

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

August 26, 2008

July 30, 2008

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin
Helmick
Kessler (absent)
Sharpe (absent)
Caruth (absent)
Deem

House

Thompson, Chair
Caputo
DeLong
Webster
White (absent)
Armstead
Border

President Tomblin, Cochair, presided.

1. Approval of Minutes

Upon motion by Speaker Thompson, properly adopted, the minutes of the June 24, 2008, meeting were approved.

2. Lottery Commission, General Revenue Fund and Unemployment Compensation Trust Fund

Distributed to members of the Committee were the following: Lottery Operations report for the month ended June 30, 2008; the General Revenue Fund status report as of June 30, 2008; and the Unemployment Compensation Trust Fund report for the month ended June 30, 2008. Distributed with each of the reports were an analysis and a summary of the reports.

3. PEIA, BRIM and CHIP Reports

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for June 2008. Robert Ferguson, Jr., Cabinet Secretary, Department of Administration, reported that claims are 15 percent higher now than they were last year at this time and drugs are 2 percent lower than they were last year.

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending May 31, 2008. Secretary Ferguson said there is no unfunded liabilities. Delegate Webster requested Mr. Jones to report which political subdivisions have under-insured and uninsured motorist coverage.

The following reports from CHIP were distributed: A report of enrollment for June 2008 and financial statements for period ending May 31, 2008. Secretary Ferguson said the enrollment is at 24,418, which is down 2 percent from a year ago. Overall claims costs are down about 1 percent from a year ago.

4. Leasing Report, Department of Administration

A leasing report for June 14, 2008, through July 18, 2008 and a Lease Portfolio, was distributed. Secretary Ferguson said there were 18 changes in the past month with 4 new leases, 10 renewals, 3 renewals with a rent increase and one adding square footage.

5. **Departments of Health and Human Resources (DHHR) Monthly Reports**

A Medicaid report dated July 2008 was distributed.

6. **Workers' Compensation**

A Workers' Compensation report dated July 30, 2008, was distributed. Jane Cline, Insurance Commissioner and Mary Jane Pickens, General Counsel for the Insurance Commissioner reported on Workers' Compensation and answered questions by the members.

7. **Board of Treasury Investments Report Distribution**

A Board of Treasury Investments Report dated June 2008 was distributed.

8. **Scheduled Interim Dates**

August 24 - 26

September 7 - 9 (Bridgeport)

October 12 - 14

November 16 - 18

December 7 - 9

January 11 - 13, 2009

February 8 - 10, 2009

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



, 304-347-4870

August 22, 2008

Executive Summary of Lottery, Unemployment, General Revenue and State Road Fund Reports to Joint Committee

Lottery Commission as of July 31, 2008 :

Appears to be in good condition. Gross profit for the month of July 2008-2009, was \$ 57.8 million which was 0.48% higher than July 2007-2008.

General Revenue Fund as of July 31, 2008:

Collections were at 107.44% of the yearly estimate as of July 31, 2008.

State Road Fund as of July 31, 2008:

Fund collections were at 100.07% of the yearly estimate.

Unemployment Compensation Trust as of July 31, 2008:

Information for month ending July 31, 2008, not yet available.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

MEMORANDUM

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government and
Finance

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

Date: August 22, 2008

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2008 (FY 2009)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month July 2008 (FY 09) from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 131,860,000.00 for July 2008. Table games accounted for \$2,720,000.00 of this total. These gross receipts were \$132,300,000.00 for the same month of the preceding fiscal year, 2007-2008. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July 2008 was \$57,842,000.00; for the previous July 2007 it was \$57,567,000.00. Expressed as a percentage,

Lottery

Joint Committee on Government and Finance

Lottery continued

gross profit is **0.48%** higher for fiscal year 2009 than for fiscal year 2008.

Operating Income:

Operating income was \$ 55,379,000.00 for July 2008. For July 2007 it was \$ 55,968,000.00. This was a decrease of -1.05%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$55,056,000.00 for July.

Operating Transfers to the State of West Virginia:

A total of \$55,056,000.00 has been accrued to the state of West Virginia for fiscal year 2008-2009. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 16,188,000.00
Department of Education	\$ 9,686,000.00
Library Commission	\$ 3,180,000.00
Higher Education-Central Office	\$ 3,041,000.00
Tourism	\$ 2,191,000.00
Department of Natural Resources	\$ 961,000.00
Division of Culture and History	\$ 1,619,000.00
Department of Education and Arts	\$ 334,000.00
State Building Commission	\$ 1,000,000.00

Lottery

Lottery continued

School Building Authority	\$ 1,800,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$ 40,000,000.00

Excess Lottery Fund

General Purpose Fund	-0-
Economic Development Fund	1,900,000.00
Excess Lottery Surplus	0
Education Improvement Fund	0
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	1,000,000.00
State Park Improvement Fund	0
Refundable Credit	0
School Building Authority	0.00
TOTAL EXCESS LOTTERY FUND	2,900,000.00

Veterans Instant Ticket Fund 153,000.00

Table Games State Debt Reduction Fund 1,112,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$937,000.00
Development Office Promo Fund	\$255,000.00
Research Challenge Fund .5%	\$341,000.00

Lottery

Lottery continued

Capitol Renovation and Improvement Fund .6875%	\$468,000.00
Parking Garage Fund .0625%	\$43,000.00
Parking Garage Fund 1%	\$494,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$0.00
Capitol Dome & Cap. Improvements Fund .5%	\$188,000.00
Workers Compensation Debt Reduction Fund 7%	\$3,456,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$6,182,000.00
TOTAL TRANSFERS	*\$50,347,000.00

* CASH BASIS

Total Accrued last FY 2008:	166,967,000.00
Total Cash Distributions July-June :	50,347,000.00
Applied to FY 2008:	50,347,000.00
Total Applied to FY 2009	0
Accrued for FY 2008 as of July 31	116,620,000.00
Accrued for FY 2009 as of July 31, 2008:	55,056,000.00

Lottery



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Joe Manchin III
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

RE: Monthly Report on Lottery Operations
Month Ending July 31, 2008

DATE: August 20, 2008



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

Financial statements of the Lottery for the month ending July 31, 2008 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$131,859,607 for the month of July.

Transfers of lottery revenue totaling \$50,346,976 made for the month of July to the designated state agencies per Senate Bill 150, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 9 on pages 15 and 16 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2008 was 1,608 and 1,619 respectively.

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

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

JCM/rd
Attachment

pc: Honorable Joe Manchin III
Virgil T. Helton, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

July 31, 2008

LOTTERY ATTACHMENT JULY 08 FINANCIALS

WEST VIRGINIA LOTTERY

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

ASSETS	July 31, 2008	June 30, 2008
Current Assets:		
Cash and cash equivalents	\$ 200,829	\$ 180,463
Accounts receivable	25,157	36,846
Inventory	530	300
Current portion of investments held in trust	10	10
Other assets	2,575	2,595
Total Current Assets	<u>229,101</u>	<u>220,214</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	58,574	58,487
Investments held in trust, less current portion	126	126
Capital assets	17,598	17,598
Less accumulated depreciation and amortization	(12,515)	(12,347)
Net Capital Assets	<u>5,083</u>	<u>5,251</u>
Total Noncurrent Assets	<u>63,783</u>	<u>63,864</u>
Total Assets	<u>\$ 292,884</u>	<u>\$ 284,078</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 171,676	\$ 166,967
Estimated prize claims	12,938	12,967
Accounts payable	1,338	2,693
Other accrued liabilities	42,231	36,837
Current portion of deferred jackpot prize obligations	129	129
Total Current Liabilities	<u>228,312</u>	<u>219,593</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>228,312</u>	<u>219,593</u>
Net Assets:		
Invested in capital assets	5,083	5,251
Unrestricted assets (deficit)	(4,583)	(4,751)
Unrestricted assets- Committed (see note 11)	5,498	5,498
Restricted assets (see note 10)	58,574	58,487
Total Net Assets	<u>64,572</u>	<u>64,485</u>
Total Liabilities and Net Assets	<u>\$ 292,884</u>	<u>\$ 284,078</u>

The accompanying notes are an integral part of these financial statements.
LOTTERY ATTACHMENT JULY 08 FINANCIALS

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2008

(In Thousands)
 -Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2008	2007	2008	2007
Lottery revenues				
On-line games	\$ 6,383	\$ 6,344	\$ 6,383	\$ 6,344
Instant games	9,468	10,164	9,468	10,164
Racetrack video lottery	78,715	83,394	78,715	83,394
Limited video lottery	34,574	32,398	34,574	32,398
Table games	2,720	-	2,720	-
	<u>131,860</u>	<u>132,300</u>	<u>131,860</u>	<u>132,300</u>
Less commissions				
On-line games	447	444	447	444
Instant games	663	711	663	711
Racetrack video lottery	44,584	47,235	44,584	47,235
Limited video lottery	16,941	15,875	16,941	15,875
Table games	1,070	-	1,070	-
	<u>63,705</u>	<u>64,265</u>	<u>63,705</u>	<u>64,265</u>
Less on-line prizes	3,206	2,996	3,206	2,996
Less instant prizes	6,545	6,982	6,545	6,982
Less ticket costs	105	155	105	155
Less vendor fees and costs	457	335	457	335
	<u>10,313</u>	<u>10,468</u>	<u>10,313</u>	<u>10,468</u>
Gross profit	<u>57,842</u>	<u>57,567</u>	<u>57,842</u>	<u>57,567</u>
Administrative expenses				
Advertising and promotions	976	707	976	707
Wages and related benefits	710	520	710	520
Telecommunications	198	121	198	121
Contractual and professional	411	97	411	97
Rental	58	54	58	54
Depreciation and amortization	167	48	167	48
Other administrative expenses	115	140	115	140
	<u>2,635</u>	<u>1,687</u>	<u>2,635</u>	<u>1,687</u>
Other Operating Income	<u>172</u>	<u>88</u>	<u>172</u>	<u>88</u>
Operating Income	<u>55,379</u>	<u>55,968</u>	<u>55,379</u>	<u>55,968</u>
Nonoperating income (expense)				
Investment income	442	918	442	918
Nonoperating income - OPEB	-	-	-	-
Interest expense	(1)	(2)	(1)	(2)
Distributions to municipalities and counties	(677)	(635)	(677)	(635)
Distributions to racetracks-capital reinvestment	-	-	-	-
Distributions to the State of West Virginia	(55,056)	(56,160)	(55,056)	(56,160)
	<u>(53,292)</u>	<u>(55,879)</u>	<u>(53,292)</u>	<u>(55,879)</u>
Net income	<u>87</u>	<u>89</u>	<u>87</u>	<u>89</u>
Net assets, beginning of period	<u>64,485</u>	<u>43,957</u>	<u>64,485</u>	<u>43,957</u>
Net assets, end of period	<u>\$ 64,572</u>	<u>\$ 44,046</u>	<u>\$ 64,572</u>	<u>\$ 44,046</u>

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

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2008**

(In Thousands)
-Unaudited-

	2008	2007
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 143,721	\$ 129,207
Cash payments for:		
Personnel costs	(710)	(520)
Suppliers	(3,078)	(1,428)
Other operating costs	(68,916)	(69,275)
Cash provided by operating activities	<u>71,017</u>	<u>57,984</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(50,347)	(51,835)
Distributions to municipalities and counties	(657)	(639)
Distributions to racetrack from racetrack cap. reinv. fund	-	-
Deferred jackpot prize obligations and related interest paid	(1)	(2)
Cash used in noncapital financing activities	<u>(51,005)</u>	<u>(52,476)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	-	-
Investment earnings received	442	916
Cash provided by investing activities	<u>442</u>	<u>916</u>
Increase (decrease) in cash and cash equivalents	20,454	6,424
Cash and cash equivalents - beginning of period	238,949	234,489
Cash and cash equivalents - end of period	<u>\$ 259,403</u>	<u>\$ 240,913</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 55,379	\$ 55,968
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	167	49
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	11,690	(3,182)
(Increase) decrease in inventory	(229)	(72)
(Increase) decrease in other assets	20	-
Increase (decrease) in estimated prize claims	(29)	906
Increase (decrease) in accounts payable	(1,355)	(343)
Increase (decrease) in other accrued liabilities	5,374	4,658
Cash provided by operating activities	<u>\$ 71,017</u>	<u>\$ 57,984</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Racetrack video lottery is a self-activated video version of lottery games. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The racetrack video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as racetrack video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. Racetrack video lottery legislation has established specific requirements for racetrack video lottery and imposed certain restrictions limiting the licensing for operation of racetrack video lottery games to horse and dog

LOTTERY ATTACHMENT JULY 08 FINANCIALS

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating the games.

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

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits with the West Virginia Board of Treasury Investments (BTI) and are recorded at fair value.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and are carried at cost.

OTHER ASSETS – Other assets consist primarily of deposits restricted for payment of certain Multi-State Lottery Association activities.

CAPITAL ASSETS – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cancelable operating leases. Rental expense for the one month ended July 31, 2008 and July 31, 2007 approximated \$58,017 and \$54,010 respectively.

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

COMPENSATED ABSENCES – The Lottery has accrued \$371,165 and \$298,548 of vacation and \$0 and \$467,954 of sick leave at June 30, 2008 and 2007, respectively, for estimated obligations that may arise in connection with compensated absences for vacation and sick leave at the current rate of employee pay. Employees fully vest in all earned but unused vacation. In accordance with State personnel policies, employees hired prior to July 1, 2001, vest in unused sick leave only upon retirement, at which time such unused leave can be converted into employer paid premiums for post-retirement health care coverage or additional periods of credited service for purposes of determining retirement benefits. For employees hired prior to July 1, 1988, the Lottery pays 100% of the post-retirement health care premium. The Lottery pays 50% of the premium for employees hired after June 30, 1988 through July 1, 2001. The estimated obligation for sick leave is based on historical retirement rates and current health care premiums applicable to employee hire dates. Employees hired after June 30, 2001 do not vest in unused sick leave upon retirement. As of June 30, 2008 sick leave obligations are included in the OPEB(Other Postemployment Benefits) liability in Note 15.

NET ASSETS – Net assets are presented as restricted, unrestricted and invested in capital assets which represents the net book value of all property and equipment of the Lottery.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At July 31, 2008 the carrying amounts of deposits (overdraft) with financial institutions were (\$8) thousand with a bank balance of \$35 thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

WEST VIRGINIA LOTTERY
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NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

	<u>July 31, 2008</u>	<u>June 30, 2008</u>
Amount on deposit with the BTI	<u>\$259,411</u>	<u>\$239,002</u>

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool and are not separately identifiable as to specific types of securities. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the month ended July 31, 2008 is as follows (in thousands):

Capital Assets:	<u>Historical Cost At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At July 31, 2008</u>
Construction in Progress	\$ 285	\$ -	\$ -	\$ 285
Improvements	1,119	-	-	1,119
Equipment	16,194	-	-	16,194
	<u>\$ 17,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,598</u>
Accumulated Depreciation:	<u>Historical Cost At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At July 31, 2008</u>
Improvements	\$ 1,002	\$ 6	\$ -	\$ 1,008
Equipment	11,345	161	-	11,506
	<u>\$ 12,347</u>	<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 12,514</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game and HOT LOTTO® game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, and HOT LOTTO® is 50% of each drawing period's sales, with minimum jackpot levels. Revenues derived from the Lottery's participation in the MUSL POWERBALL® jackpot game for the month and year-to-date periods ended July 31, 2008 were \$3,678,869 and \$3,678,869

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

while related prize costs for the same periods were \$1,855,004 and \$1,855,004. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended July 31, 2008 were \$316,343 and \$316,343 while related prize costs for the same periods were \$160,366 and \$160,366.

MUSL places 2% of each POWERBALL® drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL® Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At July 31, 2008 the POWERBALL® prize reserve fund had a balance of \$98,912,954 of which the Lottery's share was \$2,302,900. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 9 titled "Nonoperating Distributions to the State of West Virginia."

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

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

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack. After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is

WEST VIRGINIA LOTTERY
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 9. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended July 31, 2008 and year-to-date follows (in thousands):

	<u>Current</u> <u>2008</u>	<u>Month</u> <u>2007</u>	<u>Year- to -Date</u> <u>2008</u>	<u>2007</u>
Total credits played	\$ 803,608	\$ 873,013	\$ 803,608	\$ 873,013
Credits (prizes) won	(724,515)	(789,278)	(724,515)	(789,278)
MWAP Contributions	(378)	(341)	(378)	(341)
Gross terminal income	<u>78,715</u>	<u>83,394</u>	<u>78,715</u>	<u>83,394</u>
Administrative costs	(3,149)	(3,336)	(3,149)	(3,336)
Net Terminal Income	<u>75,566</u>	<u>80,058</u>	<u>75,566</u>	<u>80,058</u>
Less distribution to agents	(44,584)	(47,235)	(44,584)	(47,235)
Racetrack video lottery revenues	<u>\$ 30,982</u>	<u>\$ 32,823</u>	<u>\$ 30,982</u>	<u>\$ 32,823</u>

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

	<u>July 31, 2008</u>	<u>Year-to Date</u>
State Lottery Fund	\$22,670	\$22,670
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	1,039	1,039
Development Office Promotion Fund .375 %	283	283
Research Challenge Fund .5 %	378	378
Capitol Renovation & Improvement Fund .6875 %	519	519
Parking Garage Fund .0625 %	47	47
Parking Garage Fund 1 %	500	500
Cultural Facilities & Capitol Resources Fund .5 %	128	128
Capitol Dome & Capitol Improvements Fund .5 %	128	128
Worker's Compensation Debt Reduction Fund 7 %	5,290	5,290
Total nonoperating distributions	<u>\$30,982</u>	<u>\$30,982</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended July 31, 2008 and year-to-date follows (in thousands):

	<u>Current</u> <u>2008</u>	<u>Month</u> <u>2007</u>	<u>Year- to -Date</u> <u>2008</u>	<u>2007</u>
Total credits played	\$418,637	\$396,544	\$418,637	\$396,544
Credits (prizes) won	(384,063)	(364,146)	(384,063)	(364,146)
Gross terminal income	<u>\$34,574</u>	<u>\$32,398</u>	<u>\$34,574</u>	<u>\$32,398</u>
Administrative costs	(692)	(648)	(692)	(648)
Gross Profit	<u>33,882</u>	<u>\$31,750</u>	<u>\$33,882</u>	<u>\$31,750</u>
Commissions	(16,941)	(15,875)	(16,941)	(15,875)
Municipalities and Counties	(677)	(635)	(677)	(635)
Limited video lottery revenues	<u>\$16,264</u>	<u>\$15,240</u>	<u>\$16,264</u>	<u>\$15,240</u>

NOTE 8 - TABLE GAMES

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

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

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 9- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended July 31, 2008 were \$7,772,867 and \$7,772,867, respectively. The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	<u>Month</u>	<u>YTD</u>
Table Games Privilege Tax	\$ 2,720	\$2,720
Interest on Table Games Fund	3	3
Administrative Costs	(233)	(233)
Total Available for Distribution	2,490	2,490
<u>Less Distributions:</u>		
Racetrack Purse Funds	194	194
Thoroughbred & Greyhound Development Funds	155	155
Racing Commission Pension Plan	75	75
Municipalities/Counties	646	646
Total Distributions	1,070	1,070
State Debt Reduction Fund	\$ 1,420	\$1,420

WEST VIRGINIA LOTTERY
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NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2009 the State Legislature budgeted \$168,151,542 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$2,900,000 per month for the first ten months of each fiscal year, with \$1,000,000 of this amount beginning September 2004. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended July 31, 2008 the Lottery made such distributions and accrued additional distributions of \$45,323,456. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of July 31, 2008 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$2,881,101.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>July 31, 2008</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Bureau of Senior Services	\$ 16,188	\$ 16,188
Department of Education	9,686	9,686
Library Commission	3,180	3,180
Higher Education-Policy Commission	3,041	3,041
Tourism	2,191	2,191
Natural Resources	961	961
Division of Culture & History	1,619	1,619
Department of Education & Arts	334	334
Building Commission	1,000	1,000
School Building Authority	1,800	1,800
Total State Lottery Fund	\$ 40,000	\$ 40,000

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,900	\$ 1,900
Higher Education Improvement Fund	1,000	1,000
General Purpose Account	-	-
Higher Education Improvement Fund	-	-
State Park Improvement Fund	-	-
School Building Authority	-	-
Refundable Credit	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 2,900	\$ 2,900

Total Budgetary distributions:	\$ 42,900	\$ 42,900
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Veterans Instant Ticket Fund	\$ 153	\$ 153
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Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 937	\$ 937
Development Office Promotion Fund .375%	255	255
Research Challenge Fund .5%	341	341
Capitol Renovation & Improvement Fund .6875%	468	468
Parking Garage Fund .0625 %	43	43
Parking Garage Fund 1 %	494	494
Cultural Facilities & Cap. Resources Fund .5%	-	-
Capitol Dome & Cap. Improvements Fund .5%	188	188
Workers Compensation Debt Reduction Fund 7%	3,456	3,456
Total	\$ 6,182	\$ 6,182

Table Games State Debt Reduction Fund	\$ 1,112	1,112
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Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 50,347	\$ 50,347
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Accrued nonoperating distributions, beginning	(166,967)	(166,967)
Accrued nonoperating distributions, end	171,676	171,676

Total nonoperating distributions to the State of West Virginia	\$ 55,056	\$ 55,056
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WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-**Unaudited**-

NOTE 10 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. The lottery contributed \$16,305,938 to the fund for fiscal year 2008 plus related interest of \$1,354,095.

NOTE 11 – COMMITMENTS

The Lottery Commission has set aside funds as unrestricted net assets for the acquisition of future assets. As of June 30, 2008, a balance of \$5,497,770 is available for this purpose.

NOTE 12 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST

Prior to becoming a member of the Multi-State Lottery in 1988, the prize structure of certain games operated solely by the Lottery included jackpot prizes. The Lottery, at its discretion, could choose to award such prizes in the form of either a lump sum payment or in equal installments over a period of 10 or 20 years, through July 31, 2008, the Lottery has awarded twenty-one deferred jackpot prizes totaling approximately \$28,868,786. Deferred prize awards were recognized as prize liabilities equivalent to the present value of future prize payments discounted at interest rates for government securities in effect on the date prizes were won. The imputed interest portion of the deferred prize is calculated using the effective interest method at rates ranging from 7.11% to 9.13%.

A summary of the present value of the remaining obligations for deferred jackpot prize awards follows (in thousands):

	<u>July 31, 2008</u>	<u>June 30, 2008</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$ 120	\$ 120
Imputed interest accrued	<u>9</u>	<u>9</u>
	129	129
Less current portion of discounted obligations and accrued interest	<u>(129)</u>	<u>(129)</u>
Long-term portion of deferred prize award obligations	<u>\$ -</u>	<u>\$ -</u>

WEST VIRGINIA LOTTERY
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NOTE 12 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST
(continued)

Future cash payments on deferred prize obligations for the remaining year are as follows (in thousands):

<u>Year Ended</u>	<u>Original Discounted Obligations Outstanding</u>	<u>Imputed Interest</u>	<u>Total</u>
June 30, 2009*	<u>120</u>	<u>10</u>	<u>130</u>
	<u>\$ 120</u>	<u>\$ 10</u>	<u>\$ 130</u>

*Due 8/15/2008

The Lottery has purchased long-term investments consisting principally of zero coupon government securities to fund deferred jackpot prize award obligations. Such investments are maintained in a separate trust fund administered by the West Virginia Board Of Treasury Investments on behalf of the Lottery and the jackpot prize winners, with investment maturities approximating deferred prize obligation installment due dates. Investments are carried at fair value determined by quoted market prices for the specific obligation or for similar obligations. Changes in fair value are included as part of investment income. In accordance with Statement No. 3 of the Government Accounting Standards Board, these investments are classified as to level of risk in Category 1, which includes investments that are insured or registered, or for which the securities are held by the State or its agent in the State's name.

NOTE 13 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, Building 5, Room 1000, State Capitol Complex, Charleston, West Virginia 25305-0720.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement.

WEST VIRGINIA LOTTERY
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NOTE 13 - RETIREMENT BENEFITS (continued)

Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending July 31, 2008 are as follows (in thousands):

	<u>July 31, 2008</u>	<u>Year-to Date</u>
Lottery contributions	\$52	\$52
Employee contributions	25	25
Total contributions	\$77	\$77

NOTE 14 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools have issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

The State of West Virginia operated an exclusive state-managed workers' compensation insurance program (WCC) prior to December 31, 2005. A framework for the privatization of workers' compensation insurance in West Virginia was established with the passage of Senate Bill 1004 and the WCC trust fund was terminated effective December 31, 2005. A privatized business entity, BrickStreet Administrative Services (BAS), was established and became the administrator of the WCC Old Fund, beginning January 1, 2006, and thereafter for seven years, and will have all administrative and adjudicatory authority previously vested in the WCC trust fund in administering old law liabilities and otherwise processing and deciding old law claims. BAS will be paid a monthly administrative fee and rated premium to provide a prompt and equitable system for compensation for injury sustained in the course of and growing out of employment. The monthly administrative fee for the West Virginia Lottery has been set at a level consistent with prior year payments and the new rate or premium will be established on an experience rated basis. The West Virginia Lottery is required to participate in the new BrickStreet Administrative Services (BAS) experience rated pool, which is expected to be rate adjusted on a quarterly basis.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State

WEST VIRGINIA LOTTERY
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NOTE 14 - RISK MANAGEMENT (continued)

agencies, institutions of higher educations, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The GASB has issued Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," and Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB). The State nor the Lottery has previously reported in its financial statements costs associated with future participation of retirees in health benefit plans. The GASB statements are based on the premise that the "costs" of employee services should be reported during the periods when the services are rendered. Beginning with fiscal year ending June 30, 2008, the State will implement accounting and financial reporting requirements as an employer under GASB Statement No. 45. The financial statements will report OPEB funded status and funding progress and any "premium subsidy" resulting from the pooling of retiree participants with active employees in the health benefit plans. For "employer" OPEB reporting the State will report "expense" on an accrual basis in the amount of the "annual required contribution" and a "liability" for the amount of the "annual required contribution" that was not actually paid.

WEST VIRGINIA LOTTERY
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-Unaudited-

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Funds have not been set aside to pay future costs of retirees, but the Legislature in response to the GASB statements, has made statutory changes to create the West Virginia Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust fund, in which employer contributions for future retiree health costs may be accumulated and invested, and which is expected to facilitate the separate financial reporting of OPEB. The legislation requires the RHBT to determine through an actuarial study, as prescribed by GASB No. 43, the ARC(Annual Required Contribution) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The ARC shall be allocated to respective employers including the Lottery who are required by law to remit at least the minimum annual premium component of the ARC. Revenues collected by RHBT shall be used to fund current OPEB healthcare claims and administrative expenses with residue funds held in trust for future OPEB costs. The Annual Required Contribution rate is \$461.06 per employee per month. Through June 30, 2008, the Lottery has paid premiums of \$98,625 and the State of West Virginia, through its General Revenue Fund on the Lottery's behalf, has paid \$472,247 towards the Annual Required Contribution. As of June 30, 2008 the Lottery carried a liability of \$10,073 on its balance sheet for OPEB.

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) issued Statement No. 50, Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27, in 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers, to conform with requirements of Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement is effective for periods beginning after June 15, 2007, and management has not yet determined what impact, if any, it will have on the financial statements.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



, 304-347-4870

Memorandum

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government and
Finance

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

Date: August 17, 2008

Re: Status of General Revenue Fund July 31, 2008

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the month of July of fiscal year 2008-2009. The status of the fund collections are as follows:

The net collections were **107.44%** of the estimate for the fiscal year. **The amount ABOVE estimate was \$ 21.1 million for the year.**

Corporate income/business franchise tax was \$2.6 million above the estimate.

Severance tax was \$ 15.4 million above the estimate as of July 31, 2008.

Gen Rev /State Board
Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 100.07% of the estimate for the month of July 2008. The entire fund was \$ 45 thousand above the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 231,988,163.52 as of July 31, 2008.

Balance July 1, 2008	289,801,853.25
Cash flow loan to General Revenue on July 1, 2008. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September.	- 58,000,000.00
Revenues July 1, 2007-June 30,2008 (Surplus from FY 2008 to be transferred in August 2008.)	0
Earnings	186,310.27
Balance July 31, 2008	231,988,163.52

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 291,330,797.07 as of July 31, 2008.

Balance July 1, 2008	291,275,042.97
Earnings	55,754.10
Balance July 31, 2008	291,330,797.07

The Special Income Tax Reserve Fund had a cash balance of \$45,019,318.96 as of July 31, 2008.

Balance July 1, 2008	45,019,318.96
Revenues July 2008-June 2009	-0-
Balance July 31, 2008	45,019,318.96

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of \$ 38,422,669.27 on July 31, 2008. This fund was created by HB 218 during the June 2008 special session to act as a reserve fund when the highways motor fuel excise tax fails to meet monthly revenue estimates.

Balance July 1, 2008 Appropriated by supplemental SB 2019, June 2008	\$ 40,000,000.00
Transfers out to Highways Fund	1,577,330.73
Balance July 31, 2008	38,422,669.27

GENERAL REVENUE FUND FY 2008-2009

FINAL

Monthly Revenue Estimates
as of July 31, 2008, WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Consumer Sales Tax	110,600,000	93,528,294	-17,071,706	110,600,000	93,528,294	-17,071,706
Personal Income Tax	105,500,000	108,909,347	3,409,347	105,500,000	108,909,347	3,409,347
Insurance Tax	22,300,000	24,142,233	1,842,233	22,300,000	24,142,233	1,842,233
Business and Occupation	11,700,000	11,617,446	-82,554	11,700,000	11,617,446	-82,554
Severance Tax	10,100,000	25,535,962	15,435,962	10,100,000	25,535,962	15,435,962
Cigarette Tax	8,500,000	10,167,041	1,667,041	8,500,000	10,167,041	1,667,041
Corp Income /Business Franchise	8,000,000	10,687,874	2,687,874	8,000,000	10,687,874	2,687,874
Interest Income	1,600,000	3,451,937	1,851,937	1,600,000	3,451,937	1,851,937
Property Transfer Tax	1,350,000	997,328	-352,672	1,350,000	997,328	-352,672
Liquor Profit Transfers	1,300,000	1,549,592	249,592	1,300,000	1,549,592	249,592
Departmental Collections	840,000	904,438	64,438	840,000	904,438	64,438
Beer Tax and Licenses	780,000	804,627	24,627	780,000	804,627	24,627
Business Franchise Fees	500,000	400,062	-99,938	500,000	400,062	-99,938
Smokeless Tobacco Tax	480,000	415,969	-64,031	480,000	415,969	-64,031
Property Tax	90,000	112,871	22,871	90,000	112,871	22,871
Miscellaneous Receipts	68,000	154,346	86,346	68,000	154,346	86,346
Charter Tax	50,000	74,944	24,944	50,000	74,944	24,944
Use Tax	0	11,331,053	11,331,053	0	11,331,053	11,331,053
HB 102 - Lottery Transfers	0	0	0	0	0	0
Senior Citizen Tax Credit Reimb.	0	0	0	0	0	0
Racing Fees	0	47,000	47,000	0	47,000	47,000
Miscellaneous Transfers	0	0	0	0	0	0
Telecommunications Tax	0	16,812	16,812	0	16,812	16,812
Estate and Inheritance Tax	0	18,277	18,277	0	18,277	18,277
Refundable Credit Reim LTY	0	0	0	0	0	0
Video Lottery Transfers	0	3,780	3,780	0	3,780	3,780
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	58,000,000	58,000,000	0	58,000,000	58,000,000
TOTALS	283,758,000	362,871,231	79,113,231	283,758,000	362,871,231	79,113,231
Minus Cash Flow Transfer		58,000,000	58,000,000		58,000,000	58,000,000
Percent of Estimates		127.88%			127.88%	
TOTALS	283,758,000	304,871,231	21,113,231	283,758,000	304,871,231	21,113,231
Percent of Estimates		107.44%			107.44%	
Collections this day		52,239,276				

Prepared by Legislative Auditor's Office, Budget Division

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	33,500,000	33,184,172	-315,828	33,500,000	33,184,172	-315,828
Privilege Tax	17,124,000	17,549,717	425,717	17,124,000	17,549,717	425,717
Licenses & Registration	9,658,000	9,630,414	-27,586	9,658,000	9,630,414	-27,586
Highway Litter Control	182,000	144,698	-37,302	182,000	144,698	-37,302
TOTALS	60,464,000	60,509,002	45,002	60,464,000	60,509,002	45,002

Percent of Estimates

100.07%

100.07%

Collections this day

18,793,124

REVENUE SHORTFALL RESERVE FUND A AS OF July 1, 2008: \$289,801,853.25

REVENUE SHORTFALL RESERVE FUND B AS OF July 1, 2008: \$291,275,042.97

REVENUE SHORTFALL RESERVE FUND A AS OF July 1, 2008: \$45,019,318.96

Prepared by Legislative Auditor's Office, Budget Division



Prescription Drug Report

JULY 2008

WV PEIA - Monthly Trend

Plan Demographics	2006 - 2006 Fiscal	2007 - 2006 Fiscal	Percent Change
Total Drug Cost	\$12,029,648	\$10,953,098	9.81%
Amount Paid By Plan Sponsor	\$7,479,720	\$6,212,479	17.18%
Amount Paid By Members	\$4,750,126	\$4,742,620	0.16%
Total Claims	187,538	173,199	8.28%
Average Eligible Member	157,501	163,233	2.78%
Average # of Rx's Per Member Per Month	1.19	1.13	5.34%
Plan Paid Per Member Per Month (PMPM)	\$46.22	\$40.84	14.00%
Average Eligible Enrollees	72,416	71,040	1.94%
Average # of Rx's Per Enrollee Per Month	2.59	2.44	8.22%
Plan Paid Per Enrollee Per Month (PEPM)	\$100.53	\$87.45	14.95%
Rx Cost Share			
Avg. Claim Cost to Plan	\$39.82	\$39.57	8.22%
Avg. Member Cost/Claim	\$25.33	\$27.36	-7.90%
Percent Member Cost Share	39.6%	43.3%	-8.79%
Average Ingredient Costs			
Single Source (no generics available)	\$174.53	\$148.18	17.80%
Multi-Source Brand (generics available)	\$50.33	\$38.63	38.67%
Generic Drugs	\$19.23	\$19.64	-1.96%
Brand/Generic Dispensing Rates			
Single Source (no generics)	27.89%	32.49%	-14.78%
Multi-Source Brand % (generics available)	1.03%	1.11%	-7.74%
Generic Drug	71.26%	66.40%	7.36%
Generical Dispensed when available	86.58%	96.35%	0.23%
Percent of Plan Cost for Single Source	88.11%	88.20%	-0.10%
Retail Pharmacy Program			
Avg. Day Supply	32.6	32.4	0.28%
Avg. Plan Cost/Day Supply	\$1.16	\$1.09	7.91%
Avg. Claim Cost to Plan	\$38.38	\$38.48	8.21%
Avg. Member Cost / Claim	\$25.20	\$27.23	-7.46%
Percent Member Cost Share	39.83%	43.43%	-8.74%
Special Maint. Netwks (% of claims filled)	11.03%	11.89%	-0.57%
Other Maint (% of claims filled)	0.63%	1.14%	-44.89%
Avg. Days Supply for Maint. Netwks	87.5	87.6	-0.06%
Total # Claims Fills 1-34 Days Supply	162,765	150,712	9.01%
Total # Claims Fills 35-60 Day Supply	1,260	1,147	9.85%
Total # Claims Fills 61-90 Day Supply	21,773	19,781	10.24%
Total # Claims Fills 91+ Day Supply	8	7	-28.57%
Mail Service Program			
Avg. Days Supply	78.0	70.9	7.21%
Avg. Plan Cost/Day Supply	\$1.14	\$1.13	1.18%
Avg. Cost to Plan	\$88.71	\$79.94	8.46%
Avg. Member Cost/Claim	\$39.71	\$44.16	-10.08%
Percent Member Cost Share	31.41%	38.68%	-11.73%
Total # Claims Fill 1-34 Days Supply	397	512	-22.46%
Total # Claims Fills 35-60 Days Supply	5	2	180.00%
Total # Claims Fills 61-90 Days Supply	1,313	1,068	22.94%
Total # Claims Fills 91+ Day Supply	-	-	-
Formulary Program			
S/S Formulary Drugs (% by claim)	22.70%	23.72%	-4.30%
S/S Non-Formulary Drugs (% by claim)	4.89%	6.77%	-43.09%
M/S Drugs (% by claim)	1.03%	0.02%	4573.60%
Generic Drugs (% by Claim)	71.26%	66.40%	7.36%
S/S Formulary Drugs (% by \$)	78.43%	74.88%	4.77%
S/S non-Formulary Drugs (% by \$)	7.66%	11.35%	-32.27%
M/S Drugs (% by \$)	0.88%	0.09%	938.40%
Generic Drugs (% by \$)	13.31%	13.82%	-1.81%
Specialty Drugs			
Total Drug Cost	\$1,449,203	\$1,089,891	33.45%
Amount Paid by Plan Sponsor	\$1,384,163	\$1,030,668	34.26%
Amount Paid by Members	\$65,040	\$59,016	18.22%
Total Claims	753	622	21.06%
Avg # of Rx's per Member per Month	0.005	0.00	17.78%
Plan Paid Per Member Per Month (PMPM)	\$8.79	\$6.73	30.62%
Avg Claim Cost to Plan	\$1,838.20	\$1,657.50	10.80%
Avg Claim Cost to Member	\$88.37	\$95.45	-2.35%
Percent of Member Cost Share	4.49%	5.07%	-11.41%
Percent of Overall Drug Spend	12.05%	9.91%	21.52%



Key Performance Indicators

Comprehensive Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 07/2008 - 07/2008

Previous Period: 07/2007 - 07/2007

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$48.30	\$40.52	14.3 %
Average Mbrs/Month	157,501	153,233	2.8 %
Average Subs/Month	72,416	71,040	1.9 %
% Utilizing Members	42.4 %	41.8 %	1.9 %
% Retail Utilizing Members	42.1 %	41.4 %	1.9 %
% Mail Utilizing Members	0.5 %	0.5 %	3.6 %
Rx Measures			
Rxs PMPM	1.19	1.13	5.5 %
Retail Rxs PMPM	1.18	1.12	5.5 %
Mail Rxs PMPM	0.01	0.01	5.6 %
Average Admin Fee/Rx	\$0.00	\$0.01	-99.0 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-99.0 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$38.75	\$35.80	8.3 %
Avg Retail Plan Cost/Rx	\$38.31	\$35.39	8.3 %
Avg Mail Plan Cost/Rx	\$86.71	\$78.94	8.5 %
Average Mbr Contrib/Rx	\$25.37	\$27.36	-7.3 %
Avg Retail Mbr Contrib/Rx	\$25.23	\$27.20	-7.2 %
Avg Mail Mbr Contrib/Rx	\$39.71	\$44.20	-10.2 %
Average Ing Cost/Rx	\$62.52	\$61.43	1.8 %
Avg Retail Ing Cost/Rx	\$61.94	\$60.86	1.8 %
Avg Mail Ing Cost/Rx	\$128.28	\$122.64	3.0 %
Average AWP/Rx	\$110.22	\$102.92	7.1 %
Avg Retail AWP/Rx	\$108.99	\$102.00	6.9 %
Avg Mail AWP/Rx	\$244.78	\$203.38	20.4 %
Average Days Supply/Rx	32.9	32.8	0.3 %
Avg Retail Days/Rx	32.5	32.4	0.2 %
Avg Mail Days/Rx	76.0	71.0	7.1 %
Average Plan Cost/Day	\$1.18	\$1.09	7.9 %
Avg Retail Plan Cost/Day	\$1.18	\$1.09	8.0 %
Avg Mail Plan Cost/Day	\$1.14	\$1.13	1.3 %
% Plan Cost	60.4 %	58.7 %	6.6 %
% Member Contribution	39.6 %	43.3 %	-8.7 %
% Retail Plan Cost	60.3 %	58.5 %	6.6 %
% Retail Mbr Contrib	39.7 %	43.5 %	-8.6 %
% Mail Plan Cost	68.6 %	64.4 %	6.5 %
% Mail Member Contrib	31.4 %	35.6 %	-11.8 %



Key Performance Indicators

Comprehensive Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 07/2008 - 07/2008

Previous Period: 07/2007 - 07/2007

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	0.1 %
% Retail Rxs	99.1 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-90.8 %
Rx Types			
Avg SSB Plan Cost/Rx	\$120.28	\$94.93	26.7 %
Avg Retail SSB Plan Cost/Rx	\$119.28	\$94.21	26.6 %
Avg Mail SSB Plan Cost/Rx	\$212.25	\$158.17	34.2 %
Avg MSB Plan Cost/Rx	\$22.10	\$8.86	149.4 %
Avg Retail MSB Plan Cost/Rx	\$21.83	\$8.78	148.4 %
Avg Mail MSB Plan Cost/Rx	\$68.66	\$23.19	196.1 %
Avg GEN Plan Cost/Rx	\$7.25	\$7.35	-1.3 %
Avg Retail GEN Plan Cost/Rx	\$7.10	\$7.18	-1.1 %
Avg Mail GEN Plan Cost/Rx	\$24.46	\$27.58	-11.2 %
% Single-Source Brand Rxs	27.7 %	32.5 %	-14.6 %
% Multi-Source Brand Rxs	1.0 %	1.1 %	-8.2 %
% Generic Rxs	71.2 %	66.4 %	7.3 %
% Retail Single-Source Brand	27.7 %	32.4 %	-14.5 %
% Retail Multi-Source Brand	1.0 %	1.1 %	-8.6 %
% Retail Generic	71.3 %	66.5 %	7.2 %
% Mail Single-Source Brand	32.9 %	40.1 %	-18.0 %
% Mail Multi-Source Brand	1.1 %	0.7 %	59.1 %
% Mail Generic	66.0 %	59.2 %	11.5 %
% Formulary Rxs	93.5 %	89.5 %	4.5 %
% Retail Formulary Rxs	93.5 %	89.5 %	4.5 %
% Mail Formulary Rxs	93.5 %	88.2 %	6.0 %
% DAW Rxs	0.6 %	0.7 %	-19.2 %
% Retail DAW Rxs	0.6 %	0.7 %	-19.6 %
% Mail DAW Rxs	1.3 %	1.1 %	12.6 %
% Generic Conversion	98.6 %	98.3 %	0.2 %
% Retail GEN Conversion	98.6 %	98.3 %	0.2 %
% Mail GEN Conversion	98.3 %	98.8 %	-0.5 %
Period Totals			
Total Plan Cost	\$7,292,794.83	\$8,209,541.21	17.4 %
Retail Plan Cost	\$7,144,084.54	\$8,083,238.76	17.4 %
Mail Plan Cost	\$148,710.29	\$126,302.45	17.7 %
Total Member Contribution	\$4,773,462.41	\$4,745,923.02	0.6 %



Key Performance Indicators
Comprehensive Indicators
WV Public Employees Ins - w/o AccessWV

Current Period: 07/2008 - 07/2008
Previous Period: 07/2007 - 07/2007

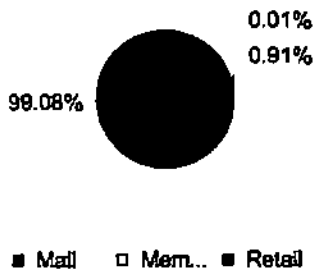
	Current Period	Previous Period	
Retail Member Contrib	\$4,705,368.42	\$4,676,090.96	0.6 %
Mail Member Contrib	\$68,095.99	\$69,832.06	-2.5 %
Total Rx Count	188,181	173,487	8.5 %
Retail Rx Count	186,454	171,767	8.6 %
Member Submit Rxs	12	120	-90.0 %
Mail Rx Count	1,715	1,580	8.5 %
Total Admin Fee	\$18.00	\$1,710.00	-98.9 %
Total UC Savings	\$6,803,813.28	\$5,945,789.25	14.4 %
Total Lost Savings	\$12,159.60	\$8,936.21	36.1 %

Demographics

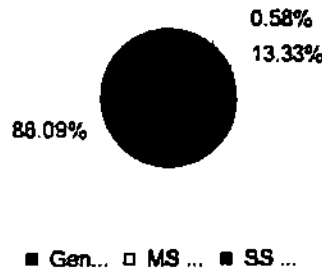
Average Age	38.7	38.7	-0.1 %
% Male Members	48.5 %	48.5 %	-0.0 %
% Female Members	53.5 %	53.5 %	0.0 %

Graphs based on Current Period: 07/2008 - 07/2008

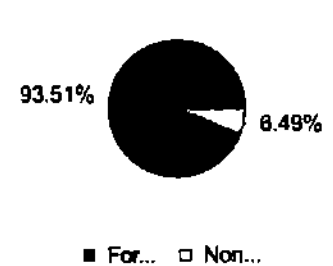
Claim Source by Rx Count



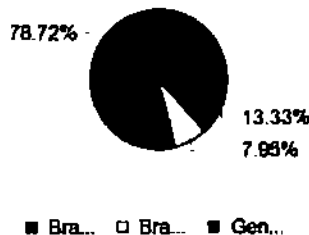
Drug Type by Plan Cost



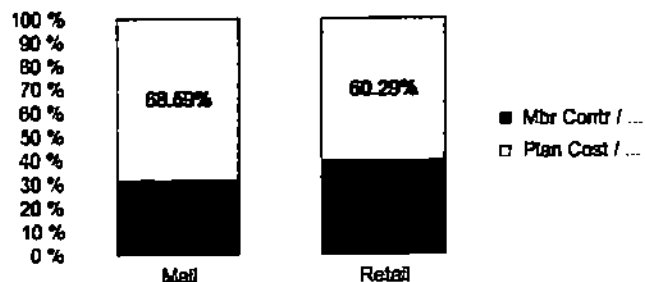
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



Utilization Report by Population Level

WV Public Employees Ins - w/o AccessWV

Prescriptions Filled From 07/2008 - 07/2008



EXPRESS SCRIPTS®

Div Name (DIV)	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
WV PUBLIC EMPLOYEES INSURANCE (WVA)	157,501	66,753	188,181	\$7,292,795	\$25.37	\$38.75	0.9 %	71.2 %	93.5 %	88.6 %	\$46.30
Grand Total	157,501		188,181	\$7,292,795	\$25.37	\$38.75	0.9 %	71.2 %	93.5 %	88.6 %	\$46.30

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8/11/08

Utilization Report by Population Level

WV Public Employees Ins - w/o AccessWV

Prescriptions Filled From 07/2008 - 07/2008



Reporting Level 1	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cos/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (3000)	354	185	620	\$35,907	\$24.70	\$57.82	0.3 %	88.4 %	91.3 %	97.9 %	\$101.43
NON STATE (2000)	21,582	8,788	25,407	\$894,808	\$24.33	\$35.22	0.9 %	73.1 %	94.0 %	98.8 %	\$41.46
STATE (1000)	135,565	57,780	162,154	\$6,362,079	\$25.53	\$39.23	0.9 %	71.0 %	93.4 %	98.5 %	\$46.83
Grand Total	157,501		188,181	\$7,292,795	\$25.37	\$38.76	0.9 %	71.2 %	93.5 %	98.6 %	\$46.30

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8/11/08

Utilization Report by Population Level

WV Public Employees Ins - w/o AccessWV

Prescriptions Filled From 07/2008 - 07/2008



Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mon	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	354	185	620	\$35,907	\$24.70	\$57.92	0.3 %	68.4 %	91.3 %	97.9 %	\$101.43
NON STATE AGENCIES (02)	18,127	7,283	20,587	\$748,442	\$24.00	\$38.29	0.9 %	72.9 %	94.0 %	98.8 %	\$41.18
NON STATE AGENCIES PLAN B (02B)	2,298	807	2,120	\$35,183	\$30.13	\$18.60	0.6 %	76.9 %	93.5 %	89.0 %	\$15.33
NON STATE RETIREES (08)	1,164	674	2,528	\$105,078	\$22.50	\$41.57	1.2 %	71.0 %	94.5 %	98.6 %	\$91.06
NON STATE RETIREES 60 (0860)	5	44	172	\$8,086	\$18.73	\$47.08	0.0 %	71.5 %	95.9 %	100.0 %	\$1,618.98
STATE AGENCIES (01)	118,870	49,089	133,692	\$5,199,091	\$25.69	\$38.89	0.9 %	71.1 %	93.4 %	98.6 %	\$43.74
STATE AGENCIES (01B)	3,818	862	1,808	\$45,993	\$32.38	\$25.47	1.7 %	75.5 %	93.4 %	98.9 %	\$12.71
STATE RETIREES (07)	13,043	7,609	25,730	\$1,088,427	\$25.03	\$42.22	1.0 %	70.0 %	93.8 %	88.4 %	\$83.30
STATE RETIREES ASST 60 (0760)	34	220	938	\$30,668	\$18.32	\$32.88	1.4 %	75.3 %	96.2 %	89.2 %	\$899.07
Grand Total	167,501		188,161	\$7,292,795	\$28.37	\$38.75	0.9 %	71.2 %	93.5 %	88.6 %	\$48.30

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

DRAFT

	June 30	
	2008	2007
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 30,594,801	\$ 33,083,469
Advance Deposit with Carrier/Trustee	158,436,694	115,835,475
Receivables - Net	2,208,540	2,556,723
Prepaid Insurance	-	-
Total Short Term Assets	191,240,035	151,475,667
Long Term Assets		
Investments	109,324,937	117,127,099
Total Long Term Assets	109,324,937	117,127,099
TOTAL ASSETS	300,564,972	268,602,766
LIABILITIES		
Short Term Liabilities		
Accounts payable	780,973	631,793
Claims Payable	13,431	15,679
Agents Commissions Payable	1,621,194	1,985,206
Unearned Revenue	7,709,356	8,659,136
Current Estimated Claim Reserve	53,339,877	50,851,320
Total Short Term Liabilities	63,464,831	62,143,134
Long Term Liabilities		
Compensated Absences	200,147	200,147
Estimated Noncurrent Claim Reserve	110,506,581	108,712,608
Total Long Term Liabilities	110,706,728	108,912,755
TOTAL LIABILITIES	174,171,559	171,055,889
Prior Year Net Assets	97,546,877	44,843,685
Current Year Earnings	28,846,536	52,703,192
TOTAL NET ASSETS	126,393,413	97,546,877
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 300,564,972	\$ 268,602,766

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

DRAFT

	June 30	
	2008	2007
Operating Revenues		
Premium Revenues	\$ 72,986,114	\$ 80,248,065
Less - Excess Insurance	(6,394,322)	(6,150,738)
Total Operating Revenues	66,591,792	74,097,327
Operating Expenses		
Claims Expense	42,114,896	30,253,950
Property & MS Claims Expense	1,990,576	4,881,654
Personal Services	1,308,807	1,281,615
Operating Expenses	2,873,581	3,023,322
Total Operating Expenses	48,287,860	39,440,541
Operating Income	18,303,932	34,656,786
Nonoperating Revenues		
Court Fees	29,905	24,585
Claim Interest Income	-	189,219
Investment Income	10,512,699	17,832,602
Total Nonoperating Revenues	10,542,604	18,046,406
Net Income	28,846,536	52,703,192

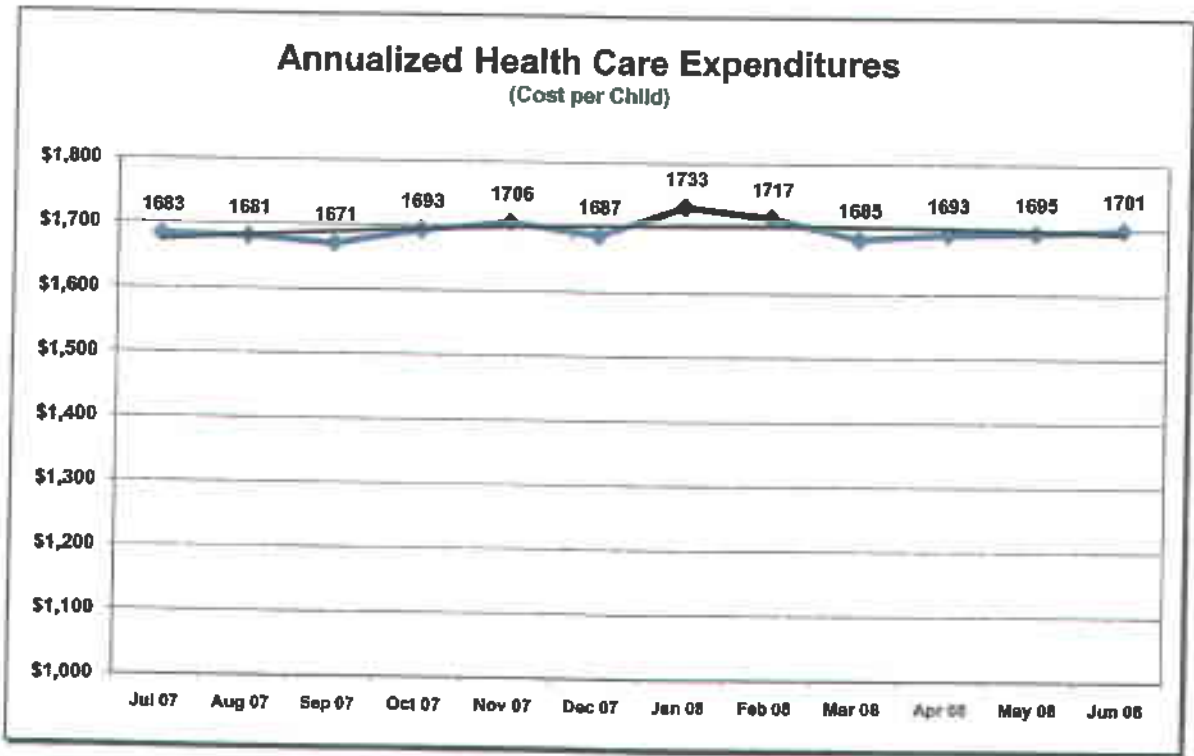
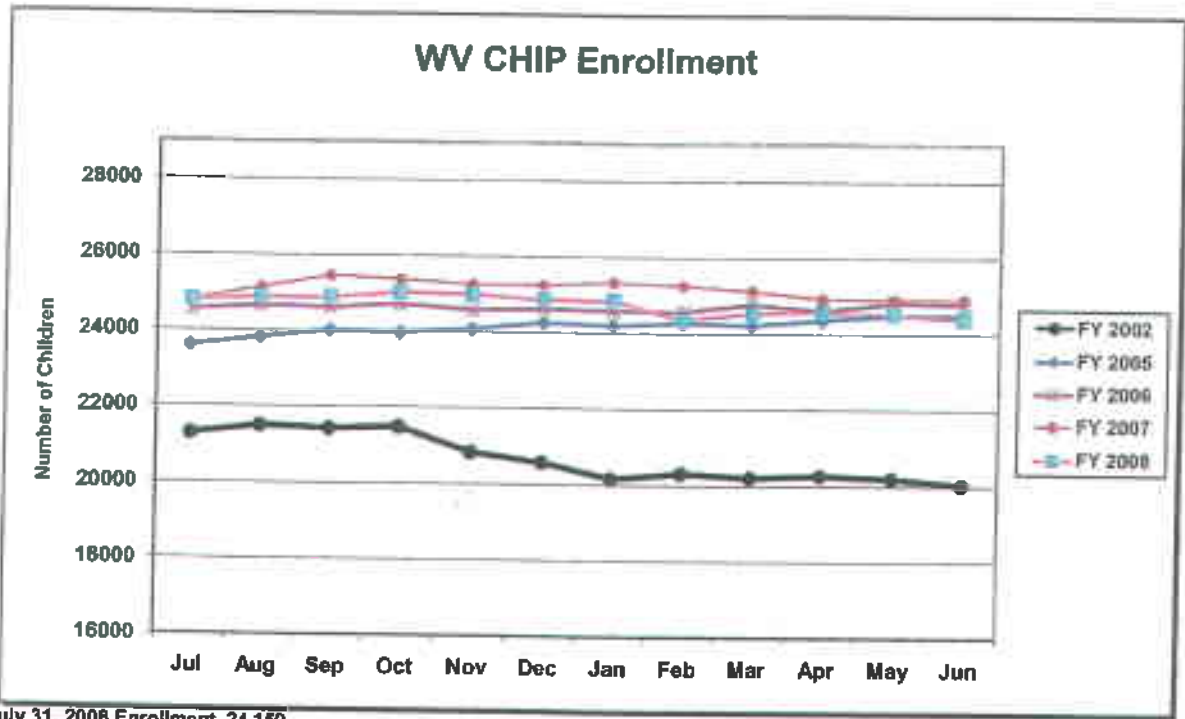


West Virginia Children's Health Insurance Program
1900 Kanawha Boulevard East
Building 3, Room 554
Charleston, WV 25305

304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.wvchip.org

JOINT COMMITTEE ON GOVERNMENT AND FINANCE REPORT

AUGUST 2008



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
June 30 2008 and 2007
(Accrual Basis)**

	June 30, 2008	June 30, 2007	Variance	
Assets:				
Cash & Cash Equivalents	\$8,254,028	\$4,977,366	\$3,276,662	66%
Due From Federal Government	\$2,912,490	\$2,650,397	\$262,093	10%
Due From Other Funds	\$640,194	\$622,910	\$17,284	3%
Accrued Interest Receivable	\$14,753	\$20,640	(\$5,887)	-29%
Fixed Assets, at Historical Cost	<u>\$71,379</u>	<u>\$64,933</u>	<u>\$6,446</u>	10%
Total Assets	<u>\$11,892,845</u>	<u>\$8,336,246</u>	<u>\$3,556,599</u>	<u>43%</u>
Liabilities:				
Due to Other Funds	\$102,684	\$149,947	(\$47,263)	-32%
Deferred Revenue	\$1,514,347	\$2,174,141	(\$659,794)	-30%
Unpaid Insurance Claims Liability	<u>\$3,450,000</u>	<u>\$3,123,360</u>	<u>\$326,640</u>	10%
Total Liabilities	<u>\$5,067,031</u>	<u>\$5,447,448</u>	<u>(\$380,417)</u>	<u>-7%</u>
Fund Equity	<u>\$6,825,813</u>	<u>\$2,888,798</u>	<u>\$3,937,015</u>	<u>136%</u>
Total Liabilities and Fund Equity	<u>\$11,892,845</u>	<u>\$8,336,246</u>	<u>\$3,556,599</u>	<u>43%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Twelve Months Ending June 30, 2008 and June 30, 2007
(Modified Accrual Basis)

	June 30, 2008	June 30, 2007	Variance	
Revenues:				
Federal Grants	35,895,264	35,758,528	136,736	0%
State Appropriations	10,968,995	10,966,703	2,292	0%
Premium Revenues	88,681	11,433	77,248	676%
Investment Earnings	<u>237,746</u>	<u>168,566</u>	<u>69,180</u>	41%
Total Operating Revenues	<u>47,190,686</u>	<u>46,905,230</u>	<u>285,456</u>	<u>1%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	10,951,787	10,446,632	505,155	5%
Physicians & Surgical	9,354,186	9,403,916	(49,730)	-1%
Prescribed Drugs	8,168,467	8,521,422	(352,955)	-4%
Dental	4,884,107	4,987,934	(103,827)	-2%
Inpatient Hospital Services	3,795,569	4,491,611	(696,042)	-15%
Outpatient Mental Health	1,258,980	1,545,992	(287,012)	-19%
Vision	1,197,290	1,250,098	(52,808)	-4%
Inpatient Mental Health	570,603	883,943	(313,340)	-35%
Durable & Disposable Med. Equip.	531,965	484,416	47,549	10%
Therapy	378,309	348,681	29,628	8%
Medical Transportation	235,160	359,938	(124,778)	-35%
Other Services	92,190	131,155	(38,965)	-30%
Less: Collections*	<u>(601,431)</u>	<u>(786,868)</u>	<u>185,437</u>	<u>-24%</u>
Total Claims	<u>40,817,182</u>	<u>42,068,870</u>	<u>(1,251,688)</u>	<u>-3%</u>
General and Admin Expenses:				
Salaries and Benefits	471,346	462,360	8,986	2%
Program Administration	2,045,437	1,925,168	120,269	6%
Eligibility	303,426	304,118	(692)	0%
Outreach & Health Promotion	80,419	174,161	(93,742)	-54%
Current	<u>132,180</u>	<u>109,132</u>	<u>23,048</u>	<u>21%</u>
Total Administrative	<u>3,032,808</u>	<u>2,974,939</u>	<u>57,869</u>	<u>2%</u>
Total Expenditures	<u>43,849,990</u>	<u>45,043,809</u>	<u>(1,193,819)</u>	<u>-3%</u>
Excess of Revenues				
Over (Under) Expenditures	3,340,695	1,861,421	1,479,274	79%
Fund Equity, Beginning	<u>3,485,118</u>	<u>1,027,377</u>	<u>2,457,741</u>	<u>239%</u>
Fund Equity, Ending	<u>6,825,813</u>	<u>2,888,798</u>	<u>3,937,015</u>	<u>136%</u>

* Collections are primarily drug rebates and subrogation

* State Appropriations restated in prior year to actual draw deposited

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2008
For the Twelve Months Ended June 30, 2008**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Jun-08</u>	<u>May-08</u>	<u>Apr-08</u>
Projected Cost	\$49,020,492	\$49,020,492	\$41,184,132	\$7,836,360	16%	\$4,085,041	\$2,988,143	\$4,415,470	\$3,492,568
Premiums	136,290	136,290	88,681	\$47,609	-35%	11,358	\$8,830	\$9,012	\$7,997
Subrogation & Rebates	<u>760,000</u>	<u>760,000</u>	<u>601,431</u>	<u>158,569</u>	-21%	<u>63,333</u>	<u>35,672</u>	<u>22,968</u>	<u>38,413</u>
Net Benefit Cost	47,058,152	\$47,058,152	\$40,494,020	\$6,564,132	14%	3,921,513	2,943,641	4,383,490	3,446,158
Salaries & Benefits	\$519,673	\$519,673	\$471,346	\$48,327	9%	\$43,306	\$37,558	\$36,473	\$36,199
Program Administration	2,166,796	2,166,796	2,077,514	89,282	4%	180,566	164,014	266,297	177,979
Eligibility	340,055	340,055	312,925	27,130	8%	28,338	110,054	1,235	1,430
Outreach	27,157	27,157	80,419	(53,262)	-196%	2,263	19,479	3,328	3,846
Current Expense	<u>287,741</u>	<u>287,741</u>	<u>137,869</u>	<u>149,872</u>	<u>52%</u>	<u>23,978</u>	<u>15,352</u>	<u>18,132</u>	<u>10,167</u>
Total Admin Cost	\$3,341,422	\$3,341,422	\$3,080,073	\$261,349	8%	\$278,452	\$346,457	\$325,465	\$229,621
Total Program Cost	<u>\$50,399,574</u>	<u>\$50,399,574</u>	<u>\$43,574,093</u>	<u>\$6,825,481</u>	<u>14%</u>	<u>\$4,199,965</u>	<u>\$3,290,098</u>	<u>\$4,708,955</u>	<u>\$3,675,779</u>
Federal Share 81.98%	40,823,655	\$40,823,655	\$35,626,232	5,197,423	13%	3,401,971	2,697,222	3,860,401	3,013,403
State Share 18.02%	<u>9,575,919</u>	<u>\$9,575,919</u>	<u>\$7,947,861</u>	<u>1,628,058</u>	<u>17%</u>	<u>797,993</u>	<u>592,876</u>	<u>848,554</u>	<u>662,375</u>
Total Program Cost *	<u>\$50,399,574</u>	<u>\$50,399,574</u>	<u>\$43,574,093</u>	<u>\$6,825,481</u>	<u>14%</u>	<u>\$4,199,965</u>	<u>\$3,290,098</u>	<u>\$4,708,955</u>	<u>\$3,675,779</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2007 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

WV CHIP Enrollment Report

ATTACHMENT 1

July 2008

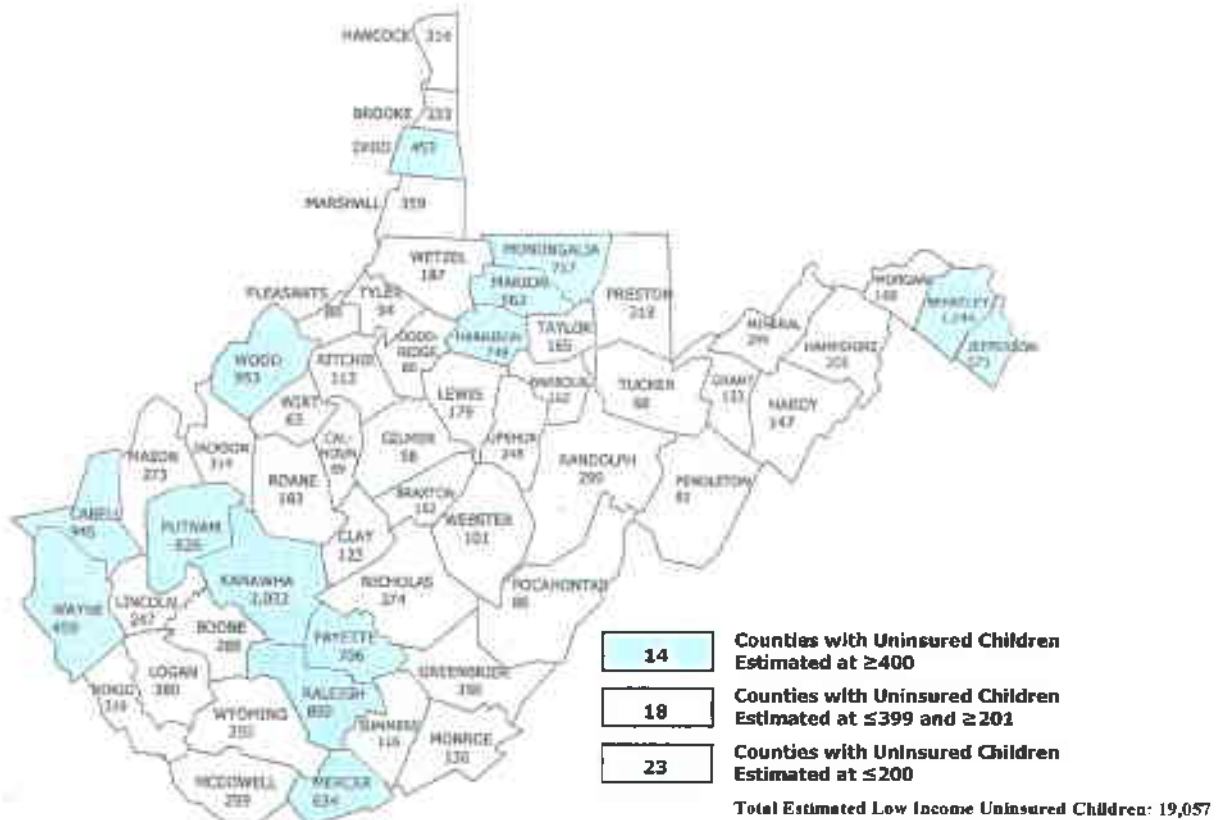
County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-08	Total Medicaid Enrollment Jul-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007	2007
						Est. Uninsured 5%	# Children Uninsured Ranking*
Kanawha	40,647	2,036	16,184	18,220	44.8%	2,032	1
Berkeley	22,882	1,204	5,877	7,081	30.9%	1,144	2
Wood	19,063	1,132	7,476	8,608	45.2%	953	3
Cabell	18,900	936	7,821	8,757	46.3%	945	4
Raleigh	15,992	1,253	6,875	8,128	50.8%	800	5
Harrison	14,973	923	5,618	6,541	43.7%	749	6
Monongalia	14,346	715	3,941	4,656	32.5%	717	7
Mercer	12,687	1,058	6,299	7,357	58.0%	634	8
Putnam	12,522	619	3,048	3,667	29.3%	626	9
Jefferson	11,465	388	2,192	2,580	22.5%	573	10
Marion	11,245	784	4,107	4,891	43.5%	562	11
Fayette	9,692	893	4,523	5,416	55.9%	485	12
Wayne	9,176	579	3,952	4,531	49.4%	459	13
Ohio	9,068	532	2,865	3,397	37.5%	453	14
Logan	7,610	525	3,804	4,329	56.9%	380	15
Marshall	7,176	375	2,658	3,033	42.3%	359	16
Greenbrier	7,110	575	2,621	3,196	44.9%	356	17
Preston	6,354	491	2,231	2,722	42.8%	318	18
Jackson	6,277	367	2,379	2,746	43.7%	314	19
Hancock	6,270	371	2,160	2,531	40.4%	314	20
Mingo	6,204	391	3,092	3,483	56.1%	310	21
Mineral	5,973	279	1,974	2,253	37.7%	299	22
Randolph	5,971	445	2,413	2,858	47.9%	299	23
Boone	5,706	308	2,491	2,799	49.1%	285	24
Nicholas	5,478	417	2,476	2,893	52.8%	274	25
Mason	5,461	347	2,451	2,798	51.2%	273	26
McDowell	5,170	393	3,237	3,630	70.2%	259	27
Hampshire	5,110	257	1,811	2,068	40.5%	255	28
Wyoming	5,082	443	2,855	3,098	60.8%	255	29
Upshur	4,958	397	2,228	2,625	53.0%	248	30
Lincoln	4,945	398	2,495	2,893	58.5%	247	31
Brooke	4,658	257	1,430	1,687	36.2%	233	32
Wetzel	3,732	216	1,587	1,803	48.3%	187	33
Lewis	3,577	294	1,796	2,090	58.4%	179	34
Morgan	3,365	228	1,028	1,256	37.3%	168	35
Taylor	3,307	236	1,286	1,522	46.0%	165	36
Roane	3,266	279	1,598	1,877	57.5%	163	37
Barbour	3,248	303	1,482	1,785	55.0%	162	38
Braxton	3,044	229	1,514	1,743	57.3%	152	39
Hardy	2,950	158	1,014	1,172	39.7%	147	40
Monroe	2,728	231	912	1,143	41.9%	136	41
Grant	2,463	131	943	1,074	43.6%	123	42
Clay	2,454	169	1,391	1,560	63.6%	123	43
Summers	2,322	210	1,108	1,318	56.8%	116	44
Ritchie	2,234	144	826	970	43.4%	112	45
Webster	2,020	186	1,104	1,290	63.9%	101	46
Tyler	1,887	106	790	896	47.5%	94	47
Pocahontas	1,717	152	621	773	45.0%	86	48

WV CHIP Enrollment Report

ATTACHMENT 1

July 2008

County Ranking	County Pop. 2005 Est (0-18 Yrs)	Total CHIP Enrollment Jul-08	Total Medicaid Enrollment Jul-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Pendleton	1,632	94	421	515	31.6%	82	49
Doddridge	1,607	118	710	828	51.5%	80	50
Pleasants	1,593	93	488	581	36.5%	80	51
Calhoun	1,389	123	794	917	66.0%	69	52
Tucker	1,354	165	450	615	45.4%	68	53
Wirt	1,268	119	538	657	51.8%	63	54
Gilmer	1,154	87	535	622	53.9%	58	55
Totals	382,490	24,159	148,320	172,479	45.1%	19,125	



Note 1: The most recent estimate for uninsured children statewide from the US Census Current Population Survey is 8%. CHIP uses a 5% estimate to reflect the percentage of uninsured children for outreach purposes who could qualify for CHIP or Medicaid. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: Since it has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP asserts that a 5% uninsured estimate is a more realistic target number for outreach.

Legislative Oversight Commission on
Health and Human Resources Accountability

AUGUST 2008

Department of Administration

State Children's Health Insurance Program
UPDATE



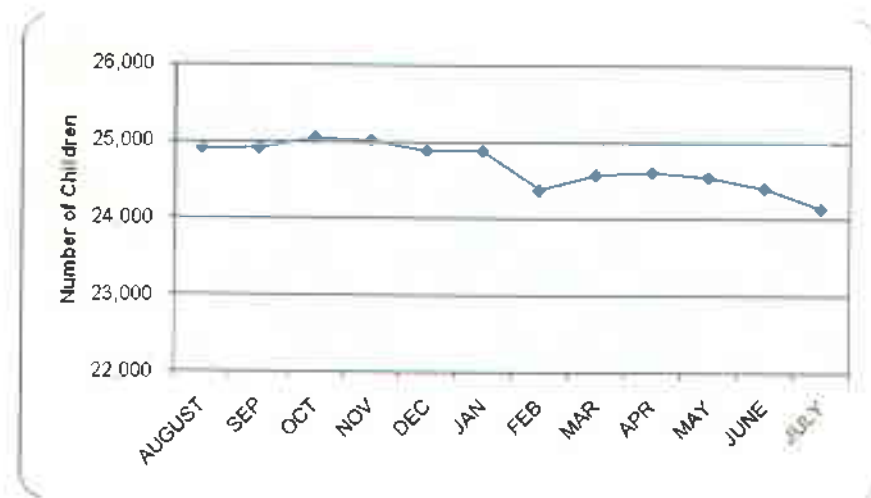
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR AUGUST 2008

I. Enrollment on July 31, 2008: 24,159

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: August 2007 through July 2008



Enrollee Totals: May 2008 to July 2008

Month	Total	1 Year	Total
May	1,472	Average	1,718
June	1,369	High	2,105
July	1,536	Low	1,331

New Enrollee (Never Before on CHIP) Totals: May 2008 to July 2008

Month	Total	1 Year	Total
May	555	Average	733
June	599	High	926
July	649	Low	540

II. Re-enrollment for 3 Month Period: May 2008 to July 2008

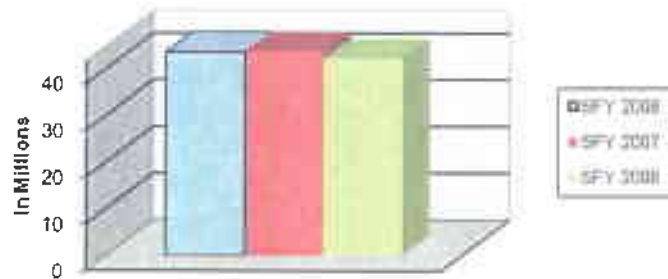
Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
May	1,743	966	55%	218	13%	559	32%
June	1,834	958	52%	240	13%	636	35%
July	2,028	1,063	52%	253	12%	712	35%

III. Financial Activity

Please see this month's financial statement at Attachment 2.
 The average annualized claims cost per child for the month ended June 2008 was \$1,830.

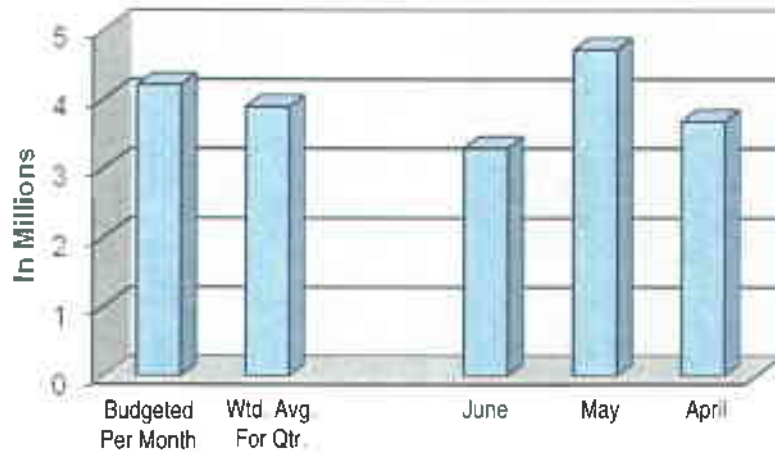
Annual Expenditures for a 3 Year Period: SFY 2005 – SFY 2007

	SFY 2008	FFP% 2008	SFY 2007	FFP% 2007	SFY 2006	FFP% 2006
Federal	35,626,232	81.98	35,472,537	80.97	34,247,276	81.09
State	7,947,861	18.02	8,336,944	19.03	7,986,385	18.91
Total Costs	43,574,093	100.00	43,809,481	100.00	42,233,661	100.00



Monthly Budgeted and Current 3 Month Period: April 2008 – June 2008

	Budgeted Per Month	Wtd. Avg For Qtr.	Actual		
			June 2008	May 2008	April 2008
Federal	3,401,971	3,190,342	2,697,222	3,860,401	3,013,403
State	797,994	701,268	592,876	848,554	662,375
Total	4,199,965	3,891,610	3,290,098	4,708,955	3,675,778



IV. Other Highlights

FEDERAL FUNDING UPDATE

- WVCHIP continues to project sufficient federal funding lasting through the end of the current federal fiscal year (September 2008), as well as through March 2009 when the current federal allocation ends.

CHIP BOARD CELEBRATES 10TH YEAR

- The CHIP Board gratefully acknowledges those Legislators, Legislative staff, and Board members, past and present, as well as staff, who were present at a July luncheon marking our 10th year. We were also honored that representatives from the West Virginia Healthy Kids and Families Coalition, West Virginia Council of Churches, West Virginians for Affordable Health Care also attended. We particularly thank Dr. Fernando Indochea who, as current President of the West Virginia Chapter of the Academy of Pediatrics, took the time to write a letter summarizing the importance of health care coverage to children, and Dr. Joan Phillips, Immediate Past President, who shared his message with us.

CHIP BOARD APPROVES 2009 FINANCIAL PLAN

- At its July meeting the CHIP Board approved a Financial Plan that would allow for expansion to children in households with incomes as high as 250% FPL when they participate in premium payments. Premium payments would be at the same level as for other families about 200% FPL - \$35 per month for one child or \$71 per month for two or more children. Such expansion requires approval of a State Plan Amendment by CMS, and typically takes a minimum of 90 days. The proposed effective date would be January 1, 2009.

WV CHIP Enrollment Report

ATTACHMENT 1

July 2008

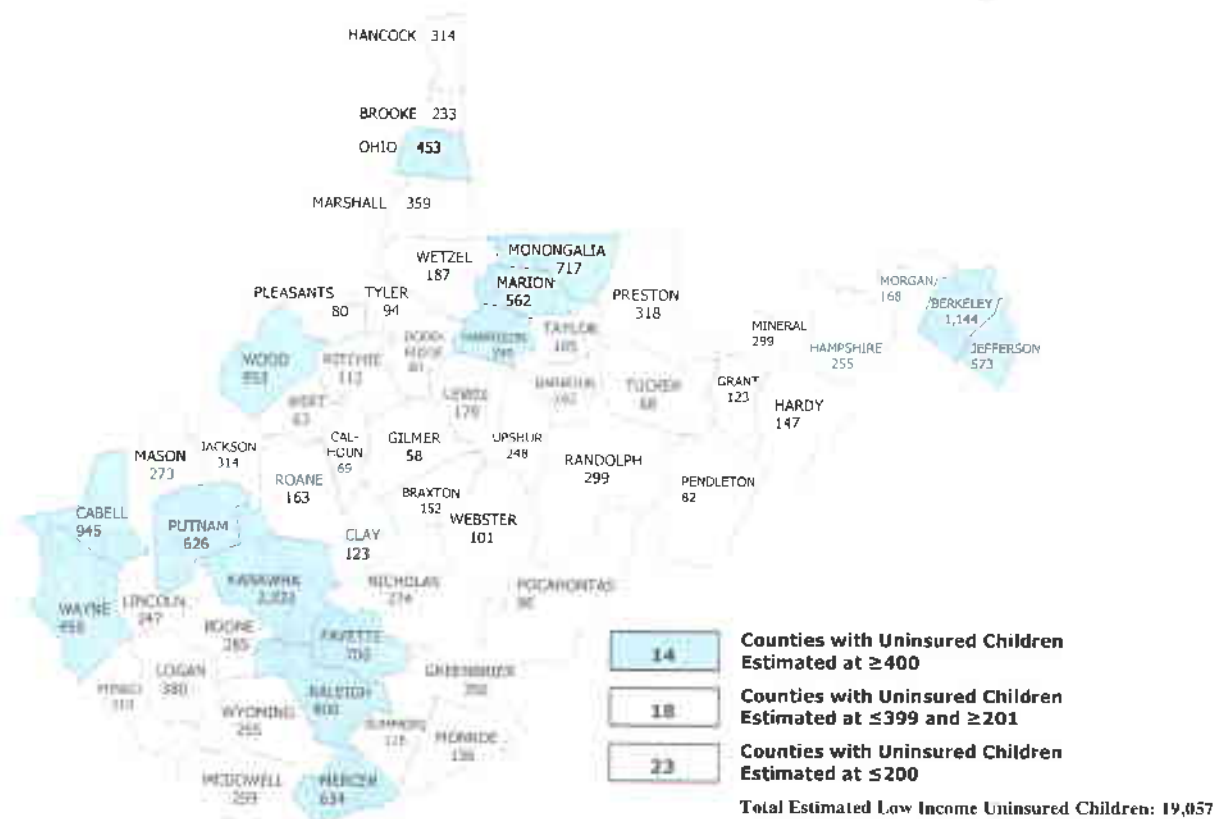
County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-08	Total Medicaid Enrollment Jul-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Kanawha	40,647	2,036	16,184	18,220	44.8%	2,032	1
Berkeley	22,882	1,204	5,877	7,081	30.9%	1,144	2
Wood	19,063	1,132	7,476	8,608	45.2%	953	3
Cabell	18,900	936	7,821	8,757	46.3%	945	4
Raleigh	15,992	1,253	6,875	8,128	50.8%	800	5
Harrison	14,973	923	5,618	6,541	43.7%	749	6
Monongalia	14,346	715	3,941	4,656	32.5%	717	7
Mercer	12,687	1,058	6,299	7,357	58.0%	634	8
Putnam	12,522	619	3,048	3,667	29.3%	626	9
Jefferson	11,465	388	2,192	2,580	22.5%	573	10
Marion	11,245	784	4,107	4,891	43.5%	562	11
Fayette	9,692	893	4,523	5,416	55.9%	485	12
Wayne	9,176	579	3,952	4,531	49.4%	459	13
Ohio	9,068	532	2,865	3,397	37.5%	453	14
Logan	7,610	525	3,804	4,329	56.9%	380	15
Marshall	7,176	375	2,658	3,033	42.3%	359	16
Greenbrier	7,110	575	2,621	3,196	44.9%	356	17
Preston	6,354	491	2,231	2,722	42.8%	318	18
Jackson	6,277	367	2,379	2,746	43.7%	314	19
Hancock	6,270	371	2,160	2,531	40.4%	314	20
Mingo	6,204	391	3,092	3,483	56.1%	310	21
Mineral	5,973	279	1,974	2,253	37.7%	299	22
Randolph	5,971	445	2,413	2,858	47.9%	299	23
Boone	5,706	308	2,491	2,799	49.1%	285	24
Nicholas	5,478	417	2,476	2,893	52.8%	274	25
Mason	5,461	347	2,451	2,798	51.2%	273	26
McDowell	5,170	393	3,237	3,630	70.2%	259	27
Hampshire	5,110	257	1,811	2,068	40.5%	255	28
Wyoming	5,092	443	2,655	3,098	60.8%	255	29
Upshur	4,956	397	2,228	2,625	53.0%	248	30
Lincoln	4,945	398	2,495	2,893	58.5%	247	31
Brooke	4,658	257	1,430	1,687	36.2%	233	32
Wetzel	3,732	216	1,587	1,803	48.3%	187	33
Lewis	3,577	294	1,796	2,090	58.4%	179	34
Morgan	3,365	228	1,028	1,256	37.3%	168	35
Taylor	3,307	236	1,286	1,522	46.0%	165	36
Roane	3,266	279	1,598	1,877	57.5%	163	37
Barbour	3,248	303	1,482	1,785	55.0%	162	38
Braxton	3,044	229	1,514	1,743	57.3%	152	39
Hardy	2,950	158	1,014	1,172	39.7%	147	40
Monroe	2,728	231	912	1,143	41.9%	136	41
Grant	2,463	131	943	1,074	43.6%	123	42
Clay	2,454	169	1,391	1,560	63.6%	123	43
Summers	2,322	210	1,108	1,318	56.8%	116	44
Ritchie	2,234	144	826	970	43.4%	112	45
Webster	2,020	186	1,104	1,290	63.9%	101	46
Tyler	1,887	106	790	896	47.5%	94	47
Pocahontas	1,717	152	621	773	45.0%	86	48

WV CHIP Enrollment Report

ATTACHMENT 1

July 2008

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-08	Total Medicaid Enrollment Jul-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Pendleton	1,632	94	421	515	31.6%	82	49
Doddridge	1,607	118	710	828	51.5%	80	50
Pleasants	1,593	93	488	581	36.5%	80	51
Calhoun	1,389	123	794	917	66.0%	69	52
Tucker	1,354	165	450	615	45.4%	68	53
Wirt	1,268	119	538	657	51.8%	63	54
Gilmer	1,154	87	535	622	53.9%	58	55
Totals	382,490	24,159	148,320	172,479	45.1%	19,125	



Note 1: The most recent estimate for uninsured children statewide from the US Census Current Population Survey is 8%. CHIP uses a 5% estimate to reflect the percentage of uninsured children for outreach purposes who could qualify for CHIP or Medicaid. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: Since it has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP asserts that a 5% uninsured estimate is a more realistic target number for outreach.

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Twelve Months Ending June 30, 2008 and June 30, 2007
(Modified Accrual Basis)

	June 30, 2008	June 30, 2007	Variance	
Revenues:				
Federal Grants	35,895,264	35,758,528	136,736	0%
State Appropriations	10,968,995	10,966,703	2,292	0%
Premium Revenues	88,681	11,433	77,248	676%
Investment Earnings	<u>237,746</u>	<u>168,566</u>	<u>69,180</u>	41%
Total Operating Revenues	<u>47,190,686</u>	<u>46,905,230</u>	<u>285,456</u>	1%
Operating Expenditures:				
Claims:				
Outpatient Services	10,951,787	10,446,632	505,155	5%
Physicians & Surgical	9,354,186	9,403,916	(49,730)	-1%
Prescribed Drugs	8,168,467	8,521,422	(352,955)	-4%
Dental	4,884,107	4,987,934	(103,827)	-2%
Inpatient Hospital Services	3,795,569	4,491,611	(696,042)	-15%
Outpatient Mental Health	1,258,980	1,545,992	(287,012)	-19%
Vision	1,197,290	1,250,098	(52,808)	-4%
Inpatient Mental Health	570,603	883,943	(313,340)	-35%
Durable & Disposable Med. Equip.	531,965	484,416	47,549	10%
Therapy	378,309	348,681	29,628	8%
Medical Transportation	235,160	359,938	(124,778)	-35%
Other Services	92,190	131,155	(38,965)	-30%
Less: Collections*	<u>(601,431)</u>	<u>(786,868)</u>	<u>185,437</u>	<u>-24%</u>
Total Claims	<u>40,817,182</u>	<u>42,068,870</u>	<u>(1,251,688)</u>	-3%
General and Admin Expenses:				
Salaries and Benefits	471,346	462,360	8,986	2%
Program Administration	2,045,437	1,925,168	120,269	6%
Eligibility	303,426	304,118	(692)	0%
Outreach & Health Promotion	80,419	174,161	(93,742)	-54%
Current	<u>132,180</u>	<u>109,132</u>	<u>23,048</u>	<u>21%</u>
Total Administrative	<u>3,032,808</u>	<u>2,974,939</u>	<u>57,869</u>	2%
Total Expenditures	<u>43,849,990</u>	<u>45,043,809</u>	<u>(1,193,819)</u>	-3%
Excess of Revenues				
Over (Under) Expenditures	3,340,695	1,861,421	1,479,274	79%
Fund Equity, Beginning	<u>3,485,118</u>	<u>1,027,377</u>	<u>2,457,741</u>	239%
Fund Equity, Ending	<u>6,825,813</u>	<u>2,888,798</u>	<u>3,937,015</u>	136%

* Collections are primarily drug rebates and subrogation

* State Appropriations restated in prior year to actual draw deposited

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2008
 For the Twelve Months Ended June 30, 2008

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Jun-08	May-08	Apr-08
Projected Cost	\$49,020,492	\$49,020,492	\$41,184,132	\$7,836,360	16%	\$4,085,041	\$2,988,143	\$4,415,470	\$3,492,568
Premiums	136,290	136,290	88,681	\$47,609	-35%	11,358	\$8,830	\$9,012	\$7,997
Subrogation & Rebates	<u>760,000</u>	<u>760,000</u>	<u>601,431</u>	<u>158,569</u>	-21%	<u>63,333</u>	<u>35,672</u>	<u>22,968</u>	<u>38,413</u>
Net Benefit Cost	47,058,152	\$47,058,152	\$40,494,020	\$6,564,132	14%	3,921,513	2,943,641	4,383,490	3,446,158
Salaries & Benefits	\$519,673	\$519,673	\$471,346	\$48,327	9%	\$43,306	\$37,558	\$36,473	\$36,199
Program Administration	2,166,796	2,166,796	2,077,514	89,282	4%	180,566	164,014	266,297	177,979
Eligibility	340,055	340,055	312,925	27,130	8%	28,338	110,054	1,235	1,430
Outreach	27,157	27,157	80,419	(53,262)	-196%	2,263	19,479	3,328	3,846
Current Expense	<u>287,741</u>	<u>287,741</u>	<u>137,869</u>	<u>149,872</u>	52%	<u>23,978</u>	<u>15,352</u>	<u>18,132</u>	<u>10,167</u>
Total Admin Cost	\$3,341,422	\$3,341,422	\$3,080,073	\$261,349	8%	\$278,452	\$346,457	\$325,465	\$229,621
Total Program Cost	<u>\$50,399,574</u>	<u>\$50,399,574</u>	<u>\$43,574,093</u>	<u>\$6,825,481</u>	14%	<u>\$4,199,965</u>	<u>\$3,290,098</u>	<u>\$4,708,955</u>	<u>\$3,675,779</u>
Federal Share 81.98%	40,823,655	\$40,823,655	\$35,626,232	5,197,423	13%	3,401,971	2,697,222	3,860,401	3,013,403
State Share 18.02%	<u>9,575,919</u>	<u>\$9,575,919</u>	<u>\$7,947,861</u>	<u>1,628,058</u>	17%	<u>797,993</u>	<u>592,876</u>	<u>848,554</u>	<u>662,375</u>
Total Program Cost **	<u>\$50,399,574</u>	<u>\$50,399,574</u>	<u>\$43,574,093</u>	<u>\$6,825,481</u>	14%	<u>\$4,199,965</u>	<u>\$3,290,098</u>	<u>\$4,708,955</u>	<u>\$3,675,779</u>

* Positive percentages indicate favorable variances
 ** Budgeted Year Based on CCRC Actuary 6/30/2007 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended June 30, 2008
(Accrual Basis)

Investment Account

Funds Invested	\$8,016,282
Interest Earned	<u>237,746</u>
Total	<u>\$8,254,028</u>

Unaudited - For Management Purposes Only - Unaudited

**Department of Administration Leasing Report For
The Period of July 21, 2008 through August 15, 2008**

NEW CONTRACT OF LEASE

Division of Cultural and History

DCH-002 New Contract of Lease for 1 year containing 270 square feet of storage space at the PSF rate of \$3.00, with Movin On Storage, in the City of Dunbar, Kanawha County.

State Treasurer's Office

STO-011 New Contract of Lease for 1 year containing 1,120 square feet of office space at the PSF rate of \$6.43, with Huntington Municipal Parking Board, in the City of Huntington, Cabell County.

Workforce WV

WWV-010 New Contract of Lease for 1 year containing 1,144 square feet of office space at the PSF rate of \$11.00, with Aides Discount Stores, Inc, in the City of Fairlea, Greenbrier County.

STRAIGHT RENEWALS

Adjutant General's Office

ADG-015 Renewal for 1 year consisting of 224 square feet of office space at the current PSF rate of \$13.39 includes utilities, with Marshall University, in the City of Huntington, Cabell County.

ADG-014 Renewal for 1 year consisting of 143 square feet of office space at the current PSF rate of \$6.29, full service with WVU Army ROTC, in the City of Institute, Kanawha County.

STRAIGHT RENEWALS CONTINUED

Coal Heritage Highway

CHH-003 Renewal for 1 year consisting of 450 square feet of storage space, at the current PSF rate of \$3.00, full service, with Bluefield College Research and Development in the City of Bluefield, Mercer County.

Department of Environmental Protection

DEP-139 Renewal for 3 years of a monitoring site at the current monthly rate of \$ 100.00 with Forest Jenkins, in the City of Collier, Brooke County.

DEP-113 Renewal for 5 years of an air monitoring site at the current rent of \$1.00 Annually with Arcelormittal Weirton, INC, in the City of Weirton, Hancock County.

Division of Rehabilitation Services

DRS-052 Renewal for 3 years consisting of 1,800 square feet of office space at the current PSF rate of \$8.00 with Emmanuel Pentecostal Holiness Church, in the City of Keyser, Mineral County.

Division of Forestry

FOR-044 Renewal for 1 year consisting of 751 square feet of office and storage space at the current PSF rate of \$5.99 full service, with Court Street Properties, in the City of Fayetteville, Fayette County.

Fairmont State College

FSC-016 Renewal for 1 year consisting of 200 square feet of climate controlled storage at the current PSF rate of \$4.20, full service with Climate Control Storage, in the City of Fairmont, Marion County.

FSC-015 Renewal for 1 year consisting of 300 square feet of climate controlled storage at the current PSF rate of \$3.67, full service with Climate Control Storage, in the City of Fairmont, Marion County.

STRAIGHT RENEWALS CONTINUED

Division of Natural Resources

NAT-097 Renewal for 1 year for a boat ramp right of way at the current monthly rate of \$110.50 with Hal and Sandra Williamson, in Pleasants County.

Public Safety

PSA-085 Renewal for 2 years consisting of 1,824 square feet of office space at the current PSF rate of \$1.97 with the Raleigh County Board of Education, in the City of Pettus, Raleigh County.

Tax Department

TAX-048 Renewal for 3 years consisting of 4,320 square feet of office space at the current PSF rate of \$9.00 includes utilities, with Huntington National Bank, in the City of Clarksburg, Harrison County.

Division of Veterans Affairs

VET-028 Renewal for 1 year on a month to month basis consisting of 600 square feet office space at the current PSF rate of \$6.60 with the Roane County Commission on Aging, in the City of Spencer, Roane County.

VET-004 Renewal for 3 years consisting of 360 square feet of office space at the current PSF rate of \$3.33 with the American Legion, in the City of Moorefield, Hardy County.

DEPARTMENT OF ADMINISTRATION LEASES-STRAIGHT RENEWALS

Division of Corrections

COR-015 Renewal for 1 year consisting of 11,301 square feet of office space at the current PSF Rate of \$8.50 full service with the Department of Administration, in the City of Charleston, Kanawha County.

**DEPARTMENT OF ADMINISTRATION LEASES-STRAIGHT
RENEWALS CONTINUED**

Workforce WV

WWV-007 Renewal for 1 year consisting of 67,937 square feet of office space at the current PSF rate of \$9.03 full service, with the Department of Administration, in the City of Charleston, Kanawha County.

Department of Education

EDU-018 Renewal for 1 year consisting of 59,598 square feet of office space at the current PSF rate of \$9.50 full service, with the Department of Administration, in the City of Charleston, Kanawha County.

**DEPARTMENT OF ADMINISTRATION RENEWALS WITH
INCREAS IN RENT**

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-160-SUB Renewal for 1 year consisting of 180,663 square feet of office space with an increase in the PSF rate from \$1.94 to \$16.68 (which consists of \$11.28 PSF to debt service, \$4.71 PSF to operating expenses and .69 PSF to administrative fees) full service, with the Department of Administration, in the City of Charleston, Kanawha County.

**DEPARTMENT OF ADMINISTRATION ADDING SQUARE
FOOTAGE**

Department of Health and Human Resources

HHR-145 Added 3,496 square feet of office space for a total of 29,267 square feet at the current PSF rate of \$8.50 full service, with the Department of Administration, in the City of Fairmont, Marion County.

RENEWAL/RENT INCREASES

Adjutant General's Office

ADG-021 Renewal for 1 year consisting of approximately 683 square feet of office space for the Army Recruiting center with an increase in the PSF rate from \$36.14 to \$36.19 full service, with the Charleston Town Center Mall, in the City of Charleston, Kanawha County

ADG-013 Renewal for 1 year consisting of 112 square feet of office space for the Army Recruiting center with an increase in the PSF rate from \$36.61 to \$39.85 full service, with WVU, in the City of Morgantown, Monongalia County.

Attorney General's Office

AGO-014 Renewal for 2 years consisting of 10,183 square feet of office space with an increase in the PSF rate from \$11.50 to \$12.00 full service, with S.A.A.C. LLC in the City of Charleston, Kanawha County.

Department of Agriculture

AGR-046 Renewal for 5 years consisting of 900 square feet of office space with an increase in the PSF rate from \$10.00 to \$10.50 for years 1-2-3 then \$11.00 for years 4-5 of the renewal with Bearclaw Properties, in the City of Star City, Monongalia County.

AGR-032 Renewal for 2 years consisting of 156 square feet of office space with a increase in the PSF rate from \$11.59 to \$12.50 full service, with Monongalia Soil Conservation, in the City of Morgantown, Monongalia County.

Bluefield State College

BSC-001 Renewal for 5 years consisting of 12,552 square feet of office space with a 2% increase per year in the PSF rate from \$11.02 to \$11.24 to \$11.46 to \$11.69 then to \$11.92 with WWL Properties, in the City of Bluefield, Mercer County.

RENEWAL/RENT INCREASES Continued

New River Community & Technical College

NRC-009 Renewal for 5 years consisting of 4,590 square feet of office space with a 2% per year increase in the PSF rate from \$11.02 to \$11.24 to \$11.46 to \$11.69 to \$11.92 with WWL Properties, in the City of Beckley, Raleigh County.

ADDING SQUARE FOOTAGE

Workforce WV

WWV-009 adding 2,131 square feet of office space for a total of 21,954 square feet at the PSF rate of \$9.50 through June 30, 2009 then \$10.40 for the period of July 1, 2009 through remainder of said term with Standard Properties, in the City of Charleston, Kanawha County.

Joint Committee on Government and Finance

August 2008

**Department of Health and Human
Resources**

MEDICAID REPORT

June 2008 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2008

MONTH OF JUNE 2008	TOTAL	ACTUALS	Estimated	ACTUALS
	SFY2007	SFY2008	Current Month Jun-08	Current Month Jun-08
EXPENDITURES:				
Inpatient Hospital Services	228,282,408	223,181,578	23,322,328	16,418,148
Inpatient Hospital Services - DSH Adjustment Payments	54,088,937	66,898,017	-	-
Mental Health Facilities	40,250,781	44,423,188	3,257,869	3,061,927
Mental Health Facilities - DSH Adjustment Payments	18,824,239	18,758,660	-	-
Nursing Facility Services	413,083,885	431,847,808	38,807,845	31,122,378
Intermediate Care Facilities - Public Providers	-	-	-	-
Intermediate Care Facilities - Private Providers	98,708,822	68,149,869	5,109,900	3,932,160
Physicians Services ***	128,812,882	122,516,302	9,028,127	8,108,872
Outpatient Hospital Services	98,279,923	104,585,069	8,123,708	7,291,870
Prescribed Drugs	305,342,895	337,702,019	26,293,031	24,824,378
Drug Rebate Offset - National Agreement	(93,163,811)	(107,877,985)	(2,134,959)	(11,319,198)
Drug Rebate Offset - State Sidebar Agreement	(31,487,242)	(28,030,712)	(758,482)	(181,182)
Dental Services ***	37,032,509	37,988,340	3,059,748	2,792,795
Other Practitioners Services	20,318,941	28,850,888	1,704,631	1,844,867
Clinic Services	38,178,913	37,933,760	2,968,477	4,744,801
Lab & Radiological Services	7,948,508	8,208,339	880,888	847,235
Home Health Services	27,689,972	28,948,246	2,448,808	2,168,358
Hysterectomies/Sterilizations	571,881	515,828	48,389	38,787
Pregnancy Terminations	-	-	-	-
EPSDT Services	2,458,929	2,418,032	207,700	144,480
Rural Health Clinic Services	8,802,490	8,709,804	559,623	431,832
Medicare Health Insurance Payments - Part A Premiums	19,788,366	17,124,133	1,465,517	1,410,694
Medicare Health Insurance Payments - Part B Premiums	62,881,209	87,980,223	5,858,783	5,815,232
120% - 134% Of Poverty	3,492,445	4,004,182	-	349,738
135% - 175% Of Poverty	-	-	-	-
Coinsurance And Deductibles	-	-	-	-
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	241,130,288	257,013,367	21,243,600	19,588,987
Medicaid Health Insurance Payments: Group Health Plan Payments	380,095	338,288	37,148	32,339
Home & Community-Based Services (MR/DD)	200,535,722	218,373,978	17,703,418	16,685,571
Home & Community-Based Services (Aged/Disabled)	68,417,341	65,808,603	6,858,370	6,179,604
Community Supported Living Services	38	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-
Personal Care Services	38,783,018	37,799,289	3,095,831	2,849,094
Targeted Case Management Services	7,800,004	8,438,815	688,189	417,059
Primary Care Case Management Services	738,886	718,208	67,908	58,377
Hospice Benefits	9,738,788	12,383,108	782,092	998,982
Emergency Services Undocumented Aliens	-	-	-	-
Federally Qualified Health Center	16,204,205	17,448,878	1,355,500	1,542,458
Other Care Services	128,149,153	122,105,131	10,532,152	10,041,860
Less: Recoupments	(1)	(775,853)	-	(184,815)
NET EXPENDITURES:	2,137,739,218	2,237,319,519	190,092,871	160,418,837

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2008

MONTH OF JUNE 2008	TOTAL	ACTUALS	Estimated	ACTUALS
	SFY2007	SFY2008	Current Month Jun-08	Current Month Jun-08
Collections: Third Party Liability (line 8A on CMS-84)	(4,618,212)	(3,470,917)		
Collections: Probate (line 8B on CMS-84)	(88,485)	(168,673)		
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-84)	(389,328)	-		
Collections: Other (line 9D on CMS-84)	(6,565,995)	(3,063,533)		
	2,128,067,248			
Plus: Medicaid Part D Expenditures	28,577,768	29,322,509	2,416,462	2,395,548
Plus: State Only Medicaid Expenditures ***	4,557,527	4,078,869	302,167	287,332
TOTAL MEDICAID EXPENDITURES	2,159,202,543	\$2,283,990,274	182,813,520	\$183,109,715
Plus: Reimbursable (1)	3,273,887	3,830,807	262,089	218,021
TOTAL EXPENDITURES	2,162,476,230	\$2,287,821,181	183,105,909	\$183,328,736

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

SFY 2008 Budget Estimates were revised for the month of April and forward.

***CMS is currently reviewing portions of these payments. Until review is completed these expenses will be classified as state-only on the CMS-84. With all outside reviews, there is a potential for a portion of these costs to remain state-only if any of them are disallowed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2008

12 Months Actuals 0 Months Remaining

MONTH OF JUNE 2008	ACTUALS	ACTUALS	PROJECTED	TOTAL
	6/1/08 Thru 6/30/08	Year-To-Date Thru 6/30/08	6/1/2008 Thru 06/30/08	SFY2008
REVENUE SOURCES				
Beg. Bal. (5084/1020 prior mth)	17,359,963	\$26,493,079		\$26,493,079
MATCHING FUNDS				
General Revenue (0403/189)	35,307,625	393,705,687	0	393,705,687
Rural Hospitals Under 150 Beds (0403/840)	216,333	2,596,001	-1	2,596,000
Tertiary Funding (0403/547)	404,666	4,856,000	0	4,856,000
Lottery Waiver (Less 550,000) (5405/539)	0	23,272,578	0	23,272,578
Lottery Transfer (5405/871)	0	10,300,000	0	10,300,000
Trust Fund Appropriation (5185/189)	0	14,337,873	16,218,721	30,556,594
Provider Tax (5090/189)	22,670,796	171,363,668	-15,783,668	155,600,000
Certified Match	1,564,805	19,836,734	3,044,276	22,881,010
Reimbursables - Amount Reimbursed	565,739	3,721,481	75,670	3,797,151
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	27,213	301,154	(301,154)	0
CMS - 64 Adjustments		(5,430,471)	5,430,471	0
TOTAL MATCHING FUNDS	\$78,117,141	\$666,373,785	\$8,684,314	\$674,058,099
FEDERAL FUNDS	120,008,134	1,630,783,428	\$95,227,894	\$1,726,011,323
TOTAL REVENUE SOURCES	\$198,125,275	\$2,296,157,213	\$103,912,209	\$2,400,069,422
TOTAL EXPENDITURES:				
Provider Payments	\$163,328,736	\$2,267,821,181	\$95,608,253	\$2,363,429,434
TOTAL	\$34,796,539	\$28,336,033	\$8,283,956	\$36,539,988

Note: FMAP (07' - 72.82% applicable July - Sept. 2007) (08' - 74.25% applicable Oct. 2007 - June 2008)

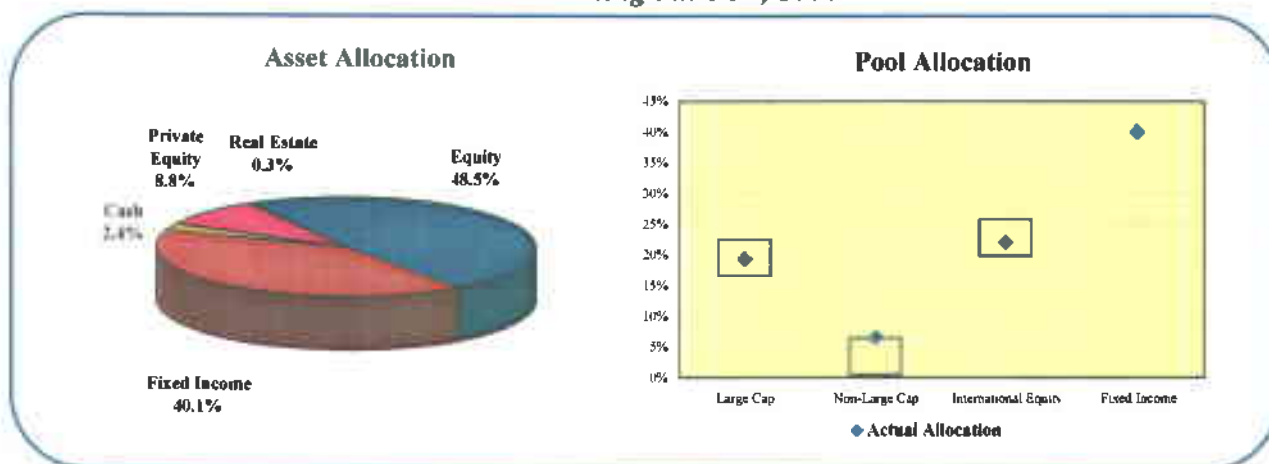
(1) This amount will revert to State Only if not reimbursed.

BUREAU FOR MEDICAL SERVICES
SFY 2008 Medicaid Approved Claims Report
As of May 31, 2008

REF#	CMS 64 Category Of Service	SFY 2007	YTD Totals				Year to Date
			JUL-AUG 2007	OCT-DEC 2007	JAN-MAR 2008	APR-JUN 2008	
1A	Inpatient Hospital Services	229,385,525	45,384,975	72,420,521	43,998,824	57,508,103	219,310,423
1B	Inpatient Hospital Services - DSH	54,220,771	15,322,603	13,553,805	13,341,926	13,572,403	55,790,737
2A	Mental Health Facilities	40,628,759	10,305,982	11,359,118	10,974,396	7,782,360	40,421,856
2B	Mental Health Facilities - DSH	18,800,405	4,690,367	4,681,169	4,647,212	4,647,212	18,665,960
3	Nursing Facility Services	405,794,188	104,487,658	109,227,700	109,056,565	101,293,074	424,063,997
4B	Intermediate Care Facilities - Private Providers	58,697,741	13,836,583	15,893,395	14,839,019	13,631,209	58,200,206
5	Physicians Services	122,327,848	27,718,085	28,719,335	34,100,503	21,505,831	112,041,764
6	Outpatient Hospital Services	100,870,576	27,404,929	26,339,900	25,534,823	17,563,946	96,843,598
7	Prescribed Drugs	317,302,910	78,873,827	85,802,759	81,360,468	54,510,842	310,347,788
7	Part D Premium - State Only	28,577,788	7,493,165	7,458,411	7,184,623	7,188,309	29,322,508
7A1	Drug Rebate Offset - National	(93,411,318)	(23,263,364)	(30,874,026)	(21,109,468)	(24,992,979)	(100,239,836)
7A2	Drug Rebate Offset - State	(31,239,277)	(7,013,277)	(6,798,766)	(7,754,108)	(7,019,766)	(30,586,907)
///	Total Rebates	(124,650,595)	(30,276,641)	(38,672,781)	(28,863,576)	(32,012,745)	(130,825,743)
///	NET DRUG COST	221,230,083	55,880,151	53,586,389	69,681,506	29,688,506	208,844,551
8	Dental Services	37,945,980	9,501,946	9,818,162	8,903,978	6,859,708	35,083,794
9	Other Practitioners Services	20,762,927	8,200,514	8,055,981	5,373,350	4,053,815	25,683,660
10	Clinic Services	35,142,939	6,559,185	6,907,742	6,896,785	8,067,331	27,431,053
11	Lab & Radiological Services	16,150,843	1,992,281	1,899,187	2,333,819	1,575,235	7,800,522
12	Home Health Services	28,558,463	7,061,020	6,868,656	8,900,651	8,333,959	28,864,288
13	Hysterectomies/Sterilizations	560,115	110,261	121,437	163,050	102,027	496,775
14	Pregnancy Termination	220,178	58,820	51,072	72,120	31,396	213,408
15	EPSDT Services	2,450,918	671,218	668,826	585,134	377,704	2,282,890
16	Rural Health Clinic Services	6,696,489	1,405,150	1,987,860	1,791,196	1,181,000	6,345,208
17A	Medicare - Part A Premiums	15,465,910	4,332,854	4,248,844	4,268,026	2,857,230	15,706,953
17B	Medicare - Part B Premiums	61,496,982	17,631,527	17,892,015	18,263,898	12,346,493	68,123,933
18A	Managed Care Organizations	257,900,656	63,670,736	67,660,986	66,128,062	42,788,883	240,248,667
18C	Group Health Plan Payments	329,728	79,855	77,393	84,656	27,044	268,948
19	Home & Community-Based Services (MR/DD)	201,156,249	55,069,947	55,451,290	55,083,144	51,653,573	217,257,854
20	Home & Community-Based Services (Aged/Disabled)	58,505,657	16,156,123	16,326,402	17,134,026	14,935,241	64,551,791
23	Personal Care Services	35,989,302	9,553,774	9,393,243	9,679,202	8,759,145	37,385,364
24	Targeted Case Management	7,850,996	1,726,836	1,714,598	1,569,684	1,097,076	6,108,194
25	Primary Care Case Management	800,139	185,574	174,258	178,311	117,429	655,572
26	Hospice Benefits	9,991,391	2,448,383	3,679,309	3,352,749	2,271,496	11,751,937
28	Federally Qualified Health Center	15,469,566	4,024,748	4,910,303	4,338,003	3,478,815	16,751,889
29	Other Care Services	111,853,165	28,778,182	25,633,974	24,239,098	18,762,427	97,413,661
	Unclassified	211,644	0	0	0	0	0
///	TOTALS	2,175,445,938	544,268,175	578,322,870	585,182,713	454,845,671	2,142,609,429

This report's data is prepared based on claims received and approved for payment (Modified Accrual basis of Accounting). Therefore, the data presented in this report will not match the CMS-64 Quarterly Reports which are prepared on a cash basis.

WVIMB Investment Pools Periods Ending June 30, 2008



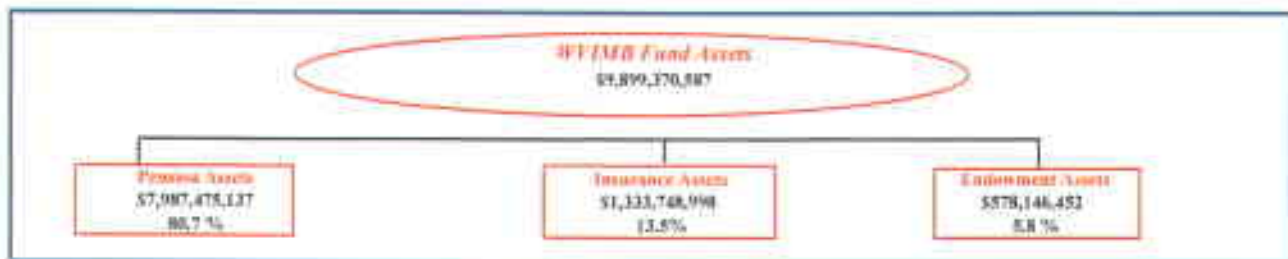
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity							
Large Cap S&P 500	\$1,936,830	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity							
Total Non-Large Cap Russell 2500	\$661,374	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Total Domestic Equity Russell 3000	\$2,598,204	(7.4)% (8.3)%	(0.4)% (1.7)%	(9.7)% (11.0)%	(12.4)% (12.7)%	5.1% 4.7%	9.8% 8.4%
International Equity							
Total International MSCI All Country World Free EX US	\$2,201,104	(8.7)% (8.2)%	(3.8)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.5% 16.2%	16.7% 19.4%
Total Global Equity Global Index¹	\$4,799,308	(8.0)% (8.2)%	(2.1)% (1.3)%	(10.4)% (10.4)%	(13.2)% (11.7)%	7.8% 8.0%	12.0% 12.2%
Fixed Income							
Total Fixed Income Fixed Income Index²	\$3,967,800	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.7% 4.2%	4.0% 3.9%
Cash							
Short Term Salomon 90 Day T-Bill + 15 bps	\$234,009	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity³	\$869,164	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate³	\$34,032	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$67	N/A	N/A	N/A	N/A	N/A	N/A
Total Investment Pools	\$9,904,380						

¹Policy is 50% R2000 and 50% MSCI ACW Free EX US as of April 2008. Prior periods were 40% S&P 500, 30% R2500, 30% MSCI ACW Free EX US.

²Policy is 100% LB Universal as of April 2008. Prior periods were the LB Aggregate.

³Time-weighted returns for these pools are meaningless until the programs have matured, generally, after five years.

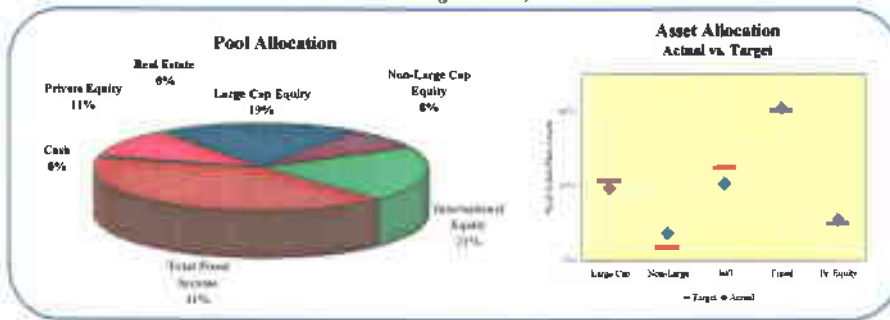
West Virginia Investment Management Board
Periods Ending June 30, 2008



Assets	Asset Values	Month Investment							
		Earnings	Month	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Participant Plans¹									
<u>Pension Assets</u>									
Public Employees' Retirement System	\$3,934,489,635	(\$174,685,719)	(4.3)%	(1.3)%	(6.3)%	(6.5)%	6.4%	8.9%	6.1%
Teachers' Retirement System	3,347,607,585	(183,161,010)	(5.3)%	(2.3)%	(7.3)%	(7.7)%	5.9%	8.6%	5.9%
Teachers' Employers Cont. Collection A/C	358,789	63,042	0.2%	0.6%	1.5%	4.0%	N/A	N/A	N/A
EMS Retirement System	15,415,675	(679,321)	(4.3)%	(3.7)%	N/A	N/A	N/A	N/A	N/A
Public Safety Retirement System	459,056,354	(21,382,890)	(4.4)%	(1.4)%	(6.4)%	(6.8)%	6.2%	8.9%	6.1%
Judges' Retirement System	100,188,867	(4,466,216)	(4.4)%	(1.4)%	(6.4)%	(6.8)%	6.2%	8.8%	6.0%
State Police Retirement System	41,564,069	(1,866,039)	(4.3)%	(1.3)%	(6.2)%	(6.6)%	6.2%	8.8%	5.9%
Deputy Sheriffs' Retirement System	88,794,163	(4,064,868)	(4.4)%	(1.3)%	(6.4)%	(6.8)%	6.2%	8.9%	N/A
<u>Insurance Assets</u>									
Workers' Compensation Old Fund	634,570,217	(18,928,919)	(2.9)%	(0.5)%	(3.0)%	(1.3)%	N/A	N/A	N/A
Workers' Comp. Self-Insured Guaranty Risk Pool	5,089,012	9,305	0.2%	0.6%	1.5%	4.4%	N/A	N/A	N/A
Workers' Comp. Uninsured Employers Fund	8,102,362	14,799	0.2%	0.6%	1.5%	4.3%	N/A	N/A	N/A
Pneumonia	255,805,121	(5,838,340)	(2.2)%	(0.6)%	(2.3)%	0.1%	N/A	N/A	N/A
Board of Risk & Insurance Mgmt.	109,324,936	(2,581,138)	(2.3)%	(0.6)%	(2.4)%	(0.0)%	4.8%	N/A	N/A
Public Employees' Insurance Agency	122,360,685	(2,396,319)	(1.9)%	(0.4)%	(1.7)%	1.1%	N/A	N/A	N/A
WV Retiree Health Benefit Trust Fund	198,496,665	(2,349,439)	(1.2)%	(0.6)%	N/A	N/A	N/A	N/A	N/A
<u>Endowment Assets</u>									
Wildlife Fund	34,925,834	(1,898,738)	(5.2)%	(1.1)%	(6.1)%	(6.5)%	6.2%	9.0%	N/A
Prepaid Tuition Trust	93,543,461	(5,070,597)	(5.1)%	(1.1)%	(6.1)%	(6.4)%	6.3%	9.0%	N/A
Prepaid Tuition Trust Escrow	2,519,616	(20,898)	(0.8)%	(0.4)%	(0.5)%	3.3%	3.6%	N/A	N/A
Revenue Shortfall Reserve Fund	180,137,346	(9,434,767)	(5.0)%	(0.9)%	(6.0)%	(6.0)%	N/A	N/A	N/A
Revenue Shortfall Reserve Fund - Part B	267,020,195	(14,436,528)	(5.1)%	(1.0)%	(6.1)%	(6.4)%	N/A	N/A	N/A

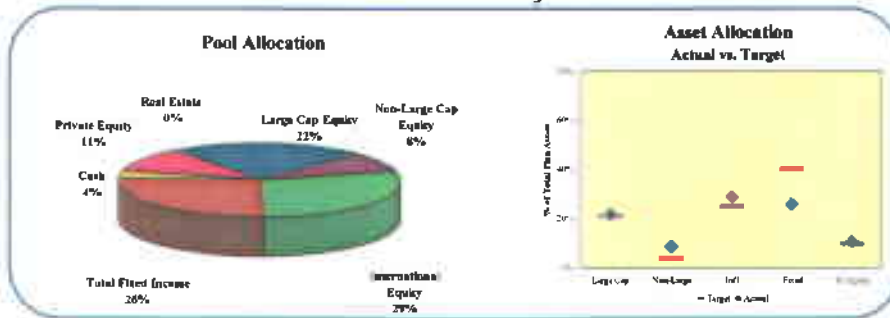
¹Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Public Employees' Retirement System
Periods Ending June 30, 2008



Investment Funds	Asset Values (\$MM's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$761,063	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$295,601	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$1,056,664	(7.4)%	(0.5)%	(9.7)%	(12.3)%	5.2%	9.8%
International Equity <i>MSCI All Country World Free EX US</i>	\$814,233	(8.7)% (8.2)%	(3.8)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.3% 16.2%	16.6% 19.4%
Global Equity	\$1,870,897	(7.9)%	(2.1)%	(10.4)%	(13.2)%	7.7%	11.9%
Total Fixed Income <i>Fixed Income Index</i>	\$1,599,167	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash <i>Salomon 90 Day T-Bill + 13 bps</i>	\$16,763	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$430,956	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$16,860	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$153)	N/A	N/A	N/A	N/A	N/A	N/A
Total Public Employees' Fund	\$3,934,490	(4.3)%	(1.3)%	(6.3)%	(6.5)%	6.4%	8.9%

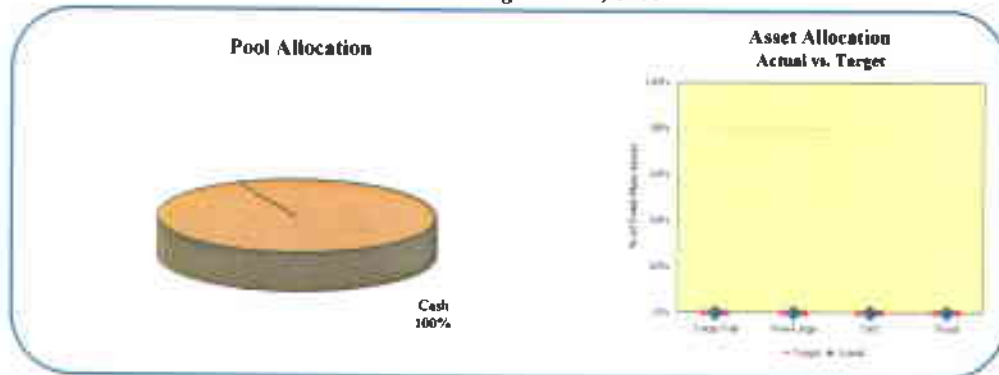
Teachers' Retirement System



Investment Funds	Asset Values (\$MM's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$736,142	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$283,987	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$1,020,129	(7.4)%	(0.4)%	(9.7)%	(12.5)%	5.0%	9.7%
International Equity <i>MSCI All Country World Free EX US</i>	\$963,898	(8.8)% (8.2)%	(3.9)% (0.9)%	(10.5)% (9.9)%	(13.6)% (6.2)%	13.3% 16.2%	16.6% 19.4%
Global Equity	\$1,984,027	(8.1)%	(2.2)%	(10.5)%	(13.4)%	7.6%	11.8%
Total Fixed Income <i>Fixed Income Index</i>	\$870,420	(1.0)% (0.3)%	(0.6)% (0.8)%	(0.7)% 1.3%	3.1% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash <i>Salomon 90 Day T-Bill + 13 bps</i>	\$117,883	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$361,210	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$14,099	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$32)	N/A	N/A	N/A	N/A	N/A	N/A
Total Teachers' Retirement Fund	\$3,347,608	(5.3)%	(2.3)%	(7.3)%	(7.7)%	5.9%	8.6%

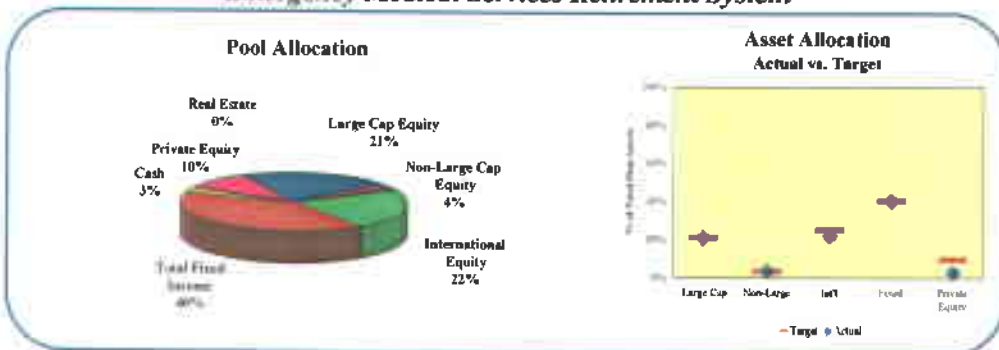
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Teachers' Employers Cont. Collection A/C
Periods Ending June 30, 2008



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash	\$359	0.2%	0.6%	1.5%	4.0%	N/A	N/A
<i>Salomon 90 Day T-Bill + 15 bps</i>		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Total Teachers' Employers	\$359	0.2%	0.6%	1.5%	4.0%	N/A	N/A

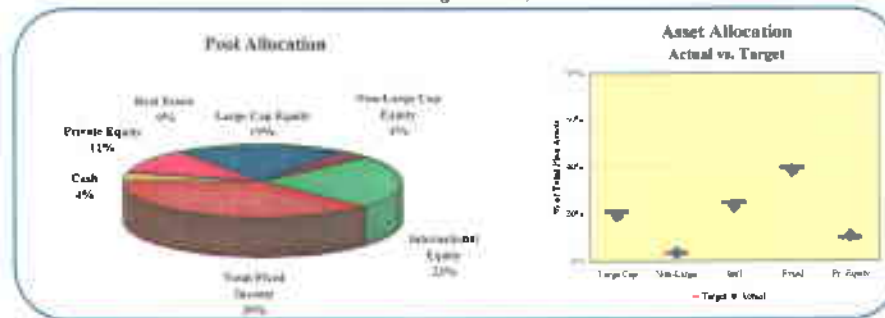
Emergency Medical Services Retirement System



Investment Pools	(000's)	Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity	\$3,220	(7.9)%	N/A	N/A	N/A	N/A	N/A
<i>S&P 500</i>		(8.4)%	(2.7)%	(11.9)%	(13.1)%	4.4%	7.6%
Non-Large Cap Equity	\$574	(5.9)%	N/A	N/A	N/A	N/A	N/A
<i>Russell 2500</i>		(8.2)%	1.4%	(8.1)%	(14.3)%	4.9%	11.5%
Domestic Equity	\$3,794	(7.6)%	N/A	N/A	N/A	N/A	N/A
International Equity	\$3,386	(8.6)%	N/A	N/A	N/A	N/A	N/A
<i>MSCI All Country World Free EX US</i>		(8.2)%	(0.9)%	(9.9)%	(6.2)%	16.2%	19.4%
Global Equity	\$7,180	(8.1)%	N/A	N/A	N/A	N/A	N/A
Total Fixed Income	\$6,179	(0.8)%	N/A	N/A	N/A	N/A	N/A
<i>Fixed Income Index</i>		(0.3)%	(0.8)%	1.3%	7.4%	4.2%	3.9%
Cash	\$483	0.2%	0.6%	N/A	N/A	N/A	N/A
<i>Salomon 90 Day T-Bill + 15 bps</i>		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Private Equity	\$1,538	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$36	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$0)	N/A	N/A	N/A	N/A	N/A	N/A
Total EMS Retirement System	\$15,416	(4.3)%	(3.7)%	N/A	N/A	N/A	N/A

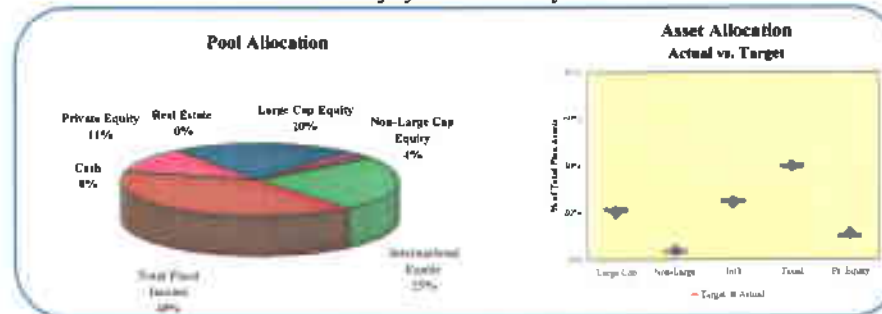
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Judges' Retirement System Periods Ending June 30, 2008



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)		Actual Returns (Black)			
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$19,415	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$3,781	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$23,197	(7.6)%	(0.6)%	(9.9)%	(12.7)%	4.9%	9.7%
International Equity <i>MSCI All Country World Free EX US</i>	\$23,465	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.4% 16.2%	16.6% 19.4%
Global Equity	\$46,662	(8.2)%	(2.3)%	(10.6)%	(13.5)%	7.5%	11.8%
Total Fixed Income <i>Fixed Income Index</i>	\$38,568	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash <i>Salamon 90 Day T-Bill + 15 bps</i>	\$3,880	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$10,664	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$416	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$1)	N/A	N/A	N/A	N/A	N/A	N/A
Total Judges' Pension Fund	\$100,189	(6.4)%	(1.4)%	(6.4)%	(6.8)%	6.2%	8.8%

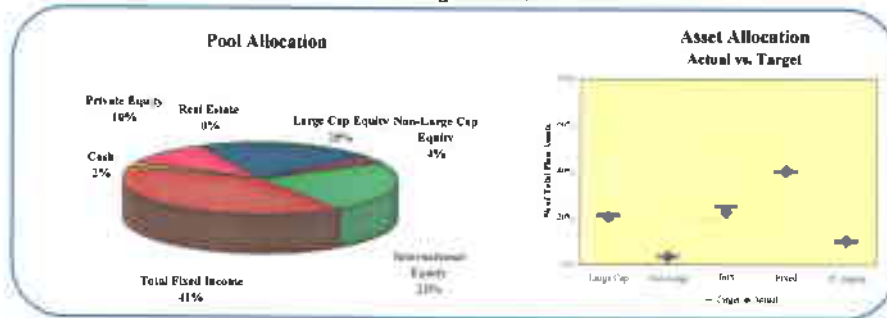
Public Safety Retirement System



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)		Actual Returns (Black)			
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$92,491	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$17,999	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$110,490	(7.6)%	(0.6)%	(9.9)%	(12.7)%	4.9%	9.7%
International Equity <i>MSCI All Country World Free EX US</i>	\$112,860	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.6% 16.2%	16.8% 19.4%
Global Equity	\$223,349	(8.2)%	(2.3)%	(10.6)%	(13.5)%	7.6%	11.9%
Total Fixed Income <i>Fixed Income Index</i>	\$182,580	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash <i>Salamon 90 Day T-Bill + 15 bps</i>	\$384	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$50,771	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$1,976	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$4)	N/A	N/A	N/A	N/A	N/A	N/A
Total Public Safety System	\$459,056	(4.4)%	(1.4)%	(6.4)%	(6.8)%	6.2%	8.9%

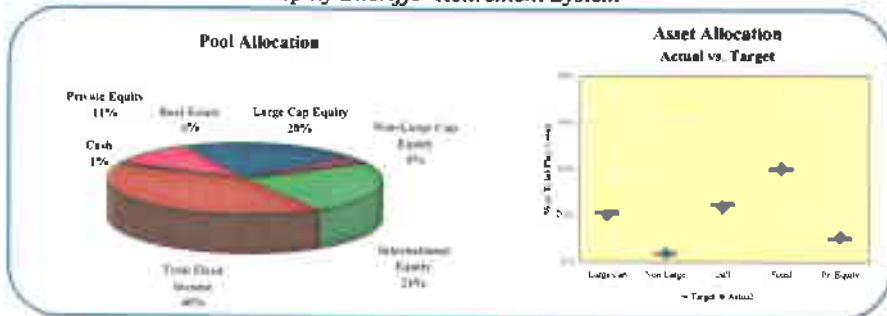
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

State Police Retirement System
Periods Ending June 30, 2008



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$8,487	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity Russell 2500	\$1,593	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$10,080	(7.6)%	(0.7)%	(9.9)%	(12.7)%	4.9%	9.7%
International Equity MSCI All Country World Free EX US	\$9,449	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.4% 16.2%	16.6% 19.4%
Global Equity	\$19,529	(8.1)%	(2.2)%	(10.6)%	(13.4)%	7.5%	11.8%
Total Fixed Income Fixed Income Index	\$16,671	(0.8)% (0.1)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash Solomon 90 Day T-Bill + 15 bps	\$870	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$4,324	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$172	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$0)	N/A	N/A	N/A	N/A	N/A	N/A
Total State Police Pension Fund	\$41,564	(4.3)%	(1.3)%	(6.2)%	(6.6)%	6.2%	8.8%

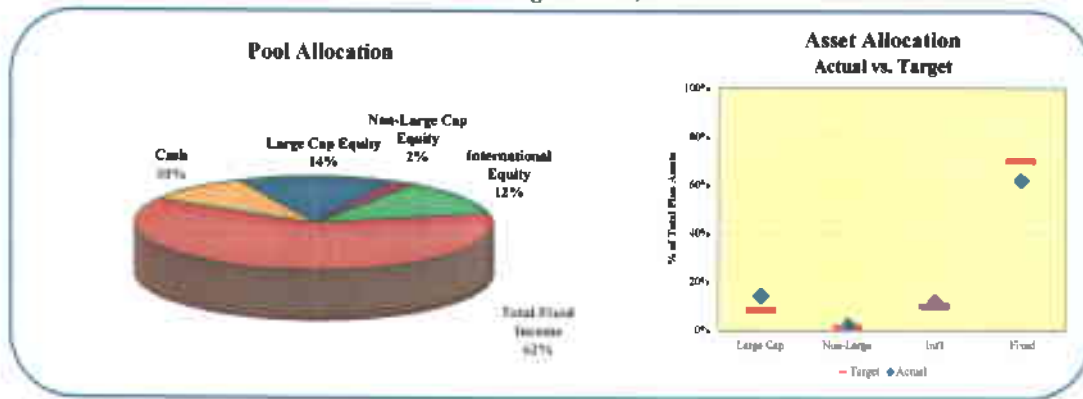
Deputy Sheriffs' Retirement System



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$17,890	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity Russell 2500	\$3,460	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$21,351	(7.6)%	(0.6)%	(9.9)%	(12.7)%	4.9%	9.8%
International Equity MSCI All Country World Free EX US	\$21,131	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	13.4% 16.2%	16.6% 19.4%
Global Equity	\$42,481	(8.2)%	(2.3)%	(10.6)%	(13.5)%	7.5%	11.9%
Total Fixed Income Fixed Income Index	\$35,807	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash Solomon 90 Day T-Bill + 15 bps	\$532	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Private Equity	\$9,598	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$377	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	(\$1)	N/A	N/A	N/A	N/A	N/A	N/A
Total Deputy Sheriffs' Fund	\$88,794	(4.4)%	(1.3)%	(6.4)%	(6.8)%	6.2%	8.9%

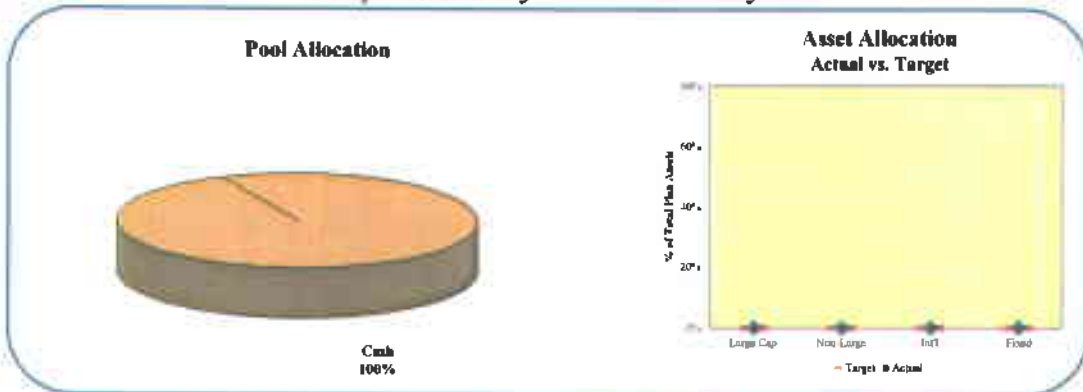
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Workers' Compensation Old Fund
Periods Ending June 30, 2008



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$89,097	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	N/A 4.4%	N/A 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$15,784	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	N/A 4.9%	N/A 11.5%
Domestic Equity	\$104,881	(7.6)%	(0.1)%	(9.3)%	(12.1)%	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$74,283	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.5)% (9.9)%	(13.6)% (6.2)%	N/A 16.2%	N/A 19.4%
Global Equity	\$179,164	(8.1)%	(1.6)%	(10.1)%	(12.9)%	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$393,097	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	N/A 4.2%	N/A 3.9%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$62,316	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	N/A 4.3%	N/A 3.2%
Hedge Funds	(\$6)	N/A	N/A	N/A	N/A	N/A	N/A
Total Workers' Comp. Old Fund	\$634,570	(2.9)%	(0.5)%	(3.0)%	(1.3)%	N/A	N/A

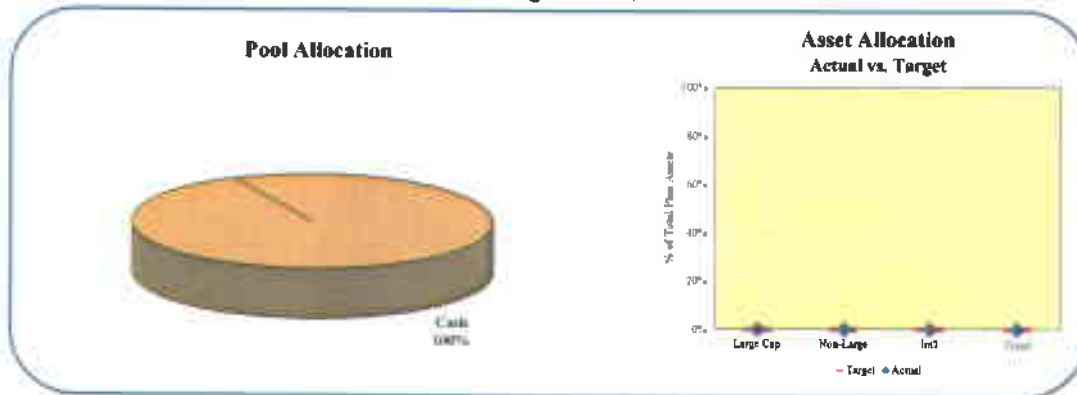
Workers' Compensation Self-Insured Guaranty Risk Pool



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$5,089	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.4% 3.5%	N/A 4.3%	N/A 3.2%
Total Workers' Comp. Self-Insured	\$5,089	0.2%	0.6%	1.5%	4.4%	N/A	N/A

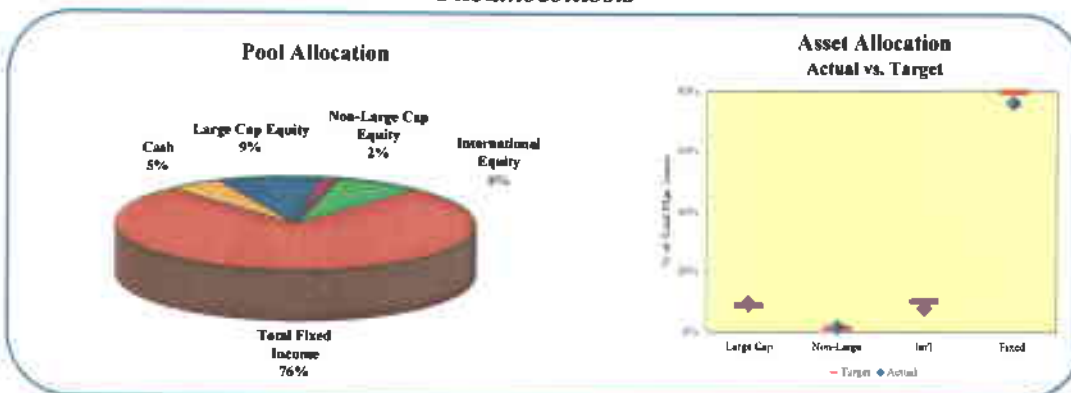
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Workers' Compensation Uninsured Employers Fund
Periods Ending June 30, 2008



	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash	\$8,102	0.2%	0.6%	1.5%	4.3%	N/A	N/A
Salomon 90 Day T-Bill + 15 bps		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Total Workers' Comp. Uninsured	\$8,102	0.2%	0.6%	1.5%	4.3%	N/A	N/A

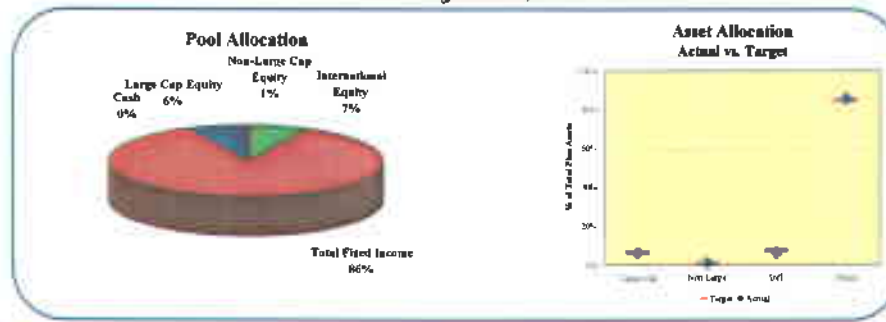
Pneumoconiosis



	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity	\$23,609	(7.9)%	(1.8)%	(11.5)%	(11.9)%	N/A	N/A
S&P 500		(8.4)%	(2.7)%	(11.9)%	(13.1)%	4.4%	7.6%
Non-Large Cap Equity	\$4,198	(5.9)%	3.5%	(5.0)%	(11.9)%	N/A	N/A
Russell 2500		(8.2)%	1.4%	(8.1)%	(14.3)%	4.9%	11.5%
Domestic Equity	\$27,807	(7.6)%	(0.1)%	(9.3)%	(12.2)%	N/A	N/A
International Equity	\$20,096	(8.7)%	(3.9)%	(10.5)%	(13.6)%	N/A	N/A
MSCI All Country World Free EX US		(8.2)%	(0.9)%	(9.9)%	(6.2)%	16.2%	19.4%
Global Equity	\$47,903	(8.1)%	(1.7)%	(10.0)%	(12.9)%	N/A	N/A
Total Fixed Income	\$195,415	(0.8)%	(0.4)%	(0.5)%	3.3%	N/A	N/A
Fixed Income Index		(0.3)%	(0.8)%	1.3%	7.4%	4.2%	3.9%
Cash	\$12,489	0.2%	0.6%	1.5%	4.1%	N/A	N/A
Salomon 90 Day T-Bill + 15 bps		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Hedge Funds	(\$2)	N/A	N/A	N/A	N/A	N/A	N/A
Total Pneumoconiosis Fund	\$255,805	(2.2)%	(0.6)%	(2.3)%	0.1%	N/A	N/A

Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Public Employees' Insurance Agency
Periods Ending June 30, 2008



	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$7,648	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	N/A 4.4%	N/A 7.6%
Non-Large Cap Equity Russell 2500	\$1,559	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	N/A 4.9%	N/A 11.5%
Domestic Equity	\$9,207	(7.6)%	0.1%	(9.2)%	(12.0)%	N/A	N/A
International Equity MSCI All Country World Free EX US	\$8,100	(8.7)% (8.2)%	(4.0)% (0.9)%	(10.4)% (9.9)%	(13.5)% (6.2)%	N/A 16.2%	N/A 19.4%
Global Equity	\$17,308	(8.1)%	(1.6)%	(10.0)%	(12.9)%	N/A	N/A
Total Fixed Income Fixed Income Index	\$105,027	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	N/A 4.2%	N/A 3.9%
Cash Salomon 90 Day T-Bill + 15 bps	\$27	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	N/A 4.3%	N/A 3.2%
Hedge Funds	(\$1)	N/A	N/A	N/A	N/A	N/A	N/A
Total Public Employees' Fund	\$122,361	(1.9)%	(0.4)%	(1.7)%	1.1%	N/A	N/A

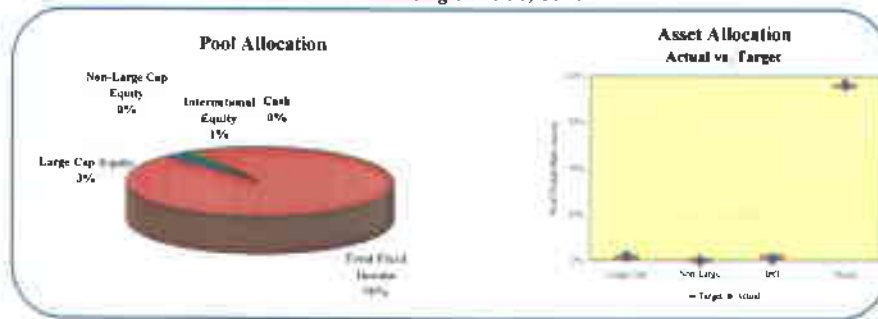
Board of Risk & Insurance Management



	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$10,522	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.4%	N/A 7.6%
Non-Large Cap Equity Russell 2500	\$1,792	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	N/A 11.5%
Domestic Equity	\$12,517	(7.8)%	(0.2)%	(9.5)%	(12.3)%	5.1%	N/A
International Equity MSCI All Country World Free EX US	\$8,443	(8.5)% (8.2)%	(3.7)% (0.9)%	(10.3)% (9.9)%	(13.4)% (6.2)%	14.0% 16.2%	N/A 19.4%
Global Equity	\$20,960	(8.1)%	(1.6)%	(10.0)%	(12.9)%	8.3%	N/A
Total Fixed Income Fixed Income Index	\$88,360	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	N/A 3.9%
Cash Salomon 90 Day T-Bill + 15 bps	\$6	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	N/A 3.2%
Hedge Funds	(\$1)	N/A	N/A	N/A	N/A	N/A	N/A
Total Board of Risk & Ins. Mgmt.	\$109,325	(2.3)%	(0.6)%	(2.4)%	(0.0)%	4.8%	N/A

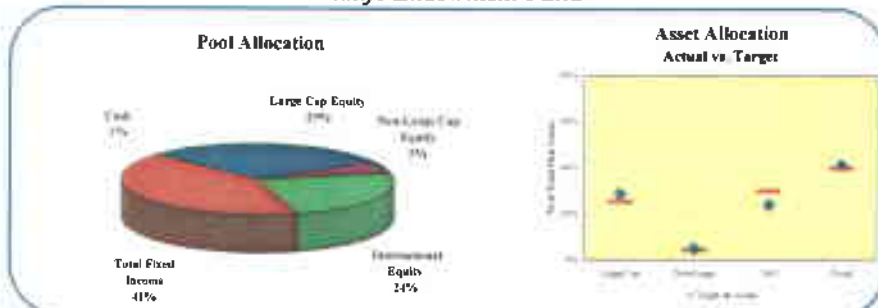
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

WV Retiree Health Benefit Trust Fund
Periods Ending June 30, 2008



Investment Pools	Asset Values (MM's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$5,430	11.9%	11.8%	N/A	N/A	N/A	N/A
		(8.4)%	(2.7)%	(11.9)%	(13.1)%	4.4%	7.6%
Non-Large Cap Equity Russell 2500	\$757	(5.9)%	3.5%	N/A	N/A	N/A	N/A
		(8.2)%	1.4%	(8.1)%	(14.3)%	4.9%	11.5%
Domestic Equity	\$6,187	(7.7)%	(1.0)%	N/A	N/A	N/A	N/A
International Equity MSCI All Country World Free EXUS	\$2,374	(9.0)%	(3.5)%	N/A	N/A	N/A	N/A
		(8.2)%	(0.9)%	(9.9)%	(6.2)%	16.2%	19.4%
Global Equity	\$8,561	(8.1)%	(1.6)%	N/A	N/A	N/A	N/A
Total Fixed Income Fixed Income Index	\$189,743	(0.8)%	(0.4)%	N/A	N/A	N/A	N/A
		(0.3)%	(0.8)%	1.3%	7.4%	4.2%	3.9%
Cash Solomon 90 Day T-Bill + 15 bps	\$191	0.2%	0.6%	N/A	N/A	N/A	N/A
		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Total WV Retiree Health Benefit Fund	\$198,497	(1.2)%	(0.6)%	N/A	N/A	N/A	N/A

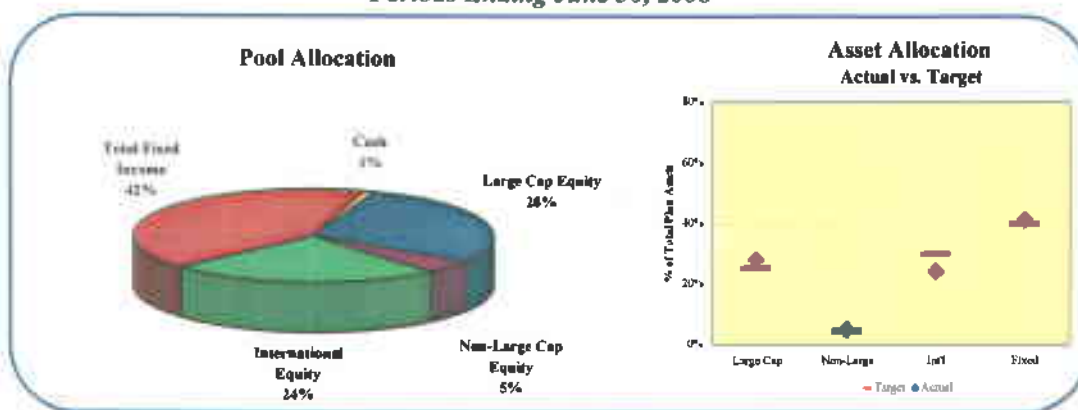
Wildlife Endowment Fund



Investment Pools	Asset Values (MM's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$10,050	7.9%	1.8%	(11.5)%	(11.9)%	4.6%	8.8%
		(8.4)%	(2.7)%	(11.9)%	(13.1)%	4.4%	7.6%
Non-Large Cap Equity Russell 2500	\$1,752	(5.9)%	3.5%	(5.0)%	(11.9)%	6.3%	12.6%
		(8.2)%	1.4%	(8.1)%	(14.3)%	4.9%	11.5%
Domestic Equity	\$11,802	(7.6)%	(0.1)%	(9.4)%	(12.2)%	5.1%	10.0%
International Equity MSCI All Country World Free EXUS	\$8,409	(8.7)%	(3.9)%	(10.5)%	(13.6)%	13.3%	16.5%
		(8.2)%	(0.9)%	(9.9)%	(6.2)%	16.2%	19.4%
Global Equity	\$20,212	(8.1)%	(1.7)%	(10.0)%	(13.0)%	7.6%	12.1%
Total Fixed Income Fixed Income Index	\$14,375	(0.8)%	(0.4)%	(0.5)%	3.4%	3.6%	4.0%
		(0.3)%	(0.8)%	1.3%	7.4%	4.2%	3.9%
Cash Solomon 90 Day T-Bill + 15 bps	\$339	0.2%	0.6%	1.5%	4.1%	4.6%	3.4%
		0.1%	0.4%	1.2%	3.5%	4.3%	3.2%
Hedge Funds	(\$0)	N/A	N/A	N/A	N/A	N/A	N/A
Total Wildlife Fund	\$34,926	(5.2)%	(1.1)%	(6.1)%	(6.5)%	6.2%	9.0%

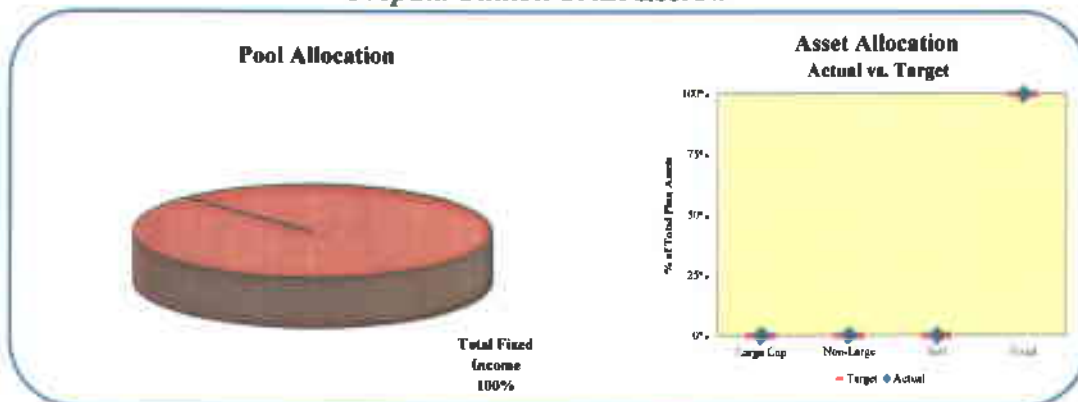
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Prepaid Tuition Trust Fund Periods Ending June 30, 2008



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$26,426	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	4.6% 4.4%	8.0% 7.6%
Non-Large Cap Equity <i>Russell 2500</i>	\$4,686	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	6.3% 4.9%	12.6% 11.5%
Domestic Equity	\$31,112	(7.6)%	(0.0)%	(9.3)%	(12.1)%	5.2%	10.0%
International Equity <i>MSCI All Country World Free EX US</i>	\$22,804	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.5)% (9.9)%	(13.6)% (6.2)%	13.3% 16.2%	16.5% 19.4%
Global Equity	\$53,916	(8.1)%	(1.7)%	(10.0)%	(12.9)%	7.7%	12.0%
Total Fixed Income <i>Fixed Income Index</i>	\$38,584	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	4.0% 3.9%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$1,043	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	4.6% 4.3%	3.4% 3.2%
Total Prepaid Tuition Trus	\$93,543	(5.1)%	(1.1)%	(6.1)%	(6.4)%	6.3%	9.0%

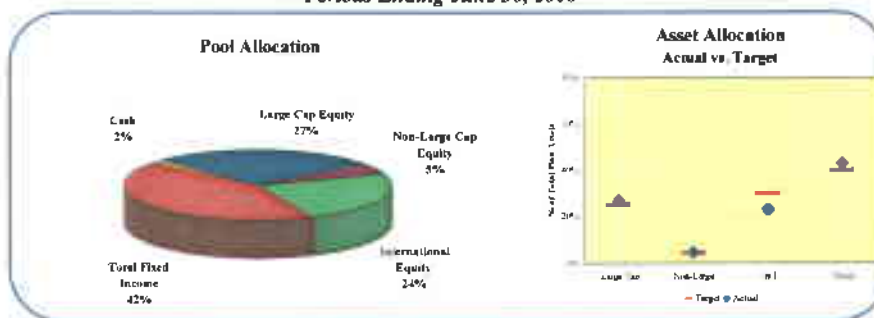
Prepaid Tuition Trust Escrow



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Total Fixed Income <i>Fixed Income Index</i>	\$2,320	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.3% 7.4%	3.6% 4.2%	N/A 3.9%
Total Prepaid Tuition Trust Escrow	\$2,320	(0.8)%	(0.4)%	(0.5)%	3.3%	3.6%	N/A

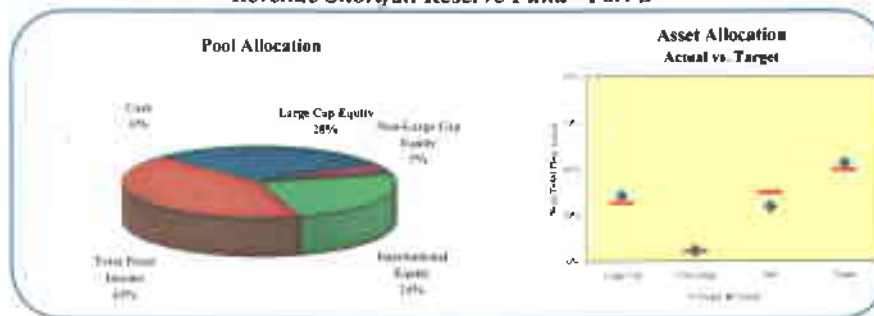
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized

Revenue Shortfall Reserve Fund
Periods Ending June 30, 2008



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$48,313	(7.7)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	N/A 4.4%	N/A 7.6%
Non-Large Cap Equity Russell 2500	\$8,885	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	N/A 4.9%	N/A 11.5%
Domestic Equity	\$57,701	(7.6)%	(0.0)%	(9.3)%	(12.0)%	N/A	N/A
International Equity MSCI All Country World Free EX US	\$42,338	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.5)% (9.9)%	(13.6)% (6.2)%	N/A 16.2%	N/A 19.4%
Global Equity	\$100,039	(8.1)%	(1.7)%	(10.0)%	(12.4)%	N/A	N/A
Total Fixed Income Fixed Income Index	\$76,942	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.4% 7.4%	N/A 4.2%	N/A 3.9%
Cash Salomon 90 Day T-Bill + 15 bps	\$3,158	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	N/A 4.3%	N/A 3.2%
Hedge Funds	(\$2)	N/A	N/A	N/A	N/A	N/A	N/A
Total Rev. Shortfall Reserve Fund	\$180,137	(5.0)%	(0.9)%	(6.0)%	(6.0)%	N/A	N/A

Revenue Shortfall Reserve Fund - Part B



Investment Pools	Asset Values (\$MM)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$75,899	(7.9)% (8.4)%	(1.8)% (2.7)%	(11.5)% (11.9)%	(11.9)% (13.1)%	N/A 4.4%	N/A 7.6%
Non-Large Cap Equity Russell 2500	\$13,396	(5.9)% (8.2)%	3.5% 1.4%	(5.0)% (8.1)%	(11.9)% (14.3)%	N/A 4.9%	N/A 11.5%
Domestic Equity	\$89,295	(7.6)%	(0.0)%	(9.3)%	(12.1)%	N/A	N/A
International Equity MSCI All Country World Free EX US	\$64,043	(8.7)% (8.2)%	(3.9)% (0.9)%	(10.5)% (9.9)%	(13.6)% (6.2)%	N/A 16.2%	N/A 19.4%
Global Equity	\$153,338	(8.1)%	(1.7)%	(10.0)%	(12.9)%	N/A	N/A
Total Fixed Income Fixed Income Index	\$113,583	(0.8)% (0.3)%	(0.4)% (0.8)%	(0.5)% 1.3%	3.4% 7.4%	N/A 4.2%	N/A 3.9%
Cash Salomon 90 Day T-Bill + 13 bps	\$102	0.2% 0.1%	0.6% 0.4%	1.5% 1.2%	4.1% 3.5%	N/A 4.3%	N/A 3.2%
Hedge Funds	(\$3)	N/A	N/A	N/A	N/A	N/A	N/A
Total Rev. Shortfall Reserve Fund B	\$267,020	(5.1)%	(1.0)%	(6.1)%	(6.4)%	N/A	N/A

Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.



Status Report Workers' Compensation

Joint Committee on Government &
Finance

8/30/08

Provided by the West Virginia Offices of the Insurance Commissioner



Workers' Compensation Old Fund Balances
Cash Basis
(\$)

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008 January 1 - July 31
Revenue			
Statutory Transfers*	266,613,362	261,975,877	198,832,391
Collections	8,316,798	1,041,116	1,928,852
Investment Income	50,201,026	40,659,223	(1,624,897)
Total Revenue	325,131,186	303,676,215	199,136,346
Expenditures			
Claim Payments	(355,245,366)	(284,445,313)	(144,546,419)
Administrative/Other Expense	(21,630,179)	(24,710,582)	(13,271,875)
Total Expenditures	(376,875,545)	(309,155,895)	(157,818,294)
Workers' Compensation Commission Initial fund transfer January 2006	711,094,830		
Payments from BrickStreet Insurance on Surplus Note			100,015,205
<hr style="border: 1px solid black;"/>			
Invested Balance with WVIMB at year end	647,444,812	635,908,034	727,499,137

Workers' Compensation Old Fund Benefit Payments
Average Monthly Payments
(\$)

	Previous 12-Month Period 8/01/06 to 7/31/07	Current 12-Month Period 8/01/07 to 7/31/08
Claims benefits paid:		
Medical	(5,313,287.82)	(4,072,586.82)
Permanent Total Disability	(13,073,112.49)	(12,711,066.43)
Permanent Partial Disability	(3,066,025.95)	(1,158,291.12)
Temporary Total Disability	(675,526.62)	(262,082.70)
Settlement Agreements	(646,053.03)	(341,124.12)
Fatals	(2,917,461.44)	(2,820,488.38)
104 weeks	(429,869.76)	(452,297.55)
Total	(26,121,337.12)	(21,817,937.12)
Claims credits and overpayments	384,960.03	389,358.54
Total claims paid	(25,736,377.08)	(21,428,578.57)

OIC Employer Coverage Unit Employer Exemption Statistics

Current 12 -Month Period	New Exemptions Issued	Renewals Granted	Total Exemptions Issued
Aug-07	128	126	254
Sep-07	125	171	296
Oct-07	161	107	268
Nov-07	97	55	152
Dec-07	179	35	214
Jan-08	139	54	193
Feb-08	125	103	228
Mar-08	155	84	239
Apr-08	131	112	243
May-08	107	139	246
Jun-08	111	194	305
Jul-08	161	100	261

CY06

Total Exemptions Issued	2,209
Total Denials	262
Number of Applications Received	2,471

CY07

Total Exemptions Issued	2,763
Total Denials	299
Number of Applications Received	3,062

CY08 - YTD

Total Exemptions Issued	1,715
Total Denials	293
Number of Applications Received	2,008

Old Fund / Debt Reduction

	July 2008	1st Qtr Total
Revenues		
Personal Income Tax	-	-
Severance Tax	8,913,078	8,913,078
Debt Reduction Surcharge	10,171,291	10,171,291
Self-Insured Debt Reduction Surcharge	1,400,955	1,400,955
Video Lottery	4,588,235	4,588,235
Surplus Note Principal	60,000,000	60,000,000
Employer Premium	207,660	207,660
Other Income - Return of Unclaimed Property	-	-
Investment / Interest Earnings (Losses)	(18,928,919)	(18,928,919)
Total Revenues	66,352,301	66,352,301
Expenditures		
Public Employees Insurance	10,453	10,453
Payment of Claims	21,849,692	21,849,692
Contractual/Professional	1,734,021	1,734,021
Third Party Administrator Charges	-	-
Unemployment Compensation	-	-
Total Expenditures	23,594,165	23,594,165
Closing Transfer from Private Carrier Fund	1,945,207	1,945,207
Excess (Deficiency) of Revenues over Expenditures	44,703,343	44,703,343
*Cash Beginning Balance	734,195,514	734,195,514
Cash Ending Balances	778,898,856	778,898,856

*Note: Cash Beginning Balance equal to actual cash balance in FIMS at 6-30-08.

Old Fund Liability Estimate

(excluding LAE)
(discounted)

	FY2009	July
Beginning Reserve Amount		2,723,900,000
Claim Payments		21,000,000
Estimated Ending Reserve Amount		2,713,954,771

Note:

The interim estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month.

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. The estimate is updated monthly.

WEST VIRGINIA
OFFICES OF THE INSURANCE COMMISSIONER
SCHEDULE OF NET ASSETS
Workers' Compensation Old Fund - Debt Reduction
(In Thousands)

	June 30, 2008	July 31, 2008	Change
Assets:			
Cash and Cash Equivalents	734,196	797,828	63,632
Receivables, Net:	14,285	14,285	0
Surplus Note	145,000	85,000	(60,000)
Total Assets	<u>893,481</u>	<u>897,113</u>	<u>3,632</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,723,900	2,713,955	(9,945)
Other Liabilities	3,317	3,317	0
Total Liabilities	<u>2,727,217</u>	<u>2,717,272</u>	<u>(9,945)</u>
Net Assets:			
Unrestricted	<u>(1,833,736)</u>	<u>(1,820,159)</u>	<u>13,577</u>
Total Net Assets	<u><u>(1,833,736)</u></u>	<u><u>(1,820,159)</u></u>	<u><u>13,577</u></u>

*Debt Reduction estimates are updated on a monthly basis. See note on "Old Fund Liability Estimate" sheet.

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

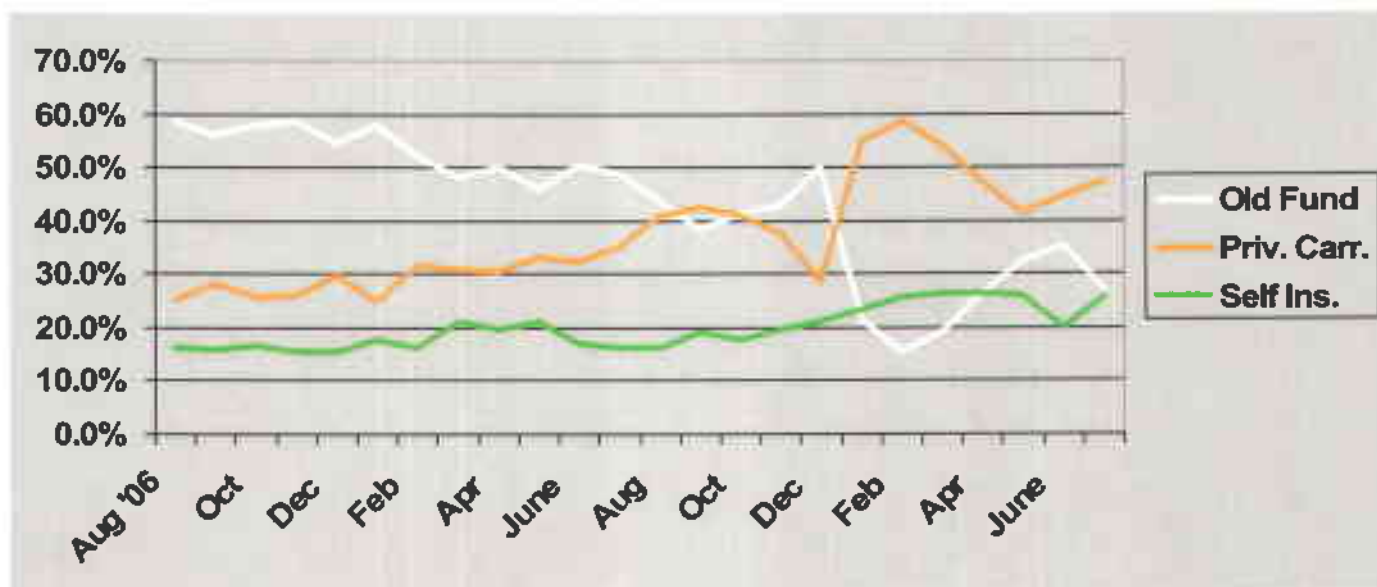
August 7, 2008

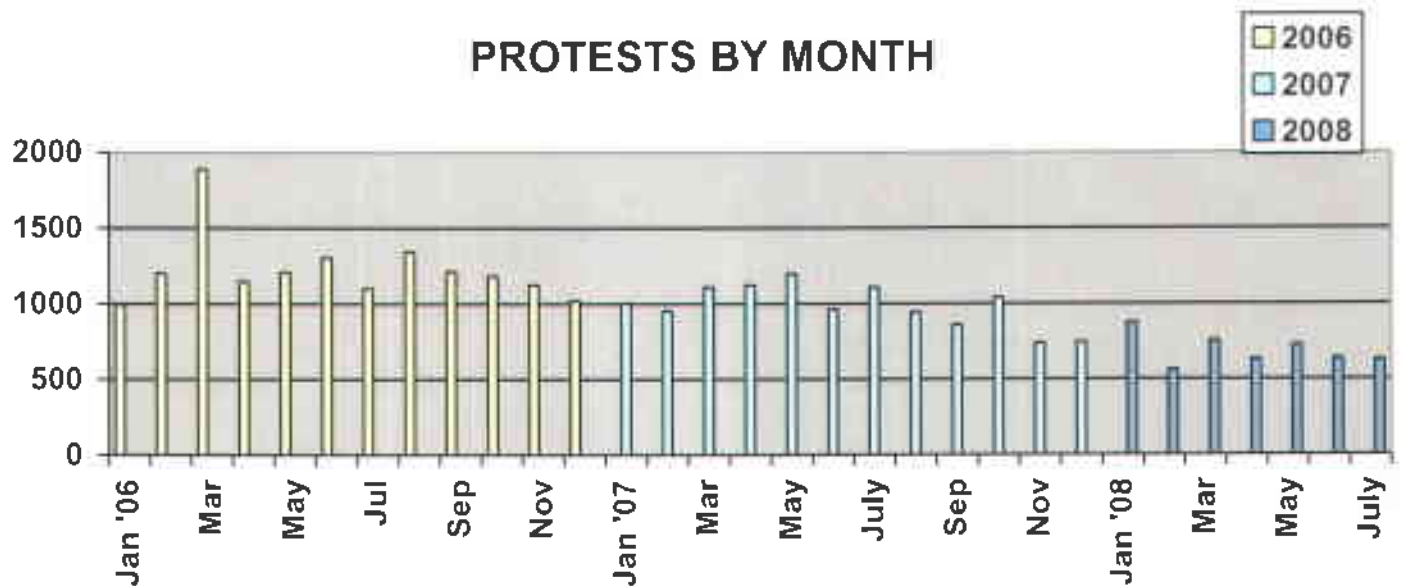
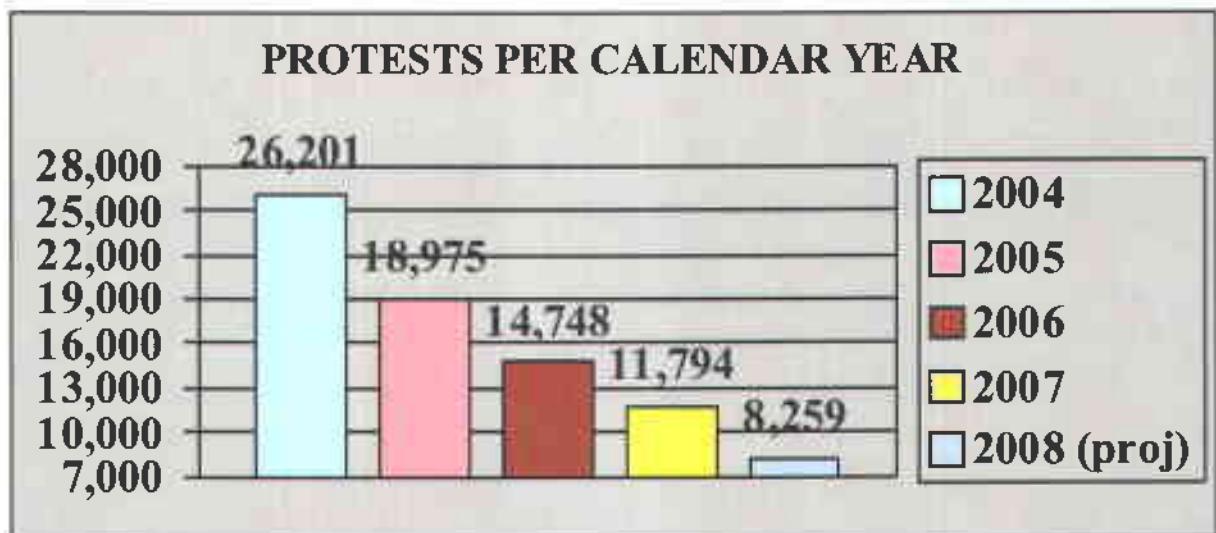
I. Statistical Analysis

A. Protests Acknowledged: 2007
11,794 JULY
627 YTD
4,818

Fund Involved:

FUND	2005	2006	% of protests	2007	% of protests	JULY '08	% of protests	YTD '08	% of protests
Old Fund	n/a	8,146	64.56%	4,433	46.30%	132	26.99%	975	25.27%
New Fund	n/a	2,207	17.49%	3,370	35.20%	231	47.24%	1,904	49.35%
Others	n/a								
Self-Insured	228 (avg)	2,264	17.94%	1,772	18.51%	126	25.77%	979	25.38%
Subtotal		12,617		9,575		489		3,858	
Temporary		2,131		2,219		138		960	
Total	18,975	14,748		11,794		627		4,818	



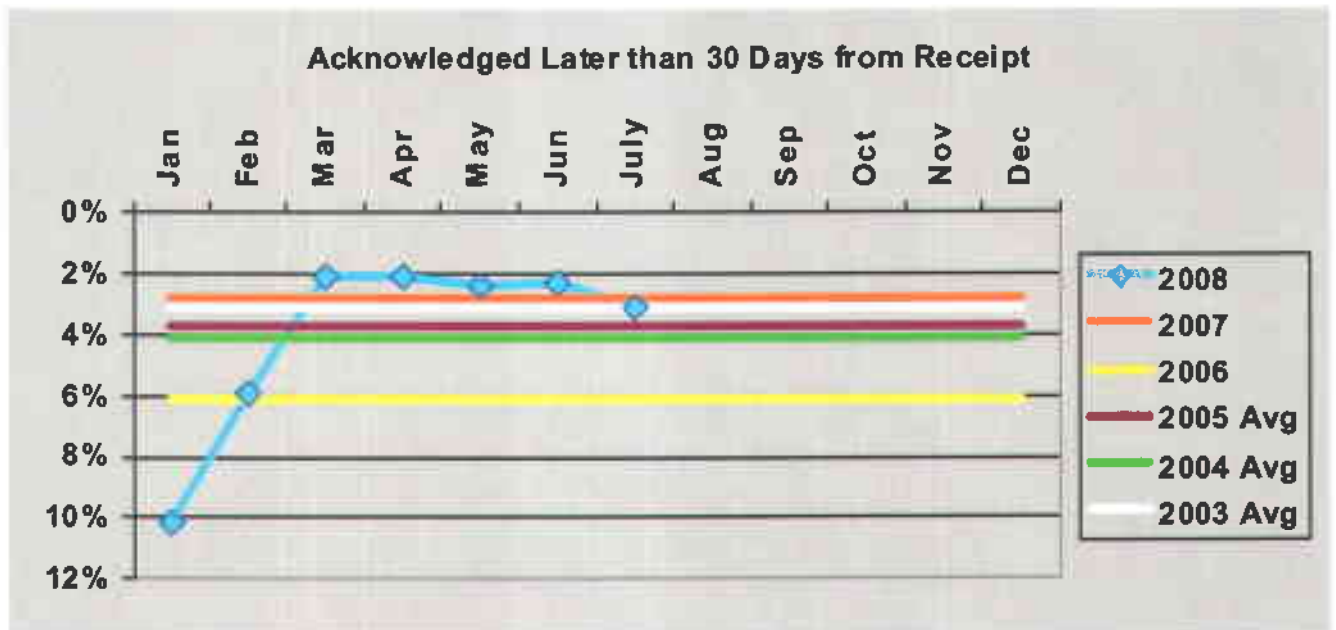


<u>YTD</u>	<u>2007</u>	<u>JULY</u>	
B. Issues Resolved:	11,472	562	5,028
C. Pending Caseload Report			

PENDING END OF JULY	5,248
PENDING 1 MONTH BEFORE	5,301
PENDING 2 MONTHS BEFORE	5,395
PENDING 3 MONTHS BEFORE	5,333
PENDING 6 MONTHS BEFORE	6,393
PENDING 12 MONTHS BEFORE	7,395

D. Acknowledgment

Timeliness:	2007	JULY	YTD
1. Protest Ackn. >30 days	2.8%	3.1%	4.0%
2. Protest Ackn. 24-30 days	1.5%	1.4%	2.3%
3. Protest Ackn. 11-23 days	13.7%	15.5%	18.2%
4. Protest Ackn. <11 days	82.0%	80.0%	75.5%



E. Decisions Mailed:	2007	JULY	YTD
1. ALJ Decisions	3,775	234	1,904
2. Non-Attorney Adjudicator:	2,824	87	1,040
3. Withdrawals:	1,366	87	673
4. "No Evidence" Dismissals	2,215	92	907

F. Final Decision Timeliness	<u>2007</u>	<u>JULY</u>	<u>YTD</u>
1. <30 days:	61.7%	57.5%	64.5%
2. 30-60 days:	26.9%	29.9%	22.8%
3. 60-90 days:	11.1%	11.2%	12.2%
4. +90 days:	0.3%	1.4%	0.5%



G. Time Standard Compliance	<u>2007</u>	<u>JULY</u>	<u>YTD</u>
	92.6%	92.0%	91.3%

Friday, August 01, 2008

Acknowledgement Goal

Report Dates: From 7/1/2008 thru 7/31/2008

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	4								
CBO - CL BEN. OVERPAYMENT	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
BENEFIT RATE	3								
CBR - CL PRSTS BEN RATE	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
COMPENSABILITY	83								
CCS - CL SEC.CONDITION	17	0	0.0%	1	5.9%	0	0.0%	16	94.1%
CHC - CL COMPENSABILITY	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIM - CL SI COMPENSABLE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIS - CL SI SEC.CONDITION	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CPI - CL SI REJECT CLAIM	12	2	16.7%	1	8.3%	1	8.3%	8	66.7%
CPJ - CL REJECT CLAIM	41	3	7.3%	0	0.0%	12	29.3%	26	63.4%
CQR - CL SI REJ OCCDISEASE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CRZ - CL REJ OCC DISEASE	7	0	0.0%	0	0.0%	5	71.4%	2	28.6%
DEF BEN FATAL	4								
CDF - CL DENY/GRNT DTH BEN	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CIF - CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EDF - EM DENY/GRNT DTH BEN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 10 DAY	1								
C7A - CL FTA RO TTD/MED	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
IEB DETERMINATION	2								
CZB - CL SI IEB DETRM'TION	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
OP NON-MED	16								
CIR - CL SI NON-MED ORDER	7	1	14.3%	0	0.0%	1	14.3%	5	71.4%
CNR - CL NON-MED ORDER	8	0	0.0%	1	12.5%	1	12.5%	6	75.0%
ENR - EM NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
OPBD	19								

http://wviconnet.wvicon.local/aims_reports/ExecutiveOffice.aspx

8/1/2008

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CAO - CL ADD BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBF - CL % BOARD FINDING	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CSF - CL % SI BOARD FINDING	9	0	0.0%	0	0.0%	2	22.2%	7	77.8%
CSO - CL SI AD.BRD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
ESF - EM % SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
ESO - EM SI AD.BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FPD	102								
CAA - CL ADDL % AWARD D/G	7	0	0.0%	1	14.3%	0	0.0%	6	85.7%
CAD - CL % AWARD DENY/GRNT	77	1	1.3%	0	0.0%	7	9.1%	69	89.6%
CIE - CL SI ADD% AWARD D/G	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIQ - CL SI %AWARD DNY/GNT	16	0	0.0%	0	0.0%	3	18.8%	13	81.3%
PTD ENTITLEMENT	6								
CIT - CL SI DENY/GRANT PTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CKC - CL DENY/GRANT PTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EIT - EM SI DENY/GRANT PTD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
REOPENING	42								
CIQ - CL SI DY/GNT R/O FPD	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CIY - CL SI DY/GNT R/O TTD	9	0	0.0%	0	0.0%	3	33.3%	6	66.7%
CIZ - CL SI D/G R/O TRMT	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CJV - CL DNY/GRNT R/O FPD	4	1	25.0%	0	0.0%	1	25.0%	2	50.0%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	13	0	0.0%	0	0.0%	0	0.0%	13	100.0%
CRO - CL DY/GRNT R/O TRMT	7	1	14.3%	0	0.0%	1	14.3%	5	71.4%
TRMT/EQUIP CL	158								
CBX - CL TRMT DENY	124	2	1.6%	1	0.8%	17	13.7%	104	83.9%
CSX - CL SI TRMT DENY	34	0	0.0%	1	2.9%	3	8.8%	30	88.2%
TTD	49								
CCC - CL CLOSING THE CLAIM	35	0	0.0%	0	0.0%	5	14.3%	30	85.7%
CIC - CL SI CLSING THE CLM	10	0	0.0%	0	0.0%	2	20.0%	8	80.0%
CIS - CL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CPX - CL INITIAL TTD	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
CSG - CL SI INITIAL TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals:	489	15	3.1%	7	1.4%	76	15.5%	391	80.0%

Friday, August 01, 2008

Acknowledgement Goal

Report Dates: From 1/1/2008 thru 7/31/2008

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	6								
CFA - CL APP.THRESHOLD	5	0	0.0%	2	40.0%	3	60.0%	0	0.0%
CZA - CL SI APP.THRESHOLD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
BENEFIT OVERPAYMENT	12								
CBO - CL BEN. OVERPAYMENT	12	0	0.0%	1	8.3%	3	25.0%	8	66.7%
BENEFIT RATE	4								
CBR - CL FRSTS BEN RATE	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CS2 - CL SI FRSTS BEN RATE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
COMPENSABILITY	697								
CCS - CL SEC.CONDITION	152	2	1.3%	3	2.0%	18	11.8%	129	84.9%
CHC - CL COMPENSABILITY	22	2	9.1%	1	4.5%	7	31.8%	12	54.5%
CIM - CL SI COMPENSABLE	6	0	0.0%	1	16.7%	0	0.0%	5	83.3%
CIS - CL SI SEC.CONDITION	36	0	0.0%	1	2.8%	7	19.4%	28	77.8%
CPI - CL SI REJECT CLAIM	85	4	4.7%	5	5.9%	27	31.8%	49	57.6%
CPI - CL REJECT CLAIM	316	20	6.3%	11	3.5%	87	27.5%	198	62.7%
CQR - CL SI REJ OCCDISEASE	10	0	0.0%	1	10.0%	0	0.0%	9	90.0%
CRZ - CL REJ OCC DISEASE	39	3	7.7%	1	2.6%	17	43.6%	18	46.2%
ECS - EM SEC.CONDITION	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
EHC - EM COMPENSABILITY	26	1	3.8%	1	3.8%	13	50.0%	11	42.3%
EIM - EM SI COMPENSABLE	3	0	0.0%	1	33.3%	0	0.0%	2	66.7%
EPJ - EM REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
DEP BEN 104	1								
CWK - CL DENY/GRNT 104 WKS	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
DEP BEN KATAL	45								
CDF - CL DENY/GRNT DTH BEN	29	6	20.7%	2	6.9%	6	20.7%	15	51.7%
CIF - CL SI DY/GNT DTH BEN	11	1	9.1%	1	9.1%	6	54.5%	3	27.3%

http://wviconnet.wvicon.local/aims_reports/ExecutiveOffice.aspx

8/1/2008

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
EDF - EM DENY/GRNT DTH BEN	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EIF - EM SI DNY/GNT DTH BEN	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
FAILURE TO ACT 10 DAY	6								
CSY - CL SI FTA COPY CLM R	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CSZ - CL FTA COPY CLM REC	3	1	33.3%	0	0.0%	0	0.0%	2	66.7%
C7A - CL FTA RO TTD/MED	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
FAILURE TO ACT 15 DAY	2								
C01 - CL FTA INJ COMPENSAB	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CCS - CL SI FTA PPD REFERR	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 30 DAY	3								
C6A - CL FTA ACT UPON PPD	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
IEB DETERMINATION	15								
CEB - CL IEB DETERMINATION	7	1	14.3%	1	14.3%	2	28.6%	3	42.9%
CZB - CL SI IEB DETIRMION	8	1	12.5%	1	12.5%	4	50.0%	2	25.0%
OP NON-MED	91								
CIR - CL SI NON-MED ORDER	37	2	5.4%	1	2.7%	8	21.6%	26	70.3%
CNR - CL NON-MED ORDER	38	0	0.0%	2	5.3%	7	18.4%	29	76.3%
EIR - EM SI NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
ENR - EM NON-MED ORDER	15	1	6.7%	0	0.0%	7	46.7%	7	46.7%
OPBD	221								
CAO - CL ADD BOARD FINDING	13	0	0.0%	0	0.0%	1	7.7%	12	92.3%
CBF - CL % BOARD FINDING	97	10	10.3%	0	0.0%	18	18.6%	69	71.1%
CSF - CL % SI BOARD FINDING	70	2	2.9%	1	1.4%	12	17.1%	55	78.6%
CSD - CL SI AD BRD FINDING	7	0	0.0%	0	0.0%	0	0.0%	7	100.0%
EAO - EM ADD BOARD FINDING	9	0	0.0%	0	0.0%	0	0.0%	9	100.0%
EBF - EM % BOARD FINDING	14	0	0.0%	2	14.3%	2	14.3%	10	71.4%
ESF - EM % SI BOARD FINDING	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
ESO - EM SI AD BRD FINDING	6	0	0.0%	1	16.7%	1	16.7%	4	66.7%
PPD	806								
CAA - CL ADDL % AWARD D/G	77	3	3.9%	2	2.6%	10	13.0%	62	80.5%
CAD - CL % AWARD DENY/GRNT	511	14	2.7%	5	1.0%	85	16.6%	407	79.6%
CIE - CL SI ADD% AWARD D/G	22	0	0.0%	0	0.0%	3	13.6%	19	86.4%
CIG - CL SI %AWARD DNY/GNT	178	4	2.2%	1	0.6%	31	17.4%	142	79.8%

http://wviconnet.wvicon.local/aimis_reports/ExecutiveOffice.aspx

8/1/2008

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
RAA - EM ADDL % AWARD D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
RAD - EM % AWARD DENY/GRNT	16	1	6.3%	2	12.5%	3	18.8%	10	62.5%
RIG - EM SI %AWARD DNY/GNT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PTD ENTITLEMENT	28								
CIT - CL SI DENY/GRANT PTD	6	0	0.0%	0	0.0%	3	50.0%	3	50.0%
CKC - CL DENY/GRANT PTD	20	0	0.0%	1	5.0%	14	70.0%	5	25.0%
EIT - EM SI DENY/GRANT PTD	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
PTD ONSET DATE	4								
CIO - CL SI ONSET DT ISSUE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
COD - CL ONSET DATE ISSUE	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EIO - EM SI ONSET DT ISSU	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
PTD SUSPENSION/TERMINATION	1								
CBY - CL SI PTD SUSP/TERM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
REHABILITATION	2								
CFB - CL GRNT/DNY VOC REHA	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
EPV - EM DY/GRNT REHAB PLN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REOPENING	331								
CIQ - CL SI DY/GNT R/O PFD	26	0	0.0%	0	0.0%	2	7.7%	24	92.3%
CIU - CL SI DY/GNT R/O PTD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CIY - CL SI DY/GNT R/O TTD	43	2	4.7%	0	0.0%	7	16.3%	34	79.1%
CIZ - CL SI D/G R/O TRTMT	28	1	3.6%	0	0.0%	5	17.9%	22	78.6%
CJV - CL DNY/GRNT R/O PFD	44	7	15.9%	0	0.0%	6	13.6%	31	70.5%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	145	6	4.1%	3	2.1%	17	11.7%	119	82.1%
CRO - CL DY/GRNT R/O TRTMT	43	4	9.3%	0	0.0%	11	25.6%	28	65.1%
SPECIAL CATEGORY	3								
CII - CL SI SL CATEGORY	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
CNW - CL SPL CATEGORY	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	1,153								
CIY - CL SI TRMT GRANT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBX - CL TRMT DENY	851	28	3.3%	14	1.6%	125	14.7%	684	80.4%
CEH - CL AUTH HA/RPR D/G	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIH - CL SI AUT/RPR HA D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CIN - CL SI D/G PROV CHNG	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CKN - CL D/G PROV CHNG	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CSX - CL SI TRMT DENY	275	4	1.5%	8	2.9%	27	9.8%	236	85.8%
CYY - CL TRMT GRANT	15	0	0.0%	0	0.0%	6	40.0%	9	60.0%
TRMT/EQUIP EM	23								
EBX - EM TRMT DENY	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBH - EM AUTH HA/RPR D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EYY - EM TRMT GRANT	21	0	0.0%	1	4.8%	6	28.6%	14	66.7%
TTD	404								
OCC - CL CLOSING THE CLAIM	286	11	3.8%	3	1.0%	45	15.7%	227	79.4%
CIC - CL SI CLSING THE CLM	76	0	0.0%	2	2.6%	14	18.4%	60	78.9%
CUJ - CL SI TTD	11	1	9.1%	0	0.0%	2	18.2%	8	72.7%
CJS - CL TTD	9	0	0.0%	0	0.0%	2	22.2%	7	77.8%
CPX - CL INITIAL TTD	16	2	12.5%	1	6.3%	5	31.3%	8	50.0%
CSG - CL SI INITIAL TTD	5	1	20.0%	0	0.0%	1	20.0%	3	60.0%
EJS - EM TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
Totals:	3,858	134	4.0%	87	2.3%	703	18.2%	2,914	75.5%

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8/1/2008

Revenue Recovery Activity	July 2008
COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 20,317.48
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 102,921.42
Receipts - Payment Agreements	\$ 56,231.93
Receipts - Collection Agency	\$ 2,699.62
# of active accounts uninsured (cumulative)	837
\$ of active accounts uninsured (cumulative)	\$ 2,182,605.14
Telephone contacts	1,799
Walk-ins	16
LIENS	
Liens sent to county clerks for recordation	49
Liens sent to county clerks for release	35
Intent to lien letters sent to employer/owner/officer/member	221
INJUNCTIONS	
Affidavits for injunction submitted to legal	14
Hearings attended	4
# of injunction complaints filed	4
# of injunctions granted	10
# of agreed orders entered	1
PAYMENT AGREEMENTS	
# of repayment agreements	11
Agreements set up	8
Total # of agreements on system (cumulative)	88
Intent to void letters mailed	22
Agreements voided	11
MISCELLANEOUS	
Terminations Processed	241
Rule 11 Letters Mailed	171
Rule 11 hearings	1
Uninsured Policies Resolved	254?***
All Cash Receipts from WC accounts	\$ 182,170.45

*** Due to system issues, the number of accounts resolved is estimated.

Joe Manchin, III
Governor

Rita Hedrick-Helmick
Chairperson

W Jack Stevens
Member
James D. Gray
Member

Workers' Compensation Board of Review

Offices located at 104 Dee Drive, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page
an equal opportunity/affirmative action employer

MEMORANDUM

To: Jane L. Cline, Commissioner
Charles Bayless, Chairman
Dan Marshall
Bill Dean
Walter Pellish
Honorable Carrie Webster, House Judiciary Chair
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Senator Don Caruth

From: Rita F. Hedrick-Helmick, Chairperson

Date: August 14, 2008

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's July 2008 monthly report.

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

1. Monthly Report of Appeals Received

This report is divided into "new fund claims" with a date of injury after 7/1/05 and "old fund claims" with a date of injury prior to 7/1/05. You will also notice that the appeals are further divided by the party who filed the appeal. For example, for the month of July 2008, the claimant filed 71% of the appeals involving "new fund" claims.

2. Yearly Report of Appeals Received

This report is the same as the Monthly Report of Appeals Received; however, it is an ongoing report that builds from prior months. As July 2008 is only the second month

the Board has been able to generate such a report, you will see that the report covers the period from June 1, 2008- July 31, 2008.

3. Monthly Report of Appeals Received By Issue

This report tracks incoming appeals by issue. For example, for the month of July 2008, of the 175 issues appealed to the Board, 42 involved Permanent Partial Disability. This report is further broken down into "old fund claims" versus "new fund claims. It is important to note that the number of appeals received by issue does not necessarily directly correspond to the number of appeals received. Some appeals deal with more than one issue. For example, appeal number 2041118 deals with compensability as well as treatment and/or equipment.

4. Yearly Report of Appeals Received by Issue

This bar chart provides an overall view of the issues before the Board of review. Again, as July 2008 is only the second month the Board has been able to generate such a report, you will see that the report covers the period from June 1, 2008- July 31, 2008.

5. Monthly Summary of Dispositions by Party

This report breaks down the parties who filed appeals and the corresponding disposition. For example, for the month of July 2008, of the 253 dispositions, 160 of the appeals filed by the claimant were affirmed. Likewise, 2 appeals that were filed by both the claimant and the employer were affirmed.

6. Monthly Summary of Dispositions by Issue

This report tracks dispositions by issue. For example, in July 2008, of the 53 issues involving permanent partial disability, 45 were affirmed, 5 were reversed, 2 were dismissed, and 1 was remanded. A bar chart is included, which provides a clear picture of the dispositions by issue. By looking at the chart, one can see that the majority of appeals involving treatment and/or equipment were affirmed.

If you have feedback or any additional questions, please do not hesitate to contact me.

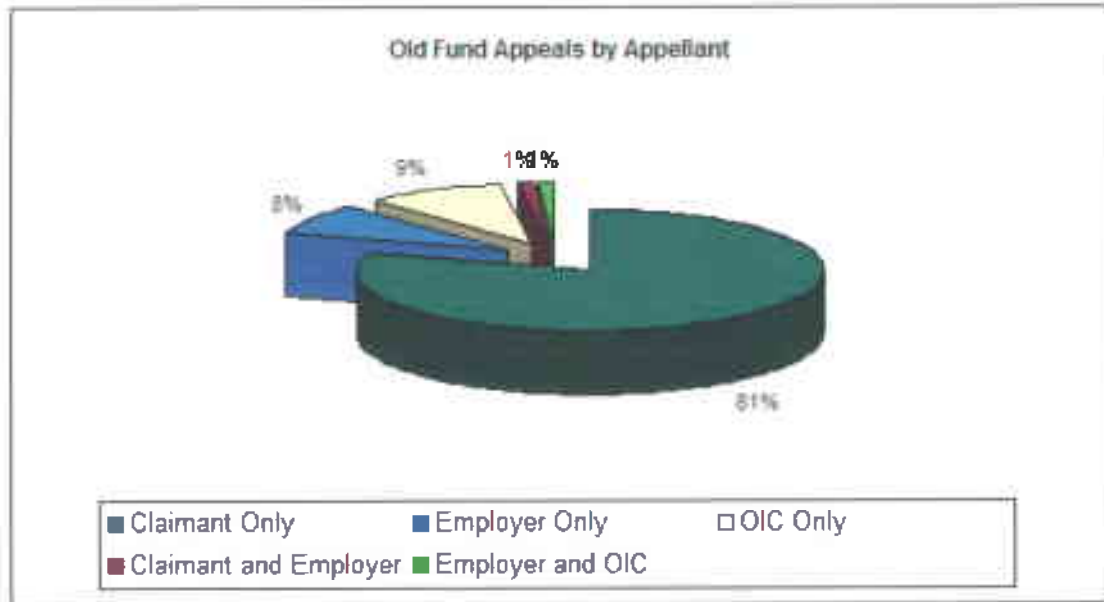
**WORKER COMPENSATION BOARD OF REVIEW
FOR JULY 2008**

Appealed By	BOR	Disposition		Year to			
	Disposition	Count	Disp %	Total %	Date	Disp %	Total %
CLAIMANT	ABEYANCE				4	0.4%	0.2%
	AFFIRMED	160	88.9%	63.2%	930	81.5%	52.5%
	DISMISSED	3	1.7%	1.2%	5	0.4%	0.3%
	MODIFY				2	0.2%	0.1%
	REMAND	4	2.2%	1.6%	51	4.5%	2.9%
	REVERSE	5	2.8%	2.0%	92	8.1%	5.2%
	VACATE	8	4.4%	3.2%	57	5.0%	3.2%
	Total Dispositions	180			1141		
CLAIMANT & EMPLOYER	AFFIRMED	2	100.0%	0.8%	8	72.7%	0.5%
	REVERSE				3	27.3%	0.2%
	Total Dispositions	2			11		
EMPLOYER	ABEYANCE				3	1.1%	0.2%
	AFFIRMED	33	82.5%	13.0%	187	67.8%	10.6%
	DISMISSED	1	2.5%	0.4%	5	1.8%	0.3%
	MODIFY				2	0.7%	0.1%
	REMAND	2	5.0%	0.8%	13	4.7%	0.7%
	REVERSE	4	10.0%	1.6%	66	23.9%	3.7%
	Total Dispositions	40			276		
DIVISION & OIC	ABEYANCE				3	0.9%	0.2%
	AFFIRMED	24	77.4%	9.5%	192	56.1%	10.8%
	DISMISSED				3	0.9%	0.2%
	MODIFY				2	0.6%	0.1%
	REMAND				1	0.3%	0.1%
	REVERSE	7	22.6%	2.8%	140	40.9%	7.9%
	VACATE				1	0.3%	0.1%
	Total Dispositions	31			342		
Grand Totals		253			1770		

**Appeals Received
From July 1, 2008 Thru July 31, 2008**

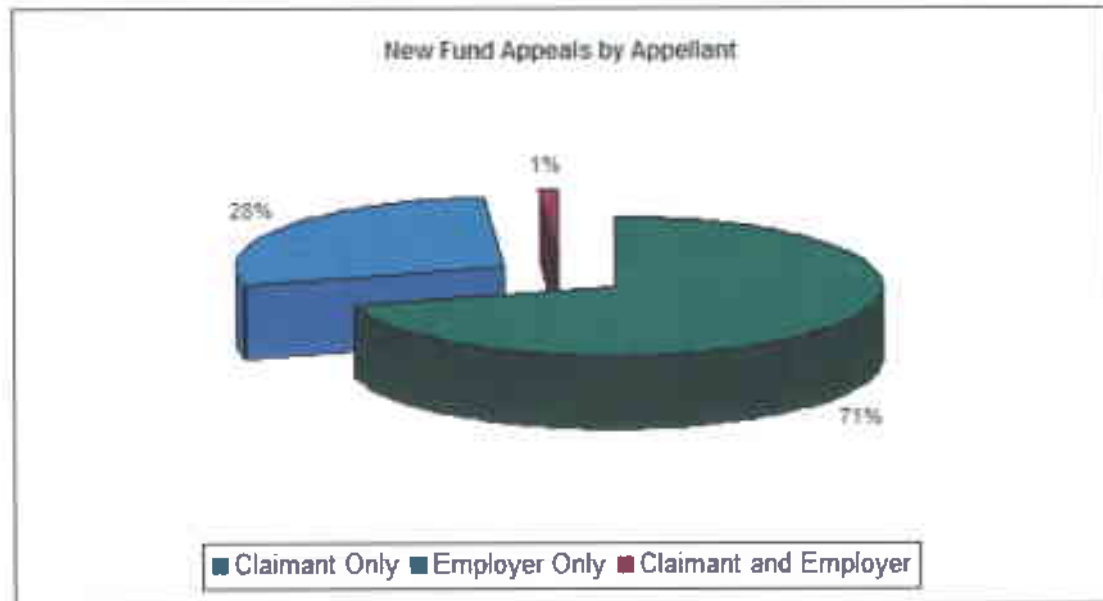
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	68
Employer Only	7
OIC Only	8
Claimant and Employer	1
Employer and OIC	1
Old Fund Total	85



Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	58
Employer Only	23
Claimant and Employer	1
New Fund Total	82
Total Appeals	167

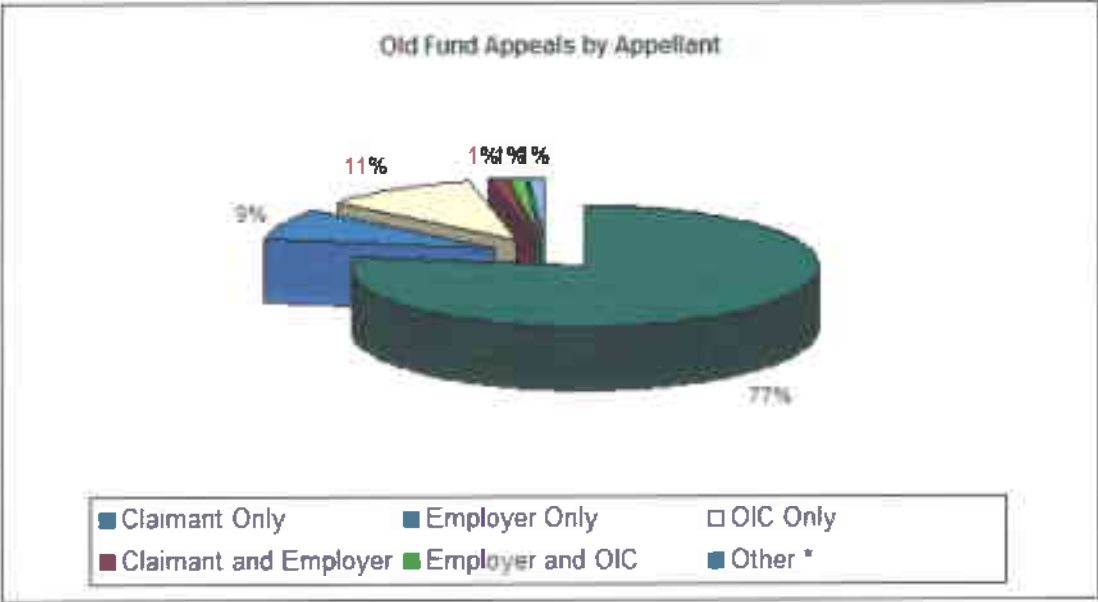


Appeals counted more than once:

**Yearly Appeals Received
From June 1, 2008 Thru July 31, 2008**

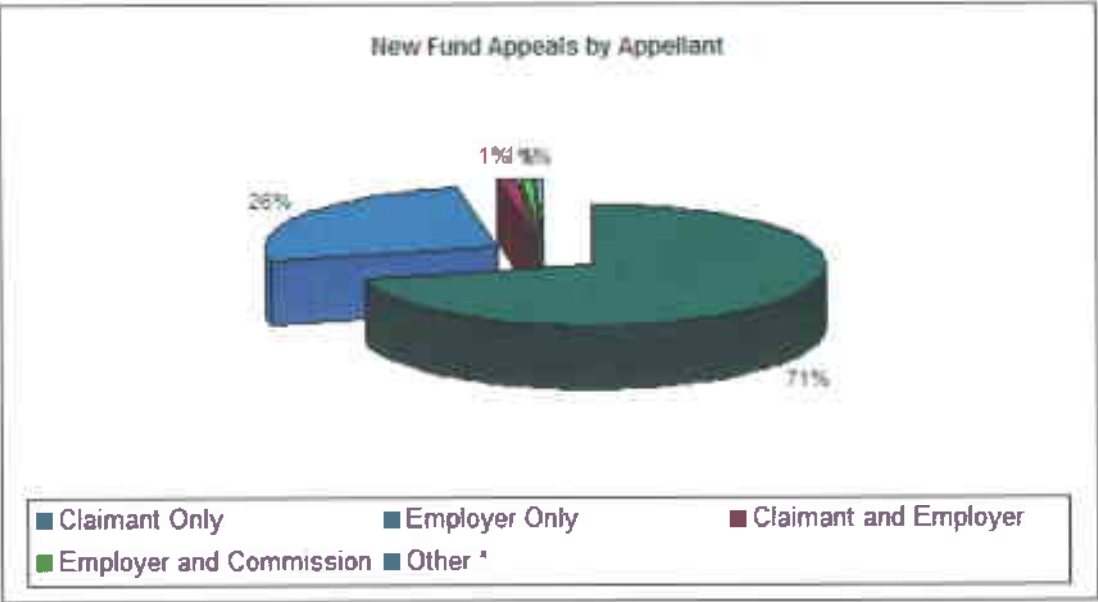
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	145
Employer Only	16
OIC Only	20
Claimant and Employer	2
Employer and OIC	2
Other *	2
Old Fund Total	187



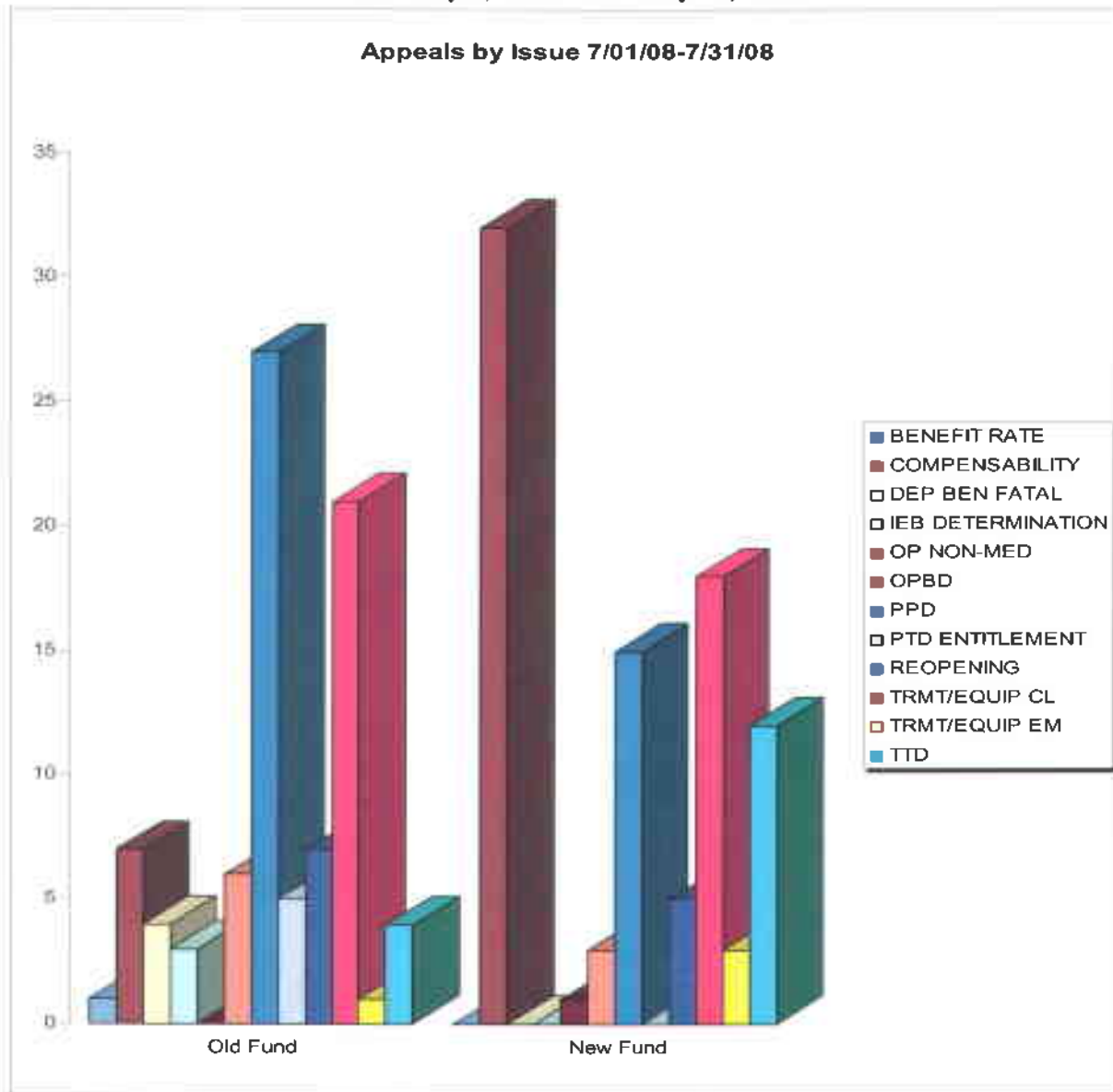
Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	108
Employer Only	39
Claimant and Employer	2
Employer and Commission	1
Other *	1
New Fund Total	151
Total Appeals	338



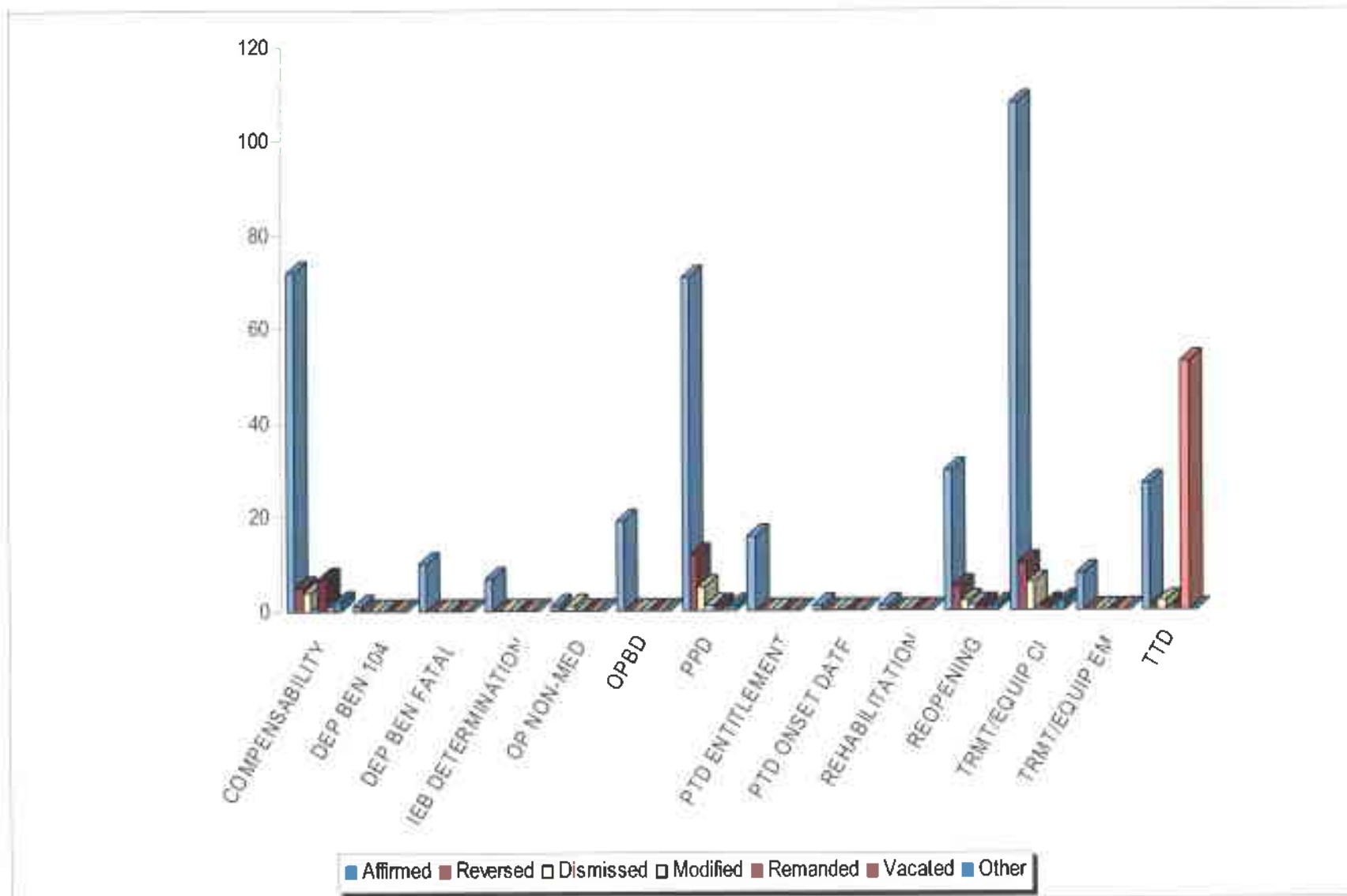
* Appeals requiring research

Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs New fund Appeals (DOI > Jun-30-2005)
From July 1, 2008 Thru July 31, 2008



Type of Issue	Total Issues	Old Fund		New Fund	
		#	%	#	%
BENEFIT RATE	1	1	100.0	0	0.0
COMPENSABILITY	39	7	17.9	32	82.1
DEP BEN FATAL	4	4	100.0	0	0.0
IEB DETERMINATION	3	3	100.0	0	0.0
OP NON-MED	1	0	0.0	1	100.0
OPBD	9	6	66.7	3	33.3
PPD	42	27	64.3	15	35.7
PTD ENTITLEMENT	5	5	100.0	0	0.0
REOPENING	12	7	58.3	5	41.7
TRMT/EQUIP CL	39	21	53.8	18	46.2
TRMT/EQUIP EM	4	1	25.0	3	75.0
TTD	16	4	25.0	12	75.0
Totals	175	86	49.1	89	50.9

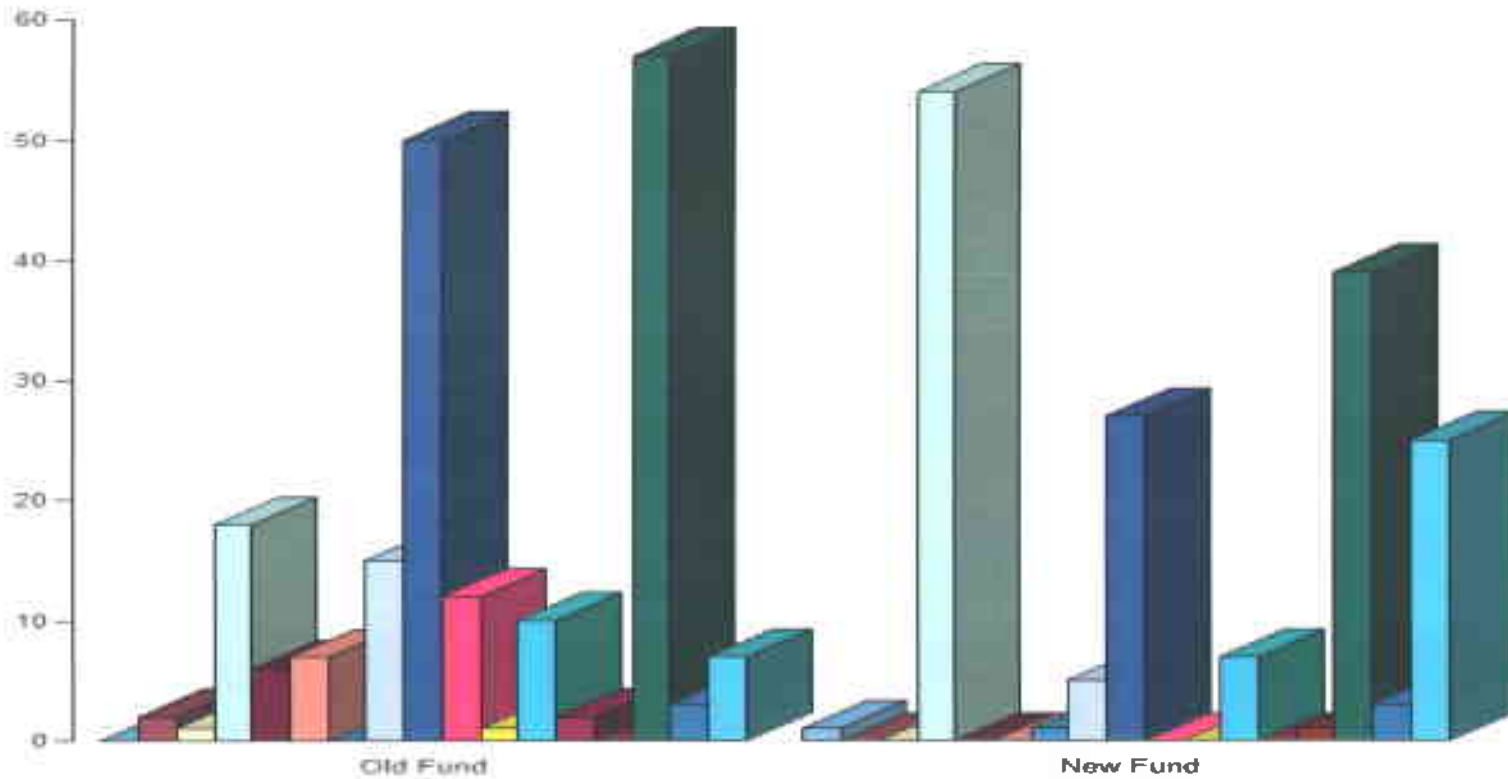
Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru July 31, 2008



Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru July 31, 2008

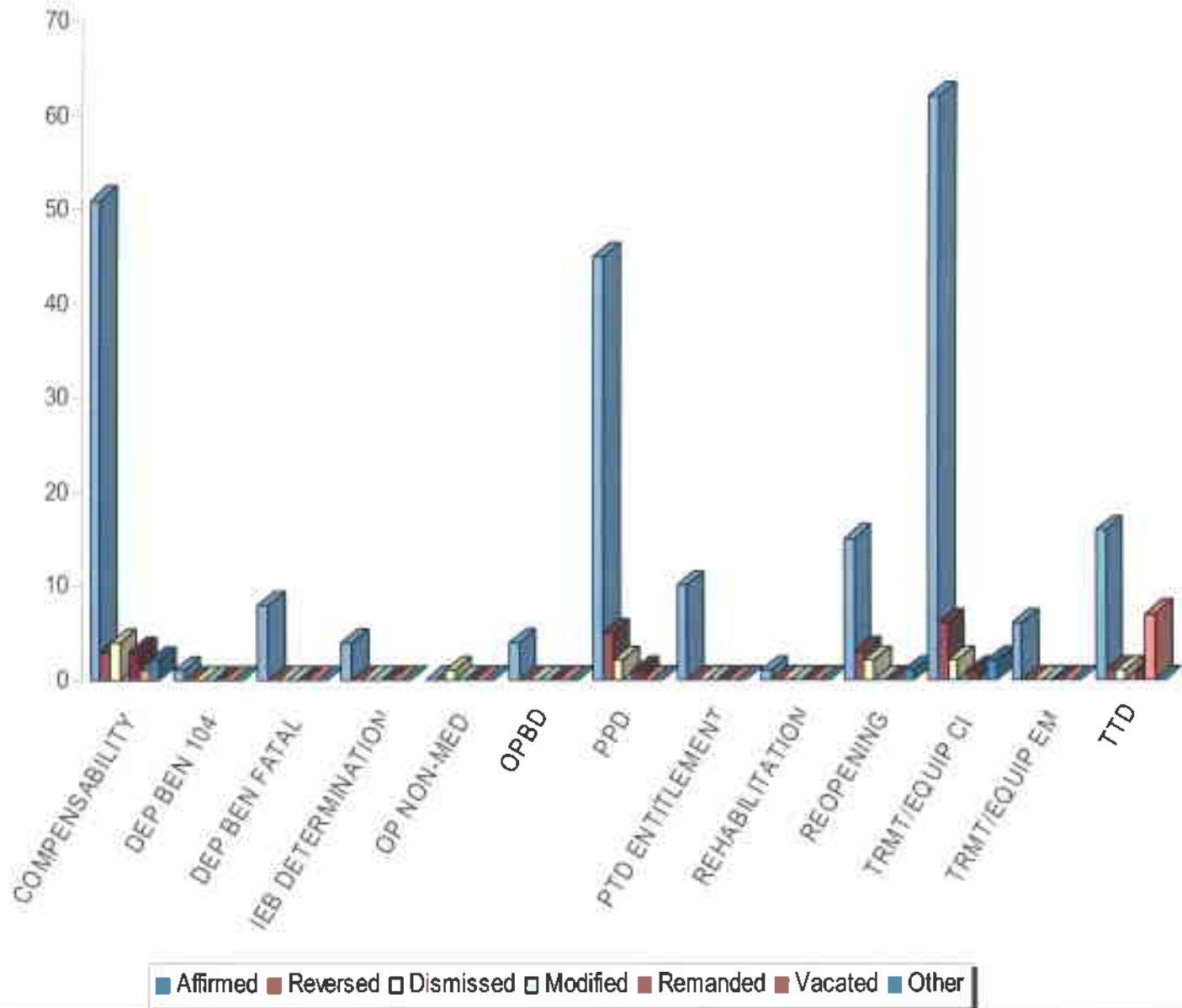
Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	91	72	79.1	5	5.5	4	4.4	0	0.0	7	7.7	1	1.1	2	2.2
DEP BEN 104	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	10	10	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	19	19	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	91	71	78.0	12	13.2	5	5.5	1	1.1	1	1.1	0	0.0	1	1.1
PTD ENTITLEMENT	16	16	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	40	30	75.0	5	12.5	2	5.0	1	2.5	1	2.5	0	0.0	1	2.5
TRMT/EQUIP CL	127	108	85.0	10	7.9	6	4.7	0	0.0	1	0.8	0	0.0	2	1.6
TRMT/EQUIP EM	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	84	27	32.1	1	1.2	2	2.4	0	0.0	1	1.2	53	63.1	0	0.0
Totals	498	372	74.7	33	6.6	20	4.0	2	0.4	11	2.2	54	10.8	6	1.2

Yearly Appeals Received by Issue June 2008-July 2008



Type of Issue	Total Issues	Old Fund		New Fund	
		#	%	#	%
APPLICATION THRESHOLD	1	0	0.0	1	100.0
BENEFIT OVERPAYMENT	2	2	100.0	0	0.0
BENEFIT RATE	1	1	100.0	0	0.0
COMPENSABILITY	72	18	25.0	54	75.0
DEP BEN FATAL	6	6	100.0	0	0.0
IEB DETERMINATION	7	7	100.0	0	0.0
OP NON-MED	1	0	0.0	1	100.0
OPBD	20	15	75.0	5	25.0
PPD	77	50	64.9	27	35.1
PTD ENTITLEMENT	12	12	100.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0
REOPENING	17	10	58.8	7	41.2
SPECIAL CATEGORY	2	2	100.0	0	0.0
TEMP	1	0	0.0	1	100.0
TRMT/EQUIP CL	96	57	59.4	39	40.6
TRMT/EQUIP EM	6	3	50.0	3	50.0
TTD	32	7	21.9	25	78.1
Totals	354	191	54.0	163	46.0

Dispositions By Issues
BOR Orders Mailed From July 1, 2008 Thru July 31, 2008



Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	64	51	79.7	3	4.7	4	6.3	0	0.0	3	4.7	1	1.6	2	3.1
DEP BEN 104	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	53	45	84.9	5	9.4	2	3.8	0	0.0	1	1.9	0	0.0	0	0.0
PTD ENTITLEMENT	10	10	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	21	15	71.4	3	14.3	2	9.5	0	0.0	0	0.0	0	0.0	1	4.8
TRMT/EQUIP CL	73	62	84.9	6	8.2	2	2.7	0	0.0	1	1.4	0	0.0	2	2.7
TRMT/EQUIP EM	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	26	16	61.5	1	3.8	1	3.8	0	0.0	1	3.8	7	26.9	0	0.0
Totals	272	223	82.0	18	6.6	12	4.4	0	0.0	6	2.2	8	2.9	5	1.8