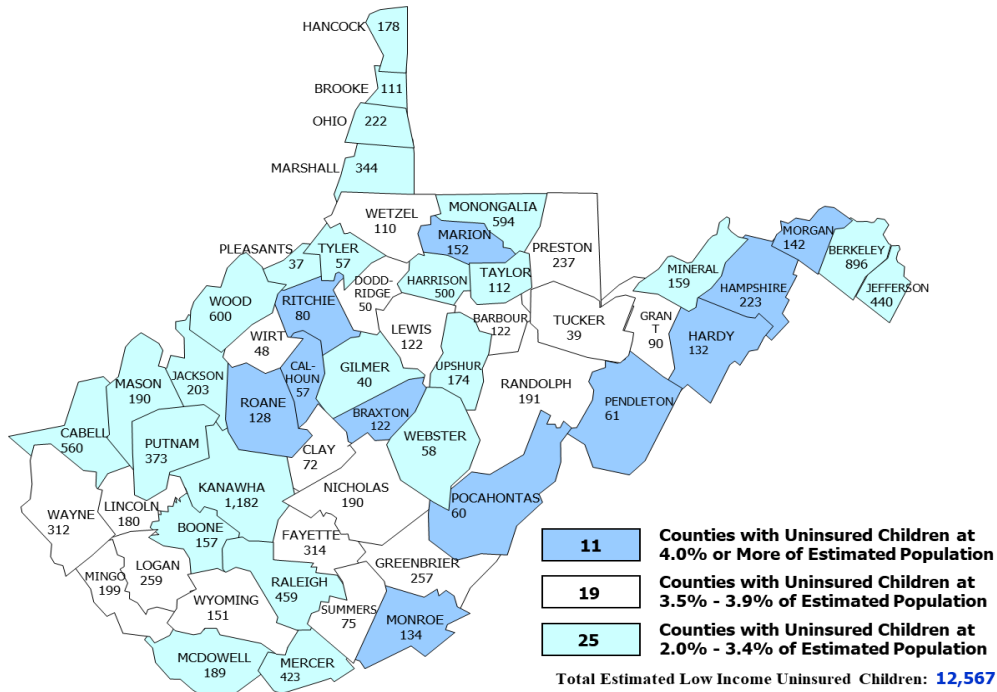
MARCH 2021

County	County Pop. 2018 Est. (0-18 Yrs)	BLUE	GOLD	PREM	MATERNITY		Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018
					BLUE	PREM	Enrollment	Enrollment	CHIP/Medicaid	Enrollment	Uninsured Est.	% Uninsured
							Mar-21	Mar-21	Enrollment	% of Population		
Barbour	3,332	113	29	80	1		223	779	1,002	30.1%	122	3.7%
Berkeley	27,917	993	314	574	6	14	1,901	4,829	6,730	24.1%	896	3.2%
Boone	4,775	119	35	47		1	202	1,080	1,282	26.8%	157	3.3%
Braxton	2,784	70	14	30	2	1	117	1,487	1,604	57.6%	122	4.4%
Brooke	4,065	0	0	0			0	554	554	13.6%	111	2.7%
Cabell	18,770	463	137	216	9	3	828	6,930	7,758	41.3%	560	3.0%
Calhoun	1,393	43	20	19	1		83	750	833	59.8%	57	4.1%
Clay	1,961	54	14	35		1	104	628	732	37.3%	72	3.7%
Doddridge	1,308	45	19	22			86	268	354	27.1%	50	3.8%
Fayette	9,011	307	83	196		4	590	3,654	4,244	47.1%	314	3.5%
Gilmer	1,184	50	3	20			73	300	373	31.5%	40	3.4%
Grant	2,331	49	11	35			95	800	895	38.4%	90	3.9%
Greenbrier	6,860	273	71	171	1	5	521	1,984	2,505	36.5%	257	3.7%
Hampshire	4,388	125	44	79		1	249	1,519	1,768	40.3%	223	5.1%
Hancock	5,674	262	91	137	3	2	495	1,006	1,501	26.5%	178	3.1%
Hardy	2,862	116	24	56			196	854	1,050	36.7%	132	4.6%
Harrison	14,835	445	149	262	2	7	865	2,403	3,268	22.0%	500	3.4%
Jackson	6,264	164	43	100		1	308	2,228	2,536	40.5%	203	3.2%
Jefferson	13,200	355	79	231	3	2	670	1,257	1,927	14.6%	440	3.3%
Kanawha	36,965	1063	274	624	8	11	1,980	5,625	7,605	20.6%	1182	3.2%
Lewis	3,480	85	32	62	1	3	183	854	1,037	29.8%	122	3.5%
Lincoln	4,638	109	28	74		2	213	2,469	2,682	57.8%	180	3.9%
Logan	6,835	161	64	107	2		334	1,702	2,036	29.8%	259	3.8%
Marion	3,764	321	104	212	1	4	642	1,559	2,201	58.5%	152	4.0%
Marshall	11,544	147	40	79	1	1	268	1,294	1,562	13.5%	344	3.0%
Mason	6,140	128	47	64	1		240	2,224	2,464	40.1%	190	3.1%
Mercer	12,368	471	139	240		5	855	2,483	3,338	27.0%	423	3.4%
Mineral	5,476	159	44	86		1	290	1,745	2,035	37.2%	159	2.9%
Mingo	5,369	87	63	66	1	2	219	2,856	3,075	57.3%	199	3.7%
Monongalia	17,965	465	124	249	5	3	846	1,514	2,360	13.1%	594	3.3%
Monroe	2,687	101	27	85			213	647	860	32.0%	134	5.0%
Morgan	3,320	129	29	75		3	236	794	1,030	31.0%	142	4.3%
McDowell	5,708	85	39	36		1	161	1,495	1,656	29.0%	189	3.3%
Nicholas	5,199	157	74	87	4	2	324	1,220	1,544	29.7%	190	3.7%
Ohio	8,098	236	64	114	3	3	420	1,336	1,756	21.7%	222	2.7%
Pendleton	1,304	45	16	28			89	417	506	38.8%	61	4.7%
Pleasants	1,457	27	17	13			57	176	233	16.0%	37	2.5%
Pocahontas	1,495	35	24	39	1		99	361	460	30.8%	60	4.0%
Preston	6,586	209	58	141	2	2	412	1,687	2,099	31.9%	237	3.6%
Putnam	13,145	358	93	209	1	1	662	1,342	2,004	15.2%	373	2.8%
Raleigh	15,751	527	127	327	5	2	988	4,584	5,572	35.4%	459	2.9%
Randolph	5,474	220	63	120	5	1	409	1,154	1,563	28.6%	191	3.5%
Ritchie	1,972	41	5	25			71	315	386	19.6%	80	4.1%
Roane	2,970	116	34	86		1	237	1,538	1,775	59.8%	128	4.3%
Summers	2,160	73	22	34			129	1,066	1,195	55.3%	75	3.5%
Taylor	3,493	86	36	56	1	1	180	730	910	26.1%	112	3.2%
Tucker	1,063	43	19	42		1	105	221	326	30.7%	39	3.7%
Tyler	1,792	40	8	25			73	321	394	22.0%	57	3.2%
Upshur	5,076	182	47	128		6	363	1,101	1,464	28.8%	174	3.4%
Wayne	8,373	205	86	111	2	2	406	3,936	4,342	51.9%	312	3.7%
Webster	1,690	48	19	33			100	816	916	54.2%	58	3.4%

WVCHIP Enrollment Report

MARCH 2021

County	County Pop.	MATERNITY					Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018
	2018 Est. (0-18 Yrs)	BLUE	GOLD	PREM	BLUE	PREM	Enrollment Mar-21	Enrollment Mar-21	CHIP/Medicaid Enrollment	Enrollment % of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Wetzel	3,126	71	14	30			115	801	916	29.3%	110	3.5%
Wirt	1,269	28	3	12			43	212	255	20.1%	48	3.8%
Wood	18,016	524	122	258	2	9	915	2,721	3,636	20.2%	600	3.3%
Wyoming	4,317	128	41	101	5	5	280	1,323	1,603	37.1%	151	3.5%
Totals	372,999	10,956	3,226	6,388	79	114	20,763	87,949	108,712	29.1%	12,567	3.4%



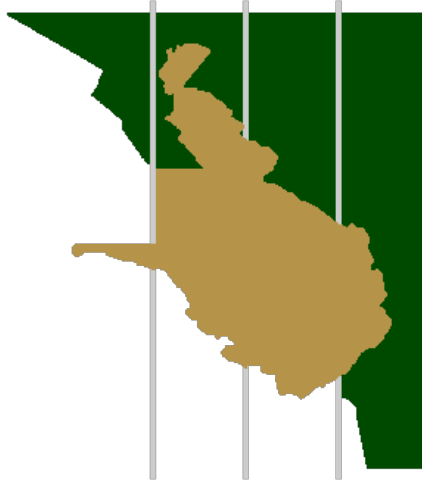
The above map shows the most recent 2018 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.4%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer sponsored insurance and should be a more accurate way to target outreach than in previous years.

INVESTMENT MANAGEMENT
BOARD

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

February 28, 2021



Participant Plans Allocation & Performance Net of Fees

Period Ending: February 28, 2021

	6/30/2020		2/28/2021		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	20,136,091	100.0	23,165,454	100.0								
Pension Assets	16,181,269	80.4	18,666,717	80.6								
Public Employees' Retirement System	6,899,129	34.3	7,995,931	34.5	2.1	6.2	18.7	21.2	9.3	12.0	9.0	7.5
Teachers' Retirement System	7,820,075	38.8	8,942,895	38.6	2.1	6.2	18.6	21.2	9.3	12.0	8.9	7.4
EMS Retirement System	88,627	0.4	106,678	0.5	2.1	6.2	18.7	21.3	9.4	12.0	9.0	7.6
Public Safety Retirement System	675,608	3.4	765,625	3.3	2.1	6.2	18.7	21.2	9.3	12.0	9.0	7.5
Judges' Retirement System	215,698	1.1	253,213	1.1	2.1	6.2	18.7	21.3	9.4	12.1	9.0	7.5
State Police Retirement System	220,921	1.1	268,168	1.2	2.1	6.2	18.7	21.3	9.4	12.1	9.0	7.5
Deputy Sheriffs' Retirement System	239,121	1.2	283,317	1.2	2.1	6.2	18.7	21.3	9.4	12.0	9.0	7.5
Municipal Police & Firefighter Retirement System	14,669	0.1	19,970	0.1	2.0	6.1	18.5	21.3	9.4	11.9	8.7	
Municipal Police Office Retirement System	0	0.0	22,057	0.1	2.1							
Natural Resources Police Office Retirement System	5,851	0.0	6,788	0.0	2.1	6.2	19.2	21.6	9.6	12.2		
Municipal Model A (I)	1,570	0.0	2,075	0.0	1.4	4.7	17.2	19.5				
Municipal Model B (I)												
Insurance Assets	2,910,807	14.5	3,348,595	14.5								
Workers' Compensation Old Fund	1,013,189	5.0	1,069,641	4.6	1.0	3.6	12.7	14.3	6.9	8.1	5.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	34,115	0.2	38,372	0.2	1.2	4.0	13.3	14.6	6.9	8.1	5.8	
Workers' Comp. Self-Insured Security Risk Pool	50,505	0.3	54,882	0.2	1.2	4.0	13.2	14.6	6.9	8.1		
Workers' Comp. Uninsured Employers' Fund	14,005	0.1	16,086	0.1	1.3	4.0	13.1	14.4	6.7	7.9	5.6	
Pneumocontosis	223,717	1.1	243,937	1.1	1.2	4.0	13.3	14.6	6.9	8.1	5.8	
Board of Risk & Insurance Management	164,662	0.8	186,528	0.8	1.2	4.0	13.3	14.7	6.9	8.1	5.8	
Public Employees' Insurance Agency	260,386	1.3	290,055	1.2	0.9	3.5	11.4	12.6	6.7	7.8	5.8	
WV Retiree Health Benefit Trust Fund	1,150,228	5.7	1,449,094	6.3	2.0	6.2	18.5	21.3	9.4	12.1	8.8	
Endowment Assets	1,044,015	5.1	1,150,142	4.9								
Berkeley County Development Authority	6,378	0.0	7,574	0.0	2.1	6.2	18.8	21.3	9.4	12.1		
Wildlife Fund	62,699	0.3	70,846	0.3	2.1	6.2	18.6	21.1	9.3	12.0	9.0	7.8
Revenue Shortfall Reserve Fund	272,021	1.4	289,288	1.3	(0.7)	(0.2)	0.8	1.3	4.4	3.8	3.4	
Revenue Shortfall Reserve Fund - Part B	492,955	2.4	538,069	2.3	(0.1)	1.8	9.2	11.3	6.8	7.8	5.6	
WV DEP Trust	9,053	0.0	11,118	0.0	2.7	7.2	22.8	24.4	8.3	11.6		
WV DEP Agency	200,909	1.0	233,247	1.0	1.6	4.9	16.1	17.5	7.4	9.3		

Composite Asset Allocation & Performance Net of Fees

Period Ending: February 28, 2021

	Asset (\$000)	%	Performance %												
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year					
Investment Pools Composite	23,171,640	100.00													
Portable Alpha Composite +/- S&P 500 Index	4,585,260	19.79	2.79 0.03	7.12 1.49	25.28 1.02										
Large Cap Domestic Equity Composite +/- S&P 500 Index	359,731	1.55	2.76 0.00	5.62 (0.01)	24.23 (0.03)	31.60 0.31	13.72 (0.42)	16.37 (0.45)	13.47 0.04	7.79 (0.10)					
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	971,363	4.19	7.41 0.89	16.17 (1.27)	42.24 (4.98)	40.47 (5.43)	12.88 (2.20)	16.75 (0.67)	11.88 (0.39)	10.29 0.18					
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	5,418,590	23.38	2.83 0.61	10.76 2.58	33.39 5.00	32.11 4.33	5.34 (0.59)	12.81 1.01	6.74 1.33	7.34 1.10					
Fixed Income Composite +/- Bloomberg Barclays Capital Universal (c)	3,894,268	16.82	(0.91) 0.38	(0.51) 1.06	3.38 3.04	4.88 2.75	5.71 0.26	5.50 1.41	4.38 0.48	5.32 0.51					
Core Fixed Income Composite +/- Bloomberg Barclays Capital Aggregate	1,166,710	5.04	(1.14) 0.30	(1.39) 0.63	0.48 1.37	2.59 1.21	6.04 0.72	4.13 0.58	4.15 0.57						
Total Return Fixed Income Composite (j) +/- Bloomberg Barclays Capital Universal	2,727,558	11.78	(0.81) 0.48	(0.12) 1.45	4.65 4.31	5.80 3.67	5.53 0.08	6.09 2.00	4.46 0.56	5.72 0.85					
TIPS Composite +/- Bloomberg Barclays Capital U.S. TIPS	394,777	1.70	(1.62) (0.01)	(0.14) 0.01	3.41 0.05	5.99 0.14	6.22 0.11	4.34 0.07	3.59 0.02						
Cash Composite +/- FTSE 3 Month US T-Bill (d)	277,971	1.20	(0.01) (0.02)	0.01 (0.01)	0.02 (0.05)	0.13 (0.20)	1.38 (0.11)	1.10 (0.06)	0.61 (0.04)	1.50 (0.04)					
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,204,034	9.51	0.87 (2.50)	4.23 (3.80)	11.68 (18.89)	25.98 (12.35)	22.37 4.40	20.03 (0.37)	16.27 (0.72)						
Real Estate Composite +/- NCREIF + 1% (e)	2,068,591	8.93	0.88 0.42	1.50 0.24	3.65 2.48	1.54 (1.20)	5.63 (0.33)	7.06 0.03	8.37 (1.75)						
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,305,963	9.95	3.51 0.36	7.07 0.81	14.56 (1.32)	12.23 (3.55)	5.94 (0.44)	5.98 (0.86)	4.81 0.08						
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	691,092	2.98	1.24 0.40	1.49 (2.28)	4.83 (6.51)	3.98 (3.67)	5.89 (0.33)	4.92 (3.06)							

Participant Plans Allocation vs. Strategy

Period Ending: February 28, 2021

	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	52.1	50.0	13.5	15.0	11.0	10.0	10.3	10.0	3.4	5.0	9.5	10.0	0.2	0.0
Teachers' Retirement System	52.0	50.0	13.4	15.0	11.0	10.0	10.4	10.0	3.5	5.0	9.6	10.0	0.1	0.0
EMS Retirement System	52.6	50.0	13.7	15.0	10.5	10.0	9.9	10.0	3.3	5.0	9.3	10.0	0.7	0.0
Public Safety Retirement System	51.8	50.0	13.1	15.0	11.2	10.0	10.5	10.0	3.5	5.0	9.8	10.0	0.1	0.0
Judges' Retirement System	52.3	50.0	13.6	15.0	10.8	10.0	10.2	10.0	3.4	5.0	9.6	10.0	0.1	0.0
State Police Retirement System	52.9	50.0	13.9	15.0	10.4	10.0	9.8	10.0	3.3	5.0	9.3	10.0	0.4	0.0
Deputy Sheriffs' Retirement System	52.5	50.0	13.7	15.0	10.7	10.0	10.1	10.0	3.4	5.0	9.5	10.0	0.1	0.0
Municipal Police & Firefighter Retirement System	51.7	50.0	14.1	15.0	9.9	10.0	9.3	10.0	3.1	5.0	9.4	10.0	2.5	0.0
Natural Resources Police Office Retirement System	52.6	50.0	12.6	15.0	11.0	10.0	10.3	10.0	3.4	5.0	9.4	10.0	0.7	0.0
Municipal Model A	52.3	50.0	13.2	15.0	10.6	10.0	9.9	10.0	3.3	5.0	9.8	10.0	0.9	0.0
Municipal Model B	56.0	55.0	41.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	0.0

Insurance Assets

Workers' Compensation Old Fund	31.5	30.0	48.7	50.0	0.0	0.0	0.0	0.0	0.0	0.0	15.6	15.0	4.2	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	32.0	30.0	43.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.1	20.0	4.8	5.0
Workers' Comp. Self-Insured Security Risk Pool	31.6	30.0	43.4	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	20.0	4.4	5.0
Workers' Comp. Uninsured Employers Fund	32.0	30.0	38.1	40.0	0.0	0.0	0.0	0.0	0.0	0.0	19.8	20.0	10.1	10.0
Pneumoconiosis	31.7	30.0	43.3	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	20.0	4.4	5.0
Board of Risk & Insurance Mgmt.	32.0	30.0	43.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0	5.0	5.0
Public Employees' Insurance Agency	27.1	25.0	52.9	55.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	51.1	50.0	14.0	15.0	9.9	10.0	9.3	10.0	3.1	5.0	9.1	10.0	3.5	0.0

Endowment Assets

Berkeley County Development Authority	52.4	50.0	14.0	15.0	10.7	10.0	10.0	10.0	3.4	5.0	9.5	10.0	0.0	0.0
Wildlife Fund	51.5	50.0	13.5	15.0	11.1	10.0	10.4	10.0	3.5	5.0	9.6	10.0	0.4	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	56.8	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.2	0.0
Revenue Shortfall Reserve Fund - Part B	24.5	22.5	75.5	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	66.7	65.0	14.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	19.3	20.0	0.0	0.0
WV DEP Agency	42.3	40.0	38.2	40.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCIACWI Gross and 40% Bloomberg Barclays Capital Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCIACWI ex USA (IMI), and 40% Bloomberg Barclays Capital Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCIACWI ex USA (Standard), and 40% Bloomberg Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCIACWI ex USA, and 40% Bloomberg Barclays Capital Aggregate.
- (b) Prior to January 2014, the index was the MSCIACW ex USA (Standard).
- (c) Prior to April 2008, the index was Bloomberg Barclays Capital Aggregate.
- (d) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (e) 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.
- (f) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (g) Prior to January 2014, the index was Libor plus 400 basis points.
- (h) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBIEM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBIEM Diversified.
- (i) Prior to April 2008, the index was a custom index.
- (j) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (k) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (l) In July 2020 the municipal plan potential investment models were condensed to Model A and Model B. The June 30, 2020 asset values for Model C and Model D are included in Model A. Model B was formerly Model F.
- (m) Prior to January 2021, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 basis points.

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

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WORKERS' COMPENSATION



WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

James A. Dodrill
Insurance Commissioner

Status Report:

Workers' Compensation

Joint Committee on Government & Finance

April 2021

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Introduction

The passage of S.B. 1004 in January 2005 brought significant changes to workers' compensation insurance in West Virginia. The State-administered monopolistic system effectively ended when a new, legislatively-created domestic mutual insurance company, "BrickStreet"¹, was formed to thereafter issue workers' compensation insurance. BrickStreet began writing new workers' compensation insurance policies in January 2006 (Brickstreet also retained the workers' compensation premium and incurred liability starting in July 2005). The West Virginia workers' compensation insurance market was further privatized and opened to full competition beginning in July 2008.

When Brickstreet was formed to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State-administered monopolistic fund. This legacy liability was retained by the State of West Virginia in what is known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. In addition to the following sections that specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report to the Joint Committee on Government & Finance concerns the workers' compensation legacy liability of the State of West Virginia, i.e., the Old Fund.

As of January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. In December 2020, the number of active claims fell to less than 10,000 for the first time and, as of March 2021, there were 9,516 active claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Insurance Commissioner by the Legislature.

¹ As a result of their merger, Motorists Insurance Group and BrickStreet Mutual Insurance Co. are now the **Encova Mutual Insurance Group**.

Definitions:

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

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

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

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

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

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

FBL Awarded Claim: an FBL claim that has been awarded but has not yet been accepted by the responsible operator/insurer

FBL Claim Notice: an FBL claim for which not initial decision has yet been made, but evidence in the claims indicates the potential for an award

FBL Non-active Claim: an FBL claim for which an award had been sought but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Denied FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

FBL Paying Claim: an FBL claim for which an award has been made and the responsible operator/insurer has accepted liability. Payments are being made to the claimant or dependents.

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

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

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

Old Fund: The residual assets and liabilities of the former Worker's Compensation Fund are now reported in a fund known as the Workers' Compensation Old Fund. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claims with a date of injury on or before June 30, 2005.

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

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

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

PTD: (Permanent Total Disability) A disability which renders a claimant unable to engage in gainful employment requiring skills or abilities which can be acquired, or which are comparable to those of any gainful employment in which the claimant previously engaged with some regularity. While the comparison of pre-injury income and post-disability income is not a factor to be considered in determining whether or not a claimant is permanently and totally disabled, the geographic availability of gainful employment should be considered. Specifically, the geographic availability of gainful employment within a 75-mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

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

Self-Insured Guaranty Fund: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

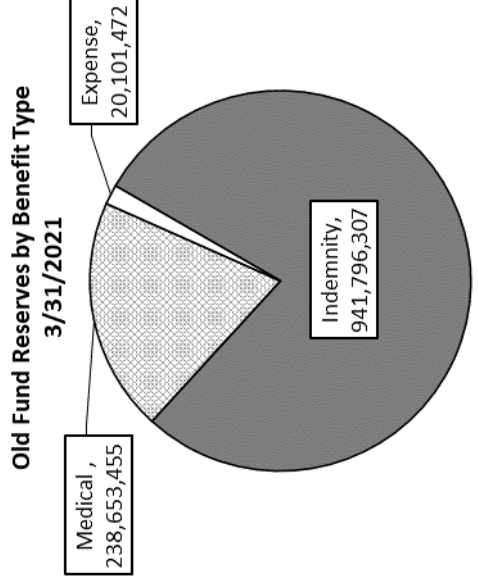
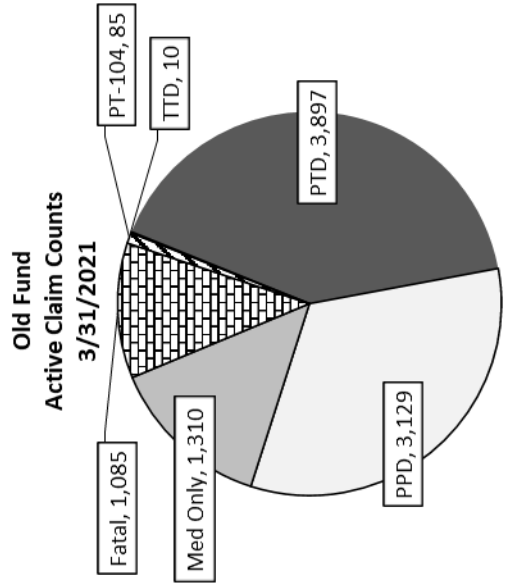
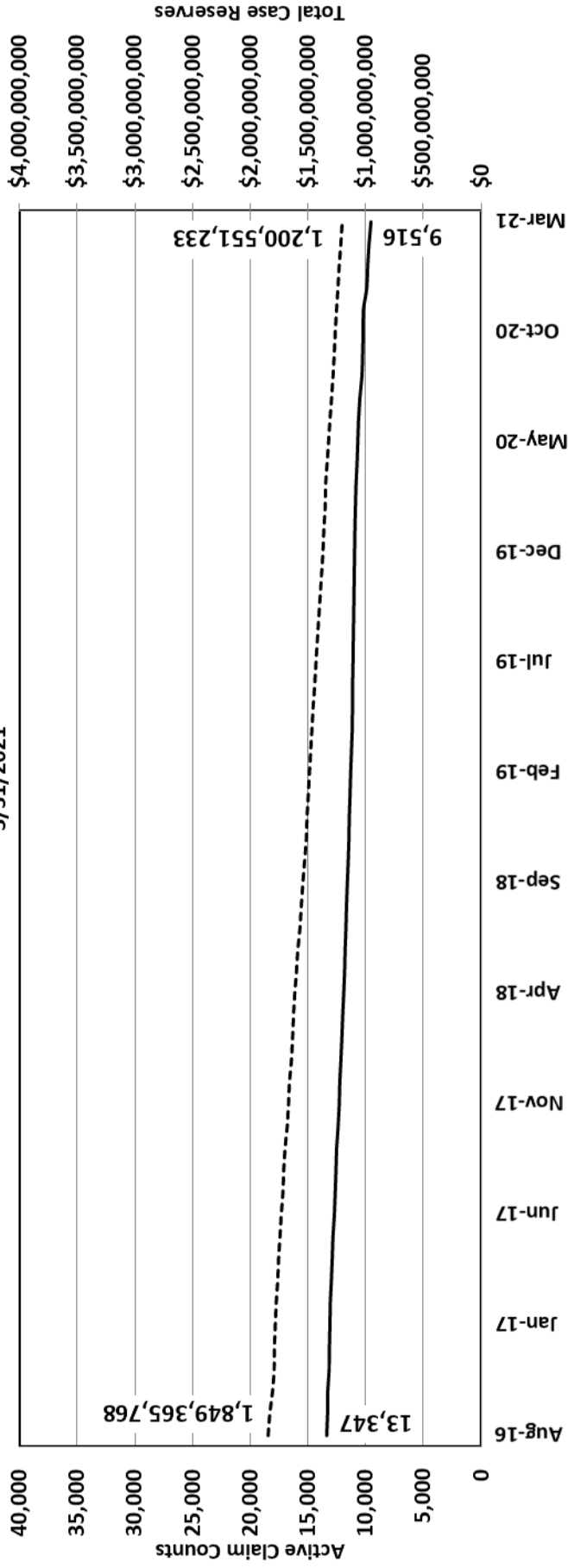
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

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

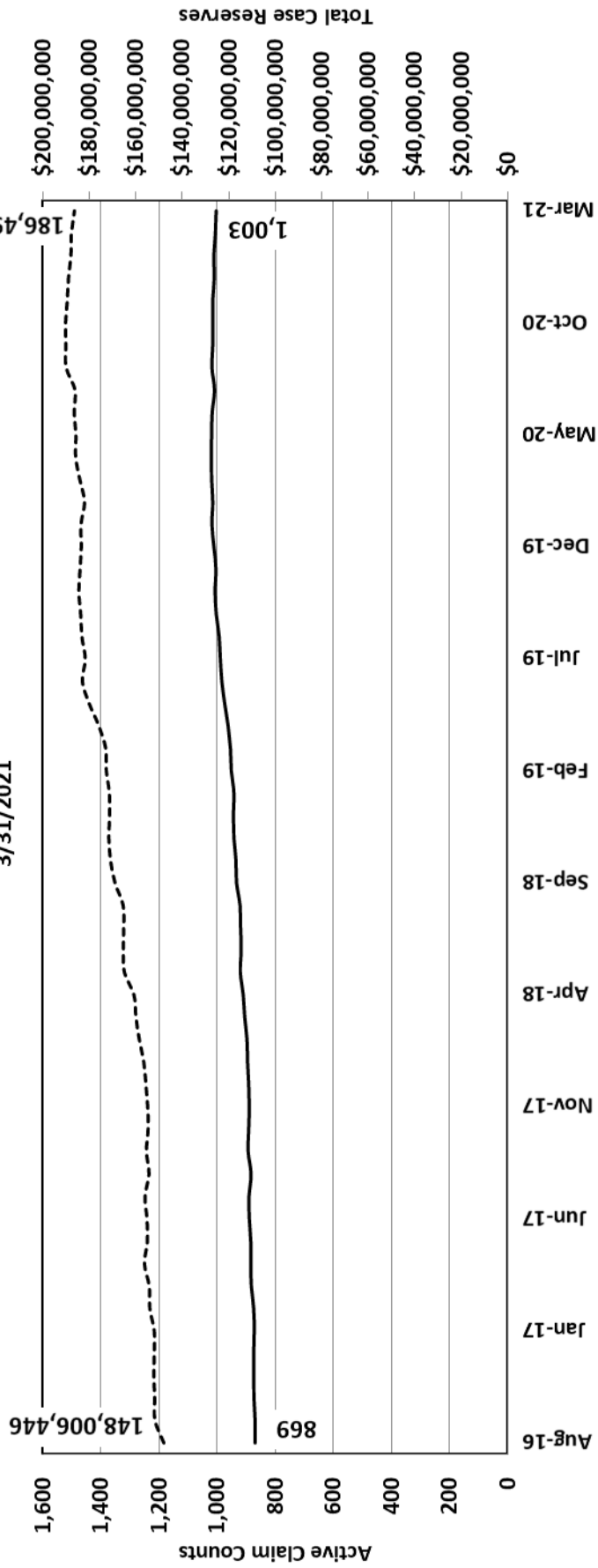
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

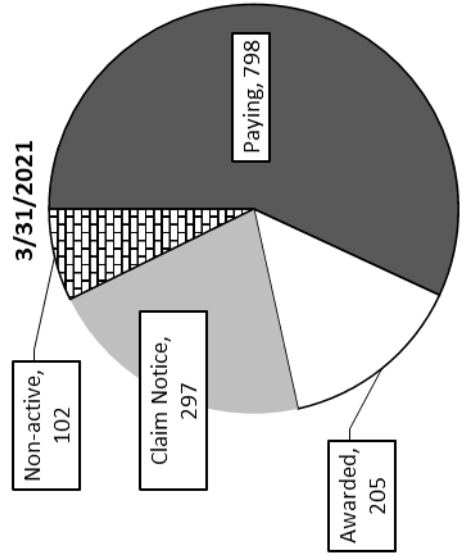
Old Fund
Active Claim Counts and Case Reserves
3/31/2021



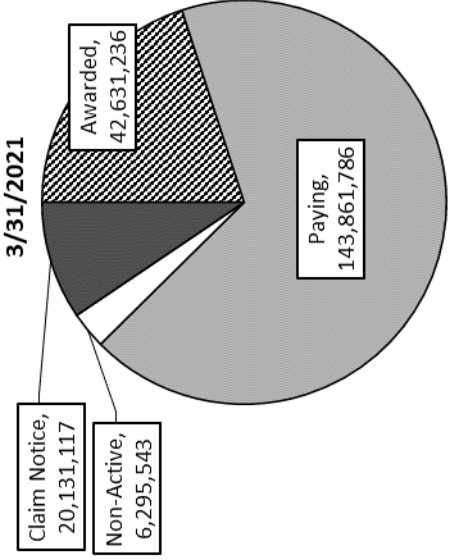
**CWP Fund (FBL)
Active Claim Counts and Case Reserves
3/31/2021**



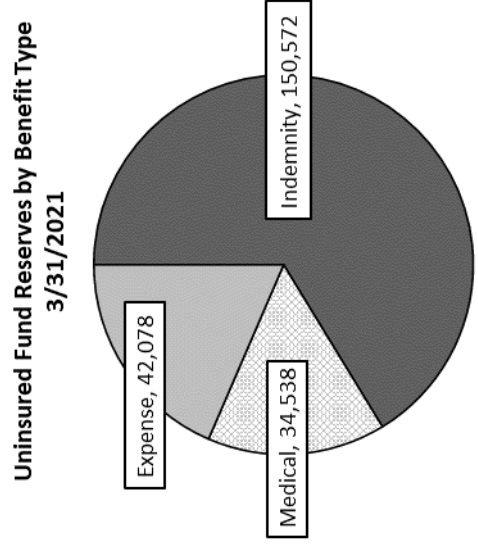
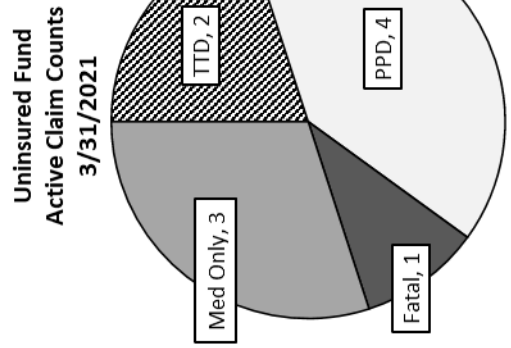
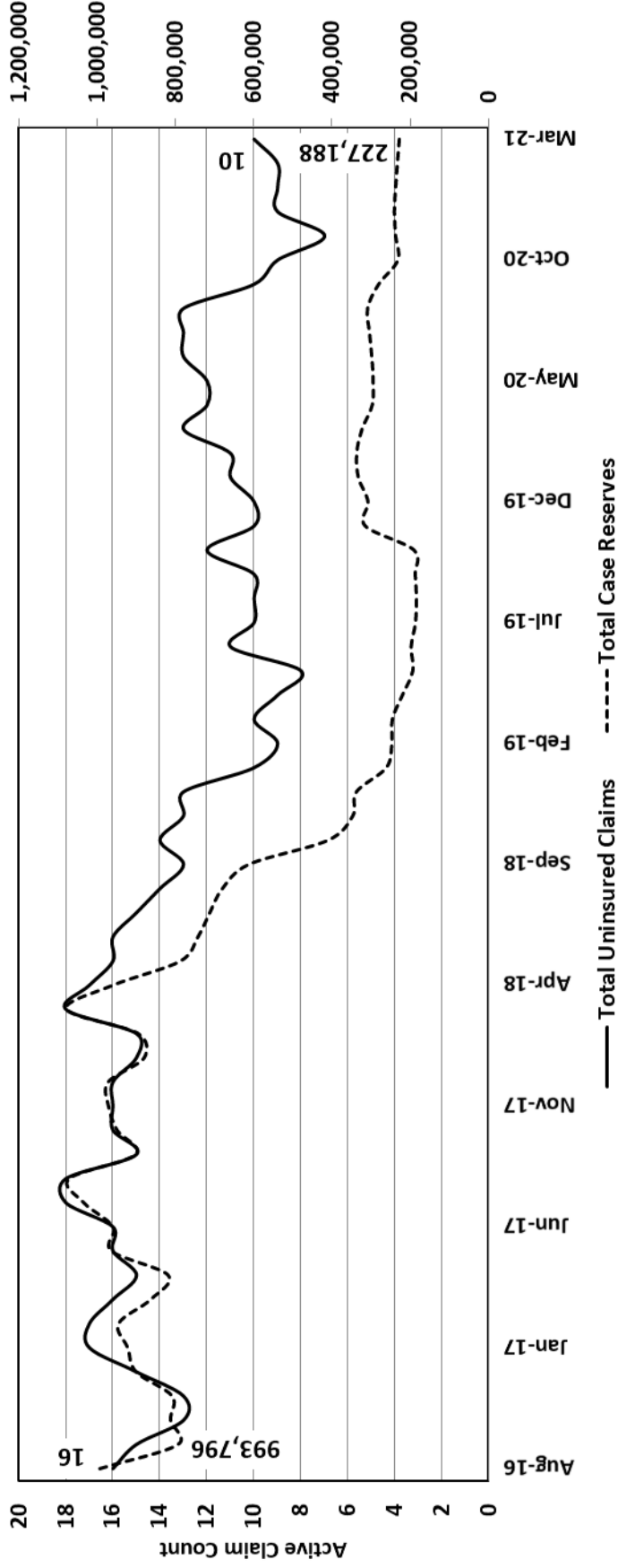
**CWP Fund (FBL)
Active and Inactive Claims
3/31/2021**



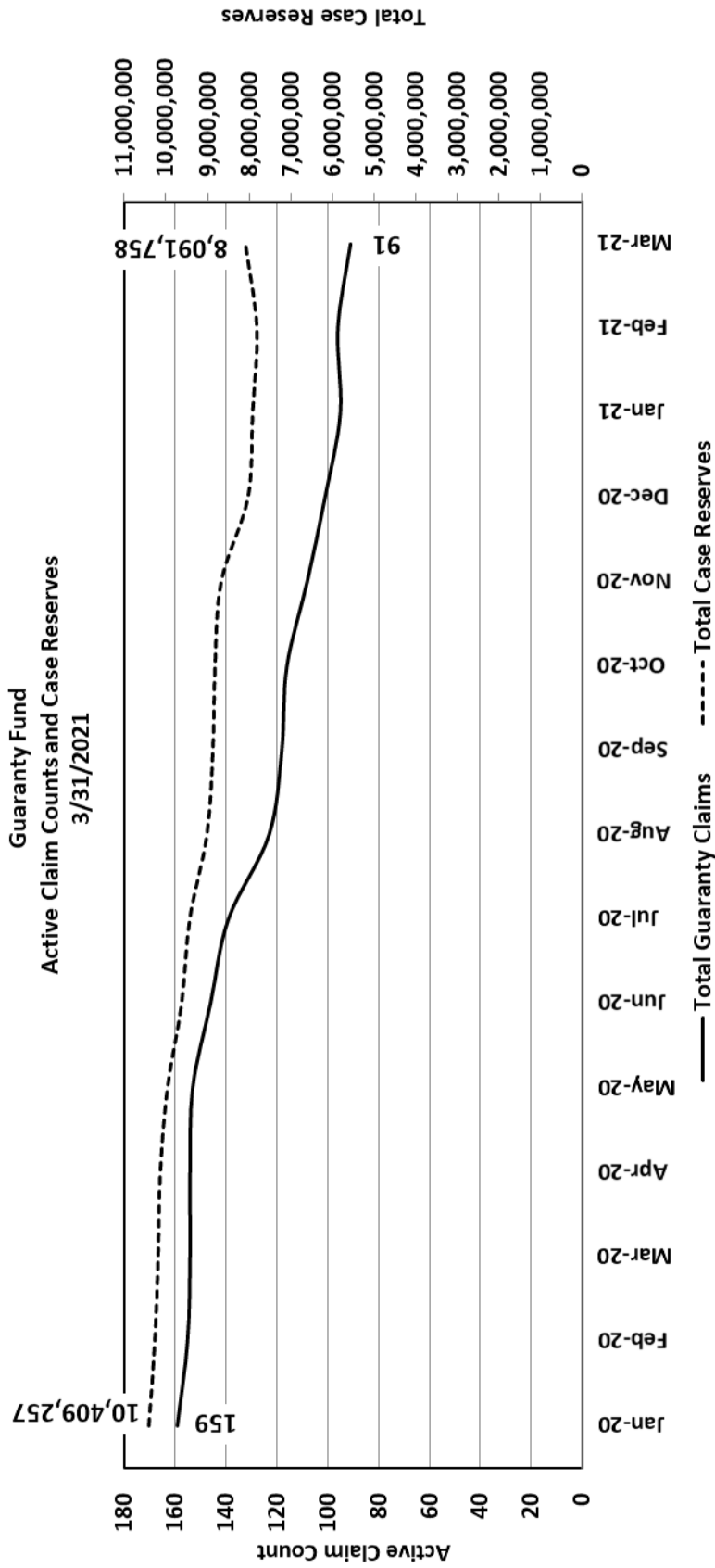
**CWP Fund Reserves by Benefit Type
3/31/2021**



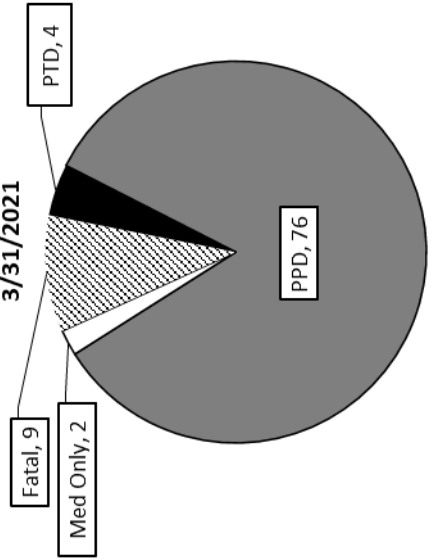
Uninsured Fund
Active Claim Counts and Case Reserves
3/31/2021



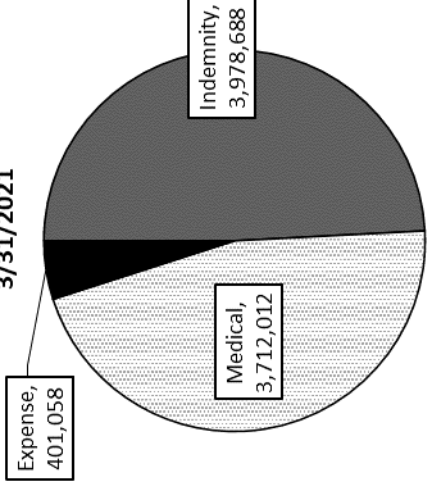
Guaranty Fund
Active Claim Counts and Case Reserves
3/31/2021



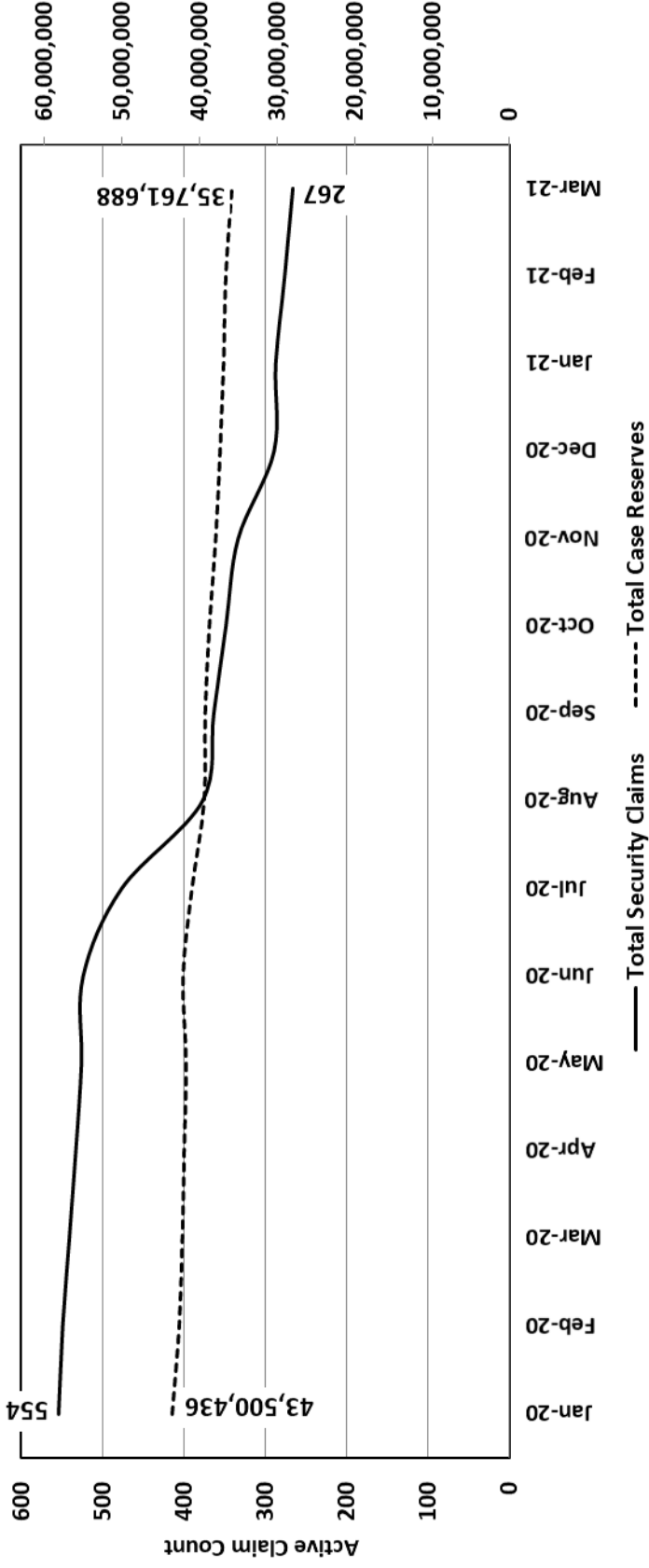
Guaranty Fund
Active Claim Counts
3/31/2021



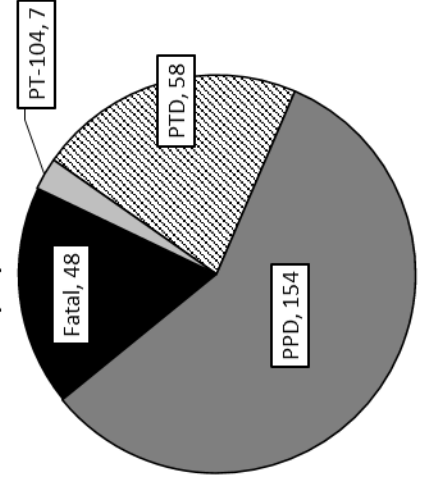
Guaranty Fund Reserves by Benefit Type
3/31/2021



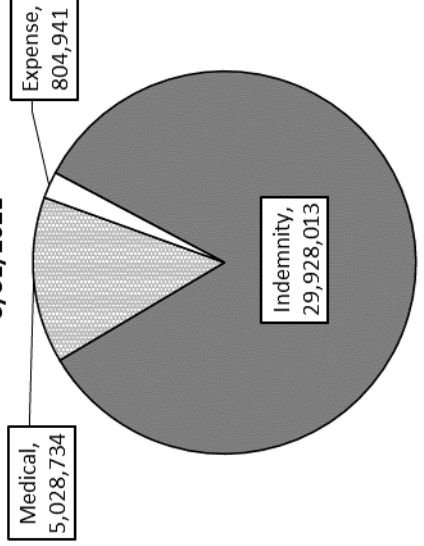
**Security Fund
Active Claim Counts and Case Reserves
3/31/2021**



**Security Fund
Active Claim Counts
3/31/2021**



**Security Fund Reserves by Benefit Type
3/31/2021**



OLD FUND CASH STATEMENT
MARCH 31, 2021

Three Year History for years ended:

	YTD FY2021	YTD FY2020	Change	FY2020	FY2019	FY2018
Cash Beginning Balances	993,229,138	1,077,104,966	(83,875,828)	1,077,104,966	1,190,163,510	1,263,372,448
Revenues						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	-	-	-	812,164	-
Debt Reduction Surcharge	-	-	-	-	4,078,894	6,668,291
Self-Insured Debt Reduction Surcharge	-	-	-	-	1,628,881	2,130,127
Video Lottery	-	-	-	-	-	2,750,000
Employer Premium	179,769	107,069	72,699	138,119	70,302	513,387
Other Income - Return of Unclaimed Property	-	-	-	-	-	273,871
Operating Revenues	179,769	107,069	72,699	138,119	6,590,241	12,335,675
Investment / Interest Earnings (Losses)	147,638,179	58,326,011	89,312,169	48,614,936	17,915,993	67,551,779
Total Revenues	147,817,948	58,433,080	89,384,868	48,753,055	24,506,234	79,887,454
Expenditures						
Claims Benefits Paid:						
Medical	12,590,487	16,308,251	(3,717,764)	21,141,087	21,861,068	25,531,399
Permanent Total Disability	52,797,241	56,972,744	(4,175,503)	75,310,561	81,018,639	86,779,468
Permanent Partial Disability	76,050	57,207	18,843	70,989	120,930	301,824
Temporary Disability	-	(486)	486	(486)	49,001	18,268
Fatals	13,933,637	14,581,524	(647,887)	19,297,908	20,440,045	21,608,332
104 weeks death benefit	4,290,551	3,902,948	387,603	5,474,959	4,630,636	5,182,930
Settlements	2,185,931	3,524,134	(1,338,203)	4,452,419	3,688,819	7,058,622
Loss Adjustment Expenses	879,047	1,298,715	(419,668)	1,603,551	1,400,225	1,324,887
Total	86,752,944	96,645,037	(9,892,093)	127,350,987	133,209,364	147,805,732
Less: Claims credits and overpayments	204,466	765,388	(560,922)	982,782	2,443,869	2,877,784
Total Benefits Paid	86,548,478	95,879,649	(9,331,170)	126,368,205	130,765,495	144,927,948
Administrative Expenses	3,951,149	4,266,233	(315,083)	6,260,679	6,799,283	8,168,444
Total Expenditures	90,499,627	100,145,881	(9,646,254)	132,628,883	137,564,778	153,096,392
Excess (Deficiency) of Revenues over Expenditures	57,318,321	(41,712,801)	99,031,122	(83,875,828)	(113,058,544)	(73,208,938)
Transfer from Operating Fund	15,000,000	-	15,000,000			
Cash Ending Balances	1,065,547,459	1,035,392,165	30,155,294	993,229,138	1,077,104,966	1,190,163,510

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash-based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
MARCH 31, 2021

Three Year History for years ended:

	YTD FY2021	YTD FY2020	Change	FY2020	FY2019	FY2018
Cash Beginning Balances	220,914,521	232,485,887	(11,571,365)	232,485,887	246,768,365	251,313,328
Revenues						
Investment Earnings (Losses)	34,112,358	12,142,506	21,969,852	9,366,126	3,546,660	13,912,317
Other Income - Return of Unclaimed Property	-	-	-	-	-	645
Total Revenues	34,112,358	12,142,506	21,969,852	9,366,126	3,546,660	13,912,961
Expenditures						
Claims Benefits Paid:						
Medical	2,543,597	6,013,416	(3,469,819)	7,541,269	4,623,840	6,709,112
PTD and Fatal Indemnity	6,633,332	6,637,916	(4,583)	8,899,722	8,683,360	7,945,389
Loss Adjustment Expenses	2,608,042	2,975,630	(367,588)	3,933,266	3,620,512	3,165,542
Total	11,784,971	15,626,961	(3,841,991)	20,374,258	16,927,711	17,820,043
Less: Claims Credits and Overpayments	36,576	68,440	(31,864)	360,474	85,884	268,646
Total Benefits Paid	11,748,395	15,558,521	(3,810,127)	20,013,784	16,841,827	17,551,397
Administrative Expenses	568,939	704,821	(135,882)	923,707	987,312	906,527
Total Expenditures	12,317,334	16,263,342	(3,946,009)	20,937,491	17,829,139	18,457,924
Excess (Deficiency) of Revenues over Expenditures	21,795,024	(4,120,836)	25,915,860	(11,571,365)	(14,282,479)	(4,544,963)
Cash Ending Balances	242,709,545	228,365,050	14,344,496	220,914,521	232,485,887	246,768,365

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

SELF-INSURED GUARANTY RISK POOL
MARCH 31, 2021

Three Year History for years ended:

	YTD FY2021	YTD FY2020	Change	FY2020	FY2019	FY2018
Cash Beginning Balances	33,724,356	33,373,873	350,483	33,373,873	34,042,831	33,836,322
Revenues						
Guaranty Risk Pool Assessments	-	-	-	-	(354)	-
Collateral Proceeds	-	-	-	-	252,925	-
Investment Earnings (Losses)	5,267,542	1,744,528	3,523,014	1,367,274	523,349	1,873,190
Total Revenues	5,267,542	1,744,528	3,523,014	1,367,274	775,921	1,873,190
Expenditures						
Claims Benefits Paid:						
Medical	173,794	299,863	(126,069)	346,473	496,368	239,490
Permanent Total Disability	73,313	76,792	(3,479)	102,389	102,389	181,821
Permanent Partial Disability	66,148	176,777	(110,629)	225,842	260,557	522,798
Temporary Disability	-	-	-	-	13,148	56,649
Fatals	155,247	170,106	(14,859)	223,506	226,808	253,055
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	39,699	-	39,699	10,000	125,000	170,000
Non Awarded Partial Disability	-	-	-	-	-	10,904
Loss Adjustment Expenses	40,207	61,934	(21,727)	76,110	112,306	123,706
Total	548,408	785,471	(237,063)	984,319	1,336,576	1,558,423
Less: Claims Credits and Overpayments	63	45,480	(45,417)	45,480	205	12,868
Total Benefits Paid	548,345	739,992	(191,647)	938,840	1,336,371	1,545,555
Administrative Expenses	49,569	58,150	(8,581)	77,951	108,508	121,127
Total Expenditures	597,914	798,142	(200,228)	1,016,791	1,444,879	1,666,682
Excess (Deficiency) of Revenues over Expenditures	4,669,628	946,386	3,723,242	350,483	(668,958)	206,509
Cash Ending Balances	38,393,984	34,320,259	4,073,725	33,724,356	33,373,873	34,042,831

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The assets of the Self-Insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self-Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
MARCH 31, 2021

Three Year History for years ended:

	YTD FY2021	YTD FY2020	Change	FY2020	FY2019	FY2018
Cash Beginning Balances	49,568,499	50,905,481	(1,336,982)	50,905,481	53,404,259	54,448,203
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	7,673,564	2,662,992	5,010,572	2,087,341	770,092	3,015,368
Investment Earnings (Losses)	7,673,564	2,662,992	5,010,572	2,087,341	1,013,099	3,015,368
Total Revenues						
Expenditures						
Claims Benefits Paid:						
Medical	418,834	426,105	(7,271)	549,908	527,648	802,935
Permanent Total Disability	948,839	1,044,527	(95,688)	1,379,159	1,519,062	1,603,037
Permanent Partial Disability	3,620	(60)	3,680	(60)	5,702	-
Temporary Disability	-	-	-	-	-	-
Fatals	661,191	750,984	(89,793)	979,631	1,090,855	1,230,799
104 Weeks Death Benefit	142,544	53,270	89,274	78,073	8,932	37,804
Settlement Agreements	233,821	37,024	196,797	162,665	19,065	207,565
Loss Adjustment Expenses	45,122	99,913	(54,791)	118,818	96,587	88,371
Total	2,453,970	2,411,763	42,207	3,268,194	3,267,851	3,970,511
Less: Claims Credits and Overpayments	72,399	100,385	(27,986)	102,299	54,962	223,585
Total Benefits Paid	2,381,572	2,311,378	70,193	3,165,895	3,212,889	3,746,926
Administrative Expenses	143,431	190,105	(46,674)	258,428	298,987	312,386
Total Expenditures	2,525,003	2,501,483	23,519	3,424,323	3,511,876	4,059,312
Excess (Deficiency) of Revenues over Expenditures	5,148,562	161,509	4,987,052	(1,336,982)	(2,498,778)	(1,043,944)
Cash Ending Balances	54,717,061	51,066,991	3,650,070	49,568,499	50,905,481	53,404,259

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The assets of the Self-Insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self-Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND
MARCH 31, 2021

	Three Year History for years ended:					
	YTD FY2021	YTD FY2020	Change	FY2020	FY2019	FY2018
Cash Beginning Balances	13,817,714	13,211,915	605,799	13,211,915	12,989,971	12,760,544
Revenues						
Fines and Penalties	223,852	300,558	(76,707)	385,577	588,767	436,728
Investment Earnings (Losses)	2,141,007	654,465	1,486,542	517,439	179,479	660,537
Total Revenues	2,364,858	955,023	1,409,836	903,016	768,246	1,097,265
Expenditures						
Claims Benefits Paid:						
Medical	1,856	6,492	(4,636)	7,169	129,612	164,187
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	-	11,608	(11,608)	15,617	30,633	33,025
Temporary Disability	3,048	22,059	(19,012)	22,059	35,751	104,582
Fatals	19,201	37,523	(18,322)	37,816	50,030	50,030
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	40,276	62,000	(21,724)	82,000	106,000	344,000
Loss Adjustment Expenses	23,942	39,012	(15,070)	46,867	52,714	5,846
Total	88,322	178,694	(90,371)	211,528	404,740	701,671
Less: Claims Credits and Overpayments	40,857	7,535	33,322	7,535	50,676	47,333
Total Benefits Paid	47,465	171,159	(123,694)	203,993	354,064	654,338
Administrative Expenses	2,760	91,007	(88,247)	93,224	192,238	213,501
Total Expenditures	50,225	262,166	(211,941)	297,217	546,302	867,839
Excess (Deficiency) of Revenues over Expenditures	2,314,633	692,857	1,621,776	605,799	221,944	229,426
Cash Ending Balances	16,132,347	13,904,772	2,227,575	13,817,714	13,211,915	12,989,971

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

BOARD OF TREASURY
INVESTMENTS

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
April 22, 2021

OPERATING REPORT

MARCH 2021

Board of Treasury Investments

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

Board of Directors

Riley M. Moore,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Glenda Probst,
Appointed by the
Governor

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

Executive Staff

Executive
Director

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

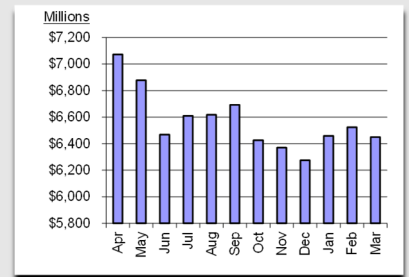
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$6,450,098,000

Last Month
\$6,524,149,000

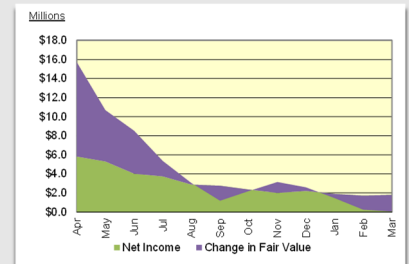
Beginning of Fiscal Year
\$6,467,527,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$19,234,000



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

Money Market Pools

As of March 31, 2021

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.0972%	53 Days	\$5.1 Billion
WV Gov't Money Market	0.0210%	52 Days	\$262.1 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

MARCH 2021

Stimulus and Vaccinations

Market Results

Global equities ended the first quarter in the black as ongoing inoculations and fresh fiscal stimulus in the U.S. provided a supportive environment for risk assets. Domestic equities outperformed their global counterparts with the S&P 500 Index increasing 4.4% in March; non-U.S. equities were negatively impacted by a strengthening dollar, though the MSCI All Country World Index eked out a 2.7% gain for the month.

Meanwhile, Treasury yields continued their upward trend in March, reflecting the improving outlook for growth and the expectations of a tick-up in inflation. The 10- and 30-year Treasury yields increased 28 and 23 basis points, respectively, during the month. The significant move in interest rates negatively impacted broad fixed-income returns; longer-duration indexes experienced the largest declines with the Barclays U.S. Long Treasury Index down 5% in March.

Despite the upward movement in inflation expectations, the Federal Reserve held interest rates steady during its March meeting and announced it would maintain its pace of asset purchases until there is further progress on employment and inflation goals. The updated median dot plot reflects no change in the Fed Funds rate through 2023 – signaling the central bank’s belief that inflation will not sustainably breach the target – while market futures are now pricing in almost three hikes over that same period.

In real assets, spot WTI Crude Oil fell 3.9% last month, though the commodity remains up 22.4% for the quarter. The decline underscored a stronger dollar, increased inventories, and renewed concerns around demand in Europe given the uncertainty around the ongoing vaccine roll out.

Market Outlook

The broadly improving macroeconomic backdrop has resulted in higher growth and inflation expectations in the near term. While the corresponding increase in interest rates is notable, we continue to advocate for investors to maintain a dedicated allocation to Treasuries to support liquidity levels and cash flow needs in the event of a market dislocation. Further, the ongoing support from monetary and fiscal interventions continues to provide a supportive environment for equities. As such, we encourage investors to maintain strategic equity targets even in the face of modestly higher interest rates.

West Virginia Board of Treasury Investments Financial Highlights as of March 31, 2021

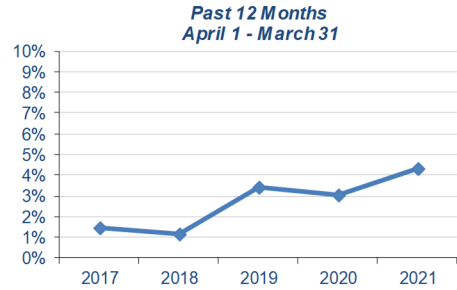
WV Short Term Bond Pool

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

<u>April 1 - March 31</u>	<u>Return</u>	<u>Net Assets At Mar 31 (In Millions)</u>
2021	4.3%	\$ 797.6
2020	3.0%	\$ 804.2
2019	3.4%	\$ 726.5
2018	1.1%	\$ 705.8
2017	1.5%	\$ 758.0

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

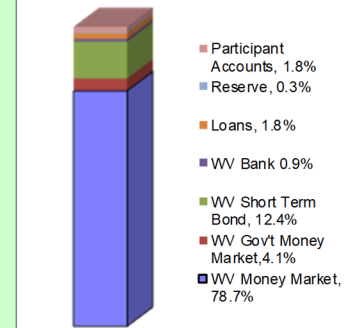
WV Short Term Bond Pool Rates of Return



Summary of Value and Earnings *(In Thousands)*

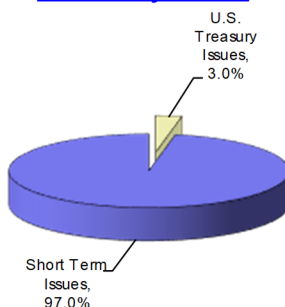
<u>Pool</u>	<u>Net Asset Value</u>	<u>Mar Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 5,075,092	\$ 427	\$ 7,152
WV Gov't Money Market	262,122	5	166
WV Short Term Bond	797,644	(635)	9,521
WV Bank	60,214	10	155
Loans	118,023	166	1,449
Reserve	19,935	3	29
Participant Accounts	117,068	88	762
	<u>\$ 6,450,098</u>	<u>\$ 64</u>	<u>\$ 19,234</u>

Percent of Total Net Asset Value

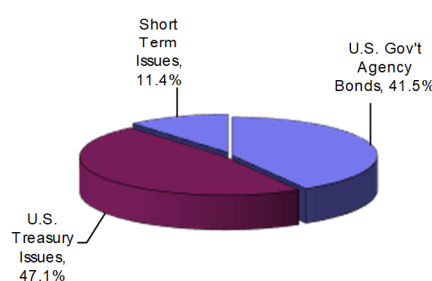


Securities by Type for Operating Pools *(Percentage of Asset Value)*

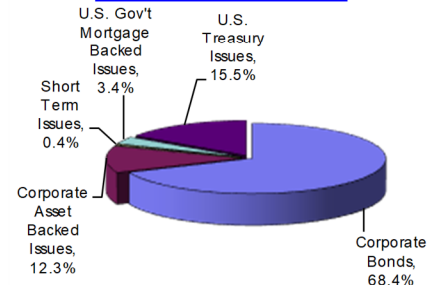
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

MARCH 31, 2021

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 5,125,473	\$ 262,183	\$ -	\$ 60,181	\$ 137,794	\$ -	\$ 5,585,631
At fair value	-	-	801,930	-	-	116,620	918,550
Other assets	688	6	3,563	37	171	449	4,914
Total assets	<u>5,126,161</u>	<u>262,189</u>	<u>805,493</u>	<u>60,218</u>	<u>137,965</u>	<u>117,069</u>	<u>6,509,095</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased							
	51,069	67	7,849	4	7	1	58,997
Total liabilities	<u>51,069</u>	<u>67</u>	<u>7,849</u>	<u>4</u>	<u>7</u>	<u>1</u>	<u>58,997</u>
Net Position							
Held in trust for investment pool participants	5,075,092	262,122	797,644	60,214	137,958	-	6,333,030
Held in trust for individual investment account holders	-	-	-	-	-	117,068	117,068
Total net position	<u>\$ 5,075,092</u>	<u>\$ 262,122</u>	<u>\$ 797,644</u>	<u>\$ 60,214</u>	<u>\$ 137,958</u>	<u>\$ 117,068</u>	<u>\$ 6,450,098</u>
Additions							
Investment income:							
Interest and dividends	\$ 199	\$ 4	\$ 1,447	\$ 11	\$ 171	\$ 96	\$ 1,928
Net (amortization) accretion	469	11	(297)	-	-	(1)	182
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>668</u>	<u>15</u>	<u>1,150</u>	<u>11</u>	<u>171</u>	<u>95</u>	<u>2,110</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	241	10	57	1	2	-	311
Total investment expenses	<u>241</u>	<u>10</u>	<u>57</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>311</u>
Net investment income	427	5	1,093	10	169	95	1,799
Net realized gain (loss) from investments	-	-	22	-	-	-	22
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(1,757)</u>
Net increase (decrease) in net position from operations	427	5	(635)	10	169	88	64
Participant transaction additions:							
Purchase of pool units by participants	1,189,669	29,906	7,000	8	3	-	1,226,586
Reinvestment of pool distributions	427	5	1,613	10	169	-	2,224
Contributions to individual investment accounts	-	-	-	-	-	11,987	11,987
Total participant transaction additions	<u>1,190,096</u>	<u>29,911</u>	<u>8,613</u>	<u>18</u>	<u>172</u>	<u>11,987</u>	<u>1,240,797</u>
Total additions	1,190,523	29,916	7,978	28	341	12,075	1,240,861
Deductions							
Distributions to pool participants:							
Net investment income	427	5	1,093	10	169	-	1,704
Net realized gain (loss) from investments	-	-	22	-	-	-	22
Total distributions to pool participants	<u>427</u>	<u>5</u>	<u>1,115</u>	<u>10</u>	<u>169</u>	<u>-</u>	<u>1,726</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,263,323	21,806	27,855	8	149	-	1,313,141
Withdrawals from individual investment accounts	-	-	-	-	-	45	45
Total participant transaction deductions	<u>1,263,323</u>	<u>21,806</u>	<u>27,855</u>	<u>8</u>	<u>149</u>	<u>45</u>	<u>1,313,186</u>
Total deductions	<u>1,263,750</u>	<u>21,811</u>	<u>28,970</u>	<u>18</u>	<u>318</u>	<u>45</u>	<u>1,314,912</u>
Net increase (decrease) in net position from operations	(73,227)	8,105	(20,992)	10	23	12,030	(74,051)
Inter-pool transfers in	-	-	-	10,000	-	-	10,000
Inter-pool transfers out	(10,000)	-	-	-	-	-	(10,000)
Net inter-pool transfers in (out)	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(83,227)	8,105	(20,992)	10,010	23	12,030	(74,051)
Net position at beginning of period	5,158,319	254,017	818,636	50,204	137,935	105,038	6,524,149
Net position at end of period	<u>\$ 5,075,092</u>	<u>\$ 262,122</u>	<u>\$ 797,644</u>	<u>\$ 60,214</u>	<u>\$ 137,958</u>	<u>\$ 117,068</u>	<u>\$ 6,450,098</u>