



West Virginia
Consolidated Public Retirement Board

Component Unit of the State of West Virginia



Comprehensive Annual Financial Report

Fiscal Years Ending
June 30, 2013
and
June 30, 2012



West Virginia Consolidated Public Retirement Board

Component Unit of the State of West Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended June 30, 2013 and 2012

The West Virginia Consolidated Public Retirement Board Administers the Following Retirement Plans:

Public Employees' Retirement System
Teachers' Retirement System
State Police Death, Disability, and Retirement System
State Police Retirement System
Deputy Sheriff Retirement System
Judges' Retirement System
Emergency Medical Services Retirement System
Municipal Police Officers & Firefighters Retirement System
Teachers' Defined Contribution Retirement System

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Celebrating 150 Years of Statehood

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INTRODUCTORY SECTION



West Virginia Statehood Commemorative Stamp



Board Members
 Governor Earl Ray Tomblin
 Auditor Glen B. Gainer III, Vice Chairman
 Treasurer John D. Perdue
 Cabinet Secretary Ross Taylor

State of West Virginia
Consolidated Public Retirement Board

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 Charleston, West Virginia 25304-1636
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 email: cprb@wv.gov
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Board Members
 David L. Wyant, Chairman
 Thomas Bradley
 Joseph Bunn
 Captain Michael G. Corsaro
 Drema B. Evans
 Joe Lynch
 D. Todd Murray
 Tony Payne
 Andrew Richardson

Executive Director
 Jeffrey E. Fleck

December 30, 2013

The Board of Directors
 The West Virginia Consolidated Public
 Retirement Board
 4101 MacCorkle Ave, S.E.
 Charleston, WV 25304

Dear Board Members:

It is with pleasure and honor that we submit our Comprehensive Annual Financial Report (CAFR) of the West Virginia Consolidated Public Retirement Board (WVCPRB) for the fiscal year ended June 30, 2013. The West Virginia Consolidated Public Retirement Board includes the Public Employees Retirement System (PERS), the Teachers Retirement System (TRS), the Teachers Defined Contribution Retirement System (TDCRS), the State Police Death, Disability, and Retirement System (SPDDRS), the State Police Retirement System (SPRS), the Deputy Sheriffs Retirement System (DSRS), the Judges Retirement System (JRS), the Emergency Medical Service Retirement System (EMSRS), and the Municipal Police Officers and Firefighters Retirement System (MPOFRS). Each system is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, the financial information contained in this report is also included in the State of West Virginia's Comprehensive Annual Financial Report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation including all disclosures, rests with the management of the WVCPRB. Sufficient internal controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements, supporting schedules, and statistical tables. We trust that you and the members of the Systems administered by the WVCPRB will find this report helpful in understanding your retirement system.

Administration and Plan History

The PERS, TRS, TDCRS, SPDDRS, DSRS, EMSRS, MPOFRS, SPRS and JRS operate under common management and are collectively referred to as The West Virginia Consolidated Public Retirement Board. In addition to executive management, these plans share accounting and information services, the costs of which are allocated to the funds on an equitable basis. The plans were established under various provisions of the Legislature to provide benefits to qualified persons employed by State-supported institutions, entities and components. Additional information regarding the administration and history of each system, including laws establishing the plan and services provided, can be found in the *Financial Section-Notes to the Financial Statements* portion of this report.

Financial Information

Accounting Method - As required by Generally Accepted Accounting Principles (GAAP), the financial information of the PERS, TRS, SPDDRS, TDCRS, DSRS, EMSRS, MPOFRS, SPRS and JRS is reported on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the corresponding liability is incurred. Investments are reported at fair value.

Internal Controls - The management of the West Virginia Consolidated Public Retirement Board is responsible for maintaining the system of internal controls (system). The system provides management with reasonable, but not absolute assurance regarding the safeguarding of assets against loss of unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Summary Comparative Data - Management's Discussion and Analysis (MD&A) includes a narrative introduction, an overview of the financial statements, including the notes and required supplementary information, and summary comparative data for fiscal years 2013 and 2012. Also, an analysis of significant variances between fiscal years 2013 and 2012 is provided in the MD&A.

Plan Financial Condition

The funding objective of the WVCPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percent of member payroll over time, and through investment earnings. During the year ended June 30, 2012, the funded ratios of the 8 defined benefit plans administered by the WVCPRB showed a very narrow decrease. This was due to a relatively flat investment market during the 2012 fiscal year, which served as the basis for our beginning of year valuation date, but bolstered by continued funding of the closed amortization schedule of the Unfunded Actuarial Accrued Liability. The funded percentages for PERS, TRS, SPDDRS, SPRS, DSRS, JRS, EMSRS and MPOFRS for fiscal 2012 were 77.6%, 53.0%, 72.0%, 87.9%, 74.9%, 128.7%, 80.4% and 224.4%, respectively. Historical information concerning funding progress is presented in the *required Supplementary Information* - "Schedule of Funding Progress".

Investment Activity

Total investments for the WVCPRB increased in fiscal year 2013, primarily due to both an increase in the fair market value of the investments and the income they produced. The investment balances for PERS, TRS, SPDDRS, SPRS, DSRS, JRS, EMSRS, MPOFRS and TDCRS at June 30, 2013 were \$4.848 billion, \$5.717 billion, \$520.3 million, \$96.1 million, \$135.4 million, \$141.4 million, \$42.6 million, \$504 thousand and \$346.8 million respectively compared to investment balances for the PERS, TRS, SPDRS, SPRS, DSRS, JRS, EMSRS, MPOFRS and TDCRS of \$4.352 billion, \$5.112 billion, \$477.3 million, \$78.7 million, \$116.3 million, \$126.3 million, \$35.2 million, \$189 thousand and \$310.2 million, respectively, for the fiscal year ended June 30, 2012.

Interest and dividend income for the PERS, TRS, SPDDRS, SPRS, DSRS, JRS, EMSRS, MPOFRS and TDCRS for the fiscal year ended June 30, 2013, was \$24.03 million, \$52.42 million, \$2.56 million, \$460 thousand, \$715 thousand, \$700 thousand, \$206 thousand, \$1 thousand and \$23 thousand, respectively, compared to \$34.69 million, \$36.45 million, \$3.75 million, \$596 thousand, \$951 thousand, \$989 thousand, \$269 thousand, \$0 and \$0, respectively, for the fiscal year ended June 30, 2012. The increase in fair value of investments for the PERS, TRS, SPDDRS, SPRS, DSRS, JRS, EMSRS, MPOFRS and TDCRS for the fiscal year 2013 was \$541.33 million, \$602.27 million, \$58.18 million, \$10.04 million, \$14.63 million, \$15.68 million, \$4.48 million, \$31 thousand and \$37.66 million, respectively, compared to the increase in fair value of investments of \$11.44 million, \$9.67 million, \$630 thousand, \$228 thousand, \$302 thousand, \$262 thousand, \$92 thousand, \$4 thousand and 4.12 million, respectively, for fiscal year 2012. Additional information concerning investments, including investment policies and procedures, is located in the investment section of this Comprehensive Annual Financial Report.

Management's Discussion and Analysis

GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report.

Professional Services

Professional consultants are engaged by the Board to perform certain professional services that are essential to the effective operation of the respective plans. The Certification letters from our internal actuary are included in this report. The professional consultants engaged by the Board are listed in the Introductory Section of this report.

Financial Statement Audit

Gibbons and Kawash, A.C., Certified Public Accountants, issued an unmodified ("clean") opinion on the West Virginia Consolidated Public Retirement Board's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is located at the front of the Financial Section of this report.

Highlights and Initiatives

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Virginia Consolidated Public Retirement Board for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

During 2013, CPRB staff held educational outreach sessions throughout the state for potential retirees as well as employers. Staff also provided retirement estimates to approximately 5,000 people and set an all-time record for most retirements processed in a year with 3,339.

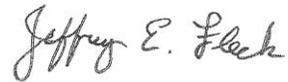
Constantly seeking to improve our processes, the CPRB is proceeding with the procurement of a major overhaul of our line of business solution. During the coming year, the CPRB will embark on a new computer system project that, when completed, will enhance the experience of the members and retirees as well as improve the accuracy and consistency in the administration of the plans. In the meantime, during the past year we have updated our website to make it more user friendly and have equipped it with a retirement calculator, including joint and survivor annuity options.

Acknowledgments

The compilation of this report reflects the combined effort of the staff of the West Virginia Consolidated Public Retirement Board under the leadership of its Executive Director and the Guidance of the Board Members. It is intended to provide extensive and reliable information as a basis for making management decisions, determining compliance with legal provisions, and determining responsible stewardship of the funds of the PERS, TRS, SPDDRS, SPRS, DSRs, JRS, EMSRS, MPOFRS and TDCRS.

We would like to take this opportunity to express our gratitude to the staff, the Governor, the Board of Directors, the consultants, the legislature, and the many people who have worked so diligently through continued cooperative efforts to assure the successful operation and financial soundness of the PERS, TRS, SPDDRS, SPRS, DSRS, JRS, EMSRS, MPOFRS and TDCRS systems.

Sincerely,

Handwritten signature of Jeffrey E. Fleck in cursive.

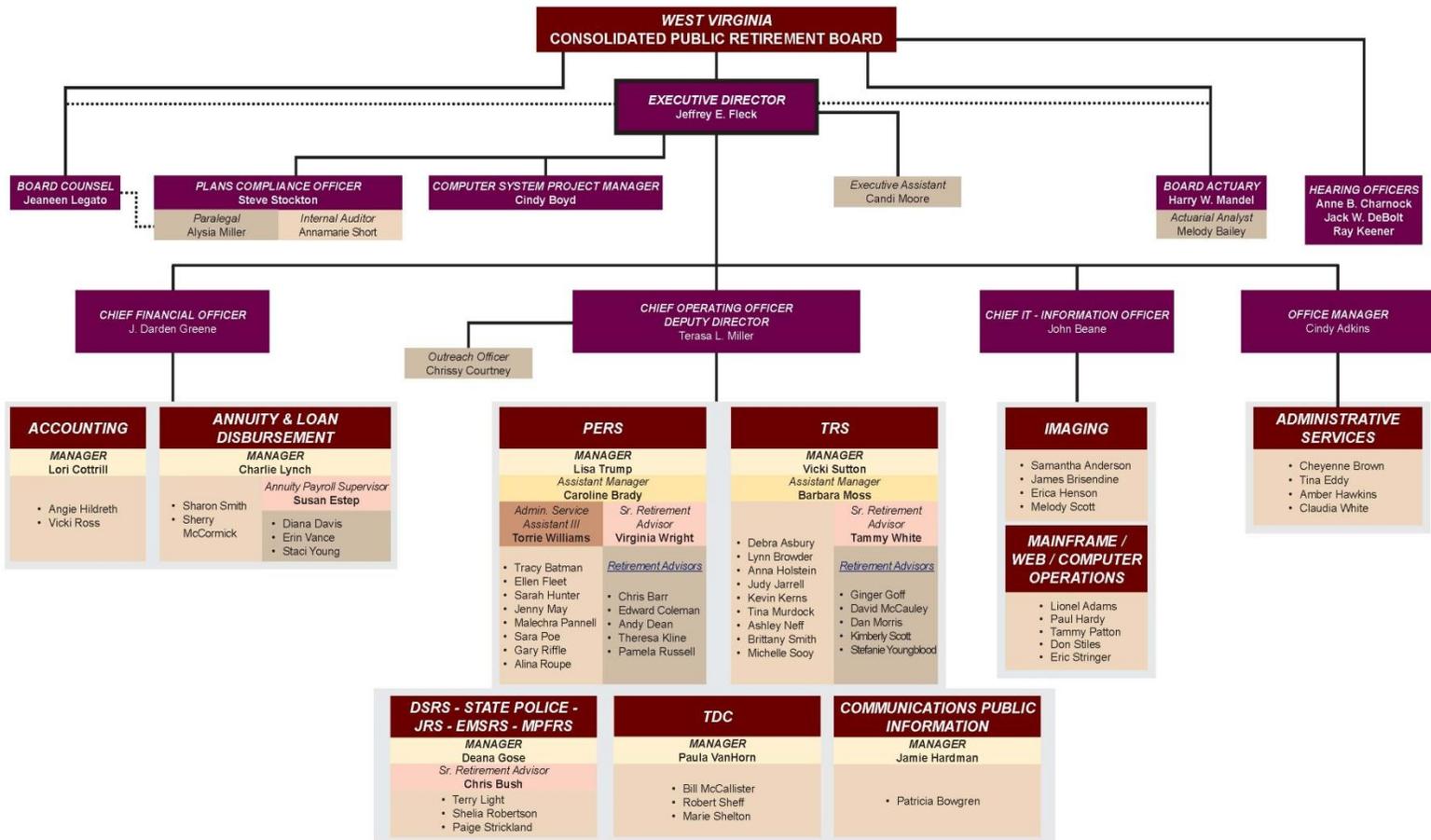
Jeffrey E. Fleck
Executive Director

Handwritten signature of J. Darden Greene in cursive.

J. Darden Greene, CPA
Chief Financial Officer

INTRODUCTORY SECTION

Organization Chart



West Virginia Consolidated Public Retirement Board

Board of Trustees

Chairman - David L. Wyant
Governor - Earl Ray Tomblin
State Auditor/Vice-Chairman - Glen B. Gainer, III
State Treasurer - John D. Perdue
Cabinet Secretary, State Department of Administration - Ross Taylor
Joseph Bunn
Captain Michael G. Corsaro
Joe Lynch
D. Todd Murray
SGT. Tony Payne
Andrew Richardson

INTRODUCTORY SECTION

Staff and Advisors

West Virginia Consolidated Public Retirement Board

Administrative Staff

Executive Director - Jeffrey E. Fleck
Executive Assistant - Candi E. Moore
Chief Operating Officer/Deputy Director - Terasa L. Miller
Administrative Services Manager - Cindy L. Adkins
Chief Financial Officer - J. Darden Greene
Accounting Manager - Lori A. Cottrill
Loan & Benefit Manager - Charles A. Lynch
Actuary - Harry W. Mandel
Contract Legal Counsel - Jeaneen J. Legato
TRS Manager - Vicki L. Sutton
PERS Manager - Lisa M. Trump
TDC Manager - Paula M. Vanhorn
Communications/Public Information Manager - Jamie E. Hardman
Uniformed Services Manager - Deana L. Gose
Compliance Officer - Stephen B. Stockton
Chief IT/Information Officer - John J. Beane

Advisors

Bowles, Rice, LLP, Attorneys
Buck Consultants, Consulting Actuary
West Virginia Investment Management Board, Investment Manager
Gibbons & Kawash, A.C., Independent Certified Public Accountants
LRWL, Inc., Information Technology

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The West Virginia
Consolidated Public Retirement
Board**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



FINANCIAL SECTION



Fireworks Display During 150th Birthday Celebration

INDEPENDENT AUDITOR'S REPORT

To the Members of the
West Virginia Consolidated Public
Retirement Board
Charleston, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the pension funds of the West Virginia Consolidated Public Retirement Board (the Board), a component unit of the State of West Virginia, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the pension funds of the West Virginia Consolidated Public Retirement Board, as of June 30, 2013 and 2012, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 21, and the schedules of funding progress and schedules of contributions from employers and other contributing entities on pages 65 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying schedules on pages 73 to 74 and the introductory, investment, actuarial, and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules on pages 73 to 74 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules on pages 73 to 74 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Charleston, West Virginia
December 16, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The Management of the West Virginia Consolidated Public Retirement Board (the Board) provides this discussion and analysis as an overview of the Board's financial activities for the fiscal years ended June 30, 2013 and June 30, 2012. This section should be read in conjunction with the Independent Auditor's Report, the audited financial statements, and the accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

- The plan net position (total assets minus total liabilities) of the Board at June 30, 2013 was \$12.04 billion, increasing over 1.2 billion (11.34%) from the plan net position at June 30, 2012. This represents a significantly higher increase in change in plan net position from fiscal year 2011 to 2012 of only a \$71 million increase (67%). The net position is held in trust to meet future benefit obligations.
- Contribution revenue for fiscal year 2013 totaled \$842.5 million; a decrease of 3.3% compared to fiscal year 2012 contribution revenue of \$870.9 million primarily due to a reduction in employer contribution rate for the Public Employees Retirement System during the fiscal year. The contribution revenue for fiscal year 2011 was \$852.9, 2.11% less than fiscal year 2012.
- Net investment income for fiscal year 2013 was \$1.365 billion. During fiscal year 2013, the Board received a significantly higher investment return on its portfolio compared to 2012. Net investment income for fiscal year 2011 was \$1.766 billion, significantly greater than the net investment income of just \$104 million in fiscal year 2012 as a result of softer investment markets.
- Total benefits, refunds and forfeitures expenses incurred for fiscal year 2013 were \$1.022 billion, an increase of 6.55% over fiscal year 2012 total benefits, refunds and forfeitures expenses incurred of \$959.3 million, while these same incurred expenses totaled \$891.5 million in fiscal year 2011, 7.60% less than fiscal year 2012.
- Total administrative expenses for fiscal year 2013 were \$9.93 million, a 3.22% increase from fiscal year 2012 administrative expenses of \$9.62 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Board's financial statements consist of *Statements of Plan Net Position*, and *Statements of Changes in Plan Net Position*, and the *Notes to the Financial Statements*. In addition, *Required Supplementary Information* is presented, which includes the *Management's Discussion and Analysis*.

The *Statements of Plan Net Position* and *Statements of Changes in Plan Net Position* report information about the plan net position (total assets in excess of total liabilities) as of the end of the fiscal year and the changes in plan net position during the fiscal year. These statements include all assets and liabilities using the accrual basis of accounting. Under the accrual basis of accounting, the current year's revenues and expenses are included in the financial activity, regardless of when cash is received or paid. The difference between the total assets and total liabilities on the *Statements of Plan Net Position*, or net position held in trust for pension benefits, provides a measurement of the financial position of the Board as of the end of the fiscal year. The *Statements of Changes in Plan Net Position* provides information on the activities that caused the financial position to change during the fiscal year. Over time, increases or decreases in the plan net position of the Board are one indicator of whether the Board's financial health is improving or deteriorating.

In addition to the two financial statements, the reader should also review the *Schedules of Funding Progress* and the *Schedules of Employer Contributions* to gain an understanding of the funded status of the Board over time. This information provides an indication of the Board's ability to meet both the current and future benefit payment obligations. The *Notes to the Financial Statements* are also essential to the reader's understanding of the financial statements and provide additional information regarding the Board, such as descriptions of the plans administered by the Board, including contribution and benefit provisions, and information about the accounting policies and investment activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

ANALYSIS OF ASSETS, LIABILITIES AND PLAN NET POSITION

At June 30, 2013, the Board had plan net position (total assets in excess of total liabilities) of \$12.04 billion, an increase of over \$1.2 billion from \$10.81 billion at June 30, 2012. Net plan position increased just \$70.9 million from fiscal year 2011 to fiscal year 2012 primarily due to softer investment markets. The assets of the Board consist primarily of investments. The increase in plan assets is primarily the result of strong investment returns in equity and fixed income markets. Condensed financial information comparing the Board's plan net position for the past three fiscal years follows:

PLAN NET POSITION (in thousands)

	<u>June 30, 2013</u>	<u>June 30, 2012 Restated</u>	FY13-12 Percentage Change	<u>June 30, 2011 Restated</u>	FY12-11 Percentage Change
<u>ASSETS</u>					
Cash	\$ 14,351	\$ 8,288	73.15 %	\$ 7,597	9.10 %
Investments at fair value	11,848,184	10,607,896	11.69 %	10,490,678	1.12 %
Contributions receivable	36,711	34,470	6.50 %	63,366	(45.60) %
Participant loans receivable	5,805	7,303	(20.51) %	9,682	(24.57) %
Miscellaneous revenue receivable	217	191	13.61 %	81	135.80 %
Due from State of West Virginia	<u>145,000</u>	<u>165,000</u>	(12.12) %	<u>180,000</u>	(8.33) %
	<u>12,050,268</u>	<u>10,823,148</u>	11.34 %	<u>10,751,404</u>	0.67 %
<u>LIABILITIES AND PLAN NET POSITION</u>					
Liabilities:					
Accrued expenses and other payables	<u>11,863</u>	<u>10,859</u>	9.25 %	<u>9,766</u>	11.19 %
Net position held in trust for pension benefits	<u>\$ 12,038,405</u>	<u>\$ 10,812,289</u>	11.34 %	<u>\$ 10,741,638</u>	0.66 %

ANALYSIS OF REVENUES AND EXPENSES

Contributions to the Board for fiscal year 2013 decreased by \$28.4 million (3.26%) over contributions for fiscal year 2012. With the increase of net investment income of \$1.261 billion for fiscal year 2013, the overall increase in revenues for 2013 was \$1.218 billion compared to revenues for fiscal year 2012. The net investment income for fiscal year 2012 was significantly less than fiscal year 2011 due to nearly flat returns during fiscal year 2012. The net investment income for fiscal year 2012 decreased compared to fiscal year 2011 by \$1.66 billion.

Total benefits, refunds and forfeitures expenses incurred during the year ended June 30, 2013 were \$1.022 billion, an increase of 6.55% over fiscal year 2012. Total benefits, refunds and forfeitures paid during the year ended June 30, 2012 were \$959.3 million, an increase of 7.60% over fiscal year 2011 total benefits, refunds and forfeitures expenses incurred totaling \$891.5 million. The increase in benefit expenses for fiscal year 2013 is attributed to more retirees receiving benefits during this fiscal year. The increase in benefit expenses in fiscal year 2012 can also be attributed to more retirees receiving benefits during this fiscal year. Total refunds paid increased \$693 thousand (2.50%) in fiscal year 2013 from fiscal year 2012. Total refunds paid had increased \$934 million (3.48%) in fiscal year 2012 over fiscal year 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

ANALYSIS OF REVENUES AND EXPENSES (Continued)

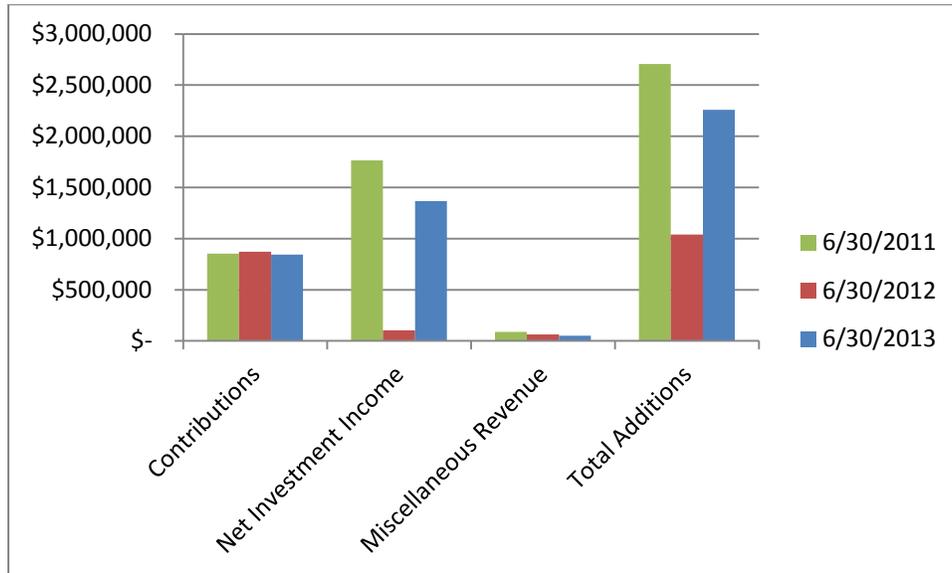
Administrative expenses for the year ended June 30, 2013 were \$9.93 million, an increase of 3.21% from fiscal year 2012 administrative expenses. The increase was primarily due to changes in the number of plan participants and budgetary increases deemed necessary for several expense areas. Administrative expenses for the year ended June 30, 2012 were \$9.62 million, an increase of 4.73% over fiscal year 2011 administrative expenses totaling \$9.187 million.

CHANGES IN PLAN NET POSITION (in thousands)

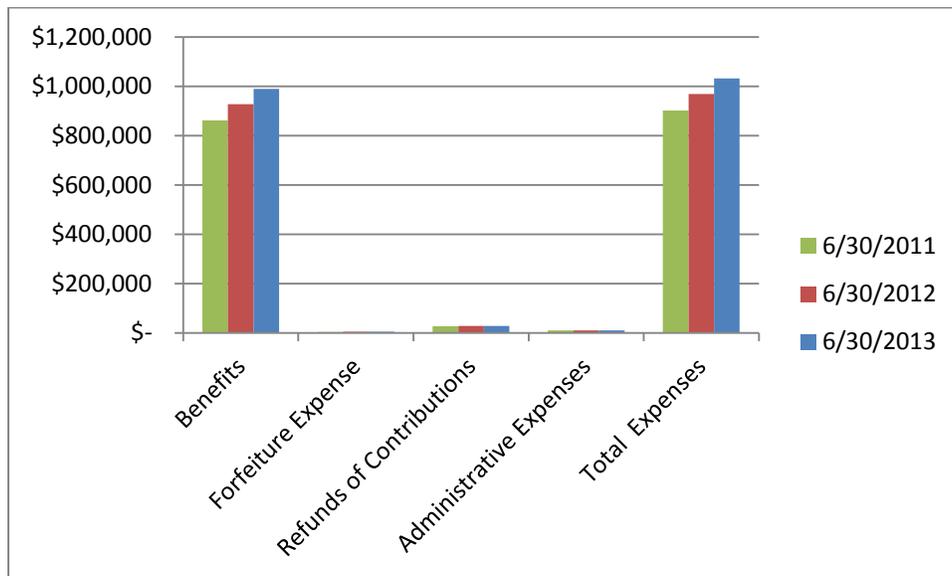
	2013	2012 Restated	FY13-Y12 Percentage Change	2011 Restated	FY12-Y11 Percentage Change
Additions:					
Contributions:					
Member contributions	\$ 169,184	\$ 168,466	0.43 %	\$ 162,116	3.92 %
Employer contributions	<u>673,357</u>	<u>702,477</u>	(4.15) %	<u>690,842</u>	1.68 %
Total contributions	<u>842,541</u>	<u>870,943</u>	(3.26) %	<u>852,958</u>	2.11 %
Investment income:					
Net increase in fair value of investments	1,284,292	26,745	4,701.99 %	1,690,280	(98.42) %
Investment income	<u>81,116</u>	<u>77,688</u>	4.41 %	<u>75,388</u>	3.05 %
Net investment income	1,365,408	104,433	1,207.45 %	1,765,668	(94.09) %
Other income	<u>50,276</u>	<u>64,510</u>	(22.06) %	<u>86,924</u>	(25.79) %
Total additions	<u>2,258,225</u>	<u>1,039,886</u>	117.16 %	<u>2,705,550</u>	(61.56) %
Deductions and transfers:					
Benefit expense	989,067	926,708	6.73 %	861,211	7.61 %
Forfeiture expense	4,641	4,817	(3.65)	3,456	39.38 %
Refunds of contributions/w ithdraw als	28,468	27,775	2.50 %	26,841	3.48 %
Administrative expense	9,931	9,622	3.21 %	9,187	4.73 %
Disability recertification fee	<u>2</u>	<u>-</u>	-	<u>-</u>	
Total deductions and transfers	<u>1,032,109</u>	<u>968,922</u>	6.52 %	<u>900,695</u>	7.57 %
Net increase in plan net position	1,226,116	70,964	1,627.80 %	1,804,855	(96.07) %
Net position held in trust for pension benefits:					
Beginning of year	<u>10,812,289</u>	<u>10,741,325</u>	0.66 %	<u>8,936,783</u>	20.19 %
End of year	<u>\$ 12,038,405</u>	<u>\$ 10,812,289</u>	11.34 %	<u>\$ 10,741,638</u>	0.66 %

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

ADDITIONS BY TYPE (in thousands)



DEDUCTIONS BY TYPE (in thousands)



MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

ECONOMIC FACTORS, FUTURE FUNDING PROVISIONS, OVERALL OUTLOOK

Economic Factors

The defined benefit pension plans are funded with the expectation that they will return 7.5 percent on the invested assets. When that return is not achieved, there is an increase in the unfunded liability. When a return greater than 7.5 percent is achieved, there is a decrease in the unfunded liability. The turmoil in the capital markets in fiscal year 2009 and the subsequent negative return for invested assets increased the unfunded liability causing an increase in employer contributions in previous years. Positive returns during fiscal 2013 and conservative funding policies continue to reduce the unfunded liability.

The return for fiscal year 2013 exceeded the 7.5 percent target rate. The return in fiscal year 2013 follows an extremely modest year of returns in 2012. In aggregate, the three years ending June 30, 2013 have produced an annualized return in excess of the 7.5 percent long term expectation. The ten-year average return also increased slightly as a result of the positive returns during the fiscal year. Still, it will likely take the world's economies many years to recover from the credit crisis of 2008, creating significant challenges in achieving investment performance targets.

CONTACTING THE BOARD

This report is designed to provide a financial overview of the Board to state legislators, members of the Board of Trustees, state officials, participating employers and any other interested parties. Questions or requests for additional information regarding the financial information presented in this report may be addressed in writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue, S.E. Charleston WV 25304.

FINANCIAL SECTION

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

STATEMENTS OF PLAN NET POSITION - PENSION FUNDS

(In Thousands)

June 30, 2013

	Public Employees' Retirement System	Teachers' Retirement System	State Police Death, Disability, and Retirement System	State Police Retirement System
<u>ASSETS</u>				
Cash	\$ 524	\$ 3	\$ -	\$ -
Investments at fair value:				
Mutual funds	-	-	-	-
Large cap equity	904,359	1,050,238	99,298	17,753
Non-large cap equity	319,921	368,809	33,901	6,206
International qualified	442,639	509,827	46,721	8,576
International equity	803,747	934,106	85,986	15,716
Private equity	471,951	541,454	51,009	8,957
Real estate	398,384	459,886	41,932	7,718
Total return fixed income	588,504	654,399	63,935	12,210
Core fixed income	315,251	350,612	34,213	6,525
Hedge fund	493,933	569,704	52,043	9,617
TRS annuity	-	(94)	-	-
Short term fixed income	15,495	169,739	1,297	980
TIPS	94,193	108,903	9,988	1,834
	4,848,377	5,717,583	520,323	96,092
Total investments at fair value				
Contributions receivable	5,987	28,320	-	-
Participant loans receivable	-	5,301	-	-
Miscellaneous revenue receivable	3	100	-	-
Due from State of West Virginia	145,000	-	-	-
	4,999,891	5,751,307	520,323	96,092
Total assets				
<u>LIABILITIES AND PLAN NET POSITION</u>				
Liabilities:				
Accrued expenses and other payables	258	206	1	-
	4,999,633	5,751,101	520,322	96,092
Net position held in trust for pension benefits	\$ 4,999,633	\$ 5,751,101	\$ 520,322	\$ 96,092

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

FINANCIAL SECTION

Deputy Sheriff Retirement System	Judges' Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers & Firefighters Retirement System	Teachers' Defined Contribution Retirement System	Total
\$ 25	\$ -	\$ -	\$ -	\$ 13,799	\$ 14,351
-	-	-	-	346,816	346,816
25,011	26,420	7,891	89	-	2,131,059
8,791	9,331	2,761	31	-	749,751
12,161	12,903	3,817	41	-	1,036,685
22,205	23,483	7,007	81	-	1,892,331
12,933	13,828	4,049	45	-	1,104,226
10,952	11,622	3,441	35	-	933,970
16,692	17,239	5,371	60	-	1,358,410
8,933	9,234	2,873	32	-	727,673
13,612	14,433	4,281	46	-	1,157,669
-	-	-	-	-	(94)
526	233	297	35	-	188,602
<u>2,594</u>	<u>2,750</u>	<u>815</u>	<u>9</u>	<u>-</u>	<u>221,086</u>
<u>134,410</u>	<u>141,476</u>	<u>42,603</u>	<u>504</u>	<u>346,816</u>	<u>11,848,184</u>
748	-	303	25	1,328	36,711
504	-	-	-	-	5,805
70	-	-	-	44	217
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,000</u>
<u>135,757</u>	<u>141,476</u>	<u>42,906</u>	<u>529</u>	<u>361,987</u>	<u>12,050,268</u>
<u>1</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>11,394</u>	<u>11,863</u>
<u>\$ 135,756</u>	<u>\$ 141,476</u>	<u>\$ 42,903</u>	<u>\$ 529</u>	<u>\$ 350,593</u>	<u>\$ 12,038,405</u>

FINANCIAL SECTION

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

STATEMENTS OF PLAN NET POSITION - PENSION FUNDS
(In Thousands)

June 30, 2012

	Public Employees' Retirement System	Teachers' Retirement System	State Police Death, Disability, and Retirement System	State Police Retirement System
<u>ASSETS</u>				
Cash	\$ 492	\$ -	\$ 1	\$ -
Investments at fair value:				
Mutual funds	-	-	-	-
Large cap equity	795,984	908,381	86,640	14,200
Non-large cap equity	269,212	307,418	29,507	4,779
International qualified	343,311	393,701	37,412	5,717
International equity	742,277	851,090	82,434	13,451
Private equity	435,948	503,734	48,464	7,821
Real estate	273,496	312,255	29,722	4,829
Total return fixed income	612,542	632,244	68,306	11,174
Core fixed income	294,910	300,128	32,860	5,393
Hedge fund	443,916	509,625	48,974	7,950
TRS annuity	-	53,023	-	-
Short term fixed income	26,949	210,217	718	1,417
TIPS	113,597	129,741	12,349	2,004
Total investments at fair value	4,352,142	5,111,557	477,386	78,735
Contributions receivable	5,779	26,176	-	-
Participant loans receivable	-	6,875	-	-
Miscellaneous revenue receivable	2	90	-	-
Due from State of West Virginia	165,000	-	-	-
Total assets	4,523,415	5,144,698	477,387	78,735
<u>LIABILITIES AND PLAN NET POSITION</u>				
Liabilities:				
Accrued expenses and other payables	113	301	42	-
Net position held in trust for pension benefits	\$ 4,523,302	\$ 5,144,397	\$ 477,345	\$ 78,735

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

FINANCIAL SECTION

Deputy Sheriff Retirement System	Judges' Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers & Firefighters Retirement System	Teachers' Defined Contribution Retirement System (As Restated)	Total (As Restated)
\$ 9	\$ -	\$ -	\$ -	\$ 7,786	\$ 8,288
-	-	-	-	310,188	310,188
21,171	23,121	6,359	32	-	1,855,888
7,158	7,802	2,147	10	-	628,033
9,036	9,901	2,593	14	-	801,685
19,898	21,657	6,056	27	-	1,736,890
11,695	12,702	3,525	17	-	1,023,906
7,273	7,928	2,177	11	-	637,691
16,678	17,947	5,113	25	-	1,364,029
8,043	8,645	2,470	11	-	652,460
11,851	12,917	3,579	16	-	1,038,828
-	-	-	-	-	53,023
468	367	230	22	-	240,388
3,010	3,278	904	4	-	264,887
<u>116,281</u>	<u>126,265</u>	<u>35,153</u>	<u>189</u>	<u>310,188</u>	<u>10,607,896</u>
719	-	331	13	1,452	34,470
428	-	-	-	-	7,303
89	-	-	-	10	191
-	-	-	-	-	165,000
<u>117,526</u>	<u>126,265</u>	<u>35,484</u>	<u>202</u>	<u>319,436</u>	<u>10,823,148</u>
-	-	1	-	10,402	10,859
<u>\$ 117,526</u>	<u>\$ 126,265</u>	<u>\$ 35,483</u>	<u>\$ 202</u>	<u>\$ 309,034</u>	<u>\$ 10,812,289</u>

FINANCIAL SECTION

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 STATEMENTS OF CHANGES IN PLAN NET POSITION - PENSION FUNDS
 (In Thousands)

Year Ended June 30, 2013

	Public Employees' Retirement System	Teachers' Retirement System	State Police Death, Disability, and Retirement System	State Police Retirement System
Additions:				
Contributions:				
Member contributions	\$ 60,293	\$ 91,424	\$ 628	\$ 3,517
Employer contributions	<u>187,583</u>	<u>458,713</u>	<u>1,047</u>	<u>4,193</u>
Total contributions	<u>247,876</u>	<u>550,137</u>	<u>1,675</u>	<u>7,710</u>
Investment income:				
Net increase in fair value of investments	541,330	602,272	58,180	10,035
Investment income	<u>24,025</u>	<u>52,424</u>	<u>2,562</u>	<u>460</u>
Net investment income	565,355	654,696	60,742	10,495
Other income:				
Total additions	<u>814,180</u>	<u>1,237,304</u>	<u>78,490</u>	<u>18,205</u>
Deductions and transfers:				
Benefit expense	322,731	618,628	35,464	577
Forfeitures	-	-	-	-
Refunds of contributions/withdrawals	10,413	7,731	-	229
Transfers to (from) plans	112	(35)	-	-
Administrative expenses	4,593	4,276	49	42
Disability recertification fees	-	-	-	-
Total deductions and transfers	<u>337,849</u>	<u>630,600</u>	<u>35,513</u>	<u>848</u>
Net increase in plan net position	476,331	606,704	42,977	17,357
Net position held in trust for pension benefits:				
Beginning of year	<u>4,523,302</u>	<u>5,144,397</u>	<u>477,345</u>	<u>78,735</u>
End of year	<u>\$ 4,999,633</u>	<u>\$ 5,751,101</u>	<u>\$ 520,322</u>	<u>\$ 96,092</u>

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

FINANCIAL SECTION

Deputy Sheriff Retirement System	Judges' Retirement System	Emergency Medical Service Retirement System	Municipal Police Officers & Firefighters Retirement System	Teachers' Defined Contribution Retirement System	Total
\$ 3,731	\$ 688	\$ 1,891	\$ 151	\$ 6,861	\$ 169,184
<u>5,704</u>	<u>2,422</u>	<u>2,308</u>	<u>151</u>	<u>11,236</u>	<u>673,357</u>
<u>9,435</u>	<u>3,110</u>	<u>4,199</u>	<u>302</u>	<u>18,097</u>	<u>842,541</u>
14,629	15,681	4,476	31	37,658	1,284,292
<u>715</u>	<u>700</u>	<u>206</u>	<u>1</u>	<u>23</u>	<u>81,116</u>
15,344	16,381	4,682	32	37,681	1,365,408
<u>522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261</u>	<u>50,276</u>
<u>25,301</u>	<u>19,491</u>	<u>8,881</u>	<u>334</u>	<u>56,039</u>	<u>2,258,225</u>
6,316	4,351	1,000	-	-	989,067
-	-	-	-	4,641	4,641
664	-	423	5	9,003	28,468
-	(77)	-	-	-	-
89	6	38	2	836	9,931
<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<u>7,071</u>	<u>4,280</u>	<u>1,461</u>	<u>7</u>	<u>14,480</u>	<u>1,032,109</u>
18,230	15,211	7,420	327	41,559	1,226,116
<u>117,526</u>	<u>126,265</u>	<u>35,483</u>	<u>202</u>	<u>309,034</u>	<u>10,812,289</u>
<u>\$ 135,756</u>	<u>\$ 141,476</u>	<u>\$ 42,903</u>	<u>\$ 529</u>	<u>\$ 350,593</u>	<u>\$ 12,038,405</u>

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 STATEMENTS OF CHANGES IN PLAN NET POSITION - PENSION FUNDS
 (In Thousands)

Year Ended June 30, 2012

	Public Employees' Retirement System	Teachers' Retirement System	State Police Death, Disability, and Retirement System	State Police Retirement System
Additions:				
Contributions:				
Member contributions	\$ 59,200	\$ 91,976	\$ 724	\$ 3,375
Employer contributions	<u>191,012</u>	<u>482,236</u>	<u>1,207</u>	<u>4,544</u>
Total contributions	<u>250,212</u>	<u>574,212</u>	<u>1,931</u>	<u>7,919</u>
Investment income:				
Net increase in fair value of investments	11,436	9,672	630	228
Investment income	<u>34,686</u>	<u>36,446</u>	<u>3,751</u>	<u>596</u>
Net investment income	46,122	46,118	4,381	824
Other income:				
Total additions	<u>298,193</u>	<u>659,204</u>	<u>29,079</u>	<u>8,822</u>
Deductions and transfers:				
Benefit expense	304,263	577,427	33,631	477
Forfeiture expense	-	-	-	-
Refunds of contributions/withdrawals	10,844	7,783	47	327
Transfers to (from) plans	(96)	53	-	-
Administrative expenses	<u>4,505</u>	<u>4,209</u>	<u>50</u>	<u>39</u>
Total deductions and transfers	<u>319,516</u>	<u>589,472</u>	<u>33,728</u>	<u>843</u>
Net increase in plan net position	(21,323)	69,732	(4,649)	7,979
Net position held in trust for pension benefits:				
Beginning of year, as restated	<u>4,544,625</u>	<u>5,074,665</u>	<u>481,994</u>	<u>70,756</u>
End of year	<u>\$ 4,523,302</u>	<u>\$ 5,144,397</u>	<u>\$ 477,345</u>	<u>\$ 78,735</u>

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

FINANCIAL STATEMENTS

Deputy Sheriff Retirement System	Judges' Retirement System	Emergency Medical Service Retirement System	Municipal Police Officers & Firefighters Retirement System	Teachers' Defined Contribution Retirement System (As Restated)	Total (As Restated)
\$ 3,567	\$ 706	\$ 1,838	\$ 72	\$ 7,008	\$ 168,466
<u>5,431</u>	<u>3,954</u>	<u>2,272</u>	<u>72</u>	<u>11,749</u>	<u>702,477</u>
<u>8,998</u>	<u>4,660</u>	<u>4,110</u>	<u>144</u>	<u>18,757</u>	<u>870,943</u>
302	262	92	4	4,119	26,745
<u>951</u>	<u>989</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>77,688</u>
1,253	1,251	361	4	4,119	104,433
<u>534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397</u>	<u>64,510</u>
<u>10,785</u>	<u>5,911</u>	<u>4,471</u>	<u>148</u>	<u>23,273</u>	<u>1,039,886</u>
5,985	4,274	651	-	-	926,708
-	-	-	-	4,817	4,817
762	-	664	10	7,338	27,775
-	(51)	-	-	94	-
<u>86</u>	<u>6</u>	<u>39</u>	<u>1</u>	<u>687</u>	<u>9,622</u>
<u>6,833</u>	<u>4,229</u>	<u>1,354</u>	<u>11</u>	<u>12,936</u>	<u>968,922</u>
3,952	1,682	3,117	137	10,337	70,964
<u>113,574</u>	<u>124,583</u>	<u>32,366</u>	<u>65</u>	<u>298,697</u>	<u>10,741,325</u>
<u>\$ 117,526</u>	<u>\$ 126,265</u>	<u>\$ 35,483</u>	<u>\$ 202</u>	<u>\$ 309,034</u>	<u>\$ 10,812,289</u>

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WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS

1 - DESCRIPTION OF ORGANIZATION

Reporting Entity

During fiscal year 1991, the West Virginia State Legislature created the Consolidated Public Retirement Board (the Board) to administer nine of the State of West Virginia's ten retirement plans. The nine retirement plans included within these financial statements are the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the State Police Death, Disability and Retirement System (SPDDRS), the State Police Retirement System (SPRS), the Deputy Sheriff Retirement System (DSRS), the Judges' Retirement System (JRS), the Emergency Medical Services Retirement System (EMSRS), Municipal Police Officers and Firefighters Retirement System (MPFRS) and the Teachers' Defined Contribution Retirement System (TDCRS). The Total Pension Funds column included in the statements of plan net position and statements of changes in plan net position is for informational purposes only. The net position of each plan is only available to satisfy the obligations of that plan. The Board is a component unit of the State of West Virginia (the State). The Governmental Employees Deferred Compensation Plan is administered by the West Virginia State Treasurer's Office and has been excluded from these financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

An internal service fund (the Fund) is used to pay expenses of all plans administered by the Board. The Fund receives a service fee from each plan based upon the number of participants included in the plan, which are reported as administrative expenses in the financial statements of each retirement plan. The service fees are established to recover costs such that revenues of the Fund match expenses over time. These fees are legally restricted for the purpose of administering the plans and are not available for any other purpose. All administrative costs of the Board are paid from the Fund. The Fund is not subject to satisfaction of any judgment or award against any of the retirement plans, and the judgment or award shall be satisfied from assets of the particular retirement plan against which it is levied.

The Board is managed by a Board of Trustees, which consists of, by virtue of their position, the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration, together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: four residents of the State who are not participants in the retirement plans, one State and one non-State employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS and TDCRS.

Pursuant to the West Virginia Code, the Board submits a detailed budgetary schedule of administrative expenses to the Secretary of the Department of Administration prior to the beginning of each fiscal year. The fundamental purpose of budgetary control is to plan for the expected level of operations and to provide management with a tool to control deviation from such plan but does not constitute a legally adopted budget.

Basis of Accounting

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for governmental units. The accompanying pension fund financial statements have been prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period when contributions are due. Employer contributions to the plan are recognized when due and the employer

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - DESCRIPTION OF ORGANIZATION (Continued)

Basis of Accounting (Continued)

has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Board's assets are held primarily in accounts maintained by the State Treasurer, the West Virginia Investment Management Board (the IMB), and the third-party administrator of its defined contribution plan.

Cash

The State Treasurer has statutory responsibility for the daily cash management activities of the state's agencies, departments, boards and commissions. The amounts on deposit with the State Treasurer are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

Investments

All defined benefit plan funds not required to meet disbursement needs are invested in accordance with the West Virginia Code, as well as policies established by the IMB. The IMB has established various investment pools to provide for the investment of the defined benefit plans' assets. These investment pools are structured as multiparticipant variable net asset funds.

Investments of the IMB Short-Term Fixed Income Pool are carried at amortized cost, which approximates fair value. The investments in the other IMB pools, except as noted below, are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The IMB invests in private equity, real estate, and hedge funds, which are not publicly traded, and are carried at estimated fair value as provided by the IMB funds' management. The IMB may, in addition, consider other factors in assessing the fair value of these investments. Because these investments are not marketable, the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investment existed. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Interest rate swap values are based on market values received from third parties or are determined by valuation models. Foreign currency forward contracts are valued at either spot or forward month-end exchange rates. Investments in commingled investment pools are valued at the reported unit values of the individual funds as provided to the IMB fund's management.

The TDCRS investments are held by an investment company which also serves as the third party administrator for the plan. As prescribed by West Virginia Code, the TDCRS investments are allocated to participant accounts and the participants direct the investment of their individual account balances by selecting from a list of plan mutual funds or a long term fixed investment option.

The TDCRS investments are carried at fair value as determined by a third-party pricing service utilized by an investment management company. Investment income for the TDCRS is determined monthly and distributed to the individual participant accounts.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - DESCRIPTION OF ORGANIZATION (Continued)

Investment Related Expenses

Investments are invested in multiparticipant pools and investment related expenses are not readily separable by participant in each pool. Investment income from the pools is reported net of investment expenses.

Contributions Receivable

Contributions receivable represent funds owed to the Board from other government employer entities participating in the various retirement plans.

Participant Loans Receivable

The TRS makes loans to its members, hired prior to July 1, 2005, up to the lesser of one-half of a member's accumulated contributions or \$8,000, at an interest rate indexed to the interest rate used by the Board for determining actuarial contribution levels. TRS loans require repayment over varying terms, with a maximum term of five years.

During the 2008 First Special Session, the West Virginia Legislature passed House Bill 101 regarding retirement benefits for teachers and educational service personnel which became effective Sunday, March 16, 2008. The legislation provided an opportunity for members of the Teachers' Defined Contribution Retirement System (TDCRS) to elect to transfer to the West Virginia Teachers' Retirement System (TRS). The transfer occurred on July 1, 2008 and a total of 15,152 TDCRS members transferred to TRS. These members were granted 75% service credit under TRS for their years of service in TDCRS. These members were also granted a one time opportunity to receive a loan in order to purchase the additional 25% service credit at a 7.5% interest rate and with a maximum term of five years. The last day to receive such a loan was June 30, 2010.

The DSRS also makes loans to its members, hired prior to July 1, 2005, up to the lesser of one-half of a member's accumulated contributions or \$8,000, at an interest rate indexed to the interest rate used by the Board for determining actuarial contribution levels. DSRS loans require repayment over varying terms, with a maximum term of five years.

Accrued Expenses and Other Payables

Accrued expenses and other payables primarily represent retirement annuity amounts due to new retirees.

Compensated Absences (Board Employees)

Expense related liabilities for compensated absences (annual leave) are recorded for the right of employees of the Board to receive compensation for future absences. When an employee of the Board is separated from employment for reasons other than retirement, all sick leave credited to that employee is considered nonvested and no reimbursement to the employee is provided. Accrued sick leave, if any, existing for employees of the Board upon their retirement, may be used either to extend benefits provided by the West Virginia Public Employees Insurance Agency or to increase retirement benefits. Other post-employment benefits other than pensions for employees of the Board are described in Note 6.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

1 - DESCRIPTION OF ORGANIZATION (Continued)

Capital Assets

The Board does not record any capital assets with a value of less than \$5,000 per asset. The only asset currently capitalized consists of agency developed software, which has an estimated useful life of ten years.

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of actuarial accrued liabilities, contingent assets, and contingent liabilities as of the financial statement date, and the reported amounts of additions and deductions for the reporting period. Actual amounts could differ from those estimates.

The various retirement plans utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of plan net position. Changes in the value of investment securities could affect the future funding status of the plans or require additional contributions to maintain the current funding status.

2 - PRIOR PERIOD RESTATEMENTS

The Board has restated the assets, liabilities, additions, deductions and transfers, revenues, expenses, and the net position of TDCRS as of and for the year ended June 30, 2011, to adjust certain balances previously reported related to forfeiture activity, which were not reported in accordance with GAAP. As a result the following balances for the year ended June 30, 2012 have been restated (in thousands):

<u>Teachers' Defined Contribution Retirement System</u>	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
Total assets	\$ 319,609	\$ (173)	\$ 319,436
Total liabilities	173	10,229	10,402
Net position	\$ 319,436	\$ (10,402)	\$ 309,034

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

2 - PRIOR PERIOD RESTATEMENTS (Continued)

	As Previously Reported	Adjustments	As Restated
Teachers' Defined Contribution Retirement System			
Total additions	\$ 20,227	\$ 3,046	\$ 23,273
Total deductions and transfers	9,006	3,930	12,936
Net increase in plan net position	11,221	(884)	10,337
 Net position held in trust for pension benefits, beginning of year	 308,215	 (9,518)	 298,697
Net position held in trust for pension benefits, end of year	\$ 319,436	\$ (10,402)	\$ 309,034

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

Funding policies for all plans have been established by and are changed from time-to-time by action of the State Legislature. While contribution rates are legislatively determined, actuarial valuations are performed to assist the Board and the State Legislature in determining contribution rates. The following information is provided for general information purposes only. Plan participants should refer to the respective West Virginia State Code Section for more complete information.

Defined Benefit Plans

Public Employees' Retirement System

Plan Description - PERS is a multiple employer defined benefit cost sharing public employee retirement system covering substantially all employees of the State and its component units, as well as employees of participating non-State governmental entities who are not participants of another state or municipal retirement system. The number of participating local government employers as of June 30, 2013 and 2012, are as follows:

	2013	2012
Cities and towns	105	105
Counties	55	55
Special districts	379	371
	539	531

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Public Employees' Retirement System (Continued)

PERS provides retirement benefits as well as death and disability benefits. Qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62.

Chapter 5, Article 10 of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature. In certain circumstances, this Article also permits members of TRS to transfer accumulated service credit and member contributions into PERS.

Contributions - Per Chapter 5, Article 10, members contribute 4.5% of annual earnings. State and non-state governmental employers' contribution rates were 14.0% and 14.5% of covered employees' annual earnings for fiscal years ending June 30, 2013 and 2012, respectively. Effective July 1, 2013 employer contribution rates will increase to 14.5% of members annual earnings. Contributions as a percentage of payroll for members are established by statutes, subject to legislative limitations and are not actuarially determined. Contributions as a percentage of payroll for employers are established by the Board. In addition, certain additional contributions of approximately \$0 and \$908,000 were made during the years ended June 30, 2013 and 2012, respectively, representing extra appropriations to reduce the unfunded liability. Employer contributions from State and non-State agencies for the fiscal years ended June 30, 2013 and 2012, were (in thousands):

	2013	2012
State	\$ 128,292	\$ 130,831
Non-State	59,291	60,181
	\$ 187,583	\$ 191,012

Teachers' Retirement System

Plan Description - TRS is a multiple employer defined benefit cost sharing public employee retirement system covering all full-time employees of the 55 county public school systems in the State and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991. However, effective July 1, 2005, all new employees hired for the first time are required to participate in TRS.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Teachers' Retirement System (Continued)

During the 2008 First Special Session, the West Virginia Legislature passed House Bill 101 regarding retirement benefits for teachers and educational service personnel which became effective Sunday, March 16, 2008. The legislation provided an opportunity for members of the Teachers' Defined Contribution Retirement System (TDCRS) to elect to transfer to the West Virginia Teachers' Retirement System (TRS). The transfer occurred on July 1, 2008 and a total of 15,152 TDCRS members transferred to TRS.

TRS provides retirement benefits as well as death and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings.

Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Contributions - A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

TRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined. Employers make the following contributions:

The State, county boards of education, and other employers contribute 15% of gross salary of their TRS members hired prior to July 1, 1991. The State, county boards of education, and other employers contribute 7.5% of the gross salary of their TRS covered employees hired for the first time after July 1, 2005 and for those TDCRS members who selected to transfer to TRS effective July 1, 2008. The other employers and county boards of education, utilizing funds made available through the State's School Aid Formula (SAF) contribute 7.5% of the gross salary of their TDCRS covered employees. In addition, the State contributes a certain percentage of fire insurance premiums paid by State residents to assist in extinguishing the TRS unfunded liability within 40 years of June 30, 1994. In addition, certain additional contributions of approximately \$392,719,000 and \$374,711,708 were made during the years ended June 30, 2013 and 2012, respectively, representing extra appropriations to reduce the unfunded liability.

State Police Death, Disability, and Retirement System

Plan Description - SPDDRS is a single employer defined benefit public employee retirement system covering all West Virginia State Police (State Police) hired on or before March 11, 1994. This plan is closed to new entrants.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

State Police Death, Disability, and Retirement System (Continued)

SPDDRS provides retirement benefits as well as death and disability benefits. A member is eligible for normal retirement at age 50 after 20 years of contributory service, or at any age upon completion of 25 years of service. There is no vesting in the State's contributions prior to ten years of service. Benefits payable to members retiring prior to age 50 are deferred until the normal retirement date. The annual retirement benefit is 5.5% of the members' aggregate salary, but not less than \$6,000 per year. Total service related disability benefits are equal to the member's annual salary, but not less than \$15,000 per year. Aggregate salary is the total salary paid to a member during his or her period of service, which may include up to 5 years of active military service credited at the average departmental salary. Aggregate salary for purposes of determining disability benefits may include salary that would have been earned had the participant served at least 25 years notwithstanding the disability. An annual cost-of-living adjustment of 3.75% is granted to retirees and beneficiaries. For service-connected total disability retirees, the adjustment begins at age 65. A member who terminates employment is entitled to a refund of his or her contributions plus interest.

Contributions - SPDDRS funding policy provides for member contributions based on 9% of their annual earnings. The State makes contributions based on 15% of the annual payroll of State Police, as well as contributing all revenue generated by the sale of traffic accident reports, criminal investigation reports and other fees. In addition, certain additional contributions of approximately \$15,162,000 and \$22,051,000 were made during the years ended June 30, 2013 and 2012, respectively, representing extra appropriations to reduce the unfunded liability. Contributions, as a percentage of payroll for members and the employer, are established by State law and are not actuarially determined.

State Police Retirement System

Plan Description - SPRS is a single employer defined benefit public employee retirement system that was established for all State Police hired on or after March 12, 1994. SPRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 50 with 25 years of service or age 52 with 20 years of credited service. A member is eligible for a reduced benefit with 20 years of credited service and retiring before age 52. The annual regular retirement benefit, paid monthly, is equal to 2.75% of the final average salary multiplied by the years of service. Final average salary is the average of the five highest calendar years of earnings during the last ten years of earnings. Annual retirement annuity adjustments are 1.0% for regular retirement and are payable on July 1 of each year after the member reaches 63 years of age.

Contributions - Members contribute 13% of annual base salary. Employer contribution rates were 15.5% and 17.5% of covered employees' annual base salary for fiscal years ending June 30, 2013 and 2012, respectively. Effective July 1, 2013 employer contribution rates will be reduced to 14.5% of members' annual earnings.

Chapter 15, Article 2 and Article 2A of the West Virginia State Code assigns the authority to establish and amend the provisions of the SPDDRS and SPRS plans to the State Legislature.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Deputy Sheriff Retirement System

Plan Description - DSRS, a multiple employer defined benefit cost sharing public employee retirement system, was established for all deputy sheriffs hired by all 55 county governments on or after July 1, 1998. The DSRS was also made available to any deputy sheriff employed in covered employment participating in PERS on the effective date so long as he/she made notification in writing before January 31, 1999, to both the County Commission in the county in which he/she was employed and the Board of his/her desire to transfer to the DSRS. Approximately 600 deputy sheriffs elected such transfer and as a result, approximately \$28,638,000 of accumulated member and employer contributions and interest were transferred from PERS to DSRS in fiscal year 1999, in accordance with Chapter 7, Article 14D of the West Virginia State Code.

DSRS provides retirement as well as death and disability benefits. A member is eligible for normal retirement under the following circumstances:

1. Attainment of the age of 50 years and completion of 20 or more years of service
2. Member is in covered employment, has attained the age of 60 years, and has completed five or more years of service
3. Attainment of the age of 62 years and has completed five or more years of service

The annual regular retirement benefit is equal to 2.25% of a member's final average salary multiplied by the member's years of credited service. Final average salary refers to the average of the highest annual compensation received for covered employment by the member during any five consecutive plan years within the member's last ten years of service. A member may elect to receive retirement income payments equal to his/her accrued benefit in the normal form or in a variety of annuity options. The normal form signifies a monthly annuity which is 1/12 of the amount of a members accrued benefit which is payable for the member's life.

Benefit payments did not begin prior to January 1, 2000, except benefit payments resulting from disability.

Chapter 7, Article 14D of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Contributions - Members contribute 8.5% of monthly base salary, and the Sheriff's Office/County Commission of the County in which the member is employed contributed an additional 13% of the member's monthly salary during years ended June 30, 2013 and 2012. Employer contributions will remain at 13% of the member's monthly salary during the fiscal year ending June 30, 2014. In addition, the Sheriff's Office/County Commissions contribute certain fees charged for reports and other services provided by the sheriff's offices.

Judges' Retirement System

Plan Description - JRS is a single employer defined benefit public employee retirement system covering State judges and justices who elect to participate. JRS provides retirement as well as death and disability benefits. A member who was appointed or elected to the bench prior to July 2, 2005 is eligible for normal retirement upon the attainment of 24 years of service of which at least 12 years is

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Judges' Retirement System (Continued)

as a sitting judge or justice, 16 years of service at age 65 of which at least 12 years is as a sitting judge or justice, or 8 full years of service after age 65. A member who was appointed or elected to the bench on or after July 2, 2005 is eligible for normal retirement upon the attainment of 24 years of service of which at least 14 years is as a sitting judge or justice, or 16 years of service at age 65 of which 14 years is as a sitting judge or justice. A member on the bench prior to July 2, 2005 is eligible for a deferred benefit upon termination of service prior to normal retirement provided the member completes 16 years of service of which 12 years of service is as a sitting judge or justice. A member of the bench on or after July 2, 2005 is eligible for a deferred benefit upon termination of service prior to normal retirement provided the member completes 16 years of service of which 14 years of service are as a sitting judge or justice.

The annual benefit paid to judges and justices on the bench prior to July 2, 2005 is 75% of the current annual salary of the office from which the participant retires, with surviving spouse and dependent child benefits. This benefit is proportionally increased upon increase in salary for active sitting judges and justices.

The annual benefit paid to judges and justices on the bench on or after July 2, 2005 is 75% of the member's final average salary. Final average salary means the average of the highest thirty-six consecutive month's compensation received as a judge or justice. No increases in benefits are given by virtue of increase in salary of active sitting judges or justices.

Chapter 51, Article 9 of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Contributions - JRS funding policy provides for member contributions based on 10.5% of their annual earnings. This policy also provides for periodic employer contributions at varying amounts appropriated annually by the State Legislature. However, annual appropriations are determined in consideration of the most recent actuarial valuation. Any participant who terminates before becoming eligible for benefits may elect to withdraw his or her contributions without interest.

Emergency Medical Services Retirement System (EMSRS)

Plan Description - The EMSRS Act was passed by the Legislature in March 2007. The legislation provided for a voluntary participation election of eligible emergency medical service officers and mandated that certain participation levels be reached by December 31, 2007, in order for the provisions of the Emergency Medical Services Retirement System to become effective. At the close of the election period, fifteen licensed EMS public employers, consisting of twelve eligible Public Employees Retirement System (PERS) political subdivisions and three eligible Non-PERS political subdivisions, passed corporate resolutions to become participating public employers of this retirement system. Statewide, over five hundred eligible Emergency Medical Services Officers elected to opt into this new retirement plan. The WV Emergency Medical Services Retirement System (EMSRS) became effective January 1, 2008.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Emergency Medical Services Retirement System (EMSRS) (Continued)

The statute prohibited any payout of benefits from the EMSRS fund prior to January 1, 2011, with the exception of duty disability retirement. An EMSRS member is eligible for “normal” retirement when one of the following occurs:

- Attainment of age 50 and the completion of 20 years of contributory service; or
- Attainment of age 50 when age plus contributory service equals 70 while still in covered employment; or
- Attainment of age 60 and completion of 10 years contributory service while still in covered employment; or
- Attainment of age 62 and completion of 5 years of contributory service.

An EMSRS member is eligible for “early retirement” when they reach age 45 and have completed 20 years of service.

Final Average Salary (FAS) is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (Jan. 1- Dec. 31) within the last 10 years of service. The accrued benefit on behalf of any member is calculated as follows:

Final Average Salary x Years of Credited Service x Benefit Percentage

Annual Retirement Benefit Formula

2.75% x FAS x Years of Service for years 1-20
2.0% x FAS x Years of Service for years 21-25
1.0% x FAS x Years of Service for years 26-30

In accordance with provisions in statute, upon reaching a 75% funded level as of an actuarial valuation date, the Board shall increase the annual retirement benefit multiplier from 2.6% of final average salary to 2.75% of final average salary for years one through twenty of service credited.

Chapter 16, Article 5V of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Contributions - Currently, the EMSRS employee contribution rate is 8.5% of gross monthly salary and the employer contribution rate is 10.5% of gross monthly salary.

Municipal Police Officers and Firefighters Retirement System (MPFRS)

Plan Description - The MPFRS Act was passed by the Legislature in November 2009, and become effective January 1, 2010. The legislation provided for any municipality or municipal subdivision employing municipal police officers or firefighters to elect to become a participating employer. MPFRS is a multiple employer defined benefit retirement system. The MPFRS had 48 participating members as of June 30, 2013. If there are fewer than 100 members on January 1, 2017, all members will be merged into the Emergency Medical Services Retirement System. All police officers and firefighters first employed in covered employment after the date the municipality or municipal subdivision elected to join MPFRS are required to be members of MPFRS.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Municipal Police Officers and Firefighters Retirement System (MPFRS) (Continued)

A MPFRS member is eligible for “normal” retirement when one of the following occurs:

- Attainment of age 50 and the completion of 20 years of contributory service; or
- Attainment of age 50 when age plus contributory service equals 70 while still in covered employment; or
- Attainment of age 60 and completion of 10 years contributory service while still in covered employment; or
- Attainment of age 62 and completion of 5 years of contributory service.

Final Average Salary (FAS) is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (Jan. 1 - Dec. 31) within the last 10 years of service. The accrued benefit on behalf of any member is calculated as follows, not to exceed 67%:

Final Average Salary x Years of Credited Service x Benefit Percentage

Annual Retirement Benefit Formula

2.6% x FAS x Years of Credited Service for years 1-20
 2.0% x FAS x Years of Credited Service for years 21-25
 1.0% x FAS x Years if Credited Service for years 26-30

Chapter 8, Article 22A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Contributions - Currently, the MPFRS employee contribution rate is 8.5% of gross monthly salary and the employer contribution rate is 8.5% of gross monthly salary. As provided in statute, the Board may recommend the employee contribution rate be increased to 10.5% if the MPFRS plan does not reach a 70% funded level by July 1, 2014.

Plan Membership

Membership in the above plans consisted of the following as of the plan valuation dates, July 1, 2012 and 2011:

As of July 1, 2012:	<u>PERS</u>	<u>TRS</u>	<u>SPDDRS</u>	<u>SPRS</u>	<u>DSRS</u>	<u>JRS</u>	<u>EMSRS</u>	<u>MPFRS</u>
Retirees and beneficiaries currently receiving benefits	23,460	31,913	710	18	283	55	34	-
Terminated members entitled to benefits but not yet receiving them	3,847	1,563	3	7	70	-	18	-
Terminated nonvested members	12,671	1,981	1	108	146	2	91	2
Active members:								
Vested	23,570	25,669	108	226	639	24	255	-
Nonvested	<u>13,003</u>	<u>10,138</u>	<u>-</u>	<u>340</u>	<u>340</u>	<u>46</u>	<u>239</u>	<u>27</u>
Total	<u><u>76,551</u></u>	<u><u>71,264</u></u>	<u><u>822</u></u>	<u><u>699</u></u>	<u><u>1,478</u></u>	<u><u>127</u></u>	<u><u>637</u></u>	<u><u>29</u></u>

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Plan Membership (Continued)

As of July 1, 2011:	PERS	TRS	SPDDRS	SPRS	DSRS	JRS	EMSRS	MPFRS
Retirees and beneficiaries currently receiving benefits	22,793	31,043	689	17	272	56	20	-
Terminated members entitled to benefits but not yet receiving them	3,859	1,579	4	7	70	-	22	-
Terminated nonvested members	12,172	1,669	2	109	143	2	81	3
Active members:								
Vested	23,420	25,534	133	227	613	23	259	-
Nonvested	12,834	10,321	-	296	341	47	276	9
Total	75,078	70,146	828	656	1,439	128	658	12

Plan Funded Status and Funding Progress - Defined Benefit Pension Plans

Plan Funded Status - The funded status of each plan as of July 1, 2012 (unless otherwise noted), the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
PERS	\$ 4,452,395	\$ 5,735,775	\$ 1,283,380	77.6%	\$ 1,382,647	92.8%
TRS	5,144,397	9,712,582	4,568,185	53.0%	1,510,082	302.5%
SPDDRS	477,345	663,341	185,996	72.0%	6,779	2,743.7%
SPRS	78,735	89,558	10,823	87.9%	27,670	39.1%
DSRS	117,526	157,007	39,481	74.9%	43,583	90.6%
JRS	126,265	98,115	(28,150)	128.7%	8,860	0.0%
EMS	35,483	44,148	8,665	80.4%	21,263	40.8%
MPFRS	202	90	(112)	224.4%	966	(11.6)%

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Plan Funded Status and Funding Progress - Defined Benefit Pension Plans (Continued)

Plan Funding Progress - The schedules of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits. Significant assumptions used in determining funding progress are as follows:

	PERS	TRS	SPDDRS
Valuation date	July 1, 2012	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal	Entry age	Entry age normal
Asset valuation method	4 Year Smoothing	Fair value	Fair value
Amortization method	Level dollar	Level dollar	Level dollar
Amortization period	Through FY 2035	Through FY 2034	Through FY 2024
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
Projected salary increases:			
PERS:			
State	4.25-6.0%	-	-
Nonstate	4.25-6.0%	-	-
TRS:			
Teachers	-	3.75-5.25%	-
Non Teachers	-	3.40-6.50%	-
SPDDRS:	-	-	5.0% for first 2 yrs of service 4.5% for the next 3 yrs of service 4.0% for the next 5 yrs and 3.25% thereafter
Inflation rate	3.0%	3.0%	3.0%
	SPRS	DSRS	JRS
Valuation date	July 1, 2012	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal	Entry age normal cost-aggregate level percent of payroll	Entry age normal
Actuarial valuation method	Fair value	Fair value	Fair value
Amortization method	Level percentage of payroll	Level percentage of open group payroll plus fee deposits	Level dollar
Amortization period	Through FY 2030	Through FY 2029	-
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
Projected salary increases	5.0% for first 2 yrs of service, 4.5% for next 3 yrs of service, 4.0% for the next 5 yrs, and 3.25% thereafter	5.0% for first 2 yrs of service, 4.5% for next 3 yrs of service, 4.0% for the next 5 yrs, and 3.5% thereafter	4.5%
Inflation rate	3.0%	3.0%	-

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3 - PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION (Continued)

Defined Benefit Plans (Continued)

Plan Funded Status and Funding Progress - Defined Benefit Pension Plans (Continued)

	EMSRS	MPFRS
Valuation date	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal with aggregate normal cost level percentage of payroll	Entry age normal with aggregate normal cost level percent
Actuarial valuation method	Fair value	Fair value
Amortization method	Level dollar	Level dollar
Amortization period	Through FY 2038	-
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	By age from 5.0% at age 30 declining to 3.5% at age 65	By age from 5.0% at age 30 declining to 3.5% at age 65
Inflation rate	3.0%	3.0%

Teachers' Defined Contribution Retirement System

Plan Description - TDCRS is a multiple employer defined contribution retirement system, which is a money purchase pension plan covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and the Schools for the Deaf and Blind who were hired between July 1, 1991 and June 30, 2005. TDCRS members also include former TRS plan members, including higher education employees, who have elected to transfer into or participate in TDCRS. TDCRS benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. TDCRS closed participation to new members effective June 30, 2005.

During the 2008 First Special Session, the West Virginia Legislature passed House Bill 101 regarding retirement benefits for teachers and educational service personnel which became effective Sunday, March 16, 2008. The legislation provided an opportunity for members of the Teachers' Defined Contribution Retirement System (TDCRS) to elect to transfer to the West Virginia Teachers' Retirement System (TRS). The transfer occurred on July 1, 2008 and a total of 15,152 TDCRS members transferred to TRS.

The TDCRS provides members with a choice of 16 separate investment options made up of fixed income, balanced, large cap, mid cap, small cap, and international mutual funds, a money market fund and a fixed annuity.

Contributions - State law requires employees to contribute 4.5% of their gross compensation and the employers to contribute 7.5% of covered members' gross compensation. Employer contributions are comprised from amounts allocated to the employers through the State's School Aid Formula, forfeitures allotted from the TDCRS and county contributions. Employer contributions for each employee (and interest allocated to the employee's account) become partially vested after six years and fully vested after 12 complete years of service. If a terminated employee does not return to active participant status within five years, the nonvested employer contributions and earnings thereon are forfeited to reduce the employer's current period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS

The Board has adopted investment guidelines that are consistent with those specified in the West Virginia Code. Those guidelines authorize the Board to invest with IMB in obligations of the United States and certain of its agencies, certificates of deposit, direct and general obligations of states, repurchase agreements relating to certain securities, equity securities, real estate, and guaranteed investment contracts. Plan assets of the defined benefit plans are invested by the IMB. Investments are managed by a third party administrator as the trustee for the TDCRS.

The IMB invests plan assets in accordance with West Virginia Code and policies established by the IMB. Individual defined benefit plan assets are invested by the IMB in the various IMB pools. The following is a summary of the investments held by IMB for each plan as of June 30, 2013 and 2012 (in thousands):

June 30, 2013	<u>PERS</u>	<u>TRS</u>	<u>SPDDRS</u>	<u>SPRS</u>	<u>DSRS</u>	<u>JRS</u>	<u>EMSRS</u>	<u>MPOF</u>
Large cap equity	\$ 904,359	\$1,050,238	\$ 99,298	\$ 17,753	\$ 25,011	\$ 26,420	\$ 7,891	\$ 89
Non-large cap equity	319,921	368,809	33,901	6,206	8,791	9,331	2,761	31
International qualified	442,639	509,827	46,721	8,576	12,161	12,903	3,817	41
International equity	803,747	934,106	85,986	15,716	22,205	23,483	7,007	81
Private equity	471,951	541,454	51,009	8,957	12,933	13,828	4,049	45
Real estate	398,384	459,886	41,932	7,718	10,952	11,622	3,441	35
Total return fixed income	588,504	654,399	63,935	12,210	16,692	17,239	5,371	60
Core fixed income	315,251	350,612	34,213	6,525	8,933	9,234	2,873	32
Hedge fund	493,933	569,704	52,043	9,617	13,612	14,433	4,281	46
TRS annuity	-	(94)	-	-	-	-	-	-
Short term fixed income	15,495	169,739	1,297	980	526	233	297	35
TIPS	94,193	108,903	9,988	1,834	2,594	2,750	815	9
Total investments	<u>\$4,848,377</u>	<u>\$5,717,583</u>	<u>\$ 520,323</u>	<u>\$ 96,092</u>	<u>\$ 134,410</u>	<u>\$ 141,476</u>	<u>\$ 42,603</u>	<u>\$ 504</u>
June 30, 2012	<u>PERS</u>	<u>TRS</u>	<u>SPDDRS</u>	<u>SPRS</u>	<u>DSRS</u>	<u>JRS</u>	<u>EMSRS</u>	<u>MPOF</u>
Large cap equity	\$ 795,984	\$ 908,381	\$ 86,640	\$ 14,200	\$ 21,171	\$ 23,121	\$ 6,359	\$ 32
Non-large cap equity	269,212	307,418	29,507	4,779	7,158	7,802	2,147	10
International qualified	343,311	393,701	37,412	5,717	9,036	9,901	2,593	14
International equity	742,277	851,090	82,434	13,451	19,898	21,657	6,056	27
Private equity	435,948	503,734	48,464	7,821	11,695	12,702	3,525	17
Real estate	273,496	312,255	29,722	4,829	7,273	7,928	2,177	11
Total return fixed income	612,542	632,244	68,306	11,174	16,678	17,947	5,113	25
Core fixed income	294,910	300,128	32,860	5,393	8,043	8,645	2,470	11
Hedge fund	443,916	509,625	48,974	7,950	11,851	12,917	3,579	16
TRS annuity	-	53,023	-	-	-	-	-	-
Short term fixed income	26,949	210,217	718	1,417	468	367	230	22
TIPS	113,597	129,741	12,349	2,004	3,010	3,278	904	4
Total investments	<u>\$4,352,142</u>	<u>\$5,111,557</u>	<u>\$ 477,386</u>	<u>\$ 78,735</u>	<u>\$ 116,281</u>	<u>\$ 126,265</u>	<u>\$ 35,153</u>	<u>\$ 189</u>

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

Large Cap Equity

The Pool's objective is to exceed, net of external investment management fees, the S&P 500 Stock Index over three to five year periods. Assets are managed by INTECH Investment Management, LLC, and State Street Global Advisors.

The Pool holds equity securities of U.S. companies, exchange traded stock index futures, and money market funds with the highest credit rating. These types of securities are exposed to no or minimal credit risk, interest rate risk, custodial credit risk, or foreign currency risk. At June 30, 2013, the Pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the Pool and is not exposed to concentration of credit risk.

Non-Large Cap Equity

The Pool invests in the equities of small to mid-sized companies and its objective is to exceed, net of external investment management fees, the Russell 2500 Index over three to five year periods. Assets are managed by Aronson Johnson Ortiz, LP and Westfield Capital Management.

The Pool holds equity securities of U.S. companies and money market funds with the highest credit rating. These types of securities are exposed to no or minimal credit risk, interest rate risk, custodial credit risk, or foreign currency risk. At June 30, 2013, the Pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the Pool and is not exposed to concentration of credit risk.

International Qualified

Funds are invested in Silchester International Investors' Value Equity Group Trust. The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East (EAFE) index by 200 basis points on an annualized basis over three to five year periods, net of external investment management fees. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in the Pool.

The Pool invests in a collective trust fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2013, was \$1,036,753,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. West Virginia statute limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2013 the IMB was in compliance with this limitation. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

International Equity

This Pool invests in the equities of international companies. Assets are managed by Axiom International Investors, LLC, Brandes Investment Partners, L.P., LSV Asset Management, and Pictet Asset Management Limited. The objective of the Pool is to exceed, net of external investment management fees, Morgan Stanley Capital International's All Country World Free Ex US index over three to five year periods.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

International Equity (Continued)

The Pool is exposed to no or minimal credit risk, interest rate risk, or custodial credit risk. At June 30, 2013, the Pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the Pool. The Pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. West Virginia statute limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2013 the IMB was in compliance with this limitation. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2013 are as follows (in thousands):

<u>Currency</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>	<u>Percent</u>
Australian Dollar	\$ 58,914	\$ 1	\$ 58,915	2.6%
Brazil Real	73,031	483	73,514	3.3
British Pound	226,351	1,732	228,083	10.2
Canadian Dollar	91,289	321	91,610	4.1
Czech Koruna	12,966	-	12,966	0.6
Danish Krone	11,122	-	11,122	0.5
Egyptian Pound	4,704	-	4,704	0.2
Emirati Dirham	4,861	505	5,366	0.2
Euro Currency Unit	321,667	1,921	323,588	14.5
Hong Kong Dollar	174,653	1,533	176,186	7.9
Hungarian Forint	5,798	1	5,799	0.3
Indian Rupee	58,591	162	58,753	2.6
Indonesian Rupiah	10,747	123	10,870	0.5
Israeli Shekel	13,434	92	13,526	0.6
Japanese Yen	250,440	2,065	252,505	11.3
Malaysian Ringgit	9,405	337	9,742	0.4
Mexican Peso	31,774	272	32,046	1.4
New Taiwan Dollar	42,197	2,288	44,485	2.0
New Zealand Dollar	5,779	135	5,914	0.3
Norwegian Krone	21,859	1,120	22,979	1.0
Pakistan Rupee	1,734	-	1,734	0.1
Philippine Peso	7,640	21	7,661	0.3
Polish Zloty	5,565	43	5,608	0.3
Qatari Riyal	1,561	-	1,561	0.1
Singapore Dollar	17,626	37	17,663	0.8
South African Rand	47,500	2,432	49,932	2.2
South Korean Won	155,163	1,070	156,233	7.0
Swedish Krona	17,104	364	17,468	0.8
Swiss Franc	62,012	-	62,012	2.8
Thailand Baht	19,336	-	19,336	0.9
Turkish Lira	32,902	45	32,947	1.5
Total	\$ 1,797,725	\$ 17,103	\$ 1,814,828	81.3%

This table excludes cash and investments held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated cash and investments is \$417,554 (in thousands) or 18.7 percent at June 30, 2013.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS (Continued)

Short-Term Fixed Income

The main objective of the Pool is to maintain sufficient liquidity to fund withdrawals by the participant plans and to invest cash contributions until such time as the money can be transferred to other asset classes without sustaining capital losses. JP Morgan Investment Advisors, Inc. manages the Pool. The Pool's investment objective, net of external investment management fees, is to meet or exceed the Citigroup ninety - day T-bill index plus fifteen basis points.

Credit risk

The IMB limits the exposure to credit risk in the Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A1 by Standard & Poor's and P1 by Moody's. Additionally, the Pool must have at least 15 percent of its assets in United States Treasury issues.

The following table provides information on the weighted average credit ratings of the Pool's investments as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Carrying Value</u>	<u>Percent</u>
Commercial paper	P-1	A-1	\$ 47,991	15.0%
U.S. Government agency discount notes	Aaa	AA	129,988	40.5
U.S. Government agency notes	Aaa	AA	8,015	2.5
U.S. Treasury bills	P-1	AA	51,995	16.2
U.S. Treasury notes	Aaa	AA	<u>82,550</u>	<u>25.8</u>
Total rated investments			<u>\$ 320,539</u>	<u>100.0%</u>

This table includes U.S. treasury notes received as collateral for a repurchase agreement with a fair value of \$79,531 (in thousands) as compared to the amortized cost of the repurchase agreement of \$78,206 (in thousands).

Concentration of Credit Risk

West Virginia statutes prohibit the Pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2013, the Pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial Credit Risk

At June 30, 2013, the Pool held no investments that were subject to custodial credit risk. Repurchase agreements are collateralized at 102 percent and the collateral is held in the name of the IMB. All remaining investments are held by the IMB's custodian in the name of the IMB.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS (Continued)

Short-Term Fixed Income (Continued)

Interest rate risk

The weighted average maturity of the investments of the Pool is not to exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Carrying Value</u>	<u>WAM (days)</u>
Commercial paper	\$ 47,991	38
Repurchase agreement	78,206	1
U.S. Government agency discount notes	129,988	43
U.S. Government agency notes	8,015	106
U.S. Treasury bills	51,995	45
U.S. Treasury notes	<u>3,019</u>	123
Total investments	<u>\$ 319,214</u>	35

Foreign currency risk

The Pool has no investments that are subject to foreign currency risk.

Total Return Fixed Income

The main objective of this Pool is to earn superior returns with low volatility by actively investing in the extended fixed income markets. Dodge & Cox and Western Asset Management Company manage the Pool. The Pool's investment objective, net of external investment management fees, is to meet or exceed the Barclays Capital Universal index.

Credit risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Percent of Assets</u>
Corporate asset backed issues	Ba1	AA	\$ 44,433	1.9%
Corporate bonds	Baa2	BBB	728,766	31.7
Corporate CMO	Caa	CCC	20,767	0.9
Corporate preferred security	Ba2	BB	8,757	0.4
Foreign government bond	Baa1	A	6,879	0.3
Municipal bonds	A2	BBB	80,320	3.4

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS (Continued)

Total Return Fixed Income (Continued)

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Percent of Assets</u>
Short-term issue	Aaa	AAA	171,036	7.2
U.S. Government agency CMO	Aaa	AA	61,696	2.6
U.S. Government agency discount note	Aaa	AA	4,718	0.2
U. S. Government agency MBS	Aaa	AA	342,200	14.4
U. S. Government agency TBAs	Aaa	AA	58,879	2.5
U.S. Treasury issues	Aaa	AA	<u>362,481</u>	<u>13.9</u>
Total rated investments			<u>\$ 1,890,932</u>	<u>79.4%</u>

Unrated investments include investments in other funds valued at \$474,821 (in thousands), investments made with cash collateral for securities loaned valued at \$13,882 (in thousands) and option contracts purchased valued at \$176 (in thousands). These unrated investments represent 20.6 percent of the fair value of the Pool's investments.

Concentration of credit risk

West Virginia statutes prohibit the Pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2013, the Pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial credit risk

At June 30, 2013, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized at 102 percent and the collateral is held in the name of the IMB. Investments in commingled funds are held in an account in the name of the IMB. All remaining securities are held by the IMB's custodian in the name of the IMB.

Interest rate risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2013 (in thousands):

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

Total Return Fixed Income (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (years)</u>
Corporate asset backed issues	\$ 44,433	1.9
Corporate bonds	728,766	6.5
Corporate CMO	20,767	1.4
Foreign government bond	6,879	7.0
Investments in other funds	474,821	3.7
Investments made with cash collateral for securities loaned	13,882	0.0
Municipal bonds	80,320	8.4
Short term issues	171,036	0.0
U.S. Government CMO	61,696	2.2
U.S. Government agency discount notes	4,718	0.4
U.S. Government agency MBAs	342,200	2.3
U.S. Government agency TBAs	58,879	6.5
U.S. Treasury issues	<u>362,481</u>	6.7
Total investments	<u>\$ 2,370,878</u>	4.7

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2013, the Pool held \$527,975 (in thousands) of these securities. This represents approximately 22 percent of the value of the Pool's securities.

Foreign currency risk

Of the notes, bonds, asset backed securities, mortgage backed securities, collateralized mortgage obligations and money market fund held by the Pool, only the foreign government bond denominated in Mexican Peso is exposed to foreign currency risk. The market value of this bond is \$6,879 (in thousands), which represents less than 1 percent of the value of the Pool's securities. The Pool also has foreign exchange forward contracts. Additionally, the Pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled investment pools. Approximately \$153,875 (in thousands), or 32 percent, of the commingled investment pools hold substantially all of their investments in foreign currencies. This represents approximately 6 percent of the value of the Pool's securities. West Virginia statute limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2013 the IMB was in compliance with this limitation.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

Core Fixed Income

The main objective of this Pool is to generate investment income, provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. manages this Pool. This Pool's investment objective, net of external investment management fees, is to meet or exceed the Barclays Capital U.S. Aggregate index.

Credit Risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Percent of Assets</u>
Corporate asset backed issues	Aa3	AA	\$ 48,767	3.7%
Corporate bonds	A3	A	270,356	20.8
Corporate CMO	A2	AA	134,887	10.4
Foreign government bonds	Aa1	AA	12,467	1.0
Municipal bonds	Aa2	AA	7,311	0.6
Short-term issue	Aaa	AAA	10,892	0.8
U.S. Government agency bonds	Aaa	AA	26,487	2.0
U.S. Government agency CMO	Aaa	AA	259,377	19.9
U.S. Government agency MBS	Aaa	AA	220,519	17.0
U.S. Treasury issues	Aaa	AA	<u>282,660</u>	<u>21.7</u>
Total rated investments			<u>\$ 1,273,723</u>	<u>97.9%</u>

Unrated securities include investments made with cash collateral for securities loaned valued at \$26,850 (in thousands) or 2.1 percent of the fair value of the Pool's investments.

Concentration of Credit Risk

West Virginia statutes prohibit the Pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2013, the Pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial Credit Risk

At June 30, 2013, the Pool held no securities that were subject to custodial credit risk. All securities are held by the IMB's custodian in the name of the IMB.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

Core Fixed Income (Continued)

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (years)</u>
Corporate asset backed issues	\$ 48,767	1.4
Corporate bonds	270,356	5.7
Corporate CMO	134,887	2.2
Foreign government bonds	12,467	5.4
Investments made with cash collateral for securities loaned	26,850	0.0
Municipal bonds	7,311	14.3
Short-term issue	10,892	0.0
U.S. Government agency bonds	26,487	5.6
U.S. Government agency CMO	259,377	3.7
U.S. Government agency MBS	220,519	4.6
U.S. Treasury issues	<u>282,660</u>	6.5
Total rated investments	<u>\$ 1,300,573</u>	4.6

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2013, the Pool held \$663,550 (in thousands) of these securities. This represents approximately 51 percent of the value of the Pool's securities.

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

TIPS Pool

The Pool invests in Treasury Inflation-Protected Securities (TIPS) and its objective is to match the performance of the Barclay's Capital U.S. TIPS Bond Index on an annualized basis over rolling three year to five year periods, gross of fees. Assets are managed by State Street Global Advisors.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

TIPS Pool (Continued)

Credit Risk

The IMB limits the exposure to credit risk in the Pool by primarily investing in U.S. Treasury inflation protected securities. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Percent of Assets</u>
Short-term issue	Aaa	AAA	\$ 601	0.1%
U.S. Treasury inflation-protected securities	Aaa	AA	<u>653,371</u>	<u>99.9</u>
Total rated investments			<u>\$ 653,972</u>	<u>100.0%</u>

Concentration of Credit Risk

West Virginia statutes prohibit the Pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2013, the Pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial Credit Risk

At June 30, 2013, the Pool held no securities that were subject to custodial credit risk. All securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the real modified duration of the investments in the Pool. The following table provides the weighted average real modified duration for the various asset types in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Real Modified Duration (years)</u>
Short-term issue	\$ 601	0.0
U.S. Treasury inflation-protected securities	<u>653,371</u>	7.8
Total investments	<u>\$ 653,972</u>	7.8

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

TRS Annuity Pool

The Pool held an investment contract issued by the Variable Annuity Life Insurance Company (VALIC) strictly for the benefit of the Teachers Retirement System (TRS). On December 10, 2008, the IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan administered solely by the Consolidated Public Retirement System, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The final amount transferred under the contract was \$248,293 (in thousands).

The IMB initially requested the immediate redemption of the entire balanced but VALIC denied the request, claiming the amounts were subject to withdrawal restrictions. Effective April 23, 2009, the IMB, while reserving its rights under the contract, executed the appropriate forms with VALIC to elect to withdraw funds under the Five Year Equal Annual Installment method. By making this election the guaranteed minimum annual yield of 4.5 percent became the fixed rate for this contract. The first four withdrawals of \$55,058 (in thousands) each occurred on May 4, 2009, 2010, 2011, and 2012. The final withdrawal of \$55,191 (in thousands) occurred on May 8, 2013.

In response to VALIC's denial to allow the IMB to liquidate the contract in its entirety, the IMB sued VALIC and the litigation is ongoing. The outcome of the litigation is unknown and accordingly the IMB has not accrued any potential revenues from the case. There are ongoing legal fees associated with this litigation and these expenses are accrued to the Pool. The funding for the payment of these expenses results from contributions by the TRS into the TRS Annuity Pool. Amounts recovered pursuant to the litigation, if any, will be recorded in the TRS Annuity Pool and distributed to the TRS. Once the case is resolved the TRS Annuity Pool will be closed.

Private Equity

The Pool was established to hold the IMB's investments in various types of private equity funds. Franklin Park Associates, LLC has been retained by the IMB to provide consulting services for this asset class.

The Pool holds limited partnerships, shares of a hedge fund and a money market fund with the highest credit rating. The investments in limited partnerships and a hedge fund might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. At June 30, 2013, the Pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the Pool and is not exposed to concentration of credit risk.

Real Estate

The Pool holds the IMB's investments in real estate funds, real estate limited partnerships and real estate investment trusts (REITs). Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for the real estate funds and limited partnerships. The REITs are managed by European Investors, Inc., CBRE Clarion Securities, LLC., and Security Capital Research & Management Inc.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS (Continued)

Real Estate (Continued)

Credit Risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fair Value</u>	<u>Percent of Assets</u>
Corporate bonds	Baa	BBB	\$ 131,837	13.4%
Short-term issues	Aaa	AAA	<u>37,358</u>	<u>3.8</u>
Total rated investments			<u>\$ 169,195</u>	<u>17.2%</u>

Unrated securities include equity securities valued at \$202,827 (in thousands), investments made with cash collateral for securities loaned valued at \$2,349 (in thousands), and private real estate partnerships and funds valued at \$607,299 (in thousands). These unrated securities represent 82.8 percent of the fair value of the pool's investments.

Concentration of Credit Risk

West Virginia statutes prohibit the Pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2013, the Pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial Credit Risk

At June 30, 2013, the Pool held no securities that were subject to custodial credit risk. All securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2013 (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (years)</u>
Corporate bonds	<u>\$ 131,837</u>	1.9

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

Real Estate (Continued)

Interest Rate Risk (Continued)

Investments without effective duration include a short-term issue valued at \$37,358 (in thousands), equity securities valued at \$202,827 (in thousands), investments made with cash collateral for securities loaned value at \$2,349 (in thousands) and private real estate partnerships and funds valued at \$607,299 (in thousands).

Foreign Currency Risk

The Pool has real estate investment trusts that are denominated in foreign currencies and are exposed to foreign currency risks. West Virginia statute limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2013, the IMB was in compliance with this limitation. The amounts at fair value (in U.S. dollars) of the investments denominated in foreign currencies as of June 30, 2013 are as follows (in thousands):

<u>Currency</u>	<u>Investments</u>	<u>Percent</u>
Australian Dollar	\$ 3,661	0.4 %
Brazil Real	42	0.0
British Pound	17,611	1.7
Canadian Dollar	1,569	0.2
Euro Currency Unit	13,393	1.3
Hong Kong Dollar	6,617	0.6
Japanese Yen	9,691	1.0
Polish Zloty	1,564	0.2
Singapore Dollar	2,688	0.3
South Korean Won	1,055	0.1
Swedish Krona	670	0.1
Swiss Franc	175	0.0
Thailand Baht	<u>526</u>	<u>0.1</u>
 Total	 <u>\$ 59,262</u>	 <u>6.0 %</u>

This table excludes investments held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated investments is \$922,408 (in thousands) at June 30, 2013. This represents approximately 94 percent of the value of the Pool's investments.

Hedge Fund

The Pool was established to hold the IMB's investments in hedge funds. Albourne America, LLC has been retained by the IMB to provide consulting services for this investment strategy.

The Pool holds shares in hedge funds and shares of a money market fund with the highest credit rating. The investments in hedge funds might be indirectly exposed to foreign currency risk, credit risk, interest rate risk and/or custodial credit risk. At June 30, 2013, the Pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the Pool and is not exposed to concentration credit risk.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - INVESTMENTS (Continued)

IMB Commitments

The IMB, with the assistance of its consultant, began implementing its plan to invest in private equity partnerships in February 2008. As of June 30, 2013, the IMB had made the following commitments to thirty-four private equity general partnerships (in thousands):

<u>Partnership Classification</u>	<u>Total Commitment</u>	<u>Funded Commitment</u>	<u>Unfunded Commitment</u>
Corporate finance – buyout funds	\$ 689,000	\$ 331,778	\$ 357,222
Corporate finance – distressed debt	80,000	33,372	46,628
Corporate finance – growth equity	80,000	56,093	23,907
Corporate finance – mezzanine	50,000	5,926	44,074
Corporate finance – turnaround	210,000	112,390	97,610
Venture capital	<u>148,000</u>	<u>55,183</u>	<u>92,817</u>
Total	<u>\$ 1,257,000</u>	<u>\$ 594,742</u>	<u>\$ 662,258</u>

The IMB, with the assistance of its consultant, began implementing its plan to invest in real estate in February 2008. As of June 30, 2013, the IMB has made the following commitments to twenty-four real estate investment funds/partnerships (in thousands):

<u>Partnership Classification</u>	<u>Total Commitment</u>	<u>Funded Commitment</u>	<u>Unfunded Commitment</u>
Core funds	\$ 390,000	\$ 304,520	\$ 85,480
Opportunistic funds	168,400	110,235	58,165
Value funds	<u>350,000</u>	<u>132,714</u>	<u>217,286</u>
Total	<u>\$ 908,400</u>	<u>\$ 547,469</u>	<u>\$ 360,931</u>

Investments and Deposits - TDCRS

Credit Risk

The TDCRS' investments are not rated as to credit risk.

Concentration of Credit Risk

As of June 30, 2013 and 2012, the TDCRS has investment balances with the following issuers which were greater than 5% of the total investment balance of the TDCRS (in thousands):

<u>Mutual Funds:</u>	<u>2013</u>	<u>2012</u>
PIMCO Total Return Fund	\$ 20,130	\$ 19,773
Valic Fixed Annuity Option	100,710	94,387
Orchard Secure Foundation Balanced	29,723	26,985
John Hancock Large Cap Equity	53,829	43,062
Putnam Equity Income	32,003	23,192
Vanguard Large Cap Index	27,577	23,304
Other (less than 5% individually)	<u>82,844</u>	<u>79,485</u>
	<u>\$ 346,816</u>	<u>\$ 310,188</u>

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

4 - INVESTMENTS (Continued)

Investments and Deposits - TDCRS (Continued)

Custodial Credit Risk

As of June 30, 2013, the TDCRS held no securities that were subject to custodial credit risk.

Concentration of Credit Risk - Cash Deposits

At June 30, 2013 TDCRS had \$13,285,000 on deposit with the West Virginia State Treasurer's Office and \$514,000 in depository accounts with financial institutions. The deposits with financial institutions, which had a bank balance of \$514,000, are either insured by the Federal Deposit Insurance Corporation or collateralized with securities held in TDCRS' name by its agent.

Interest Rate Risk

As of June 30, 2013, the TDCRS had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Mutual Funds	\$ 346,816	\$ 346,816	\$ -	\$ -

Foreign Currency Risk

There are no securities held by TDCRS that are subject to foreign currency risk.

5 - DUE FROM STATE OF WEST VIRGINIA

The State of West Virginia reached a settlement with the United States Department of Health & Human Services in January 2011, requiring additional contributions of \$20 million per year for nine years from the State of West Virginia general fund to PERS. Contributions of \$5,000,000 are due quarterly on the 15th day after each quarter end, beginning on October 15, 2011. The remaining balance of the amount due from the state was \$145,000,000 and \$165,000,000 at June 30, 2013 and 2012, respectively.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS FOR EMPLOYEES OF THE BOARD

Plan Description

The Board participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund, a cost sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employees Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employees. The provisions of the Code of West Virginia, 1931, as amended (the Code) assigned the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publically available financial report that includes financial statements and required supplemental information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street S.E., Suite 2, Charleston, West Virginia, 25303-2345, or by calling 1-888-680-7342.

Funding Policy

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

The Board's contributions to the OPEB Plan were \$162,870, \$150,795, and \$132,482, and the billed ARC was \$188,142, \$756,657, and \$739,909, which represent 86.6%, 19.9%, and 17.9% of the ARC, respectively, for the years ending June 30, 2013 and 2012, and 2011. This resulted in a net ARC liability of \$2,085,323 and \$2,060,051, as of June 30, 2013 and 2012, respectively, which is included in the internal service fund and recovered from all plans as part of the Board's service fee.

7 - EMPLOYEE BENEFIT PLANS FOR EMPLOYEES OF THE BOARD

The Board's employees are eligible to participate in PERS. The key provisions of the PERS plan are described in Note 3. Per the plan provisions, Board and employee contributions for the three years ended June 30, 2013, 2012, and 2011, are as follows, which equal their required contributions to the plan (in thousands):

	2013	2012	2011
Board contributions	\$ 407	\$ 425	\$ 347
Employee contributions	131	132	125
Total contributions	\$ 538	\$ 557	\$ 472

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

8 - CONTINGENCIES

The Board is engaged in various legal actions that it considers to be in the ordinary course of business. Some of these cases involve potentially significant amounts for which legal counsel is unable to render an opinion on the outcome. Further, the financial impact of some cases is dependent upon judicial rulings in favor of petitioners and would have to be actuarially determined, inasmuch as the relief sought is an increase in the petitioners' annuity benefit. Accordingly, the financial statement impact of such cases cannot be determined at the present time. As legal actions are resolved, the Board recognizes the liability in its financial statements in the period the amount can be estimated.

9 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to, and illnesses of employees; medical liabilities; and natural disasters.

Health insurance coverage for the Board's employees is obtained through its participation in the West Virginia Public Employees Insurance Agency (PEIA). PEIA provides the following basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, and prescription drug coverage for active and retired employees of the State of West Virginia and various related State and non-State agencies. Additionally, the Board has obtained coverage for job-related injuries through the purchase of a policy through a commercial carrier. In exchange for the payment of premiums to PEIA and a commercial carrier, the Board has transferred its risks related to health coverage for employees and job-related injuries of employees. Furthermore, the Board is a participant in the self-insured public entity risk pool administered by the Board of Risk and Insurance Management. Coverage is in the amount of \$1,000,000 per occurrence for general liability and property damage.

There have been no significant reductions in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded insurance coverage in the past three years.

10 - NEW ACCOUNTING PRONOUNCEMENTS

Management has adopted Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and identifies net position as the residual of all elements presented on the statements of plan net position. GASB 63 also amends net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Management has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities. The plans administered by the Board do not report any deferred outflows of

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD
NOTES TO FINANCIAL STATEMENTS
(Continued)

10 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

resources or deferred inflows of resources and no balances have been reclassified as a result of this change in accounting principle.

GASB has issued Statement No. 67, *Financial Reporting for Pension Plans*, which will be effective for the Board's June 30, 2014 financial statements and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for the Board's June 30, 2015 financial statements. Statement 67 requires enhanced note disclosures and schedules of required supplementary information, which will provide more information about measures of net pension liabilities and explanations of how and why those liabilities changes from year to year. This statement will also improve comparability of reported information for similar types of pension plans by limiting the actuarial valuation methods that can be used for valuation of the benefit obligations of the pension plans.

Statement 68 will require the Board to recognize a liability equal to its proportionate share of the net pension liability of the PERS for its employees. The effect on the administrative expenses of the Board has not been determined.

REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

SCHEDULES OF FUNDING PROGRESS

(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PERS						
July 1, 2012	\$ 4,452,395	\$ 5,735,775	\$ 1,283,380	77.6 %	\$ 1,382,647	92.8 %
July 1, 2011	4,322,668	5,515,252	1,192,584	78.4	1,327,717	89.8
July 1, 2010	3,974,609	5,325,830	1,351,221	74.6	1,315,441	102.7
July 1, 2009	3,930,701	4,930,158	999,457	79.7	1,274,485	78.4
July 1, 2008	3,939,059	4,677,027	737,968	84.2	1,219,388	60.5
July 1, 2007	4,293,296	4,426,051	132,755	97.0	1,191,130	11.1
July 1, 2006	3,700,186	4,264,700	564,514	86.6	1,159,715	48.7
July 1, 2005	3,404,651	4,074,385	669,734	83.6	1,162,098	57.6
July 1, 2004	3,095,660	3,870,201	774,541	80.0	1,134,111	68.3
July 1, 2003	2,669,941	3,691,001	991,060	73.1	1,109,272	89.3
July 1, 2002	2,588,777	3,432,467	843,690	75.4	1,040,269	81.1
TRS						
July 1, 2012	\$ 5,144,397	\$ 9,712,582	\$ 4,568,185	53.0 %	\$ 1,510,082	302.5 %
July 1, 2011	5,074,665	9,445,148	4,370,483	53.7	1,505,749	290.3
July 1, 2010	4,143,540	8,904,312	4,760,772	46.5	1,500,761	317.2
July 1, 2009	3,554,771	8,607,869	5,053,098	41.3	1,499,232	337.0
July 1, 2008	4,133,883	8,268,578	4,134,695	50.0	1,409,437	293.4
July 1, 2007	3,665,993	7,142,711	3,476,718	51.3	828,939	419.4
July 1, 2006	2,174,464	6,877,872	4,703,408	31.6	759,206	619.5
July 1, 2005	1,627,355	6,617,708	4,990,353	24.6	735,614	678.4
July 1, 2004	1,427,475	6,440,738	5,013,263	22.2	784,415	639.1
July 1, 2003	1,191,238	6,243,834	5,052,596	19.1	832,919	606.6
July 1, 2002	1,098,441	5,709,001	4,610,560	19.2	841,627	547.8
SPDDRS						
July 1, 2012	\$ 477,345	\$ 663,341	\$ 185,996	72.0 %	\$ 6,779	2743.7 %
July 1, 2011	481,994	606,245	124,251	79.5	8,001	1552.9
July 1, 2010	404,444	590,729	186,285	68.5	8,960	2079.1
July 1, 2009	362,927	573,579	210,652	63.3	10,215	2062.2
July 1, 2008	459,182	547,623	88,441	83.9	10,400	850.4
July 1, 2007	513,009	527,393	14,384	97.3	10,997	130.8
July 1, 2006	452,794	506,828	54,034	89.3	11,128	485.6
July 1, 2005	361,390	485,429	124,039	74.4	11,252	1102.4
July 1, 2004	118,080	462,119	344,039	25.6	12,273	2803.2
July 1, 2003	99,409	447,869	348,460	22.2	13,496	2581.9
July 1, 2002	91,095	416,938	325,843	21.9	14,314	2276.4
SPRS						
July 1, 2012	\$ 78,735	\$ 89,558	\$ 10,823	87.9 %	\$ 27,670	39.1 %
July 1, 2011	70,756	79,036	8,280	89.5	24,725	33.5
July 1, 2010	52,735	69,171	16,436	76.2	23,635	69.5
July 1, 2009	40,321	61,628	21,307	65.4	22,382	95.2
July 1, 2008	41,564	51,388	9,824	80.9	20,285	48.4
July 1, 2007	40,350	40,786	436	98.9	18,850	2.3

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

SCHEDULES OF FUNDING PROGRESS

(In Thousands)

(Continued)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
SPRS (Continued)						
July 1, 2006	30,747	33,552	2,805	91.6	15,870	17.7
July 1, 2005	25,297	26,050	753	97.1	14,311	5.3
July 1, 2004	19,882	22,102	2,220	90.0	13,233	16.8
July 1, 2003	14,741	16,892	2,151	87.3	11,449	18.8
July 1, 2002	11,644	13,708	2,064	84.9	10,134	20.4
DSRS						
July 1, 2012	\$ 117,526	\$ 157,007	\$ 39,481	74.9 %	\$ 43,583	90.6 %
July 1, 2011	113,574	149,462	35,888	76.0	42,366	84.7
July 1, 2010	92,692	139,638	46,946	66.4	41,109	114.2
July 1, 2009	78,220	129,204	50,984	60.5	39,067	130.5
July 1, 2008	89,852	119,738	29,885	75.0	37,366	80.0
July 1, 2007	93,983	109,726	15,743	85.7	34,605	45.5
July 1, 2006	77,899	103,748	25,849	75.1	31,967	80.9
July 1, 2005	68,914	98,081	29,167	70.3	29,837	97.8
July 1, 2004	59,715	87,759	28,044	68.0	28,326	99.0
July 1, 2003	49,364	78,871	29,507	62.6	26,094	113.1
July 1, 2002	44,371	72,702	28,331	61.0	24,292	116.6
JRS						
July 1, 2012	\$ 126,265	\$ 98,115	\$ (28,150)	128.7 %	\$ 8,860	0.0 %
July 1, 2011	124,583	95,591	(28,992)	130.3	8,860	0.0
July 1, 2010	102,814	96,008	(6,806)	107.1	8,256	0.0
July 1, 2009	88,310	93,185	4,875	94.8	8,140	59.9
July 1, 2008	100,186	97,965	(2,221)	102.3	8,261	0.0
July 1, 2007	104,127	96,018	(8,109)	108.4	8,261	0.0
July 1, 2006	85,932	91,820	5,888	93.6	8,029	73.3
July 1, 2005	74,757	90,528	15,771	82.6	8,145	193.6
July 1, 2004	63,559	85,778	22,219	74.1	6,325	351.3
July 1, 2003	52,779	96,709	43,930	54.6	6,325	694.5
July 1, 2002	47,620	92,215	44,595	51.6	6,325	705.1
EMSRS						
July 1, 2012	\$ 35,483	\$ 44,148	\$ 8,665	80.4 %	\$ 21,263	40.8 %
July 1, 2011	32,366	39,225	6,859	82.5	22,488	30.5
July 1, 2010	23,662	31,503	7,841	75.1	21,362	36.7
July 1, 2009	17,173	26,969	9,796	63.7	20,338	48.2
July 1, 2008	15,675	21,207	5,532	73.9	17,525	31.6
January 1, 2008	14,323	19,492	5,169	73.5	17,181	30.1
MPFRS						
July 1, 2012	\$ 202	\$ 90	\$ (112)	224.4 %	\$ 966	-11.6 %
July 1, 2011	65	23	(42)	282.6	343	-12.2
July 1, 2010	3	4	1	79.7	208	0.3

Note: EMSRS data is from the initial valuation report for the Plan's effective date of January 1, 2008.

See accompanying notes to required supplementary information.

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

SCHEDULES OF CONTRIBUTIONS FROM THE EMPLOYERS AND
OTHER CONTRIBUTING ENTITIES

(In Thousands)

Year Ended June 30	(1) Budgeted Recommended Contribution	(2) Restated Recommended Contribution	Percent of Budget Contributed	Percent of Restated Contributed
PERS				
2013	\$ 194,259	\$ 194,259	96.56 %	96.56 %
2012	181,481	181,481	105.25	105.25
2011	192,577	192,577	83.34	83.34
2010	158,329	158,329	87.97	87.97
2009	128,036	128,036	99.98	99.98
2008	125,069	125,069	102.08	102.08
2007	121,770	121,770	101.91	101.17
2006	122,020	124,033	109.49	107.71
2005	119,082	119,164	99.71	99.64
2004	116,474	116,474	99.28	99.28
2003	98,826	117,030	104.47	88.22
TRS (3)				
2013	\$ 483,013	\$ 483,013	100.78 %	100.78 %
2012	458,047	458,047	105.28	105.28
2011	471,171	471,171	106.35	106.35
2010	487,886	487,886	91.41	91.41
2009	404,457	404,457	94.29	94.29
2008	337,316	345,412	110.10	107.52
2007	348,688	327,068	425.99	454.15
2006	345,215	347,802	191.52	190.10
2005	342,800	334,533	102.98	105.52
2004	307,634	333,208	106.76	98.57
2003	271,808	290,428	105.38	98.63
SPDDRS (4)				
2013	\$ 15,162	\$ 15,162	106.91 %	106.91 %
2012	22,051	22,051	105.65	105.65
2011	25,940	25,940	96.88	96.88
2010	12,416	12,416	98.01	98.01
2009	4,018	4,018	116.45	116.45
2008	5,693	5,693	94.01	94.01
2007	6,227	6,227	96.74	96.74
2006	10,567	10,567	724.46	724.46
2005	27,953	27,953	904.90	904.90
2004	24,701	24,358	97.10	98.47
2003	22,473	23,866	100.19	94.34
SPRS				
2013	\$ 4,289	\$ 4,289	97.76 %	97.76 %
2012	4,327	4,327	105.02	105.02
2011	4,770	4,770	95.81	95.81
2010	3,537	3,537	84.96	84.96
2009	2,434	2,434	96.13	96.13
2008	2,262	2,262	102.49	102.49
2007	1,904	1,904	114.29	114.29
2006	1,719	1,717	105.93	106.06
2005	1,487	1,588	114.46	107.18
2004	1,357	1,343	109.95	122.70
2003	1,422	1,170	90.93	110.50

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

SCHEDULES OF CONTRIBUTIONS FROM THE EMPLOYERS AND
OTHER CONTRIBUTING ENTITIES

(In Thousands)
(Continued)

Year Ended June 30	(1) Budgeted Recommended Contribution	(2) Restated Recommended Contribution	Percent of Budget Contributed	Percent of Restated Contributed
DSRS (5)				
2013	\$ 6,216	\$ 6,216	91.76 %	91.76 %
2012	6,058	6,058	89.65	89.65
2011	4,866	4,866	86.87	86.87
2010	4,652	4,652	87.12	87.12
2009	4,448	4,448	96.15	96.15
2008	4,134	4,134	102.49	102.49
2007	3,857	3,857	100.96	100.96
2006	3,608	3,608	104.30	104.30
2005	3,449	2,912	103.48	122.56
2004	2,979	3,241	108.46	99.69
2003	2,758	2,993	105.48	97.21
JRS				
2013	\$ 2,317	\$ 2,317	104.53 %	104.53 %
2012	2,317	2,317	172.51	172.51
2011	2,385	2,385	165.77	165.77
2010	2,467	2,467	156.22	156.22
2009	2,537	2,537	237.84	237.84
2008	3,267	2,508	184.70	240.59
2007	4,204	3,088	143.53	195.40
2006	4,713	4,104	143.39	164.67
2005	6,758	4,398	100.00	153.66
2004	6,517	6,652	81.77	80.11
2003	5,413	6,418	101.60	85.70
EMSRS				
2013	\$ 2,233	\$ 2,233	103.36 %	103.36 %
2012	2,361	2,361	96.23	96.23
2011	2,243	2,243	100.94	100.94
2010	2,135	2,135	102.58	102.58
2009	1,840	1,840	205.38	205.38
MPFRS				
2013	\$ 82	\$ 82	184.15 %	184.15 %
2012	29	29	248.28	248.28
2011	18	18	172.22	172.22

Notes:

- (1) Budgeted recommended contribution represents the original budgeted recommended contribution per the actuarial reports as presented to the Legislature.
- (2) Restated recommended contribution represents the updated recommended contribution based upon the availability of more recent information, including changes in market performance, payroll, and other factors.
- (3) Contributions for the Teachers Retirement System include employer contributions and interest from out-of-state services and surcharges on fire and casualty insurance policies which are specifically identified to fund the plan per West Virginia State Code Section 33-3-14d and 33-33-33.
- (4) Contributions for Plan A include employer contributions and other payments designated by WV State Code Section 15-2-26 - Payments to members for court attendance and mileage; rewards for apprehending wanted persons; fees for traffic accident reports and photographs; fees for criminal investigation reports and photographs; fees for criminal history record checks; and fees for criminal history record reviews and challenges or from any other sources designated by the superintendent.

See accompanying notes to required supplementary information.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

SCHEDULES OF CONTRIBUTIONS FROM THE EMPLOYERS AND
OTHER CONTRIBUTING ENTITIES

(In Thousands)

(Continued)

- (5) Contributions include employer contributions and various other fees designated for the fund from charges and fees per WV State Code Section 7-14E-2 and 17A-3-17 - Charges for obtaining reports (i.e., accident reports); fees for performing certain services (adult private employment finger printing for federal firearm permits, motor vehicle number identification, adult identification card, and photo-identification card); fees for nongovernmental background investigation reports; and fees for renewal of a Class A or G vehicle registration.

FINANCIAL STATEMENTS

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was based on the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	PERS	TRS	SPDDRS	SPRS
Valuation date	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal	Entry age	Entry age normal	Entry age normal
Asset valuation method	4 Year Smoothing	Fair value	Fair value	Fair value
Amortization method	Level dollar	Level dollar	Level dollar	Level percentage of payroll
Remaining amortization period	22 years	21 years	11 years	18 years
Actuarial assumptions:				
Investment rate of return	7.5%	7.5%	7.5%	7.5%
Projected salary increases:				
PERS:				
State	4.25-6.00%	-	-	-
Nonstate	4.25-6.00%	-	-	-
TRS:				
Teachers	-	3.75-5.25%	-	-
Non Teachers	-	3.40-6.50%	-	-
Other Plans	-	-	5.00% for first 2 years of service; 4.50% for the next 3 years of service; 4.00% for the next 5 years and 3.25% thereafter	5.00% for the first 2 years of service; 4.50% for the next 3 years; 4.00% for the next 5 years and 3.25% thereafter
Inflation rate	3.0%	3.0%	3.0%	3.0%

FINANCIAL STATEMENTS

DSRS	JRS	EMSRS	MPFRS
July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Entry age normal cost - aggregate level percent of payroll	Entry age normal	Entry age normal with aggregate normal cost level percentage of payroll	Entry age normal with aggregate normal cost level percent
Fair value	Fair value	Fair value	Fair value
Level percentage of open group payroll plus fee deposits	Level dollar	Level dollar	Level dollar
16 years	-	25 years	-
7.5%	7.5%	7.5%	7.5%
-	-	-	-
-	-	-	-
-	-	-	-
5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter	Projected salary increases: 4.50%; Annual increase to benefits 4.50%	By age from 5.00% at age 30 declining to 3.50% at age 65	By age from 5.00% at age 30 declining to 3.50% at age 65
3.0%	-	3.0%	3.0%

SUPPLEMENTARY INFORMATION

FINANCIAL SECTION
Schedule of Administrative Expenses

Schedule of Administrative Expenses
Years Ended June 30, 2013 and 2012

	2013	2012
Salaries	\$ 2,978	\$ 3,016
Employee Benefits	1,057	1,072
Other Post Employment Benefits Contributions	187	755
Occupancy	441	460
Computer Services	487	402
Legal	314	336
External Actuarial Services	211	210
Accounting and Auditing	101	69
Consulting Services	30	-
Third Party Administrator's Fees*	381	328
Disability Exams	132	135
Office Expenses	311	239
Postage	146	137
Depreciation	129	92
Insurance	39	24
Travel	44	42
Miscellaneous	39	155
	<u>\$ 7,027</u>	<u>\$ 7,472</u>
 Administrative Fees Collected from the Retirement Systems	 <u>\$ 9,918</u>	 <u>\$ 9,581</u>

The excess of fees collected over administrative costs incurred is allocated to reserves for future information technology improvements and other long-term costs. Fees are assessed to recover costs such that the fees collected match expenses over time.

*Third Party Administrative fees relate to the Teacher's Defined Contribution Retirement System only.

See Independent Auditor's Report.

FINANCIAL SECTION
Schedule of Payments to Consultants

The following were payments to consultants for the year ended June 30, 2013:

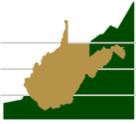
Legal:		
Bowles, Rice, LLP	\$	213,778
Actuary:		
Buck Consultants		210,700
Audit:		
Gibbons & Kawash, A.C.		78,400
Information Technology:		
LRWL, Inc.		35,500

See Independent Auditor's Report.

INVESTMENT SECTION



Governor Earl Ray Tomblin Rings Bell of U.S.S. West Virginia to Kick-off 150th Birthday Celebration



West Virginia Investment Management Board

500 Virginia Street, East – Suite 200
Charleston, West Virginia 25301

Phone: (304) 345-2672
Fax: (304) 345-5939
Website: www.wvimb.org

December 20, 2013

Consolidated Public Retirement Board
4101 MacCorkle Avenue, SE
Charleston, WV 25304-1636

On behalf of the West Virginia Investment Management Board (IMB) it is with pleasure that I submit the investment section of the Consolidated Public Retirement Board's comprehensive annual financial report for the fiscal year ended June 30, 2013.

As described in more detail herein, the IMB is a public body corporate, an independent organization statutorily charged with the responsibility for investing all assets of the State of West Virginia with long time horizons. These assets include the assets of all eight of the defined benefit pension plans administered by the Consolidated Public Retirement Board. As an investment fiduciary, the IMB's only focus is to invest the assets entrusted to it in the best interest of the beneficiaries. Note that in this section, the defined benefit pension plans, as a group, are generally referred to as, "Participant Plans." To a large extent, each participant plan's performance is a function of the assets in which it invests. As such, a review of asset class performance for the year may be helpful.

The pattern of returns in the US was reflective of fiscal and monetary issues. As the first half of the fiscal year came to a close, fear of the consequences of the fiscal cliff and sequestration stalled US equity returns. The second half of the fiscal year saw investors throw off their fears on stronger than expected economic data only to panic once again as the fiscal year-end record over fears that the Federal Reserve would discontinue quantitative easing sooner than expected. The US stock market lost 1.3 percent (Russell 3000) in the last month of the fiscal year although it was still up 21.5 percent for the whole year. US fixed income followed suit losing 1.8 percent (Barclays Capital US Universal) the last month of the fiscal year, but was up only 0.2 percent for the whole year. Quantitative easing in Europe supported equity markets in the first half of the year, but political uncertainty bred doubts about the sustainability of any recovery in the second half of the fiscal year undercutting those markets. Meanwhile, with the election of Shinzo Abe as prime minister, Japan embarked on an aggressive course of quantitative easing driving its currency down against the dollar and stimulating growth, which served to raise Japanese equities. A corollary affect, however, was to force emerging market countries to devalue their currencies to remain competitive. That devaluation combined with developing cracks in the Chinese "story" (corruption, scandals and overbuilding) saw capital flee, pushing emerging markets down over 8 percent (MSCI Emerging Markets) for the last quarter of the fiscal year although it remained in positive territory for the whole fiscal year at 2.9 percent. The worst performing asset class for the fiscal year was treasury inflation-protected securities which were down 4.8 percent (Barclays Capital US TIPS).

The IMB's relative performance in each asset class was generally very good in fiscal year 2013. The best relative performance came from the international equity and fixed income portfolios which outperformed their benchmarks by 3.6 percent and 2.5 percent, respectively. The US equity portfolio was pedestrian by comparison, outperforming by only 0.4 percent. The private equity and real estate

Our mission is to exercise our best independent judgment in providing prudent and professional investment management for the exclusive benefit of the beneficiaries.

Consolidated Public Retirement Board December 20, 2013

portfolios are still immature, so comparisons are problematic, but they certainly helped diversify risk in the portfolio, an important goal. Hedge funds have been a component of the plans for five years. Comparisons to hedge fund benchmarks are not altogether relevant as hedge fund portfolios are a collection of unique strategies constructed to achieve very specific goals. For the IMB, the goal is primarily diversification. Hedge funds have been an effective tool for that purpose in the IMB portfolio.

For general comparison purposes, the IMB uses the Public Employees' Retirement System (PERS) as a proxy for the other pension plans because of its similarity to other statewide public pension plans throughout the nation. As of June 30, 2013, the return for PERS was up 13.1 percent net of expenses for the fiscal year. Of greater significance is the longer-term performance. In that regard, over the ten-year period ending June 30, 2013, the IMB's return was 7.6 percent versus the policy benchmark of 6.7 percent. This represents millions of dollars in value added by trustees and staff. Specifically, for the mature defined benefit pension plans, the returns for the fiscal year ending June 30, 2013, ranged from 13.1 percent for the Public Employees' Retirement System to 13.0 percent for the Teachers' Retirement System. The new Municipal Police Officers' and Firefighters' Retirement System had a return of 11.9 percent. Since asset allocations are virtually the same for each plan, differences in the returns for the various pension plans are a function of the differences in the timing of cash flows into and out of each plan and relative levels of cash equivalent securities necessary to make benefit payments. The Teachers' Retirement System's asset allocation is a minor exception as it inherited investments in an annuity product when assets of participants were moved from the Teachers' Defined Contribution Plan (managed by the Consolidated Public Retirement Board) to the IMB in December 2008. This annuity product was finally fully liquidated in May of 2013.

Specific data on the returns and objectives of each Participant Plan may be found in the pages that follow. Before one peruses the data, it may be useful to make a few points about return and volatility, when assets, like defined benefit pension plans, have long time horizons.

The IMB is partially responsible for adequate funding of the defined benefit pension plans with the expectation that it will return 7.5 percent on the assets entrusted to it. Any time the IMB fails to achieve that return, there is a decrease in the funded liability. Every time the IMB achieves a return greater than 7.5 percent, there is an increase in the funded liability. The turmoil in the capital markets in fiscal year 2009 and the subsequent negative return for IMB assets reduced the funded liability causing an increase in employer contributions and stress on the State's budget. But for the last quarter of that year, however, the stress would have been much greater. In addition, the great performance in fiscal years 2010, 2011 and 2013 improved the funded position and helped relieve the stress on the State's budget. The return for fiscal year 2012 fell short of the 7.5 percent hurdle rate and, as a result, put stress on the State's budget. Long-term investors have the opportunity and ability to generate higher returns, but that opportunity does not come without cost. That cost is volatility in return. To generate greater long-term returns, an investor must be willing to accept shorter periods of lesser returns. The portfolio that suffered through the market turmoil of 2008 and early 2009 is essentially the same portfolio that produced great relative returns in fiscal year 2009, great relative and absolute returns in fiscal year 2010, great absolute returns in fiscal year 2011, only modest returns in fiscal year 2012, and great relative and absolute returns in fiscal year 2013. The IMB's patience has served it well over time.

As an investor, the IMB's capacity to generate return on assets is largely a function of growth in the world capital markets. Diversification helps smooth the volatility in capital markets, but growth is the engine of returns. Three years ago I stated that the road ahead was foggy and treacherous, that credit, employment, and income growth in the developed world would face many challenges, and that emerging markets of the world are better positioned for growth but will likely experience more volatility. The US now seems to be gaining strength with prospects of a recovery on the horizon. The rest of the developed world appears to be languishing, struggling to work through the excesses that precipitated the global crisis. While the emerging markets of the world have excellent prospects for long-term growth, recent developments indicate that there will be a pause in that trajectory as capital flows have

Consolidated Public Retirement Board
December 20, 2013

reversed, going back to developed markets in a global economy subject to multiple forces. It will be a challenge to achieve the returns expected of the IMB, but staff looks forward to helping trustees cope with the challenges as fiscal year 2014 unfolds.

Sincerely,

A handwritten signature in black ink, appearing to read 'CS', with a long horizontal line extending to the right.

Craig Slaughter
Executive Director

CS:jah

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INVESTMENT SECTION

Investment Background, Philosophy, and Objectives

The West Virginia Investment Management Board came into existence in the spring of 1997 after years of hard work modernizing the State's investment management structure. This structural modernization was widely acknowledged as a necessary precursor to the passage of a constitutional referendum to allow investment in stocks. The risks were perceived to be too great to be managed by anything but a modern, professional entity.

Although the West Virginia Investment Management Board's predecessors, the West Virginia State Board of Investments and the West Virginia Trust Fund, Inc., brought about vast improvements, each had significant shortcomings. However, with the creation of the West Virginia Investment Management Board, the State achieved a balance between control and independence that will allow efficient and prudent investment management of long-term assets well into the future.

The beginning of the modern era in investment management by the State goes back to the late 1970s with the consolidation of the investment authority for the State's defined benefit plans, employment security plans, and other assets into a newly created West Virginia State Board of Investments. One of the goals of the legislation was to achieve economies of scale by commingling like assets.

Significantly, this newly created West Virginia Board of Investments was staffed by the State Treasury and the board itself was made up of the State's Governor, Treasurer, and Auditor.

Although a step in the right direction, the initial West Virginia State Board of Investments lacked proper or sufficient control features. After a few problems in the 1980s, principally involving its short-term pool, the Consolidated Fund, the board was expanded to seven members, adding four members from the private sector including an attorney experienced in financial matters and a Certified Public Accountant.

In the fall of 1990, the Legislature took a huge leap forward by creating a staff for the West Virginia State Board of Investments separate from the staff of the Treasury. This provided clear accountability to the Board of Investments - something that did not exist previously.

Other very important control features included: (1) a statutory requirement for an Internal Auditor, (2) an annual external audit by a certified public accounting firm, and (3) monthly reporting requirements to government leaders in accordance with generally accepted accounting principles. This last feature dictated that all pools with a weighted average maturity in excess of 90 days must be marked-to-market (carried at market value), something that had not been done in the 1980s.

At the same time, the West Virginia Board of Investments made its first tepid step towards a diversified portfolio to be invested in stocks domiciled in the United States. Although it made some initial stock purchases in 1993, which were subsequently liquidated at a gain, the statute was challenged and the West Virginia Supreme Court ruled that investing in equities was unconstitutional.

In 1996, in an effort to satisfy the constitutional strictures, the Legislature carved out the pension and employment security funds with long time horizons and placed them in a trust to be managed by a new entity called the West Virginia Trust Fund, Inc. The creation of the trust as a vehicle to allow investment in stocks was also challenged and was struck down, failing to satisfy the constitutional concerns of the Supreme Court. It did, however, bring about three very important changes. The Legislature, demonstrating impeccable managerial foresight, granted the West Virginia Trust Fund, Inc. control over its own budget. With the same foresight, the Legislature imposed personal fiduciary liability on the board and staff of the West Virginia Trust Fund, Inc. Of no less importance was the creation of representative roles for members of the retirement systems and employment security systems.

With the failure of the West Virginia Trust Fund, Inc., it and the West Virginia State Board of Investments were replaced in 1997 by a new entity, the present day West Virginia Investment Management Board. The basic modernization process was complete. All of the improvements made in the Board of Investments and the West Virginia Trust Fund, Inc. were incorporated into the new entity.

The Legislature, for policy reasons, transferred the Consolidated Fund on July 8, 2005 to a newly created West Virginia Board of Treasury Investments, chaired by the State Treasurer. This was widely perceived as a policy move to ensure direct governmental oversight of State general and special revenue

funds. The West Virginia Investment Management Board continues to manage the retirement funds, the employment security funds, and other assets with long time horizons.

Finally, in 2007 the Legislature expanded the investable universe of assets, increasing the allowable allocation to public equity and international securities, while also providing for a significant allocation to “alternative investments,” loosely defined as hedge fund and private equity.

The West Virginia Investment Management Board was created during the 1997 legislative session and is cited as the *West Virginia Investment Management Board Act* (the Act). The legislative findings of the Act make it clear that the West Virginia Investment Management Board was intended to be a professional, apolitical, financial management organization dedicated to the interests of the State’s teachers, public employees and workers in general. The Act was intended to give the West Virginia Investment Management Board “...the authority to develop, implement and maintain an efficient and modern system for the investment and management of the State’s money.” In order to accomplish this purpose, the Act further stated that the West Virginia Investment Management Board must “...operate as an independent board with its own full-time staff of financial professionals immune to changing political climates...” [West Virginia Code §12-6-1(a)(b)] The Act also mandates that the assets contributed by the public employee and employer to the 401(a) Plans and the assets of the Workers’ Compensation Fund and the Coal Workers’ Pneumoconiosis Fund, are “declared to be irrevocable trusts, available for no use or purpose other than for the benefit of those public employees...workers, miners and their beneficiaries...” [West Virginia Code §12-6-1(c)(d)] The West Virginia Investment Management Board is further “empowered by this Article to act as Trustee of the irrevocable trusts created by this Article, and to manage and invest other state funds.” [West Virginia Code §12-6-1a(f)]

The standard of care mandated by the Statute is that codified in the “Uniform Prudent Investor Act,” Article 6C of Chapter 44 of the *West Virginia Code*. The West Virginia Investment Management Board is further subject to the following requirements:

- (a) *Trustees shall discharge their duties with respect to the 401(a) Plans for the exclusive purpose of providing benefits to participants and their beneficiaries;*
- (b) *Trustees shall diversify fund investments so as to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so;*
- (c) *Trustees shall defray reasonable expenses of investing and operating the funds under management;*
- (d) *Trustees shall discharge their duties in accordance with the trust documents and instruments governing the trusts or other funds under the management insofar as the documents and instruments are consistent with provisions of this Article; and*
- (e) *The duties of the Board apply only with respect to those assets deposited with or otherwise held by it. [West Virginia Code §12-6-11]*

Governance of the West Virginia Investment Management Board is vested, by statute, in a thirteen-member Board of Trustees. Three members of the Board serve by virtue of their office: the Governor, the Auditor, and the Treasurer. The other ten are appointed by the Governor and confirmed by the Senate. All appointees must have experience in pension management, institutional management or financial markets. In addition, one must be an attorney experienced in finance and investment matters and another must be a Certified Public Accountant. Only six of the ten appointed Trustees may be from the same political party. The Governor serves as Chairman of the Board. A Vice-Chairman is elected by the Trustees. A Secretary, who need not be a member of the Board, is also elected by the Trustees to keep a record of the proceedings of the Board.

A member of each defined benefit retirement plan is designated by the Consolidated Public Retirement Board to represent the Participant Plans’ interests. Likewise, the West Virginia Insurance Commission designates a representative for the Coal Workers’ Pneumoconiosis Fund and the Workers’

INVESTMENT SECTION

Investment Background, Philosophy, and Objectives

Compensation Old Fund. Each of the Representatives may designate up to three persons to comprise a committee representing their respective plan's beneficiaries. The Representatives and Committee Members do not have a vote but have the right to be heard at the annual meetings of the Board and are subject to the same code of conduct and requirements of confidentiality that apply to the Trustees.

The day-to-day management of the West Virginia Investment Management Board is delegated to the Executive Director who is appointed by the Board and serves at its will and pleasure. The Executive Director acts as an advisor to the Board on all matters.

The staff of the West Virginia Investment Management Board is divided into two principal divisions—Investments and Operations.

The Operations Division is focused on providing the back office support necessary for the organization to function on a day-to-day basis. The Investments Division is structured to devote its time and resources to staying current with new developments and research in the investment field and being prepared to apply this knowledge to the investment of assets for the West Virginia Investment Management Board.

The primary objective of the investment pools is to provide benefits to its participants and beneficiaries. Based on general beliefs about the investment return available from a well-diversified, prudently invested portfolio, the Board has adopted specific investment objectives for each Participant Plan.

In order to achieve a specified real rate of return, the Board relies on the prevailing financial theory, which currently is an investment strategy utilizing an appropriate long-term diversified asset allocation model. A prudently allocated investment program possesses a certain level of diversification, which produces risk reduction. In terms of level of impact, diversification should be considered along the following lines: (1) asset classes (stocks, bonds, cash, non-traditional, etc.), (2) geography/country, (3) industry, and (4) maturity. Asset allocation modeling takes into consideration specific unique circumstances of each Participant Plan, such as size, liquidity needs, and financial condition (funded status) as well as general business conditions. The factors mentioned here are not intended to be limiting; rather, they are outlined as a general indication of the importance of diversification to proper asset allocation. The Board determines the proper allocation among asset classes and managers based on advice and analysis provided by staff and/or external investment consultants.

The Board recognizes that even though its investments are subject to short-term volatility, it is critical that the Board maintain the appropriate time horizon for each Participant Plan. This prevents ad hoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations. In order to preserve this long-term view, the Board has adopted the following formal review schedule:

Agenda Item	Review Schedule
Investment Performance	Quarterly
Investment Policy	Every Year
Policy Asset Allocation	Every Three Years
Strategic Asset Allocation	Every Three Years
Allocation Ranges	Every Three Years
Asset Allocation Review for Each Participant Plan	At Least Every Three Years

The Board may hire investment managers to implement its objectives. These managers will be given specific tactical roles within the overall strategic investment plan. Depending on their assignments, the managers may be judged on some or all of the following: (1) consistency of philosophy, style and key personnel, (2) performance relative to an appropriate index or proxy group, and (3) ability to add incremental value after costs. The Board and staff shall monitor performance and supervise all fund managers.

INVESTMENT SECTION

Investment Background, Philosophy, and Objectives

In determining its philosophy towards risk, the Board considers, in addition to its fiduciary obligations and statutory requirements, each entity's purpose and characteristics, financial condition, liquidity needs, sources and level of contributions, income and general business conditions. Based upon these many factors, the Board identifies whether a more aggressive or more conservative approach is warranted for each Participant Plan.

INVESTMENT OBJECTIVES

"The Board, at its annual meeting...shall review, establish and modify, if necessary, the investment objectives of the individual participant plans, as incorporated in the investment policy statements of the respective trusts so as to provide for the financial security of the trust funds giving consideration to the following: (1) Preservation of Capital; (2) Diversification; (3) Risk Tolerance; (4) Rate of Return; (5) Stability; (6) Turnover; (7) Liquidity; and (8) Reasonable Costs of Fees." [West Virginia Code §12-6-12g]

PARTICIPANT PLANS

The Board's objective is to manage the Participant Plans' moneys in an efficient and economical manner, managing risk as it seeks to achieve the specific goals set out in each Participant Plan's investment program.

EQUITY POOL

OBJECTIVES

The main objective for the Equity Pool is to provide for long-term growth for all participants. The Equity Pool is comprised of separate strategic asset classes which, when taken in aggregate, enable adequate diversification. Separate investment pools have been established for each investment style or to comply with specific legal and accounting requirements. The strategic asset classes, the Neutral Target allocations to additional sub-components of the strategic asset classes, as well as the approved Allocation Ranges within which the Allocation Committee can operate, are outlined below:

Category	Strategic Allocation	Allocation Range
U.S. Equity	25.0%	+/- 5% (20% to 30%)
International Equity	25.0%	+/- 5% (20% to 30%)
Total Equity Pool	50.0%	+/- 5% (45% to 55%)

Note: Each Participant Plan has its own unique Strategic Allocation. The above example is for clarification purposes only.

Category	Neutral Target*	Allocation Range
U.S. Large Cap vs. U.S. Non-Large Cap	Large = 1 minus Non-Large Non-Large = Russell 2500/Russell 3000	0.5 to 2.5 times benchmark Sum must equal 100
U.S. Non-Large Value vs. U.S. Non-Large Growth	Value vs. Growth Percentage in Russell 2500	0.5 to 2.5 times benchmark Sum must equal 100
International Large vs. International Small vs. Emerging Markets	Large vs. Small vs. Emerging Percentage in MSCI ACWI ex U.S.	0.5 to 2.5 times benchmark Sum must equal 100

** The Neutral Target is established based on the listed indices and is reset, subject to Allocation Committee decisions, based on these index weights every June 30.*

Note: The combined investment in international developed equity, international small cap, emerging markets equity, international fixed income, and international real estate components may not exceed 30 percent of the Participant Plan allocation, as mandated by statute.

INVESTMENT SECTION

Investment Pool Objectives, Financial Highlights, and Performance

**EQUITY POOL
(Continued)**

MANAGEMENT STRUCTURE

The equity pools are managed by the following firms, in accordance with a particular investment style.

Manager	Style
U.S. Large Cap	
State Street Global Advisors	Index Core
INTECH Investment Management, LLC	Quantitative Core
U.S. Non-Large Cap	
Westfield Capital Management	Growth at a Reasonable Price
AJO	Relative Value
International	
<i>Developed Markets</i>	
Silchester International Investors	All Country, Value
LSV Asset Management	All Country, Relative Value
<i>Small Capitalization</i>	
Pictet Asset Management Limited	All Country, Growth at a Reasonable Price
<i>Emerging Markets</i>	
Brandes Investment Partners, L.P.	Emerging Market, Value
Axiom International Investors, LLC	Emerging Market, Growth at a Reasonable Price

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the equity pools and are available at www.wvimb.org. Financial Highlights for each pool are presented below.

Composite	Individual Pools per Audited Financial Statements
U.S. Large Cap	Large Cap Domestic Equity Pool
U.S. Non-Large Cap	Non-Large Cap Domestic Equity Pool
International	International Qualified Pool International Nonqualified Pool International Equity Pool

Condensed Statement of Assets and Liabilities

	Large Cap Domestic Equity	Non-Large Cap Domestic Equity
Investments	\$ 2,365,857	\$ 893,077
Payable upon return of securities loaned	(15,061)	(61,999)
Cash	1,488	-
Receivable for investments sold	56,230	21,400
Payable for investments purchased	(7,712)	(8,390)
Other assets and liabilities	2,478	14
Net assets - June 30, 2013	\$ 2,403,280	\$ 844,102

INVESTMENT SECTION

Investment Pool Objectives, Financial Highlights, and Performance

**EQUITY POOL
(Continued)**

FINANCIAL HIGHLIGHTS (continued in \$000s)

Condensed Statement of Assets and Liabilities	International Qualified	International Nonqualified	International Equity
Investments	\$ 1,036,753	\$ 122,099	\$ 2,215,282
Payable upon return of securities loaned	-	-	(111,135)
Cash	-	-	17,100
Receivable for investments sold	-	-	3,032
Payable for investments purchased	-	-	(3,617)
Foreign currency contracts	-	-	(4)
Other assets and liabilities	(67)	(8)	8,556
Net assets - June 30, 2013	<u>\$ 1,036,686</u>	<u>\$ 122,091</u>	<u>\$ 2,129,214</u>

Investments	Large Cap Domestic Equity		Non-Large Cap Domestic Equity	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Domestic equities sector exposure:				
Basic Materials	\$ 91,583	3.9%	\$ 57,600	6.4%
Capital Goods	211,879	9.0	119,170	13.3
Communications Services	86,743	3.7	5,557	0.6
Consumer Discretionary	320,652	13.5	129,665	14.5
Consumer Staples	257,635	10.9	12,625	1.4
Energy	267,068	11.3	61,222	6.9
Financial Services	406,316	17.2	213,337	24.0
Health Care	272,197	11.5	64,359	7.2
Technology	326,346	13.7	112,603	12.6
Utilities	93,914	4.0	36,714	4.1
Total domestic equities	2,334,333	98.7	812,852	91.0
Futures	(143)	0.0	-	0.0
Short-term issues	16,609	0.7	18,236	2.0
Investments made with cash collateral				
for securities loaned	15,058	0.6	61,989	7.0
Total	<u>\$ 2,365,857</u>	<u>100.0%</u>	<u>\$ 893,077</u>	<u>100.0%</u>

Investments	International Qualified		International Nonqualified	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Investments in other funds	\$ 1,036,753	100.0%	\$ 122,099	100.0%

INVESTMENT SECTION

Investment Pool Objectives, Financial Highlights, and Performance

**EQUITY POOL
(Continued)**

FINANCIAL HIGHLIGHTS (continued in \$000s)

Investments	International Equity	
	Fair Value	Percent of Securities
International equities country exposure:		
Australia	\$ 58,914	2.7%
Brazil	143,984	6.5
Canada	91,289	4.1
Cayman Islands	42,815	1.9
China	68,337	3.1
France	78,818	3.6
Germany	99,931	4.5
Hong Kong	49,089	2.2
India	72,164	3.3
Japan	250,440	11.3
Korea	158,921	7.2
Mexico	59,453	2.7
Russia	75,915	3.4
South Africa	47,500	2.1
Switzerland	62,012	2.8
Taiwan	49,384	2.2
United Kingdom	233,690	10.5
All others (none greater than 2%)	432,158	19.6
Total international equities	2,074,814	93.7
Short-term issues	29,351	1.3
Investments made with cash collateral		
for securities loaned	111,117	5.0
Total	<u>\$ 2,215,282</u>	<u>100.0%</u>

Progression of Net Assets

	Large Cap Domestic Equity	Non-Large Cap Domestic Equity
Net assets - June 30, 2012	\$ 2,069,747	\$ 698,195
Net increase from operations	418,001	191,288
Net decrease from unit transactions	(84,468)	(45,381)
Net assets - June 30, 2013	<u>\$ 2,403,280</u>	<u>\$ 844,102</u>

Progression of Net Assets

	International Qualified	International Nonqualified	International Equity
Net assets - June 30, 2012	\$ 801,685	\$ 87,448	\$ 1,926,513
Net increase from operations	219,681	24,607	276,513
Net increase (decrease) from unit transactions	15,320	10,036	(73,812)
Net assets - June 30, 2013	<u>\$ 1,036,686</u>	<u>\$ 122,091</u>	<u>\$ 2,129,214</u>

INVESTMENT SECTION

Investment Pool Objectives, Financial Highlights, and Performance

**EQUITY POOL
(Continued)**

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Large Cap Domestic Equity		Non-Large Cap Domestic Equity	
	Actual	S&P 500	Actual	Russell 2500
One-year	20.1%	20.6%	27.0%	25.6%
Three-year	18.7%	18.5%	21.6%	19.6%
Five-year	6.9%	7.0%	9.0%	9.2%
Ten-year	7.5%	7.3%	10.8%	10.3%

Period	International Qualified		International Nonqualified		International Equity	
	Actual	MSCI EAFE	Actual	MSCI EAFE	Actual	MSCI ACWI ex U.S.
One-year	27.4%	19.1%	27.1%	19.1%	13.2%	14.1%
Three-year	13.6%	10.6%	13.4%	10.6%	8.1%	8.5%
Five-year	8.1%	-0.2%	7.7%	-0.2%	1.4%	-0.3%
Ten-year	12.0%	8.2%	11.5%	8.2%	8.8%	9.1%

Large Cap Domestic Equity

Ten Largest Holdings	Fair Value
Exxon Mobil Corporation	\$ 74,303
Apple, Inc.	60,867
AT&T	40,081
Chevron Corporation	37,899
Google	35,655
Johnson & Johnson	34,713
IBM	34,113
General Electric Company	33,650
Pfizer Inc.	31,313
Microsoft Corporation	30,517

Non-Large Cap Domestic Equity

Ten Largest Holdings	Fair Value
Tesoro Corporation	\$ 15,010
Everest Re Goup Ltd.	13,592
Alliance Data Systems Corporation	10,811
Jones Lang LaSalle	10,565
Packaging Corporation of America	10,180
Jarden Corporation	8,814
Hubbell Inc.	7,695
Williams Sonoma Inc.	7,552
Rowan Companies Plc.	7,395
GameStop Corporation	7,317

EQUITY POOL
(Continued)

INVESTMENT PERFORMANCE (Continued)

International Qualified	
Largest Holdings	Fair Value
Silchester International Investors' Value Equity Group Trust	\$ 1,036,753

International Nonqualified	
Largest Holdings	Fair Value
Silchester International Investors' Value Equity Trust	\$ 122,099

International Equity	
Ten Largest Holdings	Fair Value
Lukoil	\$ 28,038
Royal Dutch Shell	24,511
Samsung Electronics Co. Ltd.	19,294
Hyundai Motor Company	19,258
AstraZeneca Group Plc.	17,552
MTN Group Ltd.	17,257
Tim Participacoes SA	17,224
China Mobile (Hong Kong) Ltd.	15,665
BP Amoco Plc.	15,602
Cemex SAB de CV	14,025

A complete listing of the investments in each pool is available at www.wvimb.org.

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Equity Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International Qualified	International Nonqualified	International Equity
Investment advisor fees	8.4	40.6	52.4	65.8	60.5
Trustee fees	0.0*	0.0*	0.0*	0.0*	0.0*
Custodian bank fees	0.3	0.4	0.0*	0.0*	4.3
Management fees	2.9	2.9	2.9	2.9	2.9
Fiduciary bond fees	0.0*	0.0*	0.0*	0.0*	0.0*
Professional service fees	0.7	0.7	0.7	0.7	0.7
Total	12.3	44.6	56.0	69.4	68.4

**EQUITY POOL
(Continued)**

EXPENSES (Continued)

* Expense Ratio rounds to less than 0.1 basis points.

Trading Costs	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International Equity	Total
Net commission costs (in \$000s)	\$ 942	\$ 1,059	\$ 2,167	\$ 4,168
Domestic equity commission rate (cents per share)	1.7	1.5		
International equity commission rate (basis points per dollar volume)			12.4	

SHORT-TERM FIXED INCOME POOL

OBJECTIVES

The Short-Term Fixed Income Pool was created to maintain sufficient liquidity to meet the daily disbursements requested by the Plans and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses and while earning a small return above inflation. The Short-Term Fixed Income Pool is structured as a money market fund where the goal is a stable dollar value per share, thus, preserving principal. The risk factors on this pool are low and managed through numerous maturity restrictions, diversification guidelines, and credit limits. The participants are paid on an income basis that includes interest income net of expenses.

MANAGEMENT STRUCTURE

The Short-Term Fixed Income Pool is managed by JPMorgan Investment Advisors, Inc.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the Short-Term Fixed Income Pool are available at www.wvimb.org. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$ 319,214
Other assets and liabilities, net	(9)
Net assets - June 30, 2013	<u>\$ 319,205</u>

Investments

	Fair Value	Percent of Securities
U.S. Treasury issues	\$ 55,014	17.2%
U.S. government agency issues	138,003	43.3
Commercial paper	47,991	15.0
Repurchase agreement	78,206	24.5
Total	<u>\$ 319,214</u>	<u>100.0%</u>

Progression of Net Assets

Net assets - June 30, 2012	\$ 365,012
Net increase from operations	269
Income distributions to unitholders	(267)
Net decrease from unit transactions	(45,809)
Net assets - June 30, 2013	<u>\$ 319,205</u>

SHORT-TERM FIXED INCOME POOL
(Continued)

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Actual	Citigroup 90 Day Treasury Bill plus 15 bps
One-year	0.2%	0.2%
Three-year	0.1%	0.3%
Five-year	0.3%	0.4%
Ten-year	1.8%	1.9%

Ten Largest Holdings	Fair Value
Merrill Lynch Repurchase Agreement, 0.1%, 7/1/2013	\$ 78,206
Federal Home Loan Bank Discount Note, 0.0%, 7/26/2013	24,999
Federal Home Loan Bank Discount Note, 0.0%, 8/30/2013	24,997
Federal Home Loan Mortgage Corporation Discount Note, 0.0%, 7/30/2013	15,000
US Treasury Bill, 0.0%, 8/15/2013	14,999
Federal Home Loan Bank Discount Note, 0.0%, 7/5/2012	14,000
US Treasury Bill, 0.0%, 7/11/2013	12,000
Federal Home Loan Bank Discount Note, 0.0%, 7/3/2013	9,000
US Treasury Bill, 0.0%, 7/5/2013	9,000
Federal Home Loan Bank Discount Note, 0.0%, 8/14/2013	8,999

A complete listing of the investments in each pool is available at www.wvimb.org.

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Short-Term Fixed Income Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	
Investment advisor fees	4.9
Trustee fees	0.0*
Custodian bank fees	0.4
Management fees	3.3
Fiduciary bond fees	0.0*
Professional service fees	0.8
Total	9.4

* Expense Ratio rounds to less than 0.1 basis points.

FIXED INCOME POOL

OBJECTIVES

The main objectives for the Fixed Income Pool are to generate investment income, provide stability, and enhance diversification, but not at the expense of total return. Separate investment pools have been established for particular investment styles. Individually, these pools are the Total Return Fixed Income Pool and the Core Fixed Income Pool. The Strategic Allocation for the total Fixed Income Pool, the Neutral Target for the respective allocations to the Core Fixed Income and Total Return Fixed Income Pools, as well as the approved Allocation Ranges within which the Allocation Committee can operate, are outlined below:

Investment Pools	Strategic Allocation	Allocation Range
Core Fixed Income Pool	--	--
Total Return Fixed Income Pool	--	--
Total Fixed Income Pools	20.0%	+/- 5% (15% to 25%)

Note: Each Participant Plan has its own unique Strategic Allocation. The above example is for clarification purposes only.

Participant Plans	Neutral Target	Allocation Range
All plans	50% Total Return Income Pool 50% Core Fixed Income Pool	+/- 20% (30% to 70%) +/- 20% (30% to 70%)

Note: The combined investment in international equity, international fixed income, and international real estate components may not exceed 30 percent of the Participant Plan allocation, as mandated by statute.

MANAGEMENT STRUCTURE

The fixed income pools are managed by the following firms, in accordance with a particular investment style.

Manager	Style
Western Asset Management Company	Core Plus Fixed Income
Dodge & Cox	Core Plus Fixed Income
JPMorgan Investment Advisors, Inc.	Core Fixed Income

INVESTMENT SECTION

Investment Pool Objectives, Financial Highlights, and Performance

**FIXED INCOME POOL
(Continued)**

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the fixed income pools and are available at www.wvimb.org. Financial Highlights for each pool are presented below.

Condensed Statement of Assets and Liabilities	Total Return Fixed Income	Core Fixed Income
Investments	\$ 2,392,337	\$ 1,300,573
Payable upon return of securities loaned	(13,884)	(26,855)
Cash	(6,075)	-
Receivable for investments sold	4,037	367
Payable for investments purchased	(73,956)	(988)
Other assets and liabilities	10,373	4,670
Net assets - June 30, 2013	\$ 2,312,832	\$ 1,277,767

Investments	Total Return Fixed Income		Core Fixed Income	
	Fair Value	Percentage of Securities	Fair Value	Percentage of Securities
Corporate issues	\$ 802,723	33.5%	\$ 454,010	34.9%
Foreign currency forward contracts	(709)	0.0	-	0.0
Foreign government bonds	6,879	0.3	12,467	1.0
Futures contracts	13,712	0.6	-	0.0
Investment in other funds	474,821	19.8	-	0.0
Investments made with cash collateral for securities loaned	13,882	0.6	26,850	2.1
Municipal bonds	80,320	3.4	7,311	0.6
Option contracts purchased	176	0.0	-	0.0
Option contracts written	(477)	0.0	-	0.0
Short-term issues	171,036	7.1	10,892	0.8
U.S. government agency issues	467,493	19.5	506,383	38.9
U.S. Treasury issues	362,481	15.2	282,660	21.7
Total	\$ 2,392,337	100.0%	\$ 1,300,573	100.0%

Progression of Net Assets	Total Return Fixed Income	Core Fixed Income
Net assets - June 30, 2012	\$ 2,309,525	\$ 1,203,206
Net increase from operations	87,727	4,530
Income distributions to unitholders	(49,304)	(41,042)
Net increase (decrease) from unit transactions	(35,116)	111,073
Net assets - June 30, 2013	\$ 2,312,832	\$ 1,277,767

FIXED INCOME POOL
(Continued)

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Total Return Fixed Income		Core Fixed Income	
	Actual	Barclays Capital Universal*	Actual	Barclays Capital U.S. Aggregate
One-year	4.0%	0.2%	0.5%	-0.7%
Three-year	5.1%	4.1%	4.6%	3.5%
Five-year	6.3%	5.5%	N/A	N/A
Ten-year	5.5%	5.1%	N/A	N/A

**The Total Return Fixed Income Pool benchmark is the Barclays Capital Universal as of April 2008. Prior periods were a custom index.*

Total Return Fixed Income		Fair Value
Ten Largest Holdings		
Western Asset Opportunistic Structured Securities Portfolio, LLC		\$ 83,869
Western Asset Floating Rate High Income Fund, LLC		79,397
Western Asset Opportunistic Asian Securities Portfolio, LLC		65,919
Federal National Mortgage Assn., 3.5%, 7/1/2043		58,879
US Treasury Note, 1.0%, 9/30/2019		53,875
Western Asset Mortgage Backed Securities Portfolio, LLC		52,044
Western Asset Opportunistic International Investment Grade Securities Portfolio, LLC		51,079
US Treasury Note, 1.25%, 4/30/2019		46,744
Western Asset US Enhanced Cash, LLC		43,909
US Treasury Note, 0.375%, 1/15/2016		37,864

Core Fixed Income		Fair Value
Ten Largest Holdings		
US Treasury Note, 4.75%, 8/15/2017		\$ 21,401
US Treasury Note, 2.75%, 12/31/2017		15,997
US Treasury STRIP, 0.0%, 5/15/2020		15,755
US Treasury Note, 3.25%, 3/31/2017		12,575
US Treasury Note, 8.875%, 8/15/2020		12,478
US Treasury Bond, 8.875%, 8/15/2017		12,316
US Treasury Note, 3.25%, 12/31/2016		11,427
US Treasury Note, 1.75%, 10/31/2018		11,155
US Treasury STRIP, 0.0%, 2/15/2027		10,903
US Treasury Note, 1.375%, 11/30/2018		9,827

A complete listing of the investments in each pool is available at www.wvimb.org.

FIXED INCOME POOL
(Continued)

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Fixed Income Pools' expenses for the operating period, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	Total Return Fixed Income	Core Fixed Income
Investment advisor fees	13.1	15.1
Trustee fees	0.0*	0.0*
Custodian bank fees	0.3	0.6
Management fees	2.9	2.9
Fiduciary bond fees	0.0*	0.0*
Professional service fees	0.7	0.7
Total	17.0	19.3

* Expense Ratio rounds to less than 0.1 basis points.

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TIPS POOL

OBJECTIVES

The objectives for the TIPS Pool are to enhance diversification, mitigate the risk of inflation, generate investment income, and to provide a relatively stable investment.

MANAGEMENT STRUCTURE

The TIPS Pool is managed by State Street Global Advisors.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the TIPS Pool are available at www.wvimb.org. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$ 653,972
Receivable for investments sold	4,537
Payable for investments purchased	(4,576)
Other assets and liabilities	3,161
Net assets - June 30, 2013	<u>\$ 657,094</u>

Investments

	Fair Value	Percent of Securities
U.S. Treasury inflation protected issues	\$ 653,371	99.9%
Short-term issues	601	0.1
Total	<u>\$ 653,972</u>	<u>100.0%</u>

Progression of Net Assets

Net assets - June 30, 2012	\$ 741,375
Net decrease from operations	(31,723)
Net decrease from unit transactions	(52,558)
Net assets - June 30, 2013	<u>\$ 657,094</u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Actual	Barclays Capital U.S. TIPS
One-year	-4.8%	-4.8%
Three-year	4.6%	4.6%

**TIPS POOL
(Continued)**

INVESTMENT PERFORMANCE (Continued)

Ten Largest Holdings	Fair Value
US Treasury Inflation Protected Security, 0.125%, 4/15/2017	\$ 37,410
US Treasury Inflation Protected Security, 0.125%, 4/15/2016	33,214
US Treasury Inflation Protected Security, 0.125%, 7/15/2022	32,543
US Treasury Inflation Protected Security, 0.125%, 1/15/2023	32,396
US Treasury Inflation Protected Security, 0.125%, 1/15/2022	31,592
US Treasury Inflation Protected Security, 0.625%, 7/15/2021	30,195
US Treasury Inflation Protected Security, 1.125%, 1/15/2021	29,455
US Treasury Inflation Protected Security, 1.25%, 7/15/2020	26,146
US Treasury Inflation Protected Security, 2.375%, 1/15/2025	25,486
US Treasury Inflation Protected Security, 3.875%, 4/15/2029	20,260

A complete listing of the investments in each pool is available at www.wvimb.org.

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The TIPS Pool's expenses for the operating period, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	
Investment advisor fees	2.3
Trustee fees	0.0*
Custodian bank fees	0.3
Management fees	2.9
Fiduciary bond fees	0.0*
Professional service fees	0.7
Total	6.2

* Expense Ratio rounds to less than 0.1 basis points.

SPECIAL PURPOSE POOL

The Board operates one special purpose pool: **TRS ANNUITY POOL**

OBJECTIVE (in \$000s)

The Pool held an investment contract issued by the Variable Annuity Life Insurance Company (VALIC) strictly for the benefit of the Teachers Retirement System (TRS). On December 10, 2008, the IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan administered solely by the Consolidated Public Retirement System, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The final amount transferred under the contract was \$248,293.

The IMB initially requested the immediate redemption of the entire balance but VALIC denied the request, claiming the amounts were subject to withdrawal restrictions. Effective April 23, 2009, the IMB, while reserving its rights under the contract, executed the appropriate forms with VALIC to elect to withdraw funds under the Five Year Equal Annual Installment method. By making this election the guaranteed minimum annual yield of 4.5 percent became the fixed rate for this contract. The first four withdrawals of \$55,058 each occurred on May 4, 2009, 2010, 2011 and 2012. The final withdraw of \$55,191 occurred on May 8, 2013.

In response to VALIC's denial to allow the IMB to liquidate the contract in its entirety, the IMB sued VALIC and the litigation is ongoing. The outcome of the litigation is unknown and accordingly the IMB has not accrued any potential revenues from the case. There are ongoing legal fees associated with this litigation and these expenses are accrued to the pool. The funding for the payment of these expenses results from contributions by the TRS into the TRS Annuity Pool. Amounts recovered pursuant to the litigation, if any, will be recorded in the TRS Annuity Pool and distributed to the TRS. Once the case is resolved the TRS Annuity Pool will be closed.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the TRSA are available at www.wvimb.org. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Assets	\$	-
Accrued expenses		(94)
Net assets - June 30, 2013	<u>\$</u>	<u>(94)</u>

Progression of Net Assets

Net assets - June 30, 2012	\$	53,023
Net increase from operations		1,596
Income distributions to unitholders		(26,276)
Net decrease from unit transactions		(28,437)
Net assets - June 30, 2013	<u>\$</u>	<u>(94)</u>

SPECIAL PURPOSE POOL
(Continued)

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.

Period	Actual
One year (a)	4.5%
Three years	4.5%

(a) For the period July 1, 2012, through April 30, 2013

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The TRS Annuity Pool's expenses for the operating period, divided by the average net assets, are as follows:

Expense Ratio (in basis points)	
Investment advisor fees	N/A
Trustee fees	0.0*
Custodian bank fees	N/A
Management fees	2.8
Fiduciary bond fees	0.0*
Professional service fees	89.6
Total	92.4

* Expense Ratio rounds to less than 0.1 basis points.

ALTERNATIVES POOL

OBJECTIVES

The main objective for the Alternatives Pool is to provide diversification and risk reduction benefits for its participants' assets. Secondly, the Alternatives Pool should provide for long-term growth of its participants' assets.

The Alternatives Pool is comprised of one asset class, private equity, and one management style, hedge funds. Both are intended to enhance diversification when added to the total portfolio assets. Separate investment pools have been established for private equity and hedge funds.

The Private Equity Pool is comprised of the following categories and target range allocations as of June 30, 2013:

Category	Target Range
Corporate Finance	90-100%
Venture Capital	0-10%
U.S.	80-100%
Non-U.S.	0-20%

The Hedge Fund Pool's strategies are comprised of the following strategic categories and target range allocations as of June 30, 2013:

Category	Target Range	Allocation Range
Core		
Relative Value	30-40%	25-55%
Event Driven	15-25%	10-40%
Long-Short Equity	20-30%	15-45%
Directional	10-20%	5-25%
Supplemental		
Long Biased	0-10%	0-15%
Private Equity	0-3%	0-5%
Private Credit	0-3%	0-5%
Real Assets	0-3%	0-5%

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the alternative pools and are available at www.wvimb.org. Financial Highlights for each pool are presented below.

Condensed Statement of Assets and Liabilities	Private Equity	Hedge Fund
Investments	\$ 1,155,369	\$ 1,291,654
Investment funds redeemed	-	48,575
Other assets and liabilities	(205)	(132)
Net assets - June 30, 2013	\$ 1,155,164	\$ 1,340,097

ALTERNATIVES POOL
(Continued)

FINANCIAL HIGHLIGHTS (continued in \$000s)

Investments	Private Equity		Hedge Fund	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Hedge funds	\$ 472,217	40.8%	\$ 1,291,057	100.0%
Private equity partnerships	622,779	53.9	-	0.0
Short-term issue	60,373	5.3	597	0.0
Total	\$ 1,155,369	100.0%	\$ 1,291,654	100.0%

Progression of Net Assets	Private Equity	Hedge Fund
Net assets - June 30, 2012	\$ 1,027,938	\$ 1,232,673
Net increase from operations	84,517	128,526
Net increase (decrease) from unit transactions	42,709	(21,102)
Net assets - June 30, 2013	\$ 1,155,164	\$ 1,340,097

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of external investment management and/or partnership fees and expenses. For the Private Equity Pool, a benchmark is not reported for the first five years of the program, as a meaningful comparison cannot be made between the actual return and the benchmark (until July 1, 2013).

Period	Private Equity	Hedge Fund	
	Actual	Actual	LIBOR + 400 basis points
One-year	8.6%	10.7%	4.3%
Three-year	13.6%	6.0%	4.4%
Five-year	6.3%	4.0%	4.7%

Ten Largest Holdings	Fair Value
Bridgewater All Weather Portfolio II, Ltd.	\$ 472,217
Odyssey Investment Partners Fund IV, LP	43,999
Natural Gas Partners, IX, LP	43,517
Advent International GPE VI-A, LP	43,092
Carlyle Partners V, LP	42,802
Welsh, Carson, Anderson and Stowe XI, LP	40,715
Platinum Equity Capital Partners II, LP	38,251
LLR Equity Partners III, LP	33,166
TPG Credit Strategies Fund II, LP	30,217
Riverside Fund IV, LP	27,050

**ALTERNATIVES POOL
(Continued)**

INVESTMENT PERFORMANCE (Continued)

Hedge Fund	
Ten Largest Holdings	Fair Value
Davidson Kempner International, Ltd.	\$ 80,565
MW Eureka Fund	71,672
Pine River Fund, Ltd.	71,623
AllBlue Limited	70,107
Perry Partners International, Inc.	69,868
Magnetar Capital Fund II, Ltd.	67,336
Double Black Diamond, Ltd.	67,067
Taconic Opportunity Offshore Fund, Ltd.	63,916
CQS Diversified Fund (SPC) Ltd. SPA II	63,481
AQR Delta Offshore Fund V, Ltd.	62,079

A complete listing of the investments in each pool is available at www.wvimb.org.

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Private Equity Pool and Hedge Fund Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratio (in basis points)	Private Equity	Hedge Fund
Investment advisor fees	N/A	N/A
Trustee fees	0.0*	0.0*
Custodian bank fees	0.0*	0.0*
Management fees	2.9	2.9
Fiduciary bond fees	0.0*	0.0*
External fees/Fund closing costs	3.6	N/A
Professional service fees	8.3	4.2
Total	14.8	7.1

* Expense Ratio rounds to less than 0.1 basis points.

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REAL ESTATE POOL

OBJECTIVES

The main objective for the Real Estate Pool is to provide diversification and risk reduction benefits for its participants' assets. Secondly, the Real Estate Pool should provide for long-term growth of its participants' assets.

The Real Estate Pool is comprised of three categories. The target range allocations as of June 30, 2013, are as follows:

Category	Target	Allocation Range
Core	50%	+/- 20% (30% to 70%)
Value-Added	30%	+/- 20% (10% to 50%)
Opportunistic	20%	+/- 10% (10% to 30%)

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the Real Estate Pool are available at www.wvimb.org. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$ 981,670
Payable upon return of securities loaned	(2,350)
Receivable for investments sold	149
Payable for investments purchased	(2,846)
Other assets and liabilities	1,788
Net assets - June 30, 2013	<u>\$ 978,411</u>

Investments

	Fair Value	Percent of Securities
Private real estate partnerships and funds	\$ 607,299	61.9%
Equity securities	202,827	20.7
Corporate bonds	131,837	13.4
Short-term issues	37,358	3.8
Investments made with cash collateral for securities loaned	2,349	0.2
Total	<u>\$ 981,670</u>	<u>100.0%</u>

Progression of Net Assets

Net assets - June 30, 2012	\$ 640,193
Net increase from operations	83,111
Net increase from unit transactions	255,107
Net assets - June 30, 2013	<u>\$ 978,411</u>

REAL ESTATE POOL
(Continued)

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of external investment management and/or partnership fees and expenses. For the Real Estate Pool, a benchmark is not reported for the first five years of the program, as a meaningful comparison cannot be made between the actual return and the benchmark (until July 1, 2013).

Period	Actual
One-year	10.6%
Three-year	10.7%
Five-year	2.8%

**Equity Investments Including
Partnerships and Funds**

Ten Largest Holdings	Fair Value
RREEF America REIT II, Inc.	\$ 93,488
UBS Trumbull Property Fund	62,988
UBS Trumbull Property Income Fund	52,445
Harrison Street Core Property Fund, LP	51,480
Invesco Core Real Estate - U.S.A., LP	44,739
Kennedy Wilson Real Estate Fund IV, LP	32,928
Oaktree Real Estate Opportunities Fund V, LP	27,925
AG Core Plus Realty Fund III, LP	25,878
Mesa West Real Estate Income Fund II, LP	25,300
PCCP First Mortgage II, LP	23,978

Debt Investments

Ten Largest Holdings	Fair Value
Reckson Operating Partnership, 6.0%, 3/31/2016	\$ 14,569
Health Care REIT Inc., 3.63%, 3/15/2016	12,583
Colonial Realty, LP, 6.25%, 6/15/2014	10,245
Commonwealth, 6.25%, 8/15/2016	7,971
Health Care REIT Inc., 6.2%, 6/1/2016	7,801
Hospitality Properties Trust, 6.3%, 6/15/2016	7,557
Colonial Realty, LP, 5.5%, 10/1/2015	7,292
Reckson Operating Partnership, 5.88%, 8/15/2014	6,874
Prologis LP, 5.75%, 4/1/2016	6,587
First Industrial LP, 6.42%, 6/1/2014	6,114

A complete listing of the investments in each pool is available at www.wimb.org.

REAL ESTATE POOL
(Continued)

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Real Estate Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratio (in basis points)	
Investment advisor fees	29.1
Trustee fees	0.0*
Custodian bank fees	1.1
Management fees	2.9
Fiduciary bond fees	0.0*
External fees/Fund closing costs	28.7
Professional service fees	6.3
Total	<u>68.1</u>

* Expense Ratio rounds to less than 0.1 basis points.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM

HISTORY

The Public Employees' Retirement System (PERS) was created in 1961.

LIQUIDITY NEEDS

PERS is expected to have modest liquidity needs of approximately 1.0 percent to 2.0 percent per year for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting PERS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PERS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$19,000,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from PERS.*

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$ 4,352,142
Contributions	260,973
Withdrawals	(330,093)
Net	<u>(69,120)</u>
Investment income	24,025
Net unrealized appreciation	541,330
June 30, 2013	<u><u>\$ 4,848,377</u></u>

Asset Allocation	Amount	Percent of Total
Large Cap Domestic	\$ 904,359	18.8%
Non-Large Cap Domestic	319,921	6.6
International Qualified	442,640	9.1
International Equity	803,747	16.6
Short-Term Fixed Income	15,496	0.3
Total Return Fixed Income	588,503	12.1
Core Fixed Income	315,250	6.5
TIPS	94,193	1.9
Private Equity	471,951	9.7
Real Estate	398,384	8.2
Hedge Fund	493,933	10.2
Total	<u><u>\$ 4,848,377</u></u>	<u><u>100.0%</u></u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.1%	7.5%
Three-year	11.3%	7.5%
Five-year	6.2%	7.5%
Ten-year	7.6%	7.5%

TEACHERS' RETIREMENT SYSTEM

HISTORY

The Teachers' Retirement System (TRS) was created in 1941. It was closed to new members in 1991, but reopened to first-time hires as of July 1, 2005. Employees hired from 1991 through June 30, 2005, joined the Teachers' Defined Contribution Plan (TDC). In the spring of 2008, more than 78 percent of the participants in the Teachers' Defined Contribution Plan elected to transfer their TDC account balance to TRS and become participants in TRS. This transfer occurred in July 2008.

The Teachers' Employers Contribution Collection Account (TECCA) is a holding account for temporary reserve cash. Due to its short-term nature, assets are entirely invested in the Short-Term Fixed Income Pool.

TRS LIQUIDITY NEEDS

TRS has a net negative cash flow position, and will likely continue to have substantial liquidity needs of at least 10 percent per year beginning in plan year 2014.

TRS INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting TRS to an undue level of risk.

TRS ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for TRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$35,000,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from TRS.*

TEACHERS' RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance	TRS	TECCA
June 30, 2012	\$ 4,968,564	\$ 142,994
Contributions	765,918	410,370
Withdrawals	(670,935)	(553,395)
Net	94,983	(143,025)
Investment income	52,392	32
Net unrealized appreciation (depreciation)	601,644	(1)
June 30, 2013	<u>\$ 5,717,583</u>	<u>\$ 0</u>

Asset Allocation	TRS	
	Amount	Percent of Total
Large Cap Domestic	\$ 1,050,238	18.4%
Non-Large Cap Domestic	368,809	6.5
International Qualified	509,827	8.9
International Equity	934,106	16.3
Short-Term Fixed Income	169,739	3.0
Total Return Fixed Income	654,399	11.4
Core Fixed Income	350,612	6.1
TIPS	108,903	1.9
TRS Annuity	(94)	0.0
Private Equity	541,454	9.5
Real Estate	459,886	8.0
Hedge Fund	569,704	10.0
Total	<u>\$ 5,717,583</u>	<u>100.0%</u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for the TECCA plan.

Period	TRS		TECCA
	Actual	Target	Actual
One-year	13.0%	7.5%	0.1%
Three-year	11.2%	7.5%	0.1%
Five-year	5.9%	7.5%	0.3%
Ten-year	7.2%	7.5%	N/A

STATE POLICE DEATH, DISABILITY AND RETIREMENT FUND

HISTORY

The State Police Death, Disability and Retirement Fund (SPDDRF) was created in 1925.

LIQUIDITY NEEDS

SPDDRF is now a closed plan and is expected to experience an increasingly negative cash flow position in the near future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting SPDDRF to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for SPDDRF. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$3,200,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from SPDDRF.*

STATE POLICE DEATH, DISABILITY AND RETIREMENT FUND
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	477,386
Contributions		18,303
Withdrawals		(36,109)
Net		(17,806)
Investment income		2,562
Net unrealized appreciation		58,181
June 30, 2013	\$	520,323

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 99,298	19.1%
Non-Large Cap Domestic	33,901	6.5
International Qualified	46,721	9.0
International Equity	85,986	16.5
Short-Term Fixed Income	1,297	0.2
Total Return Fixed Income	63,935	12.3
Core Fixed Income	34,213	6.6
TIPS	9,988	1.9
Private Equity	51,009	9.8
Real Estate	41,932	8.1
Hedge Fund	52,043	10.0
Total	\$ 520,323	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.1%	7.5%
Three-year	11.4%	7.5%
Five-year	6.2%	7.5%
Ten-year	7.6%	7.5%

STATE POLICE RETIREMENT SYSTEM

HISTORY

The State Police Retirement System (SPRS) was created in 1994.

LIQUIDITY NEEDS

SPRS is expected to be in a positive net cash flow position for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting SPRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for SPRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$75,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from SPRS.*

STATE POLICE RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	78,735
Contributions		7,513
Withdrawals		(652)
Net		6,861
Investment income		460
Net unrealized appreciation		10,036
June 30, 2013	\$	96,092

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 17,753	18.5%
Non-Large Cap Domestic	6,206	6.5
International Qualified	8,576	8.9
International Equity	15,716	16.4
Short-Term Fixed Income	980	1.0
Total Return Fixed Income	12,210	12.7
Core Fixed Income	6,525	6.8
TIPS	1,834	1.9
Private Equity	8,957	9.3
Real Estate	7,718	8.0
Hedge Fund	9,617	10.0
Total	\$ 96,092	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.0%	7.5%
Three-year	11.2%	7.5%
Five-year	6.2%	7.5%
Ten-year	7.5%	7.5%

DEPUTY SHERIFF'S RETIREMENT SYSTEM

HISTORY

The Deputy Sheriff's Retirement System (DSRS) was created in 1998.

LIQUIDITY NEEDS

DSRS currently has positive net cash flows.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Preserve the current well-funded position while not subjecting DSRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for DSRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$250,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from DSRS.*

DEPUTY SHERIFF'S RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	116,281
Contributions		9,421
Withdrawals		(6,584)
Net		2,837
Investment income		662
Net unrealized appreciation		14,630
June 30, 2013	\$	134,410

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 25,011	18.7%
Non-Large Cap Domestic	8,791	6.5
International Qualified	12,161	9.0
International Equity	22,205	16.6
Short-Term Fixed Income	526	0.4
Total Return Fixed Income	16,692	12.5
Core Fixed Income	8,933	6.6
TIPS	2,594	1.9
Private Equity	12,933	9.6
Real Estate	10,952	8.1
Hedge Fund	13,612	10.1
Total	\$ 134,410	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.0%	7.5%
Three-year	11.3%	7.5%
Five-year	6.2%	7.5%
Ten-year	7.5%	7.5%

JUDGES' RETIREMENT SYSTEM

HISTORY

The Judges' Retirement System (JRS) was created in 1949.

LIQUIDITY NEEDS

JRS currently has slightly negative net cash flows.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting JRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for JRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$500,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from JRS.*

JUDGES' RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	126,266
Contributions		3,391
Withdrawals		(4,562)
Net		(1,171)
Investment income		700
Net unrealized appreciation		15,681
June 30, 2013	\$	141,476

Asset Allocation	Amount	Percent of Total
Large Cap Domestic	\$ 26,420	18.7%
Non-Large Cap Domestic	9,331	6.6
International Qualified	12,903	9.1
International Equity	23,483	16.6
Short-Term Fixed Income	233	0.2
Total Return Fixed Income	17,239	12.2
Core Fixed Income	9,234	6.5
TIPS	2,750	1.9
Private Equity	13,828	9.8
Real Estate	11,622	8.2
Hedge Fund	14,433	10.2
Total	\$ 141,476	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.0%	7.5%
Three-year	11.3%	7.5%
Five-year	6.2%	7.5%
Ten-year	7.5%	7.5%

EMERGENCY MEDICAL SERVICES RETIREMENT SYSTEM

HISTORY

The Emergency Medical Services Retirement System (EMSRS) was created by the *Emergency Medical Services Retirement System Act* effective January 1, 2008, under *West Virginia Code §16-5V-4*. EMSRS members with benefits earned in the Public Employees' Retirement System (PERS) transferred their full membership and benefits under PERS to EMSRS on the effective date.

LIQUIDITY NEEDS

EMSRS is expected to be in a positive net cash flow position for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Maintain adequate liquidity to satisfy benefit payments while not subjecting EMSRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for EMSRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$25,000	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from EMSRS.*

**EMERGENCY MEDICAL SERVICES RETIREMENT SYSTEM
(Continued)**

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	35,153
Contributions		3,837
Withdrawals		(1,068)
Net		2,769
Investment income		206
Net unrealized appreciation		4,475
June 30, 2013	\$	42,603

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 7,891	18.6%
Non-Large Cap Domestic	2,761	6.5
International Qualified	3,817	9.0
International Equity	7,007	16.4
Short-Term Fixed Income	297	0.7
Total Return Fixed Income	5,371	12.6
Core Fixed Income	2,873	6.7
TIPS	815	1.9
Private Equity	4,049	9.5
Real Estate	3,441	8.1
Hedge Fund	4,281	10.0
Total	\$ 42,603	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.0%	7.5%
Three-year	11.2%	7.5%
Five-year	6.2%	7.5%

MUNICIPAL POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM

HISTORY

Municipal Police Officers' and Firefighters' Retirement System (MPFRS) was created in 2010 for the purpose of providing retirement benefits for municipal police officers and paid professional firefighters hired into covered employment by participating municipalities on or after January 1, 2010.

LIQUIDITY NEEDS

There are no anticipated liquidity needs at this time.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Maintain adequate liquidity to satisfy benefit payments while not subjecting MPFRS to an undue level of risk.

ASSET ALLOCATION

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	25.0%
International Equity	30.0%	25.0%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	20.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash	\$0	

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2012	\$	189
Contributions		288
Withdrawals		(5)
Net		283
Investment income		1
Net unrealized appreciation		31
June 30, 2013	\$	504

MUNICIPAL POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM
(Continued)

FINANCIAL HIGHLIGHTS (Continued in \$000s)

Asset Allocation	Amount	Percent of Total
Large Cap Domestic	\$ 89	17.7%
Non-Large Cap Domestic	31	6.2
International Qualified	41	8.1
International Equity	81	16.1
Short-Term Fixed Income	35	7.0
Total Return Fixed Income	59	11.7
Core Fixed Income	32	6.3
TIPS	9	1.8
Private Equity	45	8.9
Real Estate	36	7.1
Hedge Fund	46	9.1
Total	\$ 504	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	11.9%	7.5%
Three-year	5.1%	7.5%

ACTUARIAL SECTION



Opening Ceremony for West Virginia's 150th Birthday Party



**State of West Virginia
Consolidated Public Retirement Board**

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Cabinet Secretary Ross Taylor

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Jeffrey E. Fleck

Board Members
David L. Wyant, Chairman
Thomas Bradley
Joseph Bunn
Captain Michael G. Corsaro
Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

January 14, 2013

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia Public Employees' Retirement System (PERS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

The valuation indicates that the expected state contributions of 14.0% of payroll plus the member contributions of 4.5% of payroll are not sufficient to meet the annual funding requirement of the plan. This report contains supporting data and background information pertaining to the development of costs and related liabilities of the Plan. The valuation is based on membership data as of June 30, 2012, maintained by the West Virginia Consolidated Public Retirement Board (CPRB), and financial information received from the West Virginia Investment Management Board.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the CPRB. In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by Buck Consultants. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date: July 1, 2012

Funding Method and Basis for Assumptions

The valuation is prepared under the Entry Age Normal Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry is based on date of hire.

Experience studies are performed at least once in every five-year period. This valuation was prepared on the basis of assumptions that were recommended to and adopted by the Board on the basis of an experience study covering the period from July 1, 2004, to June 30, 2009. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.50% annually, with no loading for plan expenses.

Salary Scales

Salary scales are used for the assumed increase in salary. Projected salary increases for State and Nonstate employees range from 4.25% to 6.0% per year. Assumed increases in salary for sample ages are as follows:

Salary Scales

Age	State	Nonstate
30	1.05500	1.05500
40	1.05000	1.05000
50	1.04500	1.04750
60	1.04250	1.04250

Mortality

The mortality tables are as follows:

- Healthy males: 1983 GAM male
- Healthy females: 1971 GAM female, set back 1 year
- Disabled males: 1971 GAM male, set forward 8 years
- Disabled females: Revenue Ruling 96-7 disabled female table

Withdrawal from Service

Specific tables have been created to reflect withdrawal rates. All withdrawals are assumed to result in refund of contributions if non-vested or a deferred annuity if vested. The liability for a refund of contributions for nonactive non-vested members as of the valuation date is assumed to be 60% of the total employee contribution balance of such members. Sample withdrawal rates are as follows:

Withdrawal Rates

State (less than 1 year)		
Age	Male	Female
30	0.21580	0.22100
40	0.18200	0.18200
50	0.15600	0.15600
60	0.14300	0.14300

Withdrawal Rates

State (1 to 2 years)		
Age	Male	Female
30	0.20625	0.20000
40	0.15000	0.15000
50	0.13750	0.12500
60	0.12500	0.11250

Withdrawal Rates

State (2 to 3 years)		
Age	Male	Female
30	0.18200	0.17500
40	0.13000	0.12500
50	0.08800	0.10000
60	0.06600	0.07500

Withdrawal Rates

State (3 to 4 years)		
Age	Male	Female
30	0.15600	0.14400
40	0.10400	0.09600
50	0.07800	0.08400
60	0.05200	0.06000

Withdrawal Rates

State (4 to 5 years)		
Age	Male	Female
30	0.14000	0.11250
40	0.08400	0.08750
50	0.05600	0.07188
60	0.02800	0.05000

Withdrawal Rates

State (greater than 5 years)		
Age	Male	Female
30	0.08400	0.08800
40	0.04800	0.04500
50	0.02400	0.03500
60	0.01200	0.01000

Withdrawal Rates

Nonstate (less than 1 year)		
Age	Male	Female
30	0.26400	0.25070
40	0.21600	0.21850
50	0.16800	0.17250
60	0.13200	0.13800

Withdrawal Rates

Nonstate (1 to 2 years)		
Age	Male	Female
30	0.20400	0.21850
40	0.15600	0.18975
50	0.11000	0.13000
60	0.10000	0.11000

Withdrawal Rates

Nonstate (2 to 3 years)		
Age	Male	Female
30	0.17600	0.18700
40	0.12650	0.14000
50	0.09000	0.11500
60	0.08000	0.09500

Withdrawal Rates

Nonstate (3 to 4 years)		
Age	Male	Female
30	0.15400	0.15500
40	0.10000	0.13000
50	0.08000	0.10000
60	0.06000	0.08000

Withdrawal Rates

Nonstate (4 to 5 years)		
Age	Male	Female
30	0.15000	0.15600
40	0.09000	0.10800
50	0.06600	0.08400
60	0.04200	0.06000

Withdrawal Rates

Nonstate (greater than 5 years)		
Age	Male	Female
30	0.09900	0.10000
40	0.06000	0.06500
50	0.04000	0.03500
60	0.02000	0.02000

Disablement Rates

Sample rates of disablement are as follows:

Disability Rates

State and Nonstate		
Age	Male	Female
30	0.00030	0.00060
40	0.00113	0.00113
50	0.00488	0.00225
60	0.00750	0.00750

Retirement Rates

The retirement rates are as follows:

Retirement Rates

State and Nonstate	
Age	Rates
55	0.25
56	0.15
57	0.15
58	0.15
59	0.15
60	0.15
61	0.15
62	0.30
63	0.18
64	0.18
65	0.25
66	0.20
67	0.20
68	0.20
69	0.20
70+	1.00

Family Composition

It is assumed that 85% of males and 80% of females are married, with husbands 3 years older than wives. Remarriage rates are not used.

Accrual of Future Service

It is assumed that active members will accrue one year of service for each future year of employment.

Noncontributory Service Loadings

Noncontributory service for active members is estimated from member's contributory service by adjusting the present value of benefits projected from contributory service alone. A 10.8% load is used for male State employees and a 10.0% load is used for male Nonstate employees. A 2.4% load is used for female State and Nonstate employees.

Asset Valuation Method

Four-year 25% level smoothing of actuarial gain or (loss) on trust fund return:

- Implemented over four years, prospectively commencing July 1, 2009 for the experience for the trust year ending June 30, 2009.
- Actuarial gain or (loss) on assets is calculated as the difference between the expected return under valuation assumptions based on the smoothed Actuarial Value of Assets and the actual trust fund return.
- Actuarial gain or (loss) is recognized at 25% of the original amount each year until fully recognized in the fourth year.
- Total accumulated deferred gain or (loss) amounts are used to adjust the reported Market Value of Assets to determine the actuarial Value of Assets.

Plan Contributions

Both employee and employer contributions to the plan are assumed to be paid in the middle of the year.

ACTUARIAL SECTION
Public Employees' Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	36,573	\$ 1,382,647,000	\$ 37,805.13	3.22886%
6/30/2011	36,254	1,327,717,000	36,622.63	2.97845%
6/30/2010	35,977	1,315,441,000	35,563.39	2.46763%
6/30/2009	35,717	1,274,485,000	35,682.87	3.85707%
6/30/2008	35,491	1,219,388,000	34,357.67	3.47423%
6/30/2007	35,873	1,191,130,000	33,204.08	2.18204%

Solvency Test (in thousands)

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)				
6/30/2012	\$ 449,893	\$ 2,949,168	\$ 2,336,714	\$ 4,452,395	100.0000%	100.0000%	45.0776%
6/30/2011	434,454	2,792,236	2,288,562	4,322,668	100.0000%	100.0000%	47.8894%
6/30/2010	432,007	2,893,949	2,299,874	3,974,609	100.0000%	100.0000%	41.2480%
6/30/2009	426,936	2,338,871	2,164,351	3,930,701	100.0000%	100.0000%	53.8219%
6/30/2008	410,799	2,189,262	2,076,966	3,939,059	100.0000%	100.0000%	64.4689%
6/30/2007	405,476	2,050,544	1,970,031	4,293,296	100.0000%	100.0000%	93.2613%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	1,581	\$27,609,382	(914)	\$ 7,997,833	23,460	\$ 312,198,792	3.141%	\$13,307.71
2011	1,673	31,250,302	(920)	7,834,867	22,793	294,084,936	4.160%	12,902.42
2010	1,438	25,365,630	(897)	7,382,382	22,040	273,012,324	4.017%	12,387.13
2009	1,509	26,578,560	(922)	7,186,068	21,499	256,026,485	4.124%	11,908.76
2008	1,356	24,449,168	(958)	7,351,692	20,912	239,172,379	4.636%	11,437.09
2007	1,373	23,721,486	(885)	6,811,456	20,514	224,224,742	4.447%	10,930.33

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ 1,192,584,000</u>
Expected increase from amortization method	(19,433,000)
Expected increase from contributions below actuarial rates	(9,531,000)
Investment experience	268,000,000
Liability experience (including transfers)	(148,240,000)
Change in assumption	-
Unfunded Actuarial Liability, June 30, 2012	<u>\$ 1,283,380,000</u>

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Consolidated Public Retirement Board**

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Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

Executive Director
Jeffrey E. Fleck

January 24, 2013

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia Teachers' Retirement System (TRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

This valuation presents the liabilities of the plan as of the valuation date and the projected Employer contribution for fiscal year 2014. Some key highlights are:

- The valuation was prepared based on an assumed interest rate of 7.5%.
- Based on the valuation results, the State contribution to TRS for fiscal year 2014 is \$488,511,000.
- The funded percentage of plan assets to the actuarial accrued liability at the valuation date is 53%, compared to 54% for the prior year.

This report contains supporting data and background information pertaining to the development of costs and related liabilities of the plan. The valuation is based on membership data as of June 30, 2012 maintained by the West Virginia Consolidated Public Retirement Board (CPRB), and financial information received from the West Virginia Investment Management Board.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the CPRB. In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by Buck Consultants. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date: July 1, 2012

Funding Method and Basis for Assumptions

The valuation is prepared under the Entry Age Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry is based on adjusted date of hire (i.e. valuation date minus known past service).

Experience studies are performed at least once in every five-year period. This valuation was prepared on the basis of assumptions that were recommended to and adopted by the Board on the basis of an experience study covering the period from July 1, 2005, to June 30, 2010. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.5% per annum, with no loading for plan expenses.

Pre-Retirement Mortality

Pre-retirement mortality rates are based on the results of the 2006-2010 experience study. The mortality tables used are the RP-2000 Non-Annuitant tables for in-service males and females. Sample pre-retirement mortality rates are as follows:

**Pre-Retirement Mortality
RP-2000 Non-Annuitant Table**

Age	State	Nonstate
30	0.00044	0.00026
40	0.00108	0.00071
50	0.00214	0.00168
60	0.00488	0.00393

Post-Retirement Mortality

Post-retirement mortality rates are based on the results of the 2006-2010 experience study. The mortality tables used are as follows:

- Healthy males: RP-2000 Healthy Annuitant table, projected to 2020
- Healthy females: RP-2000 Healthy Annuitant table, projected to 2020
- Disabled males: RP-2000 Disabled Annuitant table, projected to 2020, setback 2 years
- Disabled females: RP-2000 Disabled Annuitant table, projected to 2020, setback 1 year

Sample post-retirement mortality rates are as follows:

**Post-Retirement Healthy Mortality
RP-2000 Healthy Annuitant Table
Projected to 2020 with Scale AA**

Age	State	Nonstate
60	0.00594	0.00561
70	0.01641	0.01515
80	0.05265	0.03987
90	0.16928	0.12400

**Post-Retirement Disabled Mortality
RP-2000 Disabled Annuitant Table
Projected to 2020 with Scale AA
Set Back 2 Years for Males and
Set Back 1 Year for Females**

Age	State	Nonstate
30	0.02042	0.00585
40	0.02001	0.00551
50	0.01912	0.00740
60	0.02849	0.01879
70	0.04293	0.03196
80	0.07670	0.05891
90	0.14672	0.12333

Withdrawal from Service

Withdrawal rates are based on the 2006-2010 experience study. Withdrawal rates are assumed to cease upon eligibility for retirement. All withdrawal is assumed to result in refund of contributions if non-vested or a deferred annuity if vested. Sample withdrawal rates are as follows:

Withdrawal Rates

Teachers (less than 1 year)		
Age	Male	Female
30	0.26000	0.26000
40	0.22000	0.22000
50	0.18000	0.18000
60	0.14000	0.14000

Withdrawal Rates

Teachers (1 to 2 years)		
Age	Male	Female
30	0.12100	0.11000
40	0.08800	0.08000
50	0.06600	0.06000
60	0.05500	0.05000

Withdrawal Rates

Teachers (2 to 3 years)		
Age	Male	Female
30	0.06850	0.07400
40	0.06350	0.05400
50	0.05700	0.04000
60	0.05000	0.04000

Withdrawal Rates

Teachers (3 to 4 years)		
Age	Male	Female
30	0.06000	0.04800
40	0.04000	0.03600
50	0.03000	0.03000
60	0.03000	0.03000

Withdrawal Rates

Teachers (4 to 5 years)		
Age	Male	Female
30	0.04000	0.03600
40	0.02000	0.02267
50	0.01500	0.01500
60	0.01500	0.01500

Withdrawal Rates

Teachers (greater than 5 years)		
Age	Male	Female
30	0.02400	0.02400
40	0.01904	0.01600
50	0.01200	0.00800
60	0.01600	0.01200

ACTUARIAL SECTION
Teachers' Retirement System

Withdrawal Rates

Non-Teachers and State (less than 1 year)		
Age	Male	Female
30	0.19500	0.19500
40	0.16500	0.16500
50	0.13500	0.13500
60	0.10500	0.10500

Withdrawal Rates

Non-Teachers and State (1 to 2 years)		
Age	Male	Female
30	0.11000	0.09900
40	0.08000	0.07200
50	0.06000	0.05400
60	0.05000	0.04500

Withdrawal Rates

Non-Teachers and State (2 to 3 years)		
Age	Male	Female
30	0.08500	0.06800
40	0.05500	0.04400
50	0.04000	0.03200
60	0.04000	0.03200

Withdrawal Rates

Non-Teachers and State (3 to 4 years)		
Age	Male	Female
30	0.06000	0.05400
40	0.04000	0.03600
50	0.03000	0.02700
60	0.03000	0.02700

Withdrawal Rates

Non-Teachers and State (4 to 5 years)		
Age	Male	Female
30	0.03750	0.03750
40	0.02250	0.02250
50	0.01500	0.01500
60	0.01125	0.01125

Withdrawal Rates

Non-Teachers and State (greater than 5 years)		
Age	Male	Female
30	0.03000	0.02450
40	0.01750	0.01750
50	0.01250	0.01316
60	0.01500	0.01400

Disablement Rates

Disablement rates are based on the 2006-2010 experience study. A sample of disablement rates follows:

Disability Rates

Age	State	Nonstate
30	0.00100	0.00080
40	0.00250	0.00200
50	0.00509	0.00376
60	0.00700	0.00880

Retirement Rates

Retirement rates are based on the 2006-2010 experience study. A schedule of retirement rates follows:

Retirement Plans

Age	Teachers		Non-Teachers & State	
	Male	Female	Male	Female
54	0.000	0.000	0.000	0.000
55	0.250	0.275	0.300	0.200
56	0.150	0.175	0.200	0.150
57	0.150	0.175	0.150	0.150
58	0.170	0.180	0.150	0.150
59	0.190	0.190	0.150	0.175
60	0.200	0.250	0.150	0.200
61	0.300	0.200	0.150	0.200
62	0.400	0.275	0.400	0.300
63	0.250	0.200	0.250	0.200
64	0.250	0.250	0.175	0.200
65	0.400	0.300	0.300	0.300
66	0.300	0.300	0.225	0.200
67	0.300	0.300	0.200	0.200
68	0.300	0.300	0.200	0.200
69	0.300	0.300	0.200	0.200
70+	1.000	1.000	1.000	1.000

Salary Scales

Salary scales are based on the 2006-2010 experience study. Projected salary increases are in the following ranges by group, with an underlying inflation rate of 3.0%:

Group	Range of Projected Salary Increases
Teachers	3.75% - 5.25%
Non-Teachers	3.40% - 6.50%

A sample of salaries from the salary scales is as follows:

Salary Scales

Age	Teachers	Non-Teachers and State
30	4.750	5.500
40	4.250	5.250
50	3.850	4.400
60	3.850	3.730

Accrual of Future Service

Future service accrual factors are based on the 2006-2010 experience study. All active members will accrue 1.00 year of service for each future year of employment.

Non-Contributory Service Loadings

The load factor assumptions for non-contributory service (military, parochial or out-of-state teaching, transferred PERS service, and unused sick leave) are based on the 2006-2010 experience study and are as follows:

Group	Male	Female
Teachers	1.0750	1.0400
Non-Teachers	1.0400	1.0275

Family Composition

It is assumed that 85% of males and 80% of females are married, with husbands 3 years older than wives. Remarriage rates are not used.

Asset Valuation Method

Assets for valuation purposes are included at Market Value.

Plan Contribution

Both employee and employer contributions to the plan are assumed to be paid in the middle of the year.

ACTUARIAL SECTION
Teachers' Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	35,807	\$ 1,510,083,000	42,172.84	0.42227%
6/30/2011	35,855	1,505,749,000	41,995.51	-0.18532%
6/30/2010	35,670	1,500,761,000	42,073.48	0.18898%
6/30/2009	35,701	1,499,232,000	41,994.12	4.93487%
6/30/2008	35,219	1,409,437,000	40,019.22	-5.71859%
6/30/2007	19,529	828,939,000	42,446.57	4.17553%

Solvency Test (in thousands)

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)				
6/30/2012	\$ 754,285	\$ 5,806,955	\$ 3,151,342	\$ 5,144,397	100.0000%	78.4059%	0.0000%
6/30/2011	739,997	5,438,589	3,266,562	5,074,665	100.0000%	82.1331%	0.0000%
6/30/2010	687,828	4,877,284	3,339,200	4,143,540	100.0000%	74.4556%	0.0000%
6/30/2009	677,365	4,511,170	3,419,334	3,554,771	100.0000%	68.5120%	0.0000%
6/30/2008	630,240	4,219,349	3,418,989	4,133,883	100.0000%	85.2419%	0.0000%
6/30/2007	302,347	3,985,211	2,855,153	3,665,993	100.0000%	85.5031%	0.0000%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	1,850	\$52,405,063	(980)	\$11,142,482	31,913	\$ 611,964,828	4.149%	\$19,176.04
2011	2,039	55,816,157	(1,123)	11,685,848	31,043	571,566,916	4.779%	18,412.10
2010	1,952	50,384,790	(1,070)	11,288,029	30,127	529,400,876	4.875%	17,572.31
2009	1,766	43,023,575	(1,043)	10,606,309	29,245	490,013,124	4.278%	16,755.45
2008	1,625	41,174,835	(1,143)	10,880,080	28,522	458,291,496	4.609%	16,068.00
2007	1,756	42,148,636	(1,105)	10,597,790	28,040	430,694,400	5.090%	15,360.00

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ 4,370,483,000</u>
Expected increase from amortization method	(74,530,000)
Expected increase from contributions below actuarial rates	(24,259,000)
Investment experience	300,000,000
Liability experience (including transfers)	(3,509,000)
Change in assumption	-
Unfunded Actuarial Liability, June 30, 2012	<u>\$ 4,568,185,000</u>



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Thomas Bradley
Joseph Bunn
Captain Michael G. Corsaro
Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

January 9, 2013

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia State Police, Death, and Disability Retirement System (SPDDRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

Some key highlights are:

- The valuation was prepared based on an assumed interest rate of 7.50%.
- The valuation assumptions for mortality, withdrawal, salary scale, non-contributory service load and probabilities of disability type were changed to reflect recommendations made in the most recent experience study. The net effect of these assumption changes was to raise the unfunded liability of the System by approximately \$34.9 million as of July 1, 2012.
- The State contribution is determined as the State normal cost plus a level-dollar amortization amount that will fund the unfunded actuarial liability by June 30, 2025. The required state contribution for Fiscal Year 2014 is \$25,146,000.

This report contains supporting data and background information pertaining to the development of costs and related liabilities of the plan. The valuation is based on membership data as of June 30, 2012, maintained by the West Virginia Consolidated Public Retirement Board (CPRB), and financial information received from the West Virginia Investment Management Board.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the CPRB. In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by Buck Consultants. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date: July 1, 2012

Funding Method and Basis for Assumptions

The valuation is prepared under the Entry Age Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry is based on date of hire.

Experience studies are performed at least once in every five-year period. This valuation was prepared on the basis of assumptions that were recommended to and adopted by the Board on the basis of an experience study covering the period from July 1, 2006, to June 30, 2011. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.50% annually, with no loading for plan expenses.

Pre-Retirement Mortality

The male and female RP-2000 Non-Annuitant Mortality Table, projected to 2020 using Scale BB. It is assumed that 70% of deaths of members in service are duty-related.

Post-Retirement Mortality

Post-retirement mortality tables are as follows:

Healthy: RP-2000 Healthy Annuitants, projected to 2025 using Scale BB

Disabled: RP-2000 Healthy Annuitants, projected to 2025 using Scale BB, set forward 1 year

Salary Scales

Compensation is assumed to increase 5.00% per year for the first two years of service, 4.50% for the next 3 years, 4.00% for the next 5 years, and 3.25% per year thereafter. The inflation rate is 3.00%.

Withdrawal from Service

Withdrawal rates cease once an employee is eligible for normal retirement. A sample of withdrawal rates follows:

Age	Rate of Withdrawal
20	0.0267
30	0.0190
40	0.0114
50	0.0038

Disablement Rates

A sample of disablement rates, which cease once an employee is eligible for normal retirement, are as follows:

Age	Rate of Disablement	Type of Disability	Probability
20	0.0005	Duty-Related Full	0.25
30	0.0020	Duty-Related Partial	0.60
40	0.0060	Nonduty-Related	0.15
50	0.0040		

Family Composition

90% of members are assumed to be married, with husbands 2 years older than their wives. Re-marriage rates are not used.

Accrual of Future Service

Active members are assumed to accrue 1 year of service for each future year of employment.

Non-Contributory Service

A 14.5% load is applied to the retirement liability for active members to represent additional benefit service credit at retirement as a result of the conversion of annual leave, sick leave, and additional credit for military service.

Retirement Rates

70% of members are assumed to retire when first eligible for unreduced benefits at the earlier of age 50 and 20 years of service or any age and 25 years of service. An active member who has already attained eligibility for normal retirement has a 20% probability of retiring each year thereafter with 100% retiring on or after attainment of age 55.

Asset Valuation Method

Assets for valuation purposes are included at Market Value.

Plan Contributions

Both employee and employer contributions are assumed to be paid in the middle of the year.

ACTUARIAL SECTION

State Police, Death, Disability, and Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	108	\$ 6,779,000	\$ 62,768.52	4.33962%
6/30/2011	133	8,001,000	60,157.89	-1.30345%
6/30/2010	147	8,960,000	60,952.38	-2.73874%
6/30/2009	163	10,215,000	62,668.71	4.24699%
6/30/2008	173	10,400,000	60,115.61	4.41103%
6/30/2007	191	10,997,000	57,575.92	5.54895%

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)				
6/30/2012	\$ 2,721,870	\$ 579,033,000	\$ 84,586,130	\$ 477,345,000	100.0000%	82.0526%	0.0000%
6/30/2011	3,420,540	504,876,000	97,948,460	481,994,000	100.0000%	94.8254%	0.0000%
6/30/2010	4,001,490	484,787,000	101,940,510	404,444,000	100.0000%	82.7442%	0.0000%
6/30/2009	4,806,360	461,645,000	107,127,640	362,927,000	100.0000%	77.8060%	0.0000%
6/30/2008	5,580,810	440,958,000	101,084,190	459,182,000	100.0000%	100.0000%	12.5076%
6/30/2007	6,243,840	419,082,000	102,067,160	513,009,000	100.0000%	100.0000%	85.9073%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	27	\$ 1,873,579	(6)	\$ 172,507	710	\$ 35,281,042	5.574%	\$49,691.61
2011	22	1,496,421	(17)	478,013	689	32,429,754	4.443%	47,067.86
2010	30	1,971,032	(15)	547,180	684	30,824,823	4.248%	45,065.53
2009	21	1,328,897	(14)	426,804	669	28,920,348	4.808%	43,229.22
2008	16	890,947	(5)	142,622	662	27,304,928	4.225%	41,246.11
2007	17	1,003,174	(11)	200,559	651	25,762,801	4.242%	39,574.20

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ 124,251,000</u>
Expected increase from amortization method	(4,565,000)
Expected increase from contributions below actuarial rates	(8,812,000)
Investment experience	24,700,000
Liability experience (including transfers)	17,681,000
Change in assumption	32,741,000
Unfunded Actuarial Liability, June 30, 2012	<u>\$ 185,996,000</u>

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Thomas Bradley
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Captain Michael G. Corsaro
Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

January 9, 2013

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia State Police Retirement System (SPRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

Some key highlights are:

- The valuation was prepared based on an assumed interest rate of 7.50%.
- The valuation indicates that the expected state contribution of 15.5%, effective July 1, 2012, of payroll plus the member contribution of 13% of payroll is sufficient to meet the annual funding requirements of the plan.
- The funded percentage of plan assets to the actuarial accrued liability is 87.9%.
- The valuation assumptions for mortality, withdrawal, salary scale, non-contributory service load and probabilities of disability type were changed to reflect recommendations made in the most recent experience study. The net effect of these assumption changes was to reduce the unfunded liability of the System by approximately \$1.6 million as of July 1, 2012.
- Based on a 15-year projection, the Plan will continue to have positive cash flow; i.e., contributions plus investment income are expected to exceed benefit payments and expenses through FY 2027. Contributions alone are expected to exceed benefit payments for the next 13 years.

This report contains supporting data and background information pertaining to the development of costs and related liabilities of the plan. The valuation is based on membership data as of June 30, 2012 maintained by the West Virginia Consolidated Public Retirement Board (CPRB), and financial information received from the West Virginia Investment Management Board.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the CPRB. In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by Buck Consultants. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

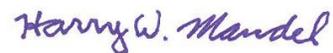
- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date: July 1, 2012

Funding Method and Basis for Assumptions

The valuation is prepared under the Entry Age Normal Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry age is based on date of hire. The unfunded liability segments are amortized as a level dollar amount over their specified periods.

Experience studies are performed at least once in every five-year period. This valuation was prepared on the basis of assumptions that were recommended to and adopted by the Board on the basis of an experience study covering the period from July 1, 2006, to June 30, 2011. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.50% annually, with no loading for plan expenses.

Pre-Retirement Mortality

The male and female RP-2000 Non-Annuitant Mortality Table, projected to 2020 using Scale BB. It is assumed that 70% of deaths of members in service are duty-related.

Post-Retirement Mortality

Post-retirement mortality tables are as follows:

Healthy: RP-2000 Healthy Annuitants, projected to 2025 using Scale BB

Disabled: RP-2000 Healthy Annuitants, projected to 2025 using Scale BB, set forward 1 year

Salary Scales

Compensation is assumed to increase 5.00% per year for the first two years of service, 4.50% for the next 3 years, 4.00% for the next 5 years, and 3.25% per year thereafter. This corresponds to an assumed underlying inflation rate of 3.00%.

Withdrawal from Service

Withdrawal rates cease once an employee is eligible for normal retirement. A sample of withdrawal rates follows:

Age	Rate of Withdrawal
20	0.0760
30	0.0542
40	0.0240
50	0.0114

Disablement Rates

No disablements are assumed to occur after the later of age 55 and the age first eligible for retirement. A sample of disablement rates follows:

Age	Rate of Disablement	Type of Disability	Probability
20	0.0005	Duty-Related Full	0.25
30	0.0020	Duty-Related Partial	0.60
40	0.0060	Nonduty-Related	0.15
50	0.0040		

Family Composition

It is assumed that 90% of members are married, with husbands 3 years older than their wives. Re-marriage rates are not used.

Accrual of Future Service

It is assumed that active members will accrue one year of service for each future year of employment.

Non-Contributory Service

It is assumed that state troopers at retirement will have a 14.5% increase over contributory service added for all sources.

Retirement Rates

70% of members are assumed to retire when first eligible for unreduced benefits at the earlier of age 50 and 25 years of service or age 52 and 20 years of service. An active member who has already attained eligibility for normal retirement has a 20% probability of retiring each year thereafter with 100% retiring on or after attainment of age 55.

Asset Valuation Method

Assets for valuation purposes are included at Market Value.

Plan Contributions

Plan Contributions, both employee and employer, are assumed to be paid in the middle of the year.

ACTUARIAL SECTION
State Police Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	556	\$ 27,670,000	\$ 48,886.93	3.40895%
6/30/2011	523	24,725,000	47,275.33	-0.38876%
6/30/2010	498	23,635,000	47,459.84	0.08509%
6/30/2009	472	22,382,000	47,419.49	6.36366%
6/30/2008	455	20,285,000	44,582.42	6.19366%
6/30/2007	449	18,850,000	41,982.18	14.01588%

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For				% of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)	Reported Assets	(1)	(2)	(3)
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)				
6/30/2012	\$ 32,246,890	\$ 7,702,000	\$ 49,609,110	\$ 78,735,000	100.0000%	100.0000%	78.1834%
6/30/2011	30,712,110	6,674,000	41,649,890	70,756,000	100.0000%	100.0000%	80.1200%
6/30/2010	30,016,350	6,695,000	32,459,650	52,735,000	100.0000%	100.0000%	49.3648%
6/30/2009	28,706,730	5,351,000	27,570,270	40,321,000	100.0000%	100.0000%	22.7175%
6/30/2008	24,440,160	4,449,000	22,498,840	41,564,000	100.0000%	100.0000%	56.3355%
6/30/2007	25,036,800	273,200	13,017,200	40,350,000	100.0000%	100.0000%	96.6506%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	1	\$ 32,336	-	\$ -	18	\$ 512,124	8.319%	\$28,451.33
2011	-	-	-	-	17	446,525	0.686%	26,266.18
2010	4	176,822	(1)	17,920	17	443,482	0.909%	26,087.18
2009	2	45,048	-	-	14	361,932	15.165%	25,852.29
2008	4	101,750	-	-	12	269,376	8.147%	22,448.00
2007	1	33,043	-	-	8	166,056	10.326%	20,757.00

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ 8,280,000</u>
Expected increase from amortization method	(339,000)
Expected increase from contributions below actuarial rates	(707,000)
Investment experience	5,000,000
Liability experience (including transfers)	191,000
Change in assumption	(1,602,000)
Unfunded Actuarial Liability, June 30, 2012	<u>\$ 10,823,000</u>

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David L. Wyant, Chairman
Thomas Bradley
Joseph Bunn
Captain Michael G. Corsaro
Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

Executive Director
Jeffrey E. Fleck

December 31, 2012

Actuarial Review and Certification

This report presents the results of the annual Actuarial Valuation of the West Virginia Deputy Sheriff Retirement System (DSRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

As of the July 1, 2012 Actuarial Valuation date, the Actuarial Accrued Liability (AAL) attributable to past years of employment totals \$157,007,000. Trust Fund assets available to fund the AAL have a market value of \$117,526,000. The resulting Unfunded Actuarial Accrued Liability (UAAL) is \$39,481,000. The funded percentage is 74.9% on the valuation date.

The minimum funding policy for DSRS is to contribute no less than the annual Normal Cost plus the amount necessary to fund the UAAL by the end of FY2029. Amortization payments are calculated as a level percentage of expected total DSRS payroll plus level report fee deposits under West Virginia Code Section 7-14E-2. The required employer contribution under the funding policy for FY2013 is \$5,335,000. The Consolidated Public Retirement Board (CPRB) Board of Trustees continued the 13.0% employer contribution rate effective July 1, 2012. Total expected employer contributions at the current 13.0% of payroll contribution rate plus fee deposits of \$550,000 total \$6,216,000. The amount exceeds the amount necessary to meet the minimum funding policy by \$881,000. The amount is \$108,000 less than preferred level dollar amortization alternative applied to other WV State plans.

The valuation reflects changes in actuarial assumptions adopted as part of the 2012 Experience Study for DSRS. Assumption changes had a minimal impact of 0.2% on the AAL. The employer Normal Cost was reduced by 1.03% of annual payroll. Trust Fund assets returned 1.02% for the year, some 6.48% below the actuarially assumed rate of 7.5%. The resulting loss from investments was approximately \$8,100,000. Fee contributions continued near prior levels for FY2012. The expected fee assumption was held level at \$550,000 to reflect the current experience in collections. Salary increases averaged 1.6%, lower than expected.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the West Virginia Consolidated Public Retirement Board (CPRB). In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by the Board Actuary. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Board Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the actuarial valuation. The Board Actuary further certifies that the actuarial methods and assumptions applied in completing the actuarial valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Valuation Date

The actuarial valuation is completed as of the first day of the plan year, July 1, 2012. Actuarial calculations verify the adequacy of the expected funding for the fiscal year corresponding to the Plan year. The valuation is completed for the July 1 through June 30 plan year.

Actuarial Cost Method

The valuation is completed applying the Entry Age Cost Method with Aggregate Normal Cost. The Actuarial Accrued Liability and the Normal Cost are determined on a level percentage of aggregate payroll funding basis.

Under the method, the Actuarial Accrued Liability is determined on an individual basis as a level percentage of payroll for each member. Inactive liabilities are valued on an accrued benefit basis.

The Total Normal Cost percentage of payroll requirement is calculated by dividing the excess of the Actuarial Present Value of Future benefits over the Actuarial Accrued Liability on an aggregate basis by the aggregate Present Value of Future Compensation for all active members. The Employer Normal Cost Percentage is calculated by subtracting the member contribution rate from the Total Normal Cost Percentage. The Employer Normal Cost is the Employer Normal Cost Percentage multiplied by the expected payroll for the valuation year.

Asset Valuation Method

Trust Fund assets are valued at the reported market value of assets as of the actuarial valuation date. The market value includes accrued amounts as reflected in the annual accounting for the Trust Fund.

Amortization Method for Funding

The funding target for DSRS is that the Unfunded Actuarial Accrued Liabilities are fully amortized by the end of fiscal year 2029. Amortization payments are calculated in the aggregate to remain a level percentage of future expected DSRS payroll determined on an open group projected payroll basis.

Interest Return and Discount Rate

The interest rate assumption is a net return rate of 7.50% annually, net of investment and administrative expenses. The rate is applied to the interest return on Trust Fund assets as well as the discount rate on future expected benefit payments.

Healthy Life Mortality Rates

Active members mortality is the RP2000 Non-Annuitant Mortality Table with mortality improvements projected to 2020 by Scale BB with separate rates for males and females. The projection year reflects additional job related mortality risks.

Retired members and their beneficiaries mortality is the RP2000 Healthy Annuitant Mortality Table with mortality improvements projected to 2025 by Scale BB with separate rates for males and females.

Disability Retirees Mortality Rates

Member receiving disability retirement benefits mortality is the RP2000 Healthy Annuitant Mortality Table projected to 2025 by Scale BB and age set forwards of 1 year, with separate rates for males and females.

Salary Scale

An annual salary increase rate of 5.0% in each of the first two years of service, decreasing to 4.5% for years three through five, 4.0% for years six through ten years and 3.5% for all years of service in excess of the first ten years.

Payroll Growth Rate

The total annual payroll for the active membership is assumed to increase at 3.5% per year for salary increase growth plus 1.5% per year for membership growth resulting in a total annual growth of 5.0%. This open group growth rate is applied in determining the percentage of payroll amortization requirements under the targeted DSRS funding of the UAAL by the end of Fiscal Year 2029. This growth rate includes projected newly hired deputy sheriffs and is an open group payroll projection rate.

Withdrawal Rates

Withdrawal rates predict termination of employment prior to unreduced retirement eligibility. A sample of withdrawal rates by age are:

Age	Rate of Withdrawal
30	0.0880
40	0.0528
50	0.0176

Disability Rates

Disability rates predict an active member becoming disabled prior to unreduced retirement eligibility. A sample of disability rates by age are:

Age	Rate of Withdrawal
30	0.0020
40	0.0060
50	0.0040

Disability Rates - Type of Disability

It is assumed that members eligible for unreduced retirement will elect retirement prior to becoming disabled. It is also assumed that retired members will not become disabled following retirement due to duty related causes incurred prior to retirement.

Disability retirement benefits vary by type of disability. Disability retirements are assumed to break down in the following types:

Duty Related Full Disability -	50%
Duty Related Partial Disability -	25%
Non-Duty Full Disability -	20%
Non-Duty Partial Disability -	5%

Marriage Rate and Composition

In determining the value of pre-retirement spousal death benefits, it is assumed that 90% of all members will be married at death. Males are assumed to be three years older than their female spouse.

Accrual of Future Service

Employment as a deputy sheriff is considered a full time professional position. All active members are assumed to complete sufficient hours to accrue one year of service in each future year of employment.

Non-Contributory Service Credits for Military Service and Unused Leave at Retirement

At Normal or Early retirement, a member is assumed to be granted 1.25 additional years of service for benefits due to allowable military service, plus 1.50 additional years for unused annual leave and/or unused sick leave for a total of 2.75 additional years.

Retirement Rates

Members who become eligible for unreduced retirement benefits prior to age 65 are assumed to have a 20% probability of retiring in the year they first become eligible. For years following the year of first eligibility and prior to attaining age 65, an additional 20% are assumed to retire each year. At 65, 100% of remaining members are assumed to retire.

Members who become eligible for unreduced retirement benefits on or after the attainment of age 65 are assumed to retire in the year they first become eligible.

Plan Contributions

Member and employer contributions are calculated as a percentage of total members' payroll. Amounts are deposited to the Trust Fund on a monthly basis. For interest calculation purposes, all amounts are treated as being deposited on an average of half way through the Plan year.

Fee Contributions under Section 7-14E-2

A portion of fees generated by each sheriff department for reports are contributed to the DSRS Trust Fund. Fees are deposited throughout the year. For interest calculation purposes they are treated as being deposited on an average of half way through the Plan year.

Fees are estimated based upon historical amounts contributed to the Trust Fund. Total deposits for last year were \$532,000 with annual deposits during the last five years ranging from a low of \$532,000 to a high of \$549,000, averaging \$541,000. Fee collections have not demonstrated any significant trend toward increasing each year and generally has fluctuated both up and down. For the purposes of analyzing the adequacy of total funding for DSRS in meeting the DSRS funding target, an average annual fee income of \$550,000 has been assumed to continue in this and all future years.

ACTUARIAL SECTION
Deputy Sheriff Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease)	
					in Average Pay
6/30/2012	979	\$ 43,583,000	\$ 44,517.88		0.24561%
6/30/2011	954	42,366,000	44,408.81		3.48983%
6/30/2010	958	41,109,000	42,911.27		1.71203%
6/30/2009	926	39,067,000	42,188.98		3.08447%
6/30/2008	913	37,366,000	40,926.62		5.61326%
6/30/2007	893	34,605,000	38,751.40		4.97924%

Solvency Test

Aggregate Accrued Liabilities For								
Valuation Date	(1)	(2)	(3)	Reported Assets	% of Accrued Liabilities Covered by Reported Assets			
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)		(1)	(2)	(3)	
6/30/2012	\$ 30,037,300	\$ 71,406,000	\$ 55,563,700	\$ 117,526,000	100.0000%	100.0000%	28.9446%	
6/30/2011	32,663,715	64,464,000	51,334,285	113,574,000	100.0000%	100.0000%	30.0896%	
6/30/2010	31,989,920	61,890,000	45,758,080	92,692,000	100.0000%	98.7346%	0.0000%	
6/30/2009	30,591,925	59,534,000	39,078,075	78,220,000	100.0000%	86.7897%	0.0000%	
6/30/2008	27,768,140	52,759,000	39,213,860	89,852,000	100.0000%	100.0000%	23.7872%	
6/30/2007	25,389,160	44,387,000	39,949,840	93,983,000	100.0000%	100.0000%	60.5931%	

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	11	\$ 308,172	-	\$ -	283	\$ 6,144,074	0.457%	\$21,710.51
2011	15	375,268	(3)	83,944	272	5,878,382	-0.097%	21,611.70
2010	13	292,812	(1)	17,194	260	5,624,509	1.289%	21,632.73
2009	32	843,276	(11)	264,193	248	5,296,624	2.072%	21,357.35
2008	33	793,778	(3)	47,990	227	4,749,716	1.017%	20,923.86
2007	15	429,466	(1)	26,338	197	4,080,498	1.123%	20,713.19

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ 35,888,000</u>
Expected increase from amortization method	(78,000)
Expected increase from contributions below actuarial rates	(611,000)
Investment experience	8,100,000
Liability experience (including transfers)	(3,520,000)
Change in assumption	(298,000)
Unfunded Actuarial Liability, June 30, 2012	<u>\$ 39,481,000</u>



**State of West Virginia
Consolidated Public Retirement Board**

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January 9, 2013

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia Judges' Retirement System (JRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

Some key highlights are:

- The valuation was prepared under the same assumptions used in the prior, July 1, 2011, valuation.
- The valuation indicates that the recommended State contribution for Fiscal Year 2014, projected from the FY 2013 valuation results, is \$2,456,000.
- The yield on investments for the year ending June 30, 2012 for valuation purposes (assuming mid-year transactions) was 1.00%, which is lower than the valuation assumed return of 7.50%. The yield on a time-weighted basis (excluding administrative expense) determined by the Investment Management Board was 1.06%.

This report contains supporting data and background information pertaining to the development of costs and related liabilities of the plan. The valuation is based on membership data as of June 30, 2012 maintained by the West Virginia Consolidated Public Retirement Board (CPRB), the new benefit structure established for Judges first appointed on or after July 2, 2005, and financial information received from the West Virginia Investment Management Board.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the CPRB. In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by Buck Consultants. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

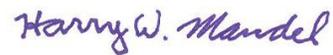
- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date: July 1, 2012

Funding Method and Basis for Assumptions

The valuation is prepared under the Entry Age Normal Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate. Entry is based on date of hire. Active liabilities include amounts calculated for judges currently participating in the Public Employees' Retirement System (PERS) who may in the future transfer into the Judges' Retirement System (JRS) with an adjustment for the anticipated transfer of required member contributions.

Experience studies are performed at least once in every five-year period. This valuation was prepared on the basis of assumptions that were recommended to and adopted by the Board on the basis of an experience study covering the period from July 1, 2004, to June 30, 2009. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.50% annually, with no loading for plan expenses.

Salary Scales and Normal Cost

4.5% annually from the current valuation date. Increases are assumed to be delayed, occurring every few years. Missed increases are assumed to be made up at the CPI-U inflation rate for such missed year not less than 0%, but not more than the 3.0% inflation rate assumption. The valuation year salary scale increase of 4.5% is adjusted to include the missed inflation increases at the end of the valuation year. Retiree COLA increases are adjusted consistent with the salary scale adjustments since they are tied to current salaries. The most recent pay increase occurred at July 1, 2011.

Automatic Cost-of-Living Increases to Pensions

Pensions for judges appointed or elected prior to July 2, 2005 are assumed to increase at the same time as active salaries increase, and by the same percentage.

Mortality

The 1994 GAM Mortality male and female tables are used. Disabled mortality is the same as the regular mortality assumption. No mortality is assumed prior to retirement due to the small number of active members.

Withdrawal from Service

No withdrawal is assumed due to the small number of active members.

Retirement Rates and Service

For those eligible to retire prior to age 65, 5% are assumed to retire each year through age 64 with 100% retiring at age 65. For those first eligible at age 65 or later, 100% are assumed to retire when they become eligible.

In determining eligibility, actual military service was provided both for judges participating in JRS and judges currently in PERS. No creditable prosecuting attorney service is assumed.

Transfers from PERS

It is assumed that all judges in PERS who earn sufficient service to vest under JRS will join JRS. Liabilities for potential transfers from PERS are included in this valuation and are calculated as if the judge had always been a member of JRS. Accumulated member contributions under PERS are treated as an offset to plan liabilities for valuation purposes. The shortfall of PERS accumulated member contributions versus the amount they would have contributed under the plan had they always been a participant under JRS is recognized in the development of the normal cost.

Family Composition

All judges are assumed to be married. Where spousal data is not available, it is assumed that male judges are five years older than their spouses and female judges are five years younger than their spouses. Surviving children's benefits were not explicitly valued.

Asset Valuation Method

Assets for valuation purposes are included at Market Value.

Plan Contributions

Plan contributions, both employee and employer, are assumed to be paid in the middle of the year.

ACTUARIAL SECTION
Judges' Retirement System

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	70	\$ 8,860,000	\$ 126,571.43	0.00000%
6/30/2011	70	8,860,000	126,571.43	8.84898%
6/30/2010	71	8,256,000	116,281.69	-22.85981%
6/30/2009	54	8,140,000	150,740.74	9.48365%
6/30/2008	60	8,261,000	137,683.33	0.00000%
6/30/2007	60	8,261,000	137,683.33	6.31918%

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Active Member Contributions	Retirants and Beneficiaries	Active Members (Employer Financed Portions)				
6/30/2012	\$ 6,729,965	\$48,319,000	\$ 43,066,035	\$ 126,265,000	100.0000%	100.0000%	100.0000%
6/30/2011	6,908,063	48,143,000	40,539,937	124,583,000	100.0000%	100.0000%	100.0000%
6/30/2010	7,170,009	48,116,000	40,721,991	102,814,000	100.0000%	100.0000%	100.0000%
6/30/2009	7,023,660	49,555,000	26,606,340	88,310,000	100.0000%	100.0000%	86.6826%
6/30/2008	5,999,595	41,887,000	50,078,405	100,186,000	100.0000%	100.0000%	100.0000%
6/30/2007	6,448,155	44,809,000	44,760,845	104,127,000	100.0000%	100.0000%	100.0000%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	-	\$ -	1	\$ 87,199	55	\$ 4,272,705	1.818%	\$77,685.55
2011	-	-	-	-	56	4,272,705	6.932%	76,298.30
2010	1	72,533	3	196,813	56	3,995,663	-0.646%	71,351.13
2009	9	774,607	-	-	58	4,165,281	2.417%	71,815.19
2008	-	-	4	283,040	49	3,435,891	-1.026%	70,120.22
2007	-	-	-	-	53	3,754,892	1.206%	70,841.02

Changes in Unfunded Actuarial Liability

Funded in excess of Actuarial Liability, June 30, 2011	\$ (28,992,000)
Expected increase from amortization method	(2,174,000)
Expected increase from contributions below actuarial rates	(1,532,000)
Investment experience	7,600,000
Liability experience (including transfers)	(3,052,000)
Change in assumption	-
Funded in excess of Actuarial Liability, June 30, 2012	\$ (28,150,000)

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Consolidated Public Retirement Board**

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Treasurer John D. Perdue
Cabinet Secretary Ross Taylor

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Thomas Bradley
Joseph Bunn
Captain Michael G. Corsaro
Drema B. Evans
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson

Executive Director
Jeffrey E. Fleck

October 31, 2012

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia Emergency Medical Services Retirement System (EMSRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

On the July 1, 2012 Actuarial Valuation date, the Actuarial Accrued Liability (AAL) attributable to past years of employment totaled \$44,148,000. Assets in the EMSRS trust fund had a market value of \$35,483,000. The Unfunded Actuarial Accrued Liability (UAAL) was \$8,665,000. The resulting funded level for EMSRS is 80.4%. It is noted that the increase in UAAL includes actuarial losses on investments of about \$2.3 million due to an actuarial asset return rate of 0.94%.

The employer funding policy for EMSRS is to contribute at least the employer Normal Cost plus the amount necessary to fund the UAAL over 26 years from July 1, 2012. Funding payments are calculated as level dollar amortization payments. The actuarially required contribution (ARC) under the funding policy for FY2012 is \$1,362,000. The total expected employer contribution at the current 10.5% of payroll contribution rate is \$2,233,000. Expected EMSRS employer contributions exceed the ARC requirement by \$871,000. A change in the employer contribution rate is not recommended since the current 10.5% contribution rate is set as a long term rate. Additionally the current rate helped offset the current year interest loss helping to maintain the Plan's funded percentage.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the West Virginia Consolidated Public Retirement Board (CPRB). In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by the Board Actuary. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Valuation Date

The initial actuarial valuation was completed on the effective date of the plan, January 1, 2008. Subsequent fiscal year valuations are completed each July 1 for the July 1 through June 30 year. This valuation was completed July 1, 2012.

Actuarial Cost Method

The valuation is completed applying the Entry Age Normal Cost Method with Aggregate Normal Cost determination. The Actuarial Accrued Liability and the Normal Cost are determined on a level percentage of aggregate expected future payroll basis.

The Actuarial Accrued Liability is determined on an individual basis as a level percentage of expected payroll for each member. Inactive liabilities are valued on an accrued benefit basis.

The Total Normal Cost percentage of payroll requirement is calculated by dividing the excess of the Actuarial Present Value of Future benefits over the Actuarial Accrued Liability on an aggregate basis by the aggregate Present Value of Future Compensation for all active members. The Employer Normal Cost Percentage is calculated by subtracting the member contribution rate from the Total Normal Cost Percentage. The Employer Normal Cost is the Employer Normal Cost Percentage multiplied by the expected payroll for the valuation year.

Asset Valuation Method

Trust Fund assets are valued at the reported market value of assets reported by the Investment Management Board for the Trust Fund as of the actuarial valuation date. The market value includes accrued amounts as reflected in the annual accounting for the Trust Fund and included in the CPRB annual report.

Amortization Method for Funding

The funding target for EMSRS is an Actuarial Required Contribution equal to the Employer Normal Cost plus amortization of the UAAL. The initial UAAL and subsequent experience through June 30, 2028 is to be fully amortized over 30 years from July 1, 2008 through June 30, 2038. Amortization payments are calculated as a level dollar amount each year over the remainder of the initial 30 year period. Experience on and after June 30, 2028 is amortized as a separate amortization item over 10 years from its determination.

Contributions in excess of the ARC, if any, shall be applied to improve the funded percentage of EMSRS until an actuarially acceptable funding level has been attained.

Interest Return and Discount Rate

The interest rate assumption is a net return rate of 7.50% annually, net of investment and administrative expenses. The rate is applied for both the net investment return expected to be earned to the interest return on Trust Fund assets and the discount rate on expected future benefit payments.

Healthy Life Mortality Rates

Active, regular retiree and beneficiary members' mortality is the 1983 Group Annuity Mortality Table with separate rates for males and females. This assumption was applied in initial studies establishing the Plan and is effective until the first experience review of Plan assumptions is completed.

Disability Retirees Mortality Rates

For members receiving disability retirement benefits the mortality is the 1983 Group Annuity Mortality Table with separate rates for males and females, set forward eight years in recognition of increased mortality due to disability.

Salary Scale

Annual salary increases are assumed by age on a unisex basis. Sample annual salary increases are as follows:

Age	Rate
Under 31	1.0500
40	1.0425
50	1.0400
60	1.0375

Payroll Growth Rate

Total annual payroll for the active membership is assumed to increase at 3.0% annually. This growth rate includes projected new hires and is an open group payroll projection rate. This open group growth rate is applied in certain projections contained in the actuarial valuation report tables. The rate does not impact EMSRS liabilities nor the ARC.

Withdrawal Rates

Withdrawal rates predict termination of employment prior to unreduced retirement eligibility. A sample of unisex rates by age are:

Age	Rate
30	0.1050
40	0.0750
50	0.0500
55	-

Disability Rates

Disability rates predict an active member becoming disabled prior to unreduced retirement eligibility. A sample of disability rates by age and sex are:

Age	Males	Females
30	0.00040	0.00080
40	0.00150	0.00150
50	0.00650	0.00300
51+	0.00850	0.00650

It is assumed that members eligible for unreduced retirement will elect retirement prior to becoming disabled. It is also assumed that retired members will not become disabled following retirement due to duty related causes incurred prior to retirement.

Disability retirement benefits vary by duty and non-duty causes. Disability retirements are assumed to occur in the following percentages:

Duty Related Disability -	50%
Non-Duty Disability -	50%

Marriage Rate and Composition

In determining the value of pre-retirement spousal death benefits, it is assumed that 80% of all members will be married at death. Males are assumed to be three years older than their female spouse.

Cause of Death for Death Benefits

Deaths from active employment are assumed to be from duty related causes 25% of the time with non-duty causes accounting for the remaining 75%.

Accrual of Future Service

EMSRS employment is considered a full time professional position. All active members are assumed to complete sufficient hours to accrue one year of service in each future year of employment.

Non-Contributory Service Credits for Military Service and Unused Leave at Retirement

At Normal or Early retirement, members are assumed to convert a part of their unused sick leave to additional retirement service credits. In addition, allowable military service credits are expected to be claimed for qualifying members. It is assumed that male members will be credited with an additional 7% of their contributory service credits and female members will be credited with an additional 1.75% of their contributory service credits.

Retirement Rates

Members who become eligible for unreduced retirement benefits prior to age 65 are assumed to have a 30% probability of retiring in the year they first become eligible. For years following the year of first eligibility and prior to attaining age 65, an additional 20% are assumed to retire each year. At 65, 100% of remaining members are assumed to retire.

Members who first become eligible for unreduced retirement benefits on or after the attainment of age 65 are assumed to retire in the year they first become eligible.

Plan Contributions

Member and employer contributions are calculated as a percentage of total members' payroll. Amounts are deposited to the Trust Fund on a monthly basis. For interest calculation purposes, all amounts are treated as being deposited on an average of half way through the Plan year.

ACTUARIAL SECTION
Emergency Medical Services Retirement System

The EMSRS was established January 2008.

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	494	\$ 21,263,000	\$ 43,042.51	2.40014%
6/30/2011	535	22,488,000	42,033.64	3.30336%
6/30/2010	525	21,362,000	40,689.52	2.23398%
6/30/2009	511	20,338,000	39,800.39	7.87553%
6/30/2008	475	17,525,000	36,894.74	100.00%

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer Financed Portions)		(1)	(2)	(3)
6/30/2012	\$ 13,417,080	\$ 10,034,000	\$ 20,696,920	\$ 35,483,000	100.0000%	100.0000%	58.1339%
6/30/2011	14,357,945	6,666,000	18,201,055	32,366,000	100.0000%	100.0000%	62.3154%
6/30/2010	13,615,555	1,341,000	16,546,445	23,662,000	100.0000%	100.0000%	52.6122%
6/30/2009	13,025,995	1,413,000	12,530,005	17,173,000	100.0000%	100.0000%	21.8197%
6/30/2008	10,803,500	143,000	10,260,500	15,675,000	100.0000%	100.0000%	46.0845%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	11	\$ 232,740	-	\$ -	28	\$ 819,312	-6.538%	\$29,261.14
2011	17	433,704	-	-	17	532,236	100.000%	31,308.00
2010	-	-	-	-	-	-	0.000%	-
2009	-	-	-	-	-	-	0.000%	-
2008	-	-	-	-	-	-	0.000%	-

Changes in Unfunded Actuarial Liability	
Unfunded Actuarial Liability, June 30, 2011	\$ 6,859,000
Expected increase from amortization method	(87,000)
Expected increase from contributions below actuarial rates	(884,000)
Investment experience	2,300,000
Liability experience (including transfers)	477,000
Change in assumption	-
Unfunded Actuarial Liability, June 30, 2012	\$ 8,665,000



**State of West Virginia
Consolidated Public Retirement Board**

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October 31, 2012

Actuarial Review and Certification

This Report presents the results of the annual Actuarial Valuation of the West Virginia Municipal Police and Fire Retirement System (MPOFRS) as of July 1, 2012. The purposes of the Actuarial Valuation are to determine the actuarial liabilities for the Plan and to determine if the expected contributions will be sufficient to meet or exceed the Plan's long term funding policy. The actuarial assumptions and methods meet the parameters for disclosure information required under Statements 25 and 27 of the Governmental Accounting Standards Board.

MPOFRS was first effective January 1, 2010. It did not have any members nor assets as of its effective date and therefore an actuarial valuation was not completed. Six members joined the plan during April of 2010, resulting in limited experience being reflected in the July 1, 2010 Actuarial Valuation. For the July 1, 2011 and 2012 Actuarial Valuations the number of active members on each valuation date increased to 9 and 27 respectively.

On the July 1, 2012 Actuarial Valuation date, the Actuarial Accrued Liability (AAL) attributable to past years of employment totaled \$90,000. Assets in the MPOFRS trust fund had a market value of \$202,000. The Actuarial Accrued Liability remains fully funded since the July 1, 2011 valuation date. The funded percentage is 224.4%, recognizing \$112,000 of pre-funding.

The funding policy for MPOFRS is to contribute at least the employer Normal Cost plus the amount necessary to fund the UAAL over 30 years from July 1, 2010. Funding payments are calculated as level dollar amortization payments. The actuarially required contribution (ARC) under the funding policy for FY2013 is \$16,000. The total expected employer contribution at the current 8.5% of payroll contribution rate is \$82,000. A change in the employer contribution rate is not recommended since the low number of members is expected to yield volatile results. Benefits, except for a return of member contributions, are not payable prior to January 1, 2013. Membership must reach 100 by January 1, 2014 for this Plan to continue as an independent Plan. If not met, the Plan will be merged into the Emergency Medical Services Retirement System.

In performing the valuation, we relied on employee data and asset information provided by the administrative staff of the West Virginia Consolidated Public Retirement Board (CPRB). In the case of employee data, each individual record was audited for reasonableness and internal consistency, although the validity of the information was not traced to source documents. With respect to plan assets, a general review for consistency with the information furnished from prior valuations was performed.

Certain tables presented in the Comprehensive Annual Financial Report are derived from the most recent valuations reported by the Board Actuary. The tables were prepared by the staff of the CPRB and examined by our internal actuarial staff. These tables include-

Financial Section

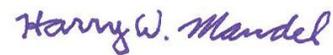
- Schedule of Funding Progress
- Schedule of Employer Contributions

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Solvency Test
- Schedule of Retirees and Beneficiaries Changes in Unfunded Actuarial Liability

The Actuary hereby certifies that this Actuarial Valuation Report was completed in compliance with actuarial standards applicable to the purposes of the Actuarial Valuation. The Actuary further certifies that the actuarial methods and assumptions applied in completing the Actuarial Valuation as reasonable and appropriate for the purposes stated herein.

Respectfully Submitted:



Harry W. Mandel
Board Actuary
Member, American Academy of Actuaries
Member Society of Pension Actuaries
Enrolled Actuary #11-2527

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Valuation Date

The initial actuarial valuation was completed on July 1, 2010, the first fiscal year with active members following the January 1, 2010 effective date. Subsequent valuations are completed each July 1 and this valuation was performed July 1, 2012. Actuarial calculations verify the adequacy of the funding through employer and member contribution for the fiscal year corresponding to the Plan year.

Actuarial Cost Method

The valuation is completed applying the Entry Age Normal Cost Method with Aggregate Normal Cost determination. The Actuarial Accrued Liability and the Normal Cost are determined on a level percentage of aggregate expected future payroll.

Under the method, the Actuarial Accrued Liability is determined on an individual basis as a level percentage of expected compensation for each member. Inactive liabilities are valued on an accrued benefit basis.

The Total Normal Cost percentage of payroll requirement is calculated by dividing the excess of the Actuarial Present Value of Future benefits over the Actuarial Accrued Liability on an aggregate basis by the aggregate Present Value of Future Compensation for all active members. The Employer Normal Cost Percentage is calculated by subtracting the member contribution rate from the Total Normal Cost Percentage. The Employer Normal Cost is the Employer Normal Cost Percentage multiplied by the expected payroll for the valuation year.

Asset Valuation Method

Trust Fund assets are valued at the reported market value of assets reported by the Investment Management Board for the Trust Fund as of the actuarial valuation date. The market value includes accrued amounts as reflected in the annual accounting for the Trust Fund and included in the CPRB annual report.

Amortization Method for Funding

The funding target (the ARC) for MPOFRS is equal to the Employer Normal Cost plus amortization of the UAAL. The initial UAAL was to be fully amortized over 30 years from July 1, 2010. Amortization payments were calculated as a level dollar amount each year over the 30 year period. Experience at July 1, 2011 and July 1, 2012 indicates that the AAL was fully funded and that amortization for an UAAL component does not apply to either of the two plan years.

Contributions in excess of the ARC, if any, shall be applied to improve the funded percentage of MPOFRS until an actuarially acceptable funding level has been attained.

Interest Return and Discount Rate

The interest rate and return rate assumption is 7.50% annually, net of investment and administrative expenses. This rate is applied for both the net interest return expected to be earned on Trust Fund assets and the annual discount rate on expected future benefit payments.

Healthy Life Mortality Rates

The 1983 Group Annuity Mortality Table with separate rates for males and females. This assumption was applied in initial studies establishing the Plan and is effective until the first experience review of plan assumptions is completed.

Healthy Life Mortality Rates

The 1983 Group Annuity Mortality Table with separate rates for males and females. This assumption was applied in initial studies establishing the Plan and is effective until the first experience review of plan assumptions is completed.

Salary Scale

Annual salary increase factors are assumed by age on a unisex basis with sample annual salary increases as follows:

Age	Rate
Under 31	1.0500
40	1.0425
50	1.0400
60	1.0375

Payroll Growth Rate

Total annual payroll for the active membership is assumed to increase at 3.0% annually. This growth rate is applied in certain projections contained in the actuarial valuation report tables. The rate does not impact MPOFRS liabilities nor the ARC. The growth rate was set based on current limited employer participation in MPOFRS. The growth rate will need to be increased if additional employers begin participating in MPOFRS.

Withdrawal Rates

Withdrawal rates predict termination of employment prior to unreduced retirement eligibility. A sample of unisex rates by age are:

Age	Rate
30	0.1050
40	0.0750
50	0.0500
55	-

Disability Rates

Disability rates predict an active member becoming disabled prior to unreduced retirement eligibility. A sample of disability rates by age and sex are:

Age	Males	Females
30	0.00040	0.00080
40	0.00150	0.00150
50	0.00650	0.00300
51+	0.00850	0.00650

It is assumed that members eligible for unreduced retirement will elect retirement prior to becoming disabled. It is also assumed that retired members will not become disabled following retirement due to duty related causes incurred prior to retirement.

Disability retirement benefits vary by duty and non-duty causes. Disability retirements are assumed to occur in the following percentages:

Duty Related Disability -	50%
Non-Duty Disability -	50%

Marriage Rate and Composition

In determining the value of pre-retirement spousal death benefits, it is assumed that 80% of all members will be married at death. Males are assumed to be three years older than their female spouse.

Cause of Death for Death Benefits

Deaths from active employment are assumed to be from duty related causes 25% of the time with non-duty causes accounting for the remaining 75%.

Accrual of Future Service

MPOFRS employment is considered a full time professional position. All active members are assumed to complete sufficient hours to accrue one year of service in each future year of employment.

Non-Contributory Service Credits for Military Service

At Normal retirement, qualifying members are assumed to claim up to 2 allowable military service years as additional retirement service credits. It is assumed that male members will be credited with an additional 2% of their contributory service credits and female members will be credited with an additional 0.5% of their contributory service credits.

Retirement Rates

Members who become eligible for unreduced retirement benefits prior to age 65 are assumed to have a 30% probability of retiring in the year they first become eligible. For years following the year of first eligibility and prior to attaining age 65, an additional 20% are assumed to retire each year. At 65, 100% of remaining members are assumed to retire.

Members who first become eligible for unreduced retirement benefits on or after the attainment of age 65 are assumed to retire in the year they first become eligible.

Plan Contributions

Member and employer contributions are calculated as a percentage of total members' payroll. Amounts are deposited to the Trust Fund on a monthly basis. For interest calculation purposes, all amounts are treated as being deposited on an average of half way through the Plan year.

ACTUARIAL SECTION
Municipal Police Officers & Firefighters' Retirement System

The MPOFRS was established January 2010.

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
6/30/2012	27	\$ 966,000	\$ 35,777.78	-6.12245%
6/30/2011	9	343,000	38,111.11	9.82027%
6/30/2010	6	208,219	34,703.17	100.00%

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For			Reported Assets	% of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer Financed Portions)		(1)	(2)	(3)
6/30/2012	\$ 665,380	\$ 4,000	\$ (579,380)	\$ 202,000	30.3590%	0.0000%	0.0000%
6/30/2011	238,850	6,000	(221,850)	65,000	27.2140%	0.0000%	0.0000%
6/30/2010	144,665	-	(141,127)	3,000	2.0740%	0.0000%	0.0000%

Schedule of Retirees and Beneficiaries Added and Removed

Fiscal Year Ended	Retirees Added		Retirees Removed		Retirees - Year End		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	-	\$ -	-	\$ -	-	\$ -	0.000%	\$ -
2011	-	-	-	-	-	-	0.000%	-
2010	-	-	-	-	-	-	0.000%	-

Changes in Unfunded Actuarial Liability

Unfunded Actuarial Liability, June 30, 2011	<u>\$ (42,000)</u>
Expected increase from amortization method	(3,000)
Expected increase from contributions below actuarial rates	(65,000)
Investment experience	2,000
Liability experience (including transfers)	(4,000)
Change in assumption	-
Unfunded Actuarial Liability, June 30, 2012	<u>\$ (112,000)</u>

STATISTICAL SECTION

West Virginia Sesquicentennial Coin



The statistical section of the comprehensive annual financial report provides information to the reader to assist in understanding the information in the financial statements, note disclosures, and required supplementary information regarding the Retirement Systems' overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Retirement Systems' financial performance has changed over time.

- Additions by Source, Deductions by Type, and Change in Net Assets
- Benefit by Type

Retirees and Beneficiaries

These schedules provide information concerning the retirees and beneficiaries receiving benefits.

- Retired Members by Type of Benefit
- Average Monthly Benefit Payments

Participating Units

This schedule provides information concerning units participating in the various Retirement Systems.

- Largest Employers

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Public Employees Retirement System
(in thousands)

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 60,293	\$ 187,583	\$ 565,355	\$ 949
2012	59,200	191,012	46,122	1,859
2011	57,714	160,493	757,302	1,030
2010	56,974	139,284	518,862	1,128
2009	56,360	131,143	(619,017)	4,118
2008	53,958	125,992	(276,789)	3,308
2007	52,239	121,183	345,498	4,600
2006	52,248	133,594	320,691	-
2005	52,984	118,740	330,072	-
2004	51,676	115,634	407,826	-

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 322,731	\$ 112	\$ 4,593	\$ 10,413	\$ 476,331
2012	304,263	(96)	4,505	10,844	(21,323)
2011	284,587	(368)	4,403	9,880	678,037
2010	265,263	(188)	4,340	8,515	438,318
2009	248,770	(56)	4,257	10,422	(390,789)
2008	232,807	14,263	4,188	9,448	(354,237)
2007	217,540	(443)	4,097	9,216	593,110
2006	199,255	(578)	3,179	9,142	295,535
2005	183,292	(679)	2,289	7,903	308,991
2004	170,596	(257)	2,321	6,756	395,720

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Teachers' Defined Benefit Retirement System
(in thousands)

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 91,424	\$ 458,713	\$ 654,696	\$ 32,471
2012	91,976	482,236	46,118	38,874
2011	87,697	501,103	828,928	60,569
2010	103,706	417,403	533,448	39,818
2009	115,925	368,330	(575,596)	41,963
2008	52,916	368,883	(271,361)	3,625
2007	49,923	1,482,184	366,641	4,399
2006	48,201	658,644	147,173	72,844
2005	49,287	339,724	147,791	14,419
2004	50,671	316,121	178,671	13,567

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 618,628	\$ (35)	\$ 4,276	\$ 7,731	\$ 606,704
2012	577,427	53	4,209	7,783	69,732
2011	535,010	418	4,130	7,614	931,125
2010	494,230	62	4,067	7,247	588,769
2009*	463,528	(698,268)	3,964	5,143	176,255
2008	434,285	436	3,071	3,748	(287,477)
2007	404,875	449	2,968	3,326	1,491,529
2006	372,687	790	2,282	3,994	547,109
2005	344,841	686	1,716	4,098	199,880
2004	316,941	346	2,088	3,417	236,238

* See discussion later in this section of transfers of Teachers' Defined Contribution Retirement System members to the Teachers' Defined Benefit Retirement System as permitted by the West Virginia legislature.

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Judges Retirement System

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 688	\$ 2,422	\$ 16,381	\$ -
2012	706	3,954	1,251	-
2011	622	3,954	21,214	-
2010	649	3,954	14,034	-
2009	748	6,034	(14,927)	-
2008	736	6,034	(7,035)	-
2007	733	6,034	15,212	-
2006	865	6,758	7,088	-
2005	479	6,758	6,990	-
2004	470	5,329	8,177	-

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 4,351	\$ (77)	\$ 6	\$ -	\$ 15,211
2012	4,274	(51)	6	-	1,682
2011	4,014	-	7	-	21,769
2010	3,937	103	7	86	14,504
2009	3,719	5	7	-	(11,876)
2008	3,669	-	7	-	(3,941)
2007	3,801	(24)	7	-	18,195
2006	3,737	(207)	6	-	11,175
2005	3,025	-	4	-	11,198
2004	3,282	(89)	3	-	10,780

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

State Police Death, Disability, and Retirement System

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 628	\$ 1,047	\$ 60,742	\$ 16,073
2012	724	1,207	4,381	22,767
2011	833	1,389	82,228	24,356
2010	909	1,514	3/44	10,655
2009	968	1,688	(72,882)	1,917
2008	989	1,701	(33,920)	3,656
2007	1,029	5,360	78,121	680
2006	989	77,630	35,899	616
2005	1,053	252,367	11,667	579
2004	1,129	23,932	14,572	527

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 35,464	\$ -	\$ 49	\$ -	\$ 42,977
2012	33,631	-	50	47	(4,649)
2011	31,206	-	50	-	77,550
2010	29,347	-	50	-	41,517
2009	27,823	-	51	72	(96,255)
2008	26,202	-	51	-	(53,827)
2007	24,794	-	51	130	60,215
2006	23,699	-	41	(10)	91,404
2005	22,278	-	30	48	243,310
2004	21,386	-	30	73	18,671

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

State Police Retirement System

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 3,517	\$ 4,193	\$ 10,495	\$ -
2012	3,375	4,544	824	79
2011	3,065	4,570	11,222	126
2010	3,005	3,396	6,476	143
2009	2,594	2,594	(6,107)	176
2008	2,339	2,339	(2,834)	-
2007	2,176	2,175	5,632	-
2006	1,874	1,821	2,408	-
2005	1,702	1,702	2,271	-
2004	1,492	1,520	2,330	-

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 577	\$ -	\$ 42	\$ 229	\$ 17,357
2012	477	-	39	327	7,989
2011	443	-	37	482	18,021
2010	369	-	35	202	12,414
2009	298	-	34	168	(1,243)
2008	232	-	32	366	1,214
2007	135	-	31	214	9,603
2006	118	-	21	514	5,450
2005	112	-	15	133	5,415
2004	84	-	13	104	5,141

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Deputy Sheriffs Retirement System

Additions				
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 3,731	\$ 5,704	\$ 15,344	\$ 522
2012	3,567	5,431	1,253	534
2011	3,505	4,221	19,072	542
2010	3,335	4,053	12,446	549
2009	3,160	3,962	(13,580)	555
2008	3,006	3,724	(6,354)	553
2007	2,837	3,365	13,710	541
2006	2,674	3,212	6,466	550
2005	2,482	3,098	6,472	470
2004	2,339	2,552	7,644	679

Deductions					
Fiscal Year	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	Total Change in Plan Net Position
2013	\$ 6,316	\$ -	\$ 91	\$ 664	\$ 18,230
2012	5,985	-	86	762	3,952
2011	5,714	-	85	659	20,882
2010	5,327	-	81	503	14,472
2009	5,018	-	48	633	(11,632)
2008	4,434	-	74	552	(4,131)
2007	3,891	18	71	389	16,084
2006	3,449	-	53	415	8,985
2005	3,029	-	37	257	9,199
2004	2,523	-	35	308	10,348

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Emergency Medical Services Retirement System*

Fiscal Year	Additions			
	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 1,891	\$ 2,308	\$ 4,682	\$ -
2012	1,838	2,272	361	-
2011	1,894	2,264	5,109	45
2010	1,772	2,190	2,704	29
2009	1,749	2,030	(2,154)	-
2008	722	917	(621)	-
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-

Fiscal Year	Deductions				Total Change in Plan Net Position
	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	
2013	\$ 1,000	\$ -	\$ 38	\$ 423	\$ 7,420
2012	651	-	39	664	3,117
2011	237	(43)	38	376	8,704
2010	-	-	35	171	6,489
2009	-	(28)	28	127	1,498
2008	-	(14,673)	-	16	15,675
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-

*The EMSRS was established in January 2008.

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Municipal Police Officers & Firefighters Retirement System*

Fiscal Year	Additions			
	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 151	\$ 151	\$ 32	\$ -
2012	72	72	4	-
2011	31	31	-	-
2010	2	1	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-
2005	-	-	-	-
2004	-	-	-	-

Fiscal Year	Deductions				Total Change in Plan Net Position
	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds	
2013	\$ -	\$ -	\$ 2	\$ 5	\$ 327
2012	-	-	1	10	137
2011	-	-	-	-	62
2010	-	-	-	-	3
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-

*The MPOFRS was established in January 2010.

STATISTICAL SECTION

Additions by Source, Deductions by Type, and Change in Net Assets

Teachers' Defined Contribution Retirement System

Fiscal Year	Additions			
	Member Contributions	Employer Contributions	Investment Income	Other Income
2013	\$ 6,861	\$ 11,236	\$ 37,681	\$ 261
2012	7,008	11,749	4,119	397
2011	6,755	12,817	40,593	256
2010	6,932	10,129	22,139	6
2009	6,250	10,342	(29,743)	-
2008	34,110	52,982	(28,072)	-
2007	30,599	55,072	94,294	-
2006	28,459	46,331	46,288	-
2005	26,602	45,175	40,952	-
2004	24,749	42,870	42,190	-

Fiscal Year	Deductions				Total Change in Plan Net Position
	Benefit Payments	Service Transfers to (from)	Administrative Expenses	Refunds and Forfeitures	
2013	\$ -	\$ -	\$ 836	\$ 13,644	\$ 41,559
2012	-	94	687	12,155	10,337
2011	-	(7)	437	11,286	48,705
2010	-	23	891	6,164	32,128
2009	-	698,347	986	6,480	(718,964)
2008	-	(26)	2,625	17,598	38,823
2007	-	-	2,182	18,233	159,550
2006	-	(8)	1,515	17,002	102,569
2005	-	(7)	1,441	10,280	101,015
2004	-	-	738	6,784	102,277

The TDCRS is a multiple employer defined contribution retirement system, which is a money purchase pension plan covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and the Schools for the Deaf and Blind who were hired between July 1, 1991 and June 30, 2005. TDCRS benefits depend solely on amounts contributed to the plan plus investment earnings. TDCRS closed participation to new members effective June 30, 2005.

In 2008, the West Virginia Legislature provided an opportunity for members of the TDCRS to elect to transfer to the West Virginia Teachers' Retirement System (TRS). The transfer occurred on July 1, 2008 and a total of 15,152 TDCRS members transferred to TRS.

STATISTICAL SECTION

Benefits by Type

The following schedules provide information on the benefits provided by type of benefit for each plan. Due to computer system limitations, data could only be extracted for fiscal year 2005 and forward.

Public Employees Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 261,647	\$ 26,821	\$ 29,157	\$ 1,161	\$ 9,175
2012	250,134	25,781	23,348	1,170	9,674
2011	232,491	24,651	27,445	952	8,982
2010	215,378	23,664	26,221	1,263	7,216
2009	201,606	22,459	24,705	1,255	9,167
2008	187,608	21,483	23,716	751	8,697
2007	173,991	20,708	22,841	605	8,611
2006	158,160	19,493	21,602	693	8,449
2005	144,286	18,706	20,300	589	7,314

Teachers' Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 560,392	\$ 23,148	\$ 24,692	\$ 3,564	\$ 5,250
2012	531,367	22,121	23,939	3,109	4,674
2011	490,536	21,306	23,168	4,167	3,447
2010	451,233	20,568	22,429	4,145	3,102
2009	421,789	19,927	21,812	2,877	2,266
2008	394,064	19,157	21,064	2,562	1,186
2007	366,429	18,212	20,234	1,965	1,361
2006	336,737	16,958	18,992	2,212	1,782
2005	311,360	16,093	17,388	2,030	2,068

Judges Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 3,181	\$ 1,060	\$ 95	\$ -	\$ -
2012	3,098	1,056	121	-	-
2011	3,115	899	-	-	-
2010	3,065	872	-	-	86
2009	2,890	828	-	-	-
2008	2,815	854	-	-	-
2007	2,820	981	-	-	-
2006	2,718	1,019	-	-	-
2005	2,222	803	-	-	-

STATISTICAL SECTION

Benefits by Type

State Police Death, Disability, and Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 26,656	\$ 2,044	\$ 6,685	\$ -	\$ -
2012	25,475	1,891	6,265	-	47
2011	23,398	1,765	6,043	-	-
2010	21,917	1,551	5,879	-	-
2009	20,897	1,388	5,538	-	72
2008	19,849	1,300	5,053	-	-
2007	18,961	1,213	4,620	-	130
2006	18,312	1,092	4,291	-	-
2005	17,347	1,048	3,883	-	48

State Police Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 266	\$ 48	\$ 243	\$ 8	\$ 220
2012	243	26	207	-	*
2011	226	50	187	-	1
2010	150	34	185	-	*
2009	105	39	153	-	*
2008	90	34	109	-	*
2007	31	18	86	-	*
2006	29	18	71	-	1
2005	30	13	68	-	*

* - under \$500,000

Deputy Sheriffs Retirement System
(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 5,028	\$ 250	\$ 976	\$ -	\$ 669
2012	4,818	201	966	43	719
2011	4,635	175	904	35	624
2010	4,325	139	863	-	503
2009	4,031	100	887	90	543
2008	3,616	53	812	33	519
2007	3,156	28	706	9	380
2006	2,742	25	681	-	415
2005	2,384	17	628	-	257

STATISTICAL SECTION

Benefits by Type

Emergency Medical Services Retirement System*

(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ 760	\$ 22	\$ 173	\$ 38	\$ 404
2012	517	13	121	32	632
2011	237	-	24	-	376
2010	-	-	-	-	171
2009	-	-	-	52	75
2008	-	-	-	-	16

*The EMSRS was established in January 2008.

Municipal Police Officers & Firefighters Retirement System**

(in thousands)

Fiscal Year	Age & Service Benefits		Disability Benefits	Death Benefits & Refunds	
	Retirants	Survivors		Death	Resignation
2013	\$ -	\$ -	\$ -	\$ 2	\$ 2
2012	-	-	-	-	10
2011	-	-	-	-	-
2010	-	-	-	-	-

*The MPOFRS was established in January 2010.

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STATISTICAL SECTION
Retired Members by Type of Benefit

Public Employees Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement				Option Selected			
		A	B	C	Maximum	Opt-1	Opt-2	Other	
\$ 1 - 1,000	13,432	9,017	2,355	2,060	6,664	1,992	4,776	-	
1,001 - 2,000	7,076	5,654	512	910	3,639	1,133	2,304	-	
2,001 - 3,000	2,266	2,120	89	57	1,123	430	713	-	
3,001 - 4,000	661	642	16	3	317	152	192	-	
4,001 - 5,000	213	206	6	1	87	49	77	-	
Over 5,000	78	77	1	-	48	11	19	-	
Totals	23,726	17,716	2,979	3,031	11,878	3,767	8,081	-	

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

Teachers' Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement				Option Selected			
		A	B	C	Maximum	Opt-1	Opt-2	Other	
\$ 1 - 1,000	11,564	8,671	1,308	1,585	7,677	1,321	2,477	89	
1,001 - 2,000	10,212	9,141	372	699	6,666	1,401	2,131	14	
2,001 - 3,000	6,586	6,383	113	90	4,290	1,075	1,221	-	
3,001 - 4,000	2,206	2,183	17	6	1,506	394	306	-	
4,001 - 5,000	502	496	6	-	346	88	68	-	
Over 5,000	185	183	2	-	126	30	29	-	
Totals	31,255	27,057	1,818	2,380	20,611	4,309	6,232	103	

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

STATISTICAL SECTION
Retired Members by Type of Benefit

Judges Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	1	1	-	-	-	1	-	-
1,001 - 2,000	-	-	-	-	-	-	-	-
2,001 - 3,000	-	-	-	-	-	-	-	-
3,001 - 4,000	1	-	1	-	-	1	-	-
4,001 - 5,000	20	-	20	-	-	1	19	-
Over 5,000	36	35	-	1	-	7	29	-
Totals	58	36	21	1	-	10	48	-

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

State Police Death, Disability, and Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	23	6	12	5	4	-	19	-
1,001 - 2,000	87	38	33	16	7	-	80	-
2,001 - 3,000	81	55	10	16	4	-	77	-
3,001 - 4,000	138	108	15	15	-	-	138	-
4,001 - 5,000	196	167	5	24	-	-	196	-
Over 5,000	194	146	1	47	-	-	194	-
Totals	719	520	76	123	15	-	704	-

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

STATISTICAL SECTION
Retired Members by Type of Benefit

State Police Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	3	1	2	-	1	-	2	-
1,001 - 2,000	6	-	1	5	-	-	6	-
2,001 - 3,000	4	3	-	1	-	-	4	-
3,001 - 4,000	4	3	-	1	-	-	4	-
4,001 - 5,000	2	1	-	1	-	-	2	-
Over 5,000	-	-	-	-	-	-	-	-
Totals	19	8	3	8	1	-	18	-

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

Deputy Sheriffs Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	38	31	4	3	15	4	17	2
1,001 - 2,000	142	115	8	19	42	28	70	2
2,001 - 3,000	92	73	2	17	25	22	44	1
3,001 - 4,000	13	10	-	3	2	3	8	-
4,001 - 5,000	2	2	-	-	2	-	-	-
Over 5,000	2	2	-	-	2	-	-	-
Totals	289	233	14	42	88	57	139	5

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

STATISTICAL SECTION
Retired Members by Type of Benefit

Emergency Medical Services Retirement System

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	4	3	-	1	4	-	-	-
1,001 - 2,000	11	10	1	-	5	1	5	-
2,001 - 3,000	10	7	-	3	5	1	4	-
3,001 - 4,000	4	3	-	1	4	-	-	-
4,001 - 5,000	1	1	-	-	-	-	1	-
Over 5,000	-	-	-	-	-	-	-	-
Totals	30	24	1	5	18	2	10	-

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

Municipal Police Officers & Firefighters Retirement System*

Amount of Monthly Benefit	Number of Retirants	Type of Retirement			Maximum	Option Selected		
		A	B	C		Opt-1	Opt-2	Other
\$ 1 - 1,000	-	-	-	-	-	-	-	-
1,001 - 2,000	-	-	-	-	-	-	-	-
2,001 - 3,000	-	-	-	-	-	-	-	-
3,001 - 4,000	-	-	-	-	-	-	-	-
4,001 - 5,000	-	-	-	-	-	-	-	-
Over 5,000	-	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-	-

Type of Retirement

A - Service
B - Survivor benefit
C - Disability

Option

Maximum - Life Annuity
Opt-1 - 100% Joint Survivorship
Opt-2 - 50% Joint Survivorship
Other

* This System was established in January 2010.

STATISTICAL SECTION

Largest Employers

Public Employees Retirement System

Units	2013	2012	2011
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	27,388	24,268	23,971
Percent of Active Members	66.22%	66.35%	66.12%
Total Active Members	41,359	36,573	36,254

Units	2010	2009	2008
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	23,758	23,463	23,222
Percent of Active Members	66.04%	65.69%	65.43%
Total Active Members	35,977	35,717	35,491

Units	2007	2006	2005
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	23,242	23,342	24,101
Percent of Active Members	64.79%	65.40%	66.52%
Total Active Members	35,873	35,689	36,230

Units	2004
1) Unit	State of West Virginia
Number of Active Members	23,856
Percent of Active Members	66.51%
Total Active Members	35,868

STATISTICAL SECTION
Largest Employers

Teachers Defined Benefit Retirement System

Units	2013	2012	2011	2010
1) Unit	Kanawha County Board of Education			
Number of Active Members	3,254	3,549	3,507	3,477
Percent of Active Members	9.26%	9.91%	9.78%	9.75%
2) Unit	Berkeley County Board of Education			
Number of Active Members	2,092	2,109	2,097	2,068
Percent of Active Members	5.96%	5.89%	5.85%	5.80%
3) Unit	Wood County Board of Education			
Number of Active Members	1,558	1,689	1,677	1,689
Percent of Active Members	4.44%	4.72%	4.68%	4.74%
4) Unit	Raleigh County Board of Education			
Number of Active Members	1,446	1,561	1,482	1,487
Percent of Active Members	4.12%	4.36%	4.13%	4.17%
5) Unit	Cabell County Board of Education			
Number of Active Members	1,401	1,486	1,399	1,421
Percent of Active Members	3.99%	4.15%	3.90%	3.98%
6) Unit	Harrison County Board of Education			
Number of Active Members	1,393	1,432	1,402	1,397
Percent of Active Members	3.97%	4.00%	3.91%	3.92%
7) Unit	Monongalia County Board of Education			
Number of Active Members	1,251	1,443	1,399	1,388
Percent of Active Members	3.56%	4.03%	3.90%	3.89%
8) Unit	Mercer County Board of Education			
Number of Active Members	1,177	1,271	1,119	1,116
Percent of Active Members	3.35%	3.55%	3.12%	3.13%
9) Unit	Jefferson County Board of Education	Marion County Board of Education	Marion County Board of Education	Marion County Board of Education
Number of Active Members	1,004	1,061	1,058	1,052
Percent of Active Members	2.86%	2.96%	2.95%	2.95%
10) Unit	Putnam County Board of Education			
Number of Active Members	1,000	1,060	1,058	1,051
Percent of Active Members	2.85%	2.96%	2.95%	2.95%
Total Active Members	35,126	35,807	35,855	35,670

STATISTICAL SECTION
Largest Employers

Teachers Defined Benefit Retirement System (Continued)

Units	2009	2008	2007	2006
1) Unit	Kanawha County Board of Education			
Number of Active Members	3,480	3,468	1,942	1,812
Percent of Active Members	9.75%	9.85%	9.94%	9.72%
2) Unit	Berkeley County Board of Education			
Number of Active Members	2,070	2,057	1,037	1,001
Percent of Active Members	5.80%	5.84%	5.31%	5.37%
3) Unit	Wood County Board of Education			
Number of Active Members	1,677	1,662	902	877
Percent of Active Members	4.70%	4.72%	4.62%	4.71%
4) Unit	Raleigh County Board of Education			
Number of Active Members	1,490	1,487	727	694
Percent of Active Members	4.17%	4.22%	4.62%	3.72%
5) Unit	Cabell County Board of Education			
Number of Active Members	1,432	1,433	716	692
Percent of Active Members	4.01%	4.07%	3.67%	3.71%
6) Unit	Harrison County Board of Education			
Number of Active Members	1,392	1,391	667	671
Percent of Active Members	3.90%	3.95%	3.42%	3.60%
7) Unit	Monongalia County Board of Education			
Number of Active Members	1,389	1,377	655	642
Percent of Active Members	3.89%	3.95%	3.35%	3.45%
8) Unit	Mercer County Board of Education			
Number of Active Members	1,119	1,115	577	568
Percent of Active Members	3.13%	3.17%	2.95%	3.05%
9) Unit	Marion County Board of Education			
Number of Active Members	1,051	1,048	572	566
Percent of Active Members	2.94%	2.98%	2.93%	3.04%
10) Unit	Putnam County Board of Education			
Number of Active Members	1,047	1,044	568	565
Percent of Active Members	2.93%	2.96%	2.91%	3.03%
Total Active Members	35,701	35,219	19,529	18,633

In July 2008, 15,152 members of the Teachers Defined Contribution Retirement System transferred to the Teachers Defined Benefit Retirement System.

STATISTICAL SECTION
Largest Employers

Teachers Defined Benefit Retirement System (Continued)

Units	2005	2004
1) Unit	Kanawha County Board of Education	Kanawha County Board of Education
Number of Active Members	1,809	1,871
Percent of Active Members	10.20%	9.69%
2) Unit	Berkeley County Board of Education	Berkeley County Board of Education
Number of Active Members	1,002	1,084
Percent of Active Members	5.65%	5.61%
3) Unit	Wood County Board of Education	Wood County Board of Education
Number of Active Members	878	899
Percent of Active Members	4.95%	4.65%
4) Unit	Raleigh County Board of Education	Raleigh County Board of Education
Number of Active Members	688	694
Percent of Active Members	3.88%	3.59%
5) Unit	Cabell County Board of Education	Cabell County Board of Education
Number of Active Members	691	692
Percent of Active Members	3.90%	3.58%
6) Unit	Harrison County Board of Education	Harrison County Board of Education
Number of Active Members	669	679
Percent of Active Members	3.77%	3.52%
7) Unit	Monongalia County Board of Education	Monongalia County Board of Education
Number of Active Members	638	647
Percent of Active Members	3.60%	3.35%
8) Unit	Mercer County Board of Education	Mercer County Board of Education
Number of Active Members	564	581
Percent of Active Members	3.18%	3.01%
9) Unit	Marion County Board of Education	Marion County Board of Education
Number of Active Members	558	567
Percent of Active Members	3.15%	2.94%
10) Unit	Putnam County Board of Education	Putnam County Board of Education
Number of Active Members	558	565
Percent of Active Members	3.15%	2.93%
Total Active Members	17,728	19,313

STATISTICAL SECTION

Largest Employers

Judges Retirement System

Units	2012	2012	2011
1) Unit	West Virginia Judiciary	West Virginia Judiciary	West Virginia Judiciary
Number of Active Members	51	55	56
Percent of Active Members	100.00%	100.00%	100.00%

Units	2010	2009	2008
1) Unit	West Virginia Judiciary	West Virginia Judiciary	West Virginia Judiciary
Number of Active Members	53	54	60
Percent of Active Members	100.00%	100.00%	100.00%

Units	2007	2006	2005
1) Unit	West Virginia Judiciary	West Virginia Judiciary	West Virginia Judiciary
Number of Active Members	60	62	59
Percent of Active Members	100.00%	100.00%	100.00%

Units	2004
1) Unit	West Virginia Judiciary
Number of Active Members	58
Percent of Active Members	100.00%

STATISTICAL SECTION

Largest Employers

State Police Death, Disability, and Retirement System

Units	2013	2012	2011
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	108	108	133
Percent of Active Members	100.00%	100.00%	100.00%

Units	2010	2009	2008
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	147	163	173
Percent of Active Members	100.00%	100.00%	100.00%

Units	2007	2006	2005
1) Unit	State of West Virginia	State of West Virginia	State of West Virginia
Number of Active Members	191	204	213
Percent of Active Members	100.00%	100.00%	100.00%

Units	2004
1) Unit	State of West Virginia
Number of Active Members	237
Percent of Active Members	100.00%

STATISTICAL SECTION

Largest Employers

State Police Retirement System

Units	2013	2012	2011	2010	2009
1) Unit	State of West Virginia				
Number of Active Members	567	566	523	498	472
Percent of Active Members	100.00%	100.00%	100.00%	100.00%	100.00%

Units	2008	2007	2006	2005	2004
1) Unit	State of West Virginia				
Number of Active Members	455	449	431	401	380
Percent of Active Members	100.00%	100.00%	100.00%	100.00%	100.00%

STATISTICAL SECTION
Largest Employers

Deputy Sheriffs Retirement System

Units	2013	2012	2011	2010
1) Unit	Kanawha County	Kanawha County	Kanawha County	Kanawha County
Number of Active Members	103	101	102	101
Percentage of Active Members	9.65%	10.32%	10.69%	10.91%
2) Unit	Berkeley County	Berkeley County	Berkeley County	Berkeley County
Number of Active Members	56	58	55	54
Percentage of Active Members	5.25%	5.92%	5.77%	5.83%
3) Unit	Harrison County	Harrison County	Harrison County	Harrison County
Number of Active Members	46	48	44	42
Percentage of Active Members	4.31%	4.90%	4.61%	4.54%
4) Unit	Cabell County	Cabell County	Putnam County	Cabell County
Number of Active Members	43	43	44	41
Percentage of Active Members	4.03%	4.39%	4.61%	4.43%
5) Unit	Putnam County	Monongalia County	Raleigh County	Raleigh County
Number of Active Members	42	42	42	39
Percentage of Active Members	3.94%	4.29%	4.40%	4.21%
6) Unit	Raleigh County	Putnam County	Cabell County	Monongalia County
Number of Active Members	42	40	41	36
Percentage of Active Members	3.94%	4.09%	4.30%	3.89%
7) Unit	Monongalia County	Raleigh County	Wood County	Putnam County
Number of Active Members	39	40	39	36
Percentage of Active Members	3.66%	4.09%	4.09%	3.89%
8) Unit	Wood County	Wood County	Monongalia County	Wood County
Number of Active Members	38	37	36	36
Percentage of Active Members	3.56%	3.78%	3.77%	3.89%
9) Unit	Fayette County	Fayette County	Fayette County	Fayette County
Number of Active Members	34	34	35	31
Percentage of Active Members	3.19%	3.47%	3.67%	3.35%
10) Unit	Ohio County	Mercer County	Ohio County	Ohio County
Number of Active Members	33	29	28	28
Percentage of Active Members	3.09%	2.96%	3.67%	3.02%
Total Active Members	1,067	979	954	926

STATISTICAL SECTION
Largest Employers

Deputy Sheriffs Retirement System (Continued)

Units	2009	2008	2007	2006
1) Unit	Kanawha County	Kanawha County	Kanawha County	Kanawha County
Number of Active Members	97	93	87	81
Percentage of Active Members	10.62%	10.41%	10.42%	9.70%
2) Unit	Berkeley County	Berkeley County	Berkeley County	Raleigh County
Number of Active Members	54	47	45	35
Percentage of Active Members	5.91%	5.26%	5.39%	4.19%
3) Unit	Cabell County	Raleigh County	Raleigh County	Berkley County
Number of Active Members	39	41	35	32
Percentage of Active Members	4.27%	4.59%	4.19%	3.83%
4) Unit	Raleigh County	Putnam County	Putnam County	Cabell County
Number of Active Members	39	35	33	30
Percentage of Active Members	4.27%	3.92%	3.95%	3.59%
5) Unit	Harrison County	Cabell County	Harrison County	Harrison County
Number of Active Members	36	34	31	30
Percentage of Active Members	3.94%	3.81%	3.71%	3.59%
6) Unit	Monongalia County	Harrison County	Cabell County	Putnam County
Number of Active Members	35	33	30	30
Percentage of Active Members	3.83%	3.70%	3.59%	3.59%
7) Unit	Putnam County	Monongalia County	Wood County	Wood County
Number of Active Members	35	32	29	28
Percentage of Active Members	3.83%	3.58%	3.47%	3.35%
8) Unit	Wood County	Wood County	Monongalia County	Monongalia County
Number of Active Members	33	30	28	27
Percentage of Active Members	3.61%	3.36%	3.35%	3.23%
9) Unit	Fayette County	Fayette County	Mercer County	Mercer County
Number of Active Members	31	28	25	23
Percentage of Active Members	3.40%	3.14%	2.99%	2.75%
10) Unit	Greenbrier County	Greenbrier County	Greenbrier County	Fayette County
Number of Active Members	26	26	24	21
Percentage of Active Members	2.85%	2.91%	2.87%	2.51%
Total Active Members	913	893	835	835

STATISTICAL SECTION
Largest Employers

Deputy Sheriffs Retirement System (Continued)

Units	2005	2004
1) Unit	Kanawha County	Kanawha County
Number of Active Members	76	67
Percentage of Active Members	9.37%	8.26%
2) Unit	Putnam County	Putnam County
Number of Active Members	31	30
Percentage of Active Members	3.82%	3.70%
3) Unit	Berkeley County	Raleigh County
Number of Active Members	30	30
Percentage of Active Members	3.70%	3.70%
4) Unit	Raleigh County	Berkley County
Number of Active Members	30	29
Percentage of Active Members	3.70%	3.58%
5) Unit	Harrison County	Harrison County
Number of Active Members	28	26
Percentage of Active Members	3.45%	3.21%
6) Unit	Cabell County	Wood County
Number of Active Members	27	26
Percentage of Active Members	3.33%	3.21%
7) Unit	Wood County	Cabell County
Number of Active Members	27	23
Percentage of Active Members	3.33%	2.84%
8) Unit	Monongalia County	Greenbrier County
Number of Active Members	23	22
Percentage of Active Members	2.84%	2.71%
9) Unit	Greenbrier County	Monongalia County
Number of Active Members	22	21
Percentage of Active Members	2.71%	2.59%
10) Unit	Mercer County	Mercer County
Number of Active Members	21	28
Percentage of Active Members	2.59%	3.45%
Total Active Members	811	811

STATISTICAL SECTION

Largest Employers

Emergency Medical Services Retirement System

Units	2013	2012	2011
1) Unit	Kanawha County Emergency Ambulance	Kanawha County Emergency Ambulance	Kanawha County Emergency Ambulance
Number of Active Members	192	187	193
Percent of Active Members	31.95%	37.85%	36.07%
2) Unit	Cabell County EMS	Cabell County EMS	Cabell County EMS
Number of Active Members	118	113	115
Percent of Active Members	19.63%	22.87%	21.50%
3) Unit			
Number of Active Members			
Percent of Active Members			
Total Active Members	601	494	535

Units	2010	2009	2008
1) Unit	Kanawha County Emergency Ambulance	Kanawha County Emergency Ambulance	Kanawha County Emergency Ambulance
Number of Active Members	184	173	154
Percent of Active Members	35.05%	36.42%	32.42%
2) Unit	Cabell County EMS	Cabell County EMS	Cabell County EMS
Number of Active Members	101	87	72
Percent of Active Members	19.24%	18.32%	15.16%
3) Unit			Harrison County Emergency Squad
Number of Active Members			36
Percent of Active Members			7.58%
Total Active Members	525	475	475

This plan was established in January 2008.

STATISTICAL SECTION

Largest Employers

Municipal Police Officers and Firefighters Retirement System

Units	2013	2012	2011
1) Unit	City of Huntington Police	City of Huntington Police	City of Huntington Police
Number of Active Members	27	12	10
Percent of Active Members	46.55%	41.38%	83.33%
2) Unit	City of Charleston Police	City of Charleston Police	
Number of Active Members	18	7	
Percent of Active Members	31.03%	24.14%	
Total Active Members	58	29	12

Units	2010
1) Unit	City of Huntington Police
Number of Active Members	6
Percent of Active Members	100.00%
2) Unit	
Number of Active Members	
Percent of Active Members	
Total Active Members	6

This plan was established January 2010.

STATISTICAL SECTION
Average Monthly Benefit Payments

The following schedules provide information on the average monthly benefit payments. Due to computer system limitations, data could only be extracted for 2005 and forward. These schedules exclude participants retiring with a reduced early retirement benefit with less than 10 years service. Complete data has not been consistently entered into the computer system for final average salary. Meaningful data could be not extracted for final average salary and this information has not been provided.

Public Employees Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 497	\$ 698	\$ 983	\$ 1,333	\$ 2,156
Number of active retirees	4,048	3,653	3,885	3,658	5,367
2011					
Average monthly benefit	\$ 466	\$ 665	\$ 935	\$ 1,271	\$ 2,066
Number of active retirees	3,945	3,599	3,749	3,394	4,714
2010					
Average monthly benefit	\$ 454	\$ 648	\$ 909	\$ 1,242	\$ 2,028
Number of active retirees	3,926	3,553	3,653	3,302	4,398
2009					
Average monthly benefit	\$ 436	\$ 627	\$ 889	\$ 1,214	\$ 1,979
Number of active retirees	3,924	3,529	3,564	3,170	4,123
2008					
Average monthly benefit	\$ 423	\$ 608	\$ 866	\$ 1,180	\$ 1,983
Number of active retirees	3,939	3,547	3,500	3,042	3,832
2007					
Average monthly benefit	\$ 413	\$ 595	\$ 846	\$ 1,149	\$ 1,865
Number of active retirees	3,978	3,530	3,416	2,930	3,571
2006					
Average monthly benefit	\$ 395	\$ 566	\$ 813	\$ 1,103	\$ 1,767
Number of active retirees	3,984	3,449	3,346	2,779	3,238
2005					
Average monthly benefit	\$ 382	\$ 550	\$ 793	\$ 1,070	\$ 1,695
Number of active retirees	4,037	3,439	3,286	2,646	2,988

STATISTICAL SECTION
Average Monthly Benefit Payments

Teachers Defined Benefit Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 395	\$ 622	\$ 957	\$ 1,322	\$ 2,244
Number of active retirants	2,138	3,003	4,629	4,873	15,154
2011					
Average monthly benefit	\$ 368	\$ 588	\$ 909	\$ 1,246	\$ 2,082
Number of active retirants	2,132	3,077	4,580	4,577	13,642
2010					
Average monthly benefit	\$ 355	\$ 578	\$ 886	\$ 1,217	\$ 2,011
Number of active retirants	2,149	3,129	4,539	4,496	12,976
2009					
Average monthly benefit	\$ 346	\$ 564	\$ 868	\$ 1,192	\$ 1,948
Number of active retirants	2,153	3,182	4,501	4,396	12,402
2008					
Average monthly benefit	\$ 339	\$ 554	\$ 849	\$ 1,162	\$ 1,877
Number of active retirants	2,267	3,257	4,460	4,308	11,772
2007					
Average monthly benefit	\$ 335	\$ 543	\$ 827	\$ 1,139	\$ 1,806
Number of active retirants	2,358	3,318	4,425	4,216	11,099
2006					
Average monthly benefit	\$ 323	\$ 521	\$ 798	\$ 1,097	\$ 1,714
Number of active retirants	2,445	3,327	4,387	4,109	10,426
2005					
Average monthly benefit	\$ 315	\$ 511	\$ 783	\$ 1,069	\$ 1,634
Number of active retirants	2,521	3,323	4,304	3,992	9,803

STATISTICAL SECTION
Average Monthly Benefit Payments

State Police Death, Disability, and Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 4,383	\$ 4,267	\$ 3,313	\$ 4,085	\$ 4,549
Number of active retirants	25	23	92	379	91
2011					
Average monthly benefit	\$ 4,078	\$ 4,208	\$ 3,067	\$ 3,768	\$ 4,437
Number of active retirants	25	25	97	353	90
2010					
Average monthly benefit	\$ 4,060	\$ 4,198	\$ 2,993	\$ 3,584	\$ 4,270
Number of active retirants	25	25	96	346	89
2009					
Average monthly benefit	\$ 3,807	\$ 3,735	\$ 2,909	\$ 3,425	\$ 4,118
Number of active retirants	26	22	97	344	90
2008					
Average monthly benefit	\$ 3,649	\$ 3,489	\$ 2,805	\$ 3,285	\$ 3,929
Number of active retirants	25	20	93	335	93
2007					
Average monthly benefit	\$ 3,421	\$ 3,094	\$ 2,634	\$ 3,181	\$ 3,791
Number of active retirants	25	19	95	331	91
2006					
Average monthly benefit	\$ 3,106	\$ 2,788	\$ 2,595	\$ 3,095	\$ 3,675
Number of active retirants	23	18	94	330	90
2005					
Average monthly benefit	\$ 2,701	\$ 2,687	\$ 2,573	\$ 2,912	\$ 3,508
Number of active retirants	20	18	99	303	91

STATISTICAL SECTION
Average Monthly Benefit Payments

State Police Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 2,525	\$ 2,453	\$ 2,957	\$ 3,044	\$ 4,469
Number of active retirants	4	1	2	2	1
2011					
Average monthly benefit	\$ 2,500	\$ -	\$ 2,781	\$ 3,044	\$ 4,469
Number of active retirants	4	0	1	2	1
2010					
Average monthly benefit	\$ 2,475	\$ -	\$ 2,754	\$ 3,189	\$ -
Number of active retirants	4	0	1	1	0
2009					
Average monthly benefit	\$ 1,842	\$ -	\$ 1,708	\$ -	\$ -
Number of active retirants	3	0	3	0	0
2008					
Average monthly benefit	\$ -	\$ -	\$ 1,159	\$ -	\$ 1,823
Number of active retirants	0	0	2	0	3
2007					
Average monthly benefit	\$ -	\$ -	\$ 1,148	\$ -	\$ 1,805
Number of active retirants	0	0	2	0	3
2006					
Average monthly benefit	\$ -	\$ -	\$ 1,136	\$ -	\$ 1,788
Number of active retirants	0	0	2	0	3
2005					
Average monthly benefit	\$ -	\$ -	\$ 1,125	\$ -	\$ 1,634
Number of active retirants	0	0	2	0	3

STATISTICAL SECTION
Average Monthly Benefit Payments

Deputy Sheriffs Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 1,238	\$ 1,501	\$ 1,453	\$ 1,685	\$ 2,265
Number of active retirants	10	23	54	80	104
2011					
Average monthly benefit	\$ 1,150	\$ 1,435	\$ 1,420	\$ 1,694	\$ 2,203
Number of active retirants	8	22	44	76	95
2010					
Average monthly benefit	\$ 1,219	\$ 1,431	\$ 1,379	\$ 1,713	\$ 2,189
Number of active retirants	7	22	42	72	90
2009					
Average monthly benefit	\$ 1,324	\$ 1,439	\$ 1,434	\$ 1,666	\$ 2,133
Number of active retirants	7	22	36	69	80
2008					
Average monthly benefit	\$ 1,446	\$ 1,387	\$ 1,392	\$ 1,611	\$ 2,123
Number of active retirants	7	19	32	59	70
2007					
Average monthly benefit	\$ 1,599	\$ 1,387	\$ 1,363	\$ 1,631	\$ 2,038
Number of active retirants	6	19	30	54	62
2006					
Average monthly benefit	\$ 1,791	\$ 1,291	\$ 1,338	\$ 1,610	\$ 2,012
Number of active retirants	5	17	26	50	54
2005					
Average monthly benefit	\$ 1,557	\$ 1,306	\$ 1,333	\$ 1,534	\$ 1,966
Number of active retirants	3	16	24	44	44

STATISTICAL SECTION
Average Monthly Benefit Payments

Judges Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 4,200	\$ 5,690	\$ 7,288	\$ 7,964	\$ 7,269
Number of active retirants	1	29	14	7	4
2011					
Average monthly benefit		\$ 5,342	\$ 6,536	\$ 7,302	\$ 6,331
Number of active retirants		31	16	6	3
2010					
Average monthly benefit		\$ 5,302	\$ 6,724	\$ 7,302	\$ 6,331
Number of active retirants		31	16	6	3
2009					
Average monthly benefit		\$ 5,525	\$ 6,558	\$ 7,302	\$ 3,867
Number of active retirants		29	11	6	1
2008					
Average monthly benefit	\$ -	\$ 5,529	\$ 6,558	\$ 7,302	\$ 5,558
Number of active retirants	0	33	11	6	2
2007					
Average monthly benefit	\$ -	\$ 5,459	\$ 7,213	\$ 5,959	\$ 5,558
Number of active retirants	0	36	10	5	2
2006					
Average monthly benefit	\$ -	\$ 5,416	\$ 7,213	\$ 5,959	\$ 7,250
Number of active retirants	0	37	10	5	1
2005					
Average monthly benefit	\$ -	\$ 4,219	\$ 5,597	\$ 5,703	\$ 4,750
Number of active retirants	0	41	10	4	3

STATISTICAL SECTION
Average Monthly Benefit Payments

Emergency Medical Services Retirement System

	Years Credited Service				
	10-14	15-19	20-24	25-29	30 & over
2012					
Average monthly benefit	\$ 1,281	\$ 1,580	\$ 2,164	\$ 2,132	\$ 2,521
Number of active retirants	4	6	7	6	5
2011					
Average monthly benefit	\$ 840	\$ 1,712	\$ 1,945	\$ 1,611	\$ 3,102
Number of active retirants	1	2	2	5	4

This plan was established in January 2008.

Municipal Police Officers & Firefighters Retirement System

The MPOFRS was established in January 2010 and has no benefits or retirees to report.



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