

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

June 17, 2009

May 28, 2009

12:00 - 1:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

Thompson, Chair
Boggs
Caputo
Webster
White
Armstead
Border

President Tomblin, Cochair, presided.

1. Approval of Minutes

Upon motion by Speaker Thompson, properly adopted, the minutes of the February 10, 2009, meeting were approved.

2. 2009 Interim Studies

Upon motion by Speaker Thompson, properly adopted, the President and Speaker were authorized to establish interim committees as they deem appropriate and to appoint as many members as desired to any committee other than statutory committees.

Upon motion by Speaker Thompson, properly adopted, the committee co-chairs were authorized to establish subcommittees with the approval of the President and the Speaker, study additional issues approved by the President and Speaker and assign studies to appropriate subcommittees with approval to the President and Speaker.

Upon motion by Speaker Thompson, properly adopted, the following committees were authorized to meet during the 2009 Interim Period:

Statutory Committees:

Commission on Interstate Cooperation
Commission on Special Investigations
Council of Finance and Administration
Employee Suggestion Award Board
Equal Pay Commission
Joint Commission on Economic Development
Joint Committee on Government Operations
Joint Committee on Government and Finance
Joint Legislative Oversight Commission on State Water Resources
Legislative Oversight Commission on Education Accountability
Legislative Oversight Commission on Health and Human Resources Accountability
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority

Legislative Oversight Commission on Workforce Investment for Economic Development
Legislative Rule-Making Review Committee
Forest Management Review Commission
WV Law Institute

Standing Committees:

Joint Standing Committee on Education
Joint Standing Committee on Finance
Joint Standing Committee on Government Organization
Joint Standing Committee on the Judiciary
Joint Standing Committee on Pensions and Retirement

Upon motion by Speaker Thompson, properly adopted, the following committees were created and authorized to meet during the 2009 Interim Period:

Agriculture and Agri-business Committee
Joint Committee on Technology
Legislative Intern Committee
Parks, Recreation and Natural Resources Subcommittee
Post Audits Subcommittee
Select Committee on Children, Juveniles and other Issues
Select Committee on Health
Select Committee on Minority Issues
Select Committee on PEIA Seniors and Long Term Care

Upon motion by Speaker Thompson, properly adopted, the study resolutions were assigned to interim committees as outlined in the handout given to all the Committee Members in their booklets.

Upon motion by Speaker Thompson, properly adopted, all committees, subcommittees and commissions for which there are an unequal number of Delegates and Senators, all motions considered must be adopted by a separate majority vote of the committee members from each legislative body.

Upon motion by Speaker Thompson, properly adopted, the following dates were approved for 2009 Interim Meetings:

May 26-28 (Tuesday, Wednesday, and Thursday)
June 15-17 (Monday, Tuesday, and Wednesday)
July 14-16 (Tuesday, Wednesday, and Thursday)
August 10-12 (Monday, Tuesday, and Wednesday)
September 14-16 (Monday, Tuesday, and Wednesday)
October 13-15 (Tuesday, Wednesday, and Thursday)
November 17-19 (Tuesday, Wednesday, and Thursday)
December 7-9 (Monday, Tuesday, and Wednesday)
January 10-12, 2010 (Sunday, Monday, and Tuesday)

3. **Lottery, General Revenue Reports and Unemployment Compensation Trust Fund**

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended March 31, 2009; General Revenue Fund report for the month ended April 30, 2009; and the Unemployment Compensation Trust Fund report as of March 31, 2009. Distributed with each of the reports were an analysis and a summary of the reports.

4. **PEIA, BRIM and CHIP Reports**

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending March 31, 2009. Robert Ferguson, Jr., Cabinet Secretary, Department of Administration, reported BRIM has no overall unfunded liabilities.

The following reports from CHIP were distributed: A report of enrollment for April 2009 and financial statements for period ending March 31, 2009.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for March 2009.

5. **Real Estate Report, Department of Administration**

A leasing report for February 1, 2009, through April 30, 2009, was distributed.

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

A Medicaid report dated May 2009 was distributed.

7. **Monthly Report on the Pharmaceutical Cost Management Council**

A Pharmaceutical Cost Management Council report dated May 28, 2009 was distributed. Shana Phares, Acting Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, said the data for last year advertising will be more complete next month.

8. **Investment Management Board**

A Investment Management Board report dated March 31, 2009, was distributed. Craig Slaughter, Executive Director, said April returns look good.

9. **Workers' Compensation**

A Workers' Compensation report dated May 28, 2009, was distributed.

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

A Board of Treasury Investments Report dated March 2009 was distributed.

11. **WV Division of Highways Annual Audit - Contract**

Upon motion by Speaker Thompson, properly adopted, the Committee approved the Legislative Manager being authorized to enter into contract with Gibbons & Kawash for conducting the Division of Highways Audit.

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

June 8, 2009

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

Lottery Commission as of April 30, 2009 :

Appears to be in good condition. Gross profit for July - April 2009 (FY 2009) was - 0.83% lower than for July - April 2008 (FY 2008).

General Revenue Fund as of May 31, 2009:

Collections were at 99.68% of the yearly estimate as of May 31, 2009.

State Road Fund as of May 31, 2009:

Fund collections were at 96.09 % of the yearly estimate.

Unemployment Compensation Trust as of April 30, 2009:

Regular benefits paid in July - April 2009 were \$ 56 million more than in July - April 2008. Total revenues for July- April 2009 were \$ 49 million more than in July - April 2008. Trust fund ending balance on April 30, 2009 was \$ 165,009,076.61. *

Note:

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

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: June 8, 2009

Re: Review of West Virginia Lottery Financial Information
As of April 30, 2009 (FY 2009)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the time period July 1, 2008 - April 30, 2009 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 \$ 1,238,706,000.00 for July - April 2009. Table games accounted for \$28,555,000.00 of this total. These gross receipts were \$ 1,263,520,000.00 for the same months of the preceding fiscal year, 2007-2008. Gross lottery revenue is down by 1.96% from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - April 2009 was

Lottery

Joint Committee on Government and Finance
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Lottery continued

\$549,053,000.00; for the previous July - April 2008 it was \$553,625,000.00. Expressed as a percentage, gross profit is 0.83% lower for fiscal year 2009 than for fiscal year 2008.

Operating Income:

Operating income was \$ 533,435,000.00 for July - April 2009. For July 2007 - April 2008 it was \$ 541,901,000.00. This was a decrease of 1.56%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$518,303,000.00 for July 2008- April 2009.

Operating Transfers to the State of West Virginia:

A total of \$ 518,303,000.00 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	\$ 58,815,000.00
Department of Education	\$ 35,191,000.00
Library Commission	\$ 11,554,000.00
Higher Education-Central Office	\$ 11,049,000.00
Tourism	\$ 7,961,000.00
Department of Natural Resources	\$ 3,492,000.00
Division of Culture and History	\$ 5,880,000.00

Lottery

Lottery continued

Department of Education and Arts	\$ 1,213,000.00
State Building Commission	\$ 9,997,000.00
School Building Authority	\$ 18,000,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$163,152,000.00

Excess Lottery Fund

General Purpose Fund	65,000,000.00
Economic Development Fund	19,100,000.00
Excess Lottery Surplus	55,088,000.00
Education Improvement Fund	27,000,000.00
WV Infrastructure Council Fund	40,000,000.00
Higher Education Improvement Fund	10,000,000.00
State Park Improvement Fund	5,000,000.00
Refundable Credit	6,199,000.00
School Building Authority	19,000,000.00
TOTAL EXCESS LOTTERY FUND	\$246,287,000.00

Veterans Instant Ticket Fund 762,000.00

Table Games State Debt Reduction Fund 14,516,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$8,865,000.00

Lottery

Lottery continued

Development Office Promo Fund	\$2,418,000.00
Research Challenge Fund .5%	\$3,224,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,432,000.00
Parking Garage Fund .0625%	\$403,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$4,447,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$36,789,000.00
TOTAL TRANSFERS	*\$461,506,000.00

* CASH BASIS

Total Accrued last FY 2008:	166,967,000.00
Total Cash Distributions July-June :	461,506,000.00
Applied to FY 2008:	166,967,000.00
Total Applied to FY 2009	294,539,000.00
Accrued for FY 2008 as of April 30	000.00
Accrued for FY 2009 as of April 30	223,764,000.00

Lottery



RD

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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 April 30, 2009

DATE: May 19, 2009

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

Financial statements of the Lottery for the month ending April 30, 2009 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$125,234,055 for the month of April.

Transfers of lottery revenue totaling \$49,383,153 made for the month of April 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 April 30, 2009 was 1,588 and 1,650 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

www.wvlottery.com

WV LOTTERY FINANCIALS ATTACHMENT



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

April 30, 2009

WV LOTTERY FINANCIALS ATTACHMENT

WEST VIRGINIA LOTTERY

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

ASSETS	April 30, 2009	June 30, 2008
Current Assets:		
Cash and cash equivalents	\$ 242,645	\$ 180,463
Accounts receivable	25,913	36,846
Inventory	267	300
Current portion of investments held in trust	-	10
Other assets	2,591	2,595
Total Current Assets	<u>271,416</u>	<u>220,214</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	59,020	58,487
Investments held in trust, less current portion	-	126
Capital assets	17,538	17,598
Less accumulated depreciation and amortization	(14,002)	(12,347)
Net Capital Assets	<u>3,536</u>	<u>5,251</u>
Total Noncurrent Assets	<u>62,576</u>	<u>63,864</u>
Total Assets	<u>\$ 333,992</u>	<u>\$ 284,078</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 223,764	\$ 166,967
Estimated prize claims	12,091	12,967
Accounts payable	1,197	2,693
Other accrued liabilities	31,932	36,837
Current portion of deferred jackpot prize obligations	-	129
Total Current Liabilities	<u>268,974</u>	<u>219,593</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>268,974</u>	<u>219,593</u>
Net Assets:		
Invested in capital assets	3,536	5,251
Unrestricted assets (deficit)	(3,056)	(4,751)
Unrestricted assets- Committed (see note 11)	5,498	5,498
Restricted assets (see note 10)	59,020	58,487
Total Net Assets	<u>63,018</u>	<u>64,485</u>
Total Liabilities and Net Assets	<u>\$ 333,992</u>	<u>\$ 284,078</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE TEN MONTH PERIOD ENDED APRIL 30, 2009

(In Thousands)
 -Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2009	2008	2009	2008
Lottery revenues				
On-line games	\$ 6,794	\$ 8,338	\$ 69,013	\$ 74,563
Instant games	8,080	8,964	93,869	92,239
Racetrack video lottery	72,226	70,990	701,124	744,030
Limited video lottery	33,269	35,161	344,145	341,414
Table games	2,865	2,324	28,555	11,274
	<u>125,234</u>	<u>125,777</u>	<u>1,238,706</u>	<u>1,263,520</u>
Less commissions				
On-line games	475	584	4,832	5,219
Instant games	566	627	6,711	6,459
Racetrack video lottery	37,593	34,598	392,314	414,132
Limited video lottery	17,282	17,229	168,631	171,252
Table games	1,126	915	11,231	4,438
	<u>57,044</u>	<u>53,953</u>	<u>583,719</u>	<u>601,500</u>
Less on-line prizes	3,511	4,631	34,884	38,290
Less instant prizes	3,538	6,272	64,857	63,708
Less ticket costs	97	127	1,297	1,389
Less vendor fees and costs	504	519	4,896	5,008
	<u>9,650</u>	<u>11,549</u>	<u>105,934</u>	<u>108,395</u>
Games profit	<u>58,540</u>	<u>60,275</u>	<u>549,053</u>	<u>553,625</u>
Administrative expenses				
Advertising and promotions	532	555	4,487	7,632
Wages and related benefits	787	766	7,420	5,896
Telecommunications	161	221	1,666	1,892
Contractual and professional	429	243	4,583	3,023
Rental	56	59	605	563
Depreciation and amortization	166	37	1,655	396
Other administrative expenses	63	123	788	1,387
	<u>2,194</u>	<u>2,004</u>	<u>22,204</u>	<u>20,789</u>
Other Operating Income	<u>4,373</u>	<u>5,750</u>	<u>6,586</u>	<u>9,065</u>
Operating Income	<u>60,719</u>	<u>64,021</u>	<u>533,435</u>	<u>541,901</u>
Nonoperating income (expense)				
Investment income	42	565	2,562	8,801
Nonoperating income - OPRB	-	-	-	-
Interest expense	-	(1)	(1)	(11)
Distributions to municipalities and counties	(691)	(689)	(6,745)	(6,592)
Distributions to racetracks-capital reinvestment	(2,079)	(2,642)	(10,415)	(11,782)
Distributions to the State of West Virginia	(57,982)	(61,158)	(518,303)	(531,038)
	<u>(60,710)</u>	<u>(63,925)</u>	<u>(532,902)</u>	<u>(540,722)</u>
Net income	<u>9</u>	<u>96</u>	<u>533</u>	<u>1,179</u>
Net assets, beginning of period	<u>63,009</u>	<u>44,572</u>	<u>64,485</u>	<u>43,489</u>
Net assets, end of period	<u>\$ 63,018</u>	<u>\$ 44,668</u>	<u>\$ 63,018</u>	<u>\$ 44,668</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE TEN MONTH PERIOD ENDED APRIL 30, 2009

(In Thousands)
- Unaudited -

	2009	2008
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,256,224	\$ 1,279,773
Cash payments for:		
Personnel costs	(7,420)	(5,896)
Suppliers	(17,327)	(14,808)
Other operating costs	(687,627)	(706,311)
Cash provided by operating activities	<u>543,850</u>	<u>552,758</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(461,506)	(601,763)
Distributions to municipalities and counties	(6,712)	(6,642)
Distributions to racetrack from racetrack cap. revinv. fund	(15,369)	(20,997)
Deferred jackpot prize obligations and related interest paid	(1)	(11)
Cash used in noncapital financing activities	<u>(483,588)</u>	<u>(629,413)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(245)</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	137	182
Investment earnings received	2,562	8,788
Cash provided by investing activities	<u>2,699</u>	<u>8,970</u>
Increase (decrease) in cash and cash equivalents	62,716	(67,685)
Cash and cash equivalents - beginning of period	<u>238,949</u>	<u>234,489</u>
Cash and cash equivalents - end of period	\$ <u>301,665</u>	\$ <u>166,804</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 533,435	\$ 541,901
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,655	396
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	10,933	7,188
(Increase) decrease in inventory	34	(9)
(Increase) decrease in other assets	4	(472)
Increase (decrease) in estimated prize claims	(886)	(19)
Increase (decrease) in accounts payable	(1,495)	19
Increase (decrease) in other accrued liabilities	170	3,734
Cash provided by operating activities	<u>\$ 543,850</u>	<u>\$ 552,758</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state “jackpot” game; HOT LOTTO®, a multi-state “lotto” game; 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

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
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cancelable operating leases. Rental expense for the ten months ended April 30, 2009 and April 30, 2008 approximated \$604,720 and \$563,276, 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 April 30, 2009 the carrying amounts of deposits (overdraft) with financial institutions were (\$4) thousand with a bank balance (overdraft) of \$48 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>April 30, 2009</u>	<u>June 30, 2008</u>
Amount on deposit with the BTI	<u>\$301,668</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 period ended April 30, 2009 is as follows (in thousands):

Capital Assets:

	<u>Historical Cost</u> <u>At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost</u> <u>At April 30, 2009</u>
Construction in Progress	\$ 285	\$ -	\$ (285)	\$ -
Improvements	1,120	-	-	1,120
Equipment	16,193	245	-	16,438
	<u>\$ 17,598</u>	<u>\$ 245</u>	<u>\$ (285)</u>	<u>\$ 17,558</u>

Accumulated Depreciation:

	<u>Historical Cost</u> <u>At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost</u> <u>At April 30, 2009</u>
Improvements	\$ 1,002	\$ 64	\$ -	\$ 1,066
Equipment	11,345	1,591	-	12,936
	<u>\$ 12,347</u>	<u>\$ 1,655</u>	<u>\$ -</u>	<u>\$ 14,002</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 April 30, 2009 were \$4,037,080 and \$41,624,623

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 \$2,107,521 and \$20,837,388. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended April 30, 2009 were \$385,172 and \$3,828,201 while related prize costs for the same periods were \$196,904 and \$1,914,301.

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 April 30, 2009 the POWERBALL® prize reserve fund had a balance of \$103,610,236 of which the Lottery's share was \$2,385,173. 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
NOTES TO FINANCIAL STATEMENTS
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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 April 30, 2009 and year-to-date follows (in thousands):

	<u>Current</u> <u>2009</u>	<u>Month</u> <u>2008</u>	<u>Year- to -Date</u> <u>2009</u>	<u>2008</u>
Total credits played	\$ 736,998	\$ 734,770	\$ 7,190,476	\$7,725,737
Credits (prizes) won	(664,456)	(663,451)	(6,483,731)	(6,978,572)
MWAP Contributions	(316)	(329)	(3,621)	(3,135)
Gross terminal income	<u>72,226</u>	<u>70,990</u>	<u>701,124</u>	<u>744,030</u>
Administrative costs	(827)	(15)	(17,422)	(17,524)
Net Terminal Income	<u>71,399</u>	<u>70,975</u>	<u>683,702</u>	<u>726,506</u>
Less distribution to agents	(37,595)	(34,598)	(392,314)	(414,132)
Racetrack video lottery revenues	<u>\$ 33,804</u>	<u>\$ 36,377</u>	<u>\$291,388</u>	<u>\$ 312,374</u>

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

	<u>April 30, 2009</u>	<u>Year-to Date</u>
State Lottery Fund	\$ 5,951	\$127,528
State Excess Lottery Revenue Fund	23,199	116,514
Capital Reinvestment Fund	2,079	10,415
Tourism Promotion Fund 1.375%	685	8,914
Development Office Promotion Fund .375 %	241	2,431
Research Challenge Fund .5 %	322	3,241
Capitol Renovation & Improvement Fund .6875 %	443	4,457
Parking Garage Fund .0625 %	40	405
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	644	4,483
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$33,804</u>	<u>\$ 291,388</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 April 30, 2009 and year-to-date follows (in thousands):

	<u>Current</u> <u>2009</u>	<u>Month</u> <u>2008</u>	<u>Year- to -Date</u> <u>2009</u>	<u>2008</u>
Total credits played	\$416,100	\$427,040	\$4,123,584	\$4,139,324
Credits (prizes) won	(380,831)	(391,879)	(3,779,439)	(3,797,910)
Gross terminal income	\$35,269	\$35,161	\$344,145	\$341,414
Administrative costs	(705)	(703)	(6,883)	(6,828)
Gross Profit	34,564	34,458	\$337,262	\$334,586
Commissions	(17,282)	(17,229)	(168,631)	(171,252)
Municipalities and Counties	(691)	(689)	(6,745)	(6,692)
Limited video lottery revenues	<u>\$16,591</u>	<u>\$16,540</u>	<u>\$161,886</u>	<u>\$156,642</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 April 30, 2009 were \$8,185,358 and \$81,585,502, 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>Current Month</u>		<u>Year- to -Date</u>	
	2009	2008	2009	2008
Table Games Privilege Tax	\$ 2,865	\$ 2,324	\$28,555	\$11,274
Interest on Table Games Fund	-	4	21	22
Administrative Costs	<u>(246)</u>	<u>(199)</u>	<u>(2,448)</u>	<u>(966)</u>
Total Available for Distribution	2,619	2,129	26,128	10,330
<u>Less Distributions:</u>				
Racetrack Purse Funds	204	166	2,039	805
Thoroughbred & Greyhound Development Funds	164	133	1,632	644
Racing Commission Pension Plan	79	64	784	311
Municipalities/Counties	<u>679</u>	<u>552</u>	<u>6,776</u>	<u>2,678</u>
Total Distributions	1,126	915	11,231	4,438
State Debt Reduction Fund	<u>\$ 1,493</u>	<u>\$ 1,214</u>	<u>\$14,897</u>	<u>\$5,892</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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 \$3,608,834 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State

Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended April 30, 2009 the Lottery made such distributions and accrued additional distributions of \$53,913,451. 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 April 30, 2009 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$893,109.

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>April 30, 2009</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Bureau of Senior Services	\$ -	\$ 58,815
Department of Education	-	35,191
Library Commission	-	11,554
Higher Education-Policy Commission	-	11,049
Tourism	-	7,961
Natural Resources	-	3,492
Division of Culture & History	-	5,880
Department of Education & Arts	-	1,213
Building Commission	997	9,997
School Building Authority	1,800	18,000
Total State Lottery Fund	\$ 2,797	\$ 163,152

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ 1,900	\$ 19,000
Higher Education Improvement Fund	1,000	10,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	27,000
State Park Improvement Fund	-	5,000
School Building Authority	709	19,000
Refundable Credit	2,148	6,199
Excess Lottery Surplus	36,484	55,088
West Va. Infrastructure Council	-	40,000
Total State Excess Lottery Revenue Fund	\$ 42,241	\$ 246,287
Total Budgetary distributions:	\$ 45,038	\$ 409,439
Veterans Instant Ticket Fund	\$ 97	\$ 762
<u>Other Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund 1.375%	\$ 870	\$ 8,865
Development Office Promotion Fund .375%	238	2,418
Research Challenge Fund .5%	316	3,224
Capitol Renovation & Improvement Fund .6875%	435	4,432
Parking Garage Fund .0625 %	40	403
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	633	4,447
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,532	\$ 36,789
Table Games State Debt Reduction Fund	\$ 1,716	14,516
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 49,383	\$ 461,506
Accrued nonoperating distributions, beginning	(215,165)	(166,967)
Accrued nonoperating distributions, end	223,764	223,764
Total nonoperating distributions to the State of West Virginia	\$ 57,982	\$ 518,303

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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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 April 30, 2009, 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>April 30, 2009</u>	<u>June 30, 2008</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$ -	\$ 120
Imputed interest accrued	-	9
	-	129
Less current portion of discounted obligations and accrued interest	-	(129)
Long-term portion of deferred prize award obligations	<u>\$ -</u>	<u>\$ -</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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

Cash payments on deferred prize obligations for the 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>

*Paid 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
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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 April 30, 2009 are as follows (in thousands):

	<u>April 30, 2009</u>	<u>Year-to Date</u>
Lottery contributions	\$55	\$549
Employee contributions	24	239
Total contributions	\$79	\$788

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
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 14 - RISK MANAGEMENT (continued)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

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
NOTES TO FINANCIAL STATEMENTS
-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. In fiscal year 2008, the Lottery 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 the 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: June 5, 2009

Re: Status of General Revenue Fund May 31, 2009

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

The net collections were **99.68%** of the estimate for the fiscal year as of May 31, 2009. **The amount BELOW estimate was \$ 11.7 million for the year.**

Personal Income Tax collections were \$ 87 million over the estimate for the fiscal year.

Severance tax collections were \$ 5.9 million below the estimate for the fiscal year.

Corporate income and business franchise collections were \$ 35.8 million below the estimate for the year.

Consumer sales and use tax was \$ 54.4 million below the estimate for the fiscal year.

Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 96.09% of the estimate for the months of July - May 2009. The entire fund was \$ 22.5 million below 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 \$ \$253,397,613.84 as of May 31, 2009.

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. Repaid September 26, 2008.	- 58,000,000.00 +58,000,000.00
Revenues July 1, 2007-June 30,2008 (Surplus from FY 2008 transferred in August 2008.)	17,638,764.23
Earnings	- 54,043,003.64-
Balance May 31, 2009	253,397,613.84

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 222,264,800.57 as of May 31, 2009.

Balance July 1, 2008	291,275,042.97
Earnings	-70,626,198.40
Balance May 31, 2009	222,264,800.57

The Special Income Tax Reserve Fund had a cash balance of \$7,837,697.20 as of May 31, 2009.

Balance July 1, 2008	45,019,318.96
Transfers for tax refunds	-37,181,621.76-
Balance May 31, 2009	7,837,697.20

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of \$ 27,319,224.03 on May 31, 2009. 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	- 12,680,775.97-
Balance May 31, 2009	27,319,224.03

Monthly Revenue Estimates
as of May 29, 2009, WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	153,100,000	192,054,764	38,954,764	1,358,200,000	1,445,354,516	87,154,516
Consumer Sales Tax & Use Tax	99,700,000	86,547,189	-13,152,811	1,085,700,000	1,031,218,017	-54,481,983
Severance Tax	38,900,000	15,933,312	-22,966,688	379,200,000	373,258,086	-5,941,914
Corp Income /Business Franchise	6,500,000	-6,759,974	-13,259,974	249,400,000	213,550,743	-35,849,257
Business and Occupation	4,900,000	5,749,854	849,854	131,700,000	132,013,177	313,177
HB 102 - Lottery Transfers	12,900,000	7,812,150	-5,087,850	127,900,000	127,900,000	0
Insurance Tax	300,000	8,182,550	7,882,550	104,400,000	103,149,782	-1,250,218
Cigarette Tax	9,500,000	8,851,323	-648,677	97,600,000	99,579,279	1,979,279
Interest Income	3,000,000	969,097	-2,030,903	24,900,000	24,403,252	-496,748
Departmental Collections	970,000	743,163	-226,837	15,280,000	13,451,148	-1,828,852
Property Transfer Tax	1,010,000	642,915	-367,085	11,790,000	7,940,605	-3,849,395
Liquor Profit Transfers	2,660,000	4,126,500	1,466,500	12,800,000	13,931,342	1,131,342
Refundable Credit Reim LTY	1,190,000	856,874	-333,126	9,550,000	7,056,231	-2,493,769
Beer Tax and Licenses	1,070,000	944,932	-125,068	7,650,000	7,555,175	-94,825
Property Tax	270,000	288,699	18,699	5,210,000	5,534,185	324,185
Smokeless Tobacco Tax	440,000	479,834	39,834	4,980,000	5,655,528	675,528
Miscellaneous Transfers	0	0	0	1,600,000	129,636	-1,470,364
Racing Fees	106,000	29,500	-76,500	956,000	480,348	-475,652
Miscellaneous Receipts	89,000	127,964	38,964	908,000	4,696,829	3,788,829
Business Franchise Fees	50,000	70,362	20,362	840,000	819,908	-20,092
Charter Tax	0	42,930	42,930	100,000	319,751	219,751
Telecommunications Tax	0	12,407	12,407	0	219,817	219,817
Estate and Inheritance Tax	0	0	0	0	28,687	28,687
Video Lottery Transfers	0	16,405	16,405	0	633,304	633,304
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	336,655,000	327,722,749	-8,932,251	3,630,664,000	3,618,879,347	-11,784,653
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		97.35%				
TOTALS	336,655,000	327,722,749	-8,932,251	3,630,664,000	3,618,879,347	-11,784,653
Percent of Estimates					99.68%	
Collections this day		51,248,230				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2008-2009
 Monthly Revenue Estimates July 2008
 as of MAY 29, 2009 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	32,000,000	20,783,779	-11,216,221	350,400,000	341,830,596	-8,569,404
Privilege Tax	14,402,000	11,358,504	-3,043,496	151,168,000	137,614,940	-13,553,060
Licenses & Registration	7,468,000	6,203,581	-1,264,419	73,883,000	73,403,804	-479,196
Highway Litter Control	141,000	130,113	-10,888	1,395,000	1,442,547	47,547
TOTALS	54,011,000	38,475,975	-15,535,025	576,846,000	554,291,887	-22,554,113

Percent of Estimates

71.24%

96.09%

Collections this day

17,194,846

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND
 CASH BALANCE WITH TREASURER
 AS OF MAY 1, 2009: \$27,319,224.03

REVENUE SHORTFALL RESERVE FUND A AS OF MAY 1, 2009 : \$242,817,138.85

REVENUE SHORTFALL RESERVE FUND B AS OF MAY 1, 2009 : \$205,774,178.72

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF MAY 1, 2009: \$45,019,318.96

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

To: Honorable 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. *cc*
Director Budget Division
Legislative Auditor's Office

Date: June 8, 2009

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the April 30, 2009 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. April 2009 is the tenth month of fiscal year 2008-2009.

For the fiscal year 2008-2009, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2008	\$251,821,729.58
Receipts July 1, 2007 thru June 30, 2009	\$152,465,077.73
Disbursements July 1, 2007 thru June 30, 2009	\$239,277,730.70
Balance April 30, 2009	\$165,009,076.61

ITEMS OF NOTE:

Regular benefits paid for July 2008 - April 2009 were \$56 million more than in July 2007 - April 2008.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 99.9 million more than the same months of the preceding fiscal year.

Receipts in July - April 2009 were \$ 49 million more than in July - April 2008. Overall ending trust fund balance was \$ 56 million less as of April 30, 2009 than on April 30, 2008. *

West Virginia's unemployment rate for the month of April 2009 was 7.8 percent. National unadjusted employment rate was 8.6 percent.

Seasonally adjusted unemployment rates were 7.5 percent for West Virginia and 8.9 percent nationally.

Since April 2008 employment has decreased by 20,500, with gains in the following areas: 1,600 in educational and health services and 900 in government. Declines included 5,800 in trade, transportation, and utilities, 5,400 in manufacturing, 4,200 in construction, 2,100 in professional and business services, 1,100 in mining and logging, 1,700 in leisure and hospitality, 1,400 in financial activities, 700 in other services, and 600 in information.

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING FEBRUARY 2008 AND FEBRUARY 2009**

	FEBRUARY 08	MARCH 08	APRIL 08	FEBRUARY 09	MARCH 09	APRIL 09	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$233,170,391.92</u>	<u>\$228,954,896.79</u>	<u>\$213,031,221.10</u>	<u>\$216,071,498.24</u>	<u>\$200,935,622.93</u>	<u>\$171,595,960.24</u>	<u>(\$86,853,828.40)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$10,364,193.68	\$430,157.28	\$23,212,888.72	\$12,545,673.50	\$484,987.81	\$23,832,654.48	\$2,665,955.90
3. Federal Extended Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$3,539,930.00	\$4,219,602.00	\$3,818,689.78	\$11,578,221.78
4. Emergency Unemployment Funds (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,435,872.00	\$4,435,872.00
6. UCFE (Federal Agencies)	\$347,600.00	\$0.00	\$0.00	\$100,000.00	\$115,000.00	\$104,141.24	(\$28,468.76)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$2,369,759.00	\$0.00	\$0.00	\$2,369,759.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Treasury Interest Credits	\$0.00	\$2,840,704.28	\$0.00	\$0.00	\$2,418,724.72	\$0.00	(\$421,879.58)
10. UCX (Military Agencies)	\$854,000.00	\$0.00	\$0.00	\$260,000.00	\$298,000.00	\$278,420.48	(\$19,679.54)
Total Monthly Receipts	<u>\$11,656,793.68</u>	<u>\$3,270,861.66</u>	<u>23,212,888.72</u>	<u>\$18,815,282.50</u>	<u>\$7,636,294.33</u>	<u>\$32,267,777.96</u>	<u>\$20,578,790.92</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$17,394,144.86	18,053,404.99	14,863,624.77	\$27,998,187.81	\$32,127,949.06	\$29,846,712.98	\$41,671,654.91
Federal Extended Benefits (EUC08)	\$0.00	0.00	0.00	\$3,617,406.00	\$4,286,206.00	\$3,757,131.68	\$11,580,741.68
Emergency Benefits (TEUC)	(\$2,011.00)	(430.00)	(3,284.03)	(\$325.00)	(\$317.58)	(\$380.00)	\$4,682.45
Temp Federal Additional Comp (FAC)	\$0.00	0.00	0.00	\$0.00	\$0.00	\$4,838,649.00	\$4,838,649.00
UCFE (Federal Workers) Benefits	\$98,262.29	109,160.28	83,606.75	\$108,128.63	\$126,833.08	\$111,780.50	\$67,822.77
UCX (Military Workers) Benefits	\$241,842.68	272,401.98	225,736.75	\$283,042.19	\$336,087.49	\$300,757.46	\$179,106.72
Reed Act Funds	\$41,260.00	760,000.00	20,000.00	\$1,044,819.68	\$0.00	\$0.00	\$223,569.58
Other Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	<u>\$17,771,288.82</u>	<u>\$17,194,537.25</u>	<u>15,179,703.24</u>	<u>\$32,951,237.81</u>	<u>\$36,875,857.02</u>	<u>\$38,854,661.56</u>	<u>\$68,636,227.11</u>
Trust Fund Balance	<u>\$226,954,896.79</u>	<u>\$213,031,221.10</u>	<u>221,064,406.88</u>	<u>\$200,935,622.93</u>	<u>\$171,595,960.24</u>	<u>\$165,009,078.61</u>	<u>(\$123,809,984.69)</u>

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

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$600 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 29, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.



Prescription Drug Report

APRIL 2009

WV PEIA - Monthly Trend

Plan Demographics	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Total Drug Cost	\$11,892,007	\$12,322,281	\$12,890,718	\$13,425,598	\$12,558,881	\$13,884,442
Amount Paid By Plan Sponsor	\$7,189,878	\$9,260,178	\$10,137,156	\$10,830,831	\$10,217,668	\$11,480,394
Amount Paid By Members	\$4,722,328	\$3,032,081	\$2,753,563	\$2,595,064	\$2,341,192	\$2,534,048
Total Claims	187,048	193,048	206,397	212,997	200,717	223,231
Average Eligible Member	157,501	157,668	158,843	169,292	169,875	160,408
Average # of Rx's Per Member Per Month	1.19	1.22	1.29	1.34	1.26	1.39
Plan Paid Per Member Per Month (PMPM)	\$45.52	\$58.82	\$63.82	\$67.99	\$63.91	\$71.48
Average Eligible Enrollees	72,418	72,528	73,131	73,381	73,695	73,849
Average # of Rx's Per Enrollee Per Month	2.68	2.68	2.81	2.90	2.73	3.02
Plan Paid Per Enrollee Per Month (PEPM)	\$99.01	\$128.10	\$138.62	\$147.63	\$138.84	\$155.19
Rx Cost Share						
Avg. Claim Cost to Plan	\$38.33	\$48.12	\$49.35	\$50.88	\$50.91	\$51.34
Avg. Member Cost/Claim	\$29.25	\$18.71	\$13.41	\$12.18	\$11.88	\$11.38
Percent member Cost Share	39.7%	24.8%	21.4%	19.3%	18.6%	18.1%
Average Ingredient Costs						
Single Source (no generics available)	\$173.14	\$171.85	\$173.77	\$175.21	\$174.58	\$177.24
Multi-Source Brand (generics available)	\$51.11	\$41.22	\$43.84	\$42.90	\$48.88	\$50.18
Generic Drugs	\$19.24	\$19.88	\$19.18	\$19.18	\$19.09	\$19.22
Brand/Generic Dispensing Rates						
Single Source (no generics)	27.56%	27.85%	27.02%	27.0%	28.78%	28.32%
Multi-Source Brand % (generics available)	1.04%	0.97%	0.97%	1.0%	0.86%	0.98%
Generic Drug	71.40%	71.18%	72.01%	72.1%	72.28%	72.70%
Generics Dispensed when available	88.57%	88.68%	88.68%	88.7%	88.69%	88.67%
Percent of Plan Cost for Single Source	88.89%	81.63%	80.52%	79.9%	78.44%	78.89%
Retail Pharmacy Program						
Avg. Day Supply	32.5	33.3	32.8	32.3	32.3	32.3
Avg. Plan Cost/Day Supply	\$1.18	\$1.43	\$1.49	\$1.58	\$1.58	\$1.63
Avg. Claim Cost to Plan	\$37.88	\$47.77	\$48.87	\$50.48	\$50.48	\$50.86
Avg. Member Cost / Claim	\$25.11	\$18.68	\$13.32	\$12.11	\$11.59	\$11.28
Percent Member Cost Share	38.86%	24.58%	21.38%	19.3%	18.68%	18.13%
Special Maint Netwk (% of claims filled)	10.98%	11.85%	11.90%	11.4%	11.58%	11.67%
Other Maint (% of claims filled)	0.63%	0.68%	0.69%	0.6%	0.56%	0.62%
Avg. Days Supply for Maint. Netwks	87.8	87.4	87.5	87.4	87.5	87.8
Total # Claims Fills 1-34 Days Supply	182,194	185,885	178,471	183,990	172,942	192,188
Total # Claims Fills 35-60 Day Supply	1,258	1,436	1,463	1,528	1,403	1,518
Total # Claims Fills 61-90 Day Supply	21,894	24,289	28,789	25,819	24,587	27,627
Total # Claims Fills 91+ Day Supply	4	5	2	2	2	2
Mail Service Program						
Avg. Days Supply	78.0	73.6	72.4	71.6	71.5	70.7
Avg. Plan Cost/Days Supply	\$1.14	\$1.17	\$1.33	\$1.29	\$1.38	\$1.36
Avg. Cost to Plan	\$88.90	\$88.38	\$96.85	\$82.27	\$88.71	\$88.41
Avg. Member Cost/Claim	\$39.77	\$29.49	\$24.30	\$20.68	\$19.83	\$18.41
Percent Member Cost Share	31.40%	25.45%	20.11%	18.3%	18.59%	18.80%
Total # Claims Fill 1-34 Days Supply	397	459	473	647	530	584
Total # Claims Fills 35-60 Days Supply	5	8	3	8	1	5
Total # Claims Fills 61-90 Days Supply	1,308	1,288	1,196	1,305	1,242	1,299
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0
Formulary Program						
S/S Formulary Drugs (% by claim)	22.60%	22.51%	22.18%	22.2%	22.21%	21.85%
S/S Non-Formulary Drugs (% by claim)	4.86%	4.93%	4.83%	4.8%	4.57%	4.47%
M/S Drugs (% by claim)	1.04%	0.97%	0.97%	1.0%	0.86%	0.98%
Generic Drugs (% by claim)	71.40%	71.18%	72.01%	72.1%	72.28%	72.70%
S/S Formulary Drugs (% by \$)	78.13%	74.05%	72.67%	72.3%	71.88%	71.33%
s/s non-Formulary Drugs (% by \$)	7.76%	7.45%	7.85%	7.8%	7.56%	7.56%
M/S Drugs (% by \$)	0.62%	0.30%	0.33%	0.3%	0.37%	0.44%
Generic Drugs (% by \$)	13.49%	18.18%	19.16%	19.8%	20.18%	20.68%
Specialty Drugs						
Total Drug Cost	\$1,374,104	\$1,220,428	\$1,383,478	\$1,432,192	\$1,275,030	\$1,488,734
Amount Paid by Plan Sponsor	\$1,311,459	\$1,184,513	\$1,329,292	\$1,398,112	\$1,242,397	\$1,449,989
Amount Paid by Members	\$62,645	\$35,915	\$34,183	\$36,020	\$32,633	\$38,738
Total Claims	720	883	873	728	680	741
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.00	0.00	0.00
Plan Paid Per Member Per Month (PMPM)	\$8.33	\$7.51	\$8.37	\$8.78	\$7.77	\$9.04
Avg Claim Cost to Plan	\$1,821.47	\$1,788.60	\$1,976.17	\$1,923.02	\$1,882.42	\$1,888.81
Avg Claim Cost to Member	\$87.01	\$54.17	\$50.78	\$49.61	\$49.44	\$49.87
Percent of Member Cost Share	4.56%	2.94%	2.81%	2.82%	2.58%	2.47%
Percent of Overall Drug Spend	11.65%	8.80%	10.68%	10.87%	10.16%	10.62%

WV PEIA - Monthly Trend

Plan Demographics	Jan-09	Feb-09	Mar-09	Apr-09	2008 - 2009 Fiscal	2007 - 2008 Fiscal	% Change
Total Drug Cost	\$13,708,168	\$12,838,184	\$14,469,668	\$13,902,882	\$132,002,563	\$128,649,139	5.06%
Amount Paid by Plan Sponsor	\$11,221,989	\$10,500,662	\$11,845,739	\$11,474,126	\$104,147,977	\$97,143,128	7.21%
Amount Paid by Members	\$2,486,217	\$2,337,632	\$2,623,932	\$2,428,627	\$27,854,686	\$28,608,013	-2.29%
Total Claims	215,479	209,144	238,440	221,838	2,104,333	2,001,873	6.12%
Average Eligible Member	180,797	181,489	181,569	181,855	169,923	168,789	2.66%
Average # of Rx's Per Member Per Month	1.34	1.30	1.48	1.37	1.32	1.28	2.40%
Plan Paid Per Member Per Month (PMPM)	\$69.78	\$66.03	\$73.32	\$70.89	\$68.12	\$62.38	4.44%
Average Eligible Enrollees	74,034	74,349	74,578	74,763	73,659	72,033	2.26%
Average # of Rx's Per Enrollee Per Month	2.01	2.61	3.18	2.87	2.68	2.78	2.80%
Plan Paid Per Enrollee Per Month (PEPM)	\$181.58	\$141.23	\$158.84	\$153.49	\$141.39	\$134.86	4.84%
Rx Cost Share							
Avg. Claim Cost to Plan	\$82.09	\$60.21	\$50.31	\$51.72	\$49.49	\$48.63	1.99%
Avg. Member Cost/Claim	\$11.64	\$11.18	\$11.14	\$10.98	\$13.24	\$14.24	-7.04%
Percent member Cost Share	18.1%	18.2%	18.1%	17.8%	21.1%	22.7%	-6.99%
Average Ingredient Costs							
Single Source (no generics available)	\$179.00	\$179.81	\$179.26	\$182.38	\$178.70	\$168.90	12.62%
Multi-Source Brand (generics available)	\$49.88	\$53.22	\$53.48	\$57.97	\$49.18	\$38.49	27.72%
Generic Drugs	\$18.19	\$17.78	\$17.53	\$18.06	\$19.77	\$20.11	-8.66%
Brand/Generic Dispensing Ratios							
Single Source (no generics)	26.6%	25.82%	25.03%	26.0%	26.67%	26.81%	-10.65%
Multi-Source Brand (generics available)	1.0%	0.91%	0.89%	0.9%	0.96%	1.00%	-3.86%
Generic Drug	72.4%	73.27%	73.08%	73.0%	72.38%	69.19%	4.60%
Generics Dispensed when available	98.7%	98.77%	98.78%	98.7%	98.70%	98.58%	0.12%
Percent of Plan Cost for Single Source	78.2%	80.08%	80.68%	80.0%	80.38%	79.30%	1.37%
Retail Pharmacy Program							
Avg. Day Supply	32.7	31.7	31.8	32.5	32.4	31.8	1.67%
Avg. Plan Cost/Day Supply	\$1.68	\$1.57	\$1.57	\$1.58	\$1.51	\$1.51	0.54%
Avg. Claim Cost to Plan	\$81.69	\$49.79	\$49.88	\$51.35	\$49.09	\$48.03	2.21%
Avg. Member Cost / Claim	\$11.47	\$11.11	\$11.07	\$10.88	\$13.18	\$14.15	-7.01%
Percent Member Cost Share	18.2%	18.24%	18.17%	17.8%	21.13%	22.78%	-7.12%
Special Maint Netwk (% of claims filled)	11.6%	11.26%	11.38%	11.6%	11.84%	11.24%	2.72%
Other Maint (% of claims filled)	0.6%	0.66%	0.62%	0.6%	0.60%	0.57%	4.95%
Avg. Days Supply for Maint. Netwks	87.6	87.5	87.5	87.4	87.5	87.6	-0.09%
Total # Claims Fills 1-34 Days Supply	184,875	180,787	203,058	190,883	1,813,061	1,737,601	4.34%
Total # Claims Fills 35-60 Day Supply	1,532	1,463	1,652	1,649	14,885	13,234	12.46%
Total # Claims Fills 61-90 Day Supply	27,179	25,122	28,710	27,332	268,138	233,015	10.78%
Total # Claims Fills 91+ Day Supply	16	23	27	29	111	59	89.21%
Mail Service Program							
Avg. Days Supply	71.1	72.1	71.6	71.7	72.2	72.0	0.28%
Avg. Plan Cost/Days Supply	\$1.38	\$1.37	\$1.44	\$1.34	\$1.32	\$1.43	-7.68%
Avg. Cost to Plan	\$98.84	\$98.62	\$102.94	\$99.38	\$96.23	\$103.22	-7.74%
Avg. Member Cost/Claim	\$19.28	\$19.43	\$19.38	\$19.07	\$22.68	\$24.66	-7.25%
Percent Member Cost Share	18.6%	18.48%	15.82%	18.5%	19.35%	19.28%	0.40%
Total # Claims Fill 1-34 Days Supply	567	509	589	543	5,189	5,434	-4.34%
Total # Claims Fills 35-60 Days Supply	11	5	8	3	55	49	12.24%
Total # Claims Fills 61-90 Days Supply	1,289	1,255	1,388	1,287	12,883	12,484	3.21%
Total # Claims Fills 91+ Day Supply	0	0	0	0	.	.	.
Formulary Program							
S/S Formulary Drugs (% by claim)	21.6%	20.91%	21.17%	21.2%	21.84%	23.03%	-5.17%
S/S Non-Formulary Drugs (% by claim)	6.2%	4.91%	4.88%	4.8%	4.83%	6.78%	-25.83%
M/S Drugs (% by claim)	1.0%	0.91%	0.89%	0.9%	0.96%	1.00%	-3.68%
Generic Drugs (% by claim)	72.4%	73.27%	73.08%	73.0%	72.38%	69.19%	4.60%
S/S Formulary Drugs (% by \$)	69.9%	70.89%	71.38%	70.7%	72.07%	69.38%	3.68%
s/s non-Formulary Drugs (% by \$)	9.2%	9.19%	9.20%	9.3%	9.31%	9.82%	-18.26%
M/S Drugs (% by \$)	0.4%	0.46%	0.47%	0.6%	0.43%	0.26%	69.32%
Generic Drugs (% by \$)	20.4%	19.44%	18.95%	19.4%	18.19%	20.45%	-8.16%
Specialty Drugs							
Total Drug Cost	\$1,413,898	\$1,384,093	\$1,449,348	\$1,537,402	\$13,918,742	\$11,670,881	18.24%
Amount Paid by Plan Sponsor	\$1,377,342	\$1,329,169	\$1,413,428	\$1,501,991	\$13,536,689	\$11,328,165	19.51%
Amount Paid by Members	\$36,666	\$54,934	\$35,920	\$35,411	\$381,053	\$344,698	10.55%
Total Claims	734	696	740	732	7,085	6,441	10.00%
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.00	0.004	0.004	7.18%
Plan Paid Per Member Per Month (PMPM)	\$8.57	\$8.23	\$8.75	\$8.28	\$8.48	\$7.27	16.42%
Avg Claim Cost to Plan	\$1,678.49	\$1,909.71	\$1,910.03	\$2,081.80	\$1,910.47	\$1,769.48	8.65%
Avg Claim Cost to Member	\$49.84	\$80.19	\$48.84	\$48.38	\$53.78	\$53.51	0.50%
Percent of Member Cost Share	2.68%	2.66%	2.46%	2.30%	2.74%	2.95%	-7.29%
Percent of Overall Drug Spend	10.32%	10.63%	10.02%	11.06%	10.54%	8.29%	13.60%



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 04/2009 - 04/2009

Previous Period: 04/2008 - 04/2008

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$71.03	\$67.89	4.6 %
Average Mbrs/Month	161,865	157,890	2.5 %
Average Subs/Month	74,753	72,967	2.4 %
% Utilizing Members	48.8 %	45.4 %	3.2 %
% Retail Utilizing Members	48.6 %	45.1 %	3.2 %
% Mail Utilizing Members	0.6 %	0.6 %	0.2 %
Rx Measures			
Rxs PMPM	1.37	1.30	5.6 %
Retail Rxs PMPM	1.36	1.29	5.7 %
Mail Rxs PMPM	0.01	0.01	-4.3 %
Average Admin Fee/Rx	\$0.00	\$0.01	-99.7 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-99.7 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$51.71	\$52.20	-0.9 %
Avg Retail Plan Cost/Rx	\$51.34	\$51.66	-0.6 %
Avg Mail Plan Cost/Rx	\$96.38	\$110.17	-12.5 %
Average Mbr Contrib/Rx	\$10.96	\$11.30	-3.1 %
Avg Retail Mbr Contrib/Rx	\$10.89	\$11.23	-3.0 %
Avg Mail Mbr Contrib/Rx	\$19.07	\$19.11	-0.2 %
Average Ing Cost/Rx	\$81.18	\$81.88	-1.1 %
Avg Retail Ing Cost/Rx	\$80.73	\$81.25	-0.9 %
Avg Mail Ing Cost/Rx	\$115.45	\$127.78	-9.6 %
Average AWP/Rx	\$115.05	\$108.14	6.4 %
Avg Retail AWP/Rx	\$114.09	\$107.09	6.5 %
Avg Mail AWP/Rx	\$230.06	\$222.21	3.5 %
Average Days Supply/Rx	32.8	32.8	0.7 %
Avg Retail Days/Rx	32.5	32.2	0.8 %
Avg Mail Days/Rx	71.7	72.6	-1.2 %
Average Plan Cost/Day	\$1.58	\$1.60	-1.6 %
Avg Retail Plan Cost/Day	\$1.58	\$1.60	-1.4 %
Avg Mail Plan Cost/Day	\$1.34	\$1.62	-11.4 %
% Plan Cost	82.5 %	82.2 %	0.4 %
% Member Contribution	17.6 %	17.8 %	-1.8 %
% Retail Plan Cost	82.5 %	82.1 %	0.4 %
% Retail Mbr Contrib	17.5 %	17.9 %	-2.0 %
% Mail Plan Cost	83.5 %	85.2 %	-2.0 %
% Mail Member Contrib	16.5 %	14.8 %	11.8 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 04/2009 - 04/2009

Previous Period: 04/2008 - 04/2008

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	0.8 %	0.9 %	-9.4 %
% Retail Rxs	99.2 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.0 %	-98.0 %
Rx Types			
Avg SSB Plan Cost/Rx	\$158.95	\$144.48	10.0 %
Avg Retail SSB Plan Cost/Rx	\$158.17	\$143.41	10.3 %
Avg Mail SSB Plan Cost/Rx	\$235.32	\$240.83	-2.3 %
Avg MSB Plan Cost/Rx	\$31.72	\$16.46	92.7 %
Avg Retail MSB Plan Cost/Rx	\$31.48	\$16.98	97.2 %
Avg Mail MSB Plan Cost/Rx	\$55.53	\$83.93	-33.8 %
Avg GEN Plan Cost/Rx	\$13.74	\$15.28	-10.0 %
Avg Retail GEN Plan Cost/Rx	\$13.61	\$15.04	-9.5 %
Avg Mail GEN Plan Cost/Rx	\$30.98	\$41.08	-24.6 %
% Single-Source Brand Rxs	26.0 %	26.6 %	-8.9 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-5.2 %
% Generic Rxs	73.0 %	70.4 %	3.7 %
% Retail Single-Source Brand	26.0 %	28.5 %	-8.9 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-5.5 %
% Retail Generic	73.1 %	70.5 %	3.7 %
% Mail Single-Source Brand	31.9 %	34.4 %	-7.4 %
% Mail Multi-Source Brand	1.1 %	0.8 %	42.7 %
% Mail Generic	67.0 %	64.8 %	3.4 %
% Formulary Rxs	93.9 %	93.4 %	0.6 %
% Retail Formulary Rxs	93.9 %	93.4 %	0.6 %
% Mail Formulary Rxs	92.2 %	93.0 %	-0.9 %
% DAW Rxs	0.5 %	0.6 %	-12.5 %
% Retail DAW Rxs	0.6 %	0.5 %	-11.6 %
% Mail DAW Rxs	0.8 %	1.5 %	-47.3 %
% Generic Conversion	98.7 %	98.6 %	0.1 %
% Retail GEN Conversion	98.7 %	98.6 %	0.1 %
% Mail GEN Conversion	98.3 %	98.8 %	-0.5 %
Period Totals			
Total Plan Cost	\$11,497,780.10	\$10,719,262.78	7.3 %
Retail Plan Cost	\$11,320,246.71	\$10,512,471.89	7.7 %
Mail Plan Cost	\$177,533.39	\$206,790.89	-14.1 %
Total Member Contribution	\$2,436,033.22	\$2,320,659.73	5.0 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 04/2009 - 04/2009
Previous Period: 04/2008 - 04/2008

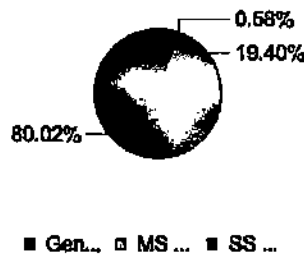
	Current Period	Previous Period	
Retail Member Contrib	\$2,400,900.70	\$2,284,790.81	5.1 %
Mail Member Contrib	\$35,132.82	\$35,869.12	-2.1 %
Total Rx Count	222,361	205,358	8.3 %
Retail Rx Count	220,607	203,387	8.4 %
Member Submit Rxs	2	92	-97.8 %
Mail Rx Count	1,842	1,877	-1.9 %
Total Admin Fee	\$5.00	\$1,542.00	-99.7 %
Total UC Savings	\$9,157,198.39	\$7,483,008.90	22.4 %
Total Lost Savings	\$19,623.09	\$15,835.73	23.1 %
Demographics			
Average Age	39.0	38.9	0.3 %
% Male Members	46.5 %	46.5 %	-0.0 %
% Female Members	53.5 %	53.5 %	0.0 %

Graphs based on Current Period: 04/2009 - 04/2009

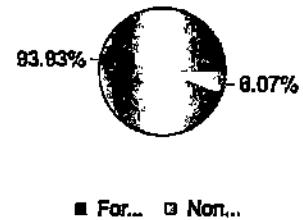
Claim Source by Rx Count



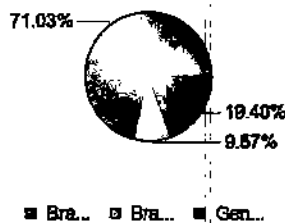
Drug Type by Plan Cost



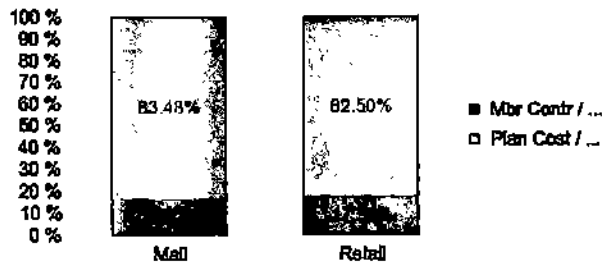
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



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Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 04/2009 - 04/2009



EXPRESS SCRIPTS®

Reporting Level 2	Avg Mbr Count	Avg Util mbd/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	321	190	627	\$41,290	\$11.87	\$65.85	1.1 %	69.6 %	92.3 %	98.4 %	\$128.63
NON STATE AGENCIES (02)	18,399	8,240	23,918	\$1,127,723	\$10.47	\$47.18	0.8 %	74.3 %	94.0 %	99.0 %	\$61.29
NON STATE AGENCIES PLAN B (02B)	2,324	941	2,449	\$91,337	\$12.37	\$37.30	0.8 %	77.4 %	94.2 %	99.3 %	\$39.30
NON STATE RETIREES (08)	1,378	813	3,597	\$163,899	\$10.45	\$51.13	1.5 %	72.8 %	94.8 %	99.2 %	\$133.45
NON STATE RETIREES 60 (0860)	26	19	77	\$4,856	\$3.04	\$63.07	0.0 %	72.7 %	92.2 %	98.2 %	\$184.25
STATE AGENCIES (01)	120,872	54,676	154,841	\$9,018,867	\$10.91	\$51.85	0.8 %	73.1 %	93.8 %	98.7 %	\$68.34
STATE AGENCIES (01B)	4,008	1,143	2,465	\$95,462	\$13.04	\$38.42	1.4 %	77.3 %	94.1 %	99.0 %	\$23.83
STATE RETIREES (07)	14,430	8,591	34,121	\$1,813,918	\$11.42	\$58.09	1.1 %	71.4 %	94.1 %	98.8 %	\$132.63
STATE RETIREES ASST 60 (0760)	108	83	436	\$20,427	\$2.08	\$48.65	1.8 %	75.9 %	95.4 %	99.4 %	\$189.14
TEST GROUP (17022)	2	NA	NA	\$0	NA	NA	NA	NA	NA	NA	NA
Grand Total	181,835		222,381	\$11,497,780	\$10.96	\$51.71	0.8 %	73.0 %	93.9 %	98.7 %	\$71.03

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Monthly Management Report

TOTAL CLAIMS

APRIL 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
APRIL 2009

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	188,780.85	188,786.14	143,826.60	148,556.26	1,922,078.45	1,372,967.65
	MATERNITY	221,564.62	158,366.61	125,895.85	157,521.36	1,576,126.48	1,519,134.40
	MEDICAL AND SURGICAL	6,616,157.42	6,401,002.13	6,664,519.41	5,532,352.71	60,421,466.13	56,757,798.43
	NEONATAL COMPLICATIONS	12,831.00	47,155.02	81,016.71	38,580.50	424,431.90	445,165.18
***** sum		7,039,333.89	6,795,309.91	7,015,258.57	5,877,010.83	64,344,102.96	60,095,065.66
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	44,131.35	42,819.01	45,107.35	32,986.68	409,422.52	337,164.81
	DIALYSIS	138,585.99	126,788.40	156,614.40	133,712.55	1,161,387.16	1,355,500.79
	EMERGENCY ROOM	594,119.63	479,127.51	440,414.71	426,851.39	4,715,838.44	4,246,475.20
	MATERNITY	45,736.27	45,224.25	37,114.16	42,529.05	433,319.18	423,308.85
	MEDICAL AND SURGICAL	9,323,746.10	7,715,648.97	7,409,215.88	6,904,332.16	74,759,485.20	70,032,158.39
***** sum		10,146,319.34	8,409,608.14	8,088,466.50	7,540,411.82	81,479,452.50	76,394,608.04
PHARMACY	PRESCRIPTION DRUGS	13,197,423.25	10,231,764.79	9,161,813.33	9,807,709.90	104,544,472.78	94,045,442.48
***** sum		13,197,423.25	10,231,764.79	9,161,813.33	9,807,709.90	104,544,472.78	94,045,442.48
PROFESSIONAL SERVICES	ADVANCED IMAGING	519,270.00	540,219.00	593,712.83	517,172.36	5,054,765.00	5,208,349.63
	AMBULANCE	263,671.41	191,582.76	128,012.09	171,799.42	1,882,028.61	1,682,585.75
	ANESTHESIA	636,425.92	682,589.34	646,320.07	644,604.42	6,571,136.05	6,516,486.66
	BEHAVIORAL	384,698.70	313,858.34	317,040.23	312,430.00	3,046,336.07	3,050,547.05
	CARDIOVASCULAR MEDICINE	405,314.89	366,396.66	415,415.43	357,099.40	3,472,081.26	3,477,669.58
	CERVICAL CANCER SCREENING	15,194.37	18,344.55	19,320.59	21,525.62	176,762.37	215,588.30
	DIALYSIS	16,842.24	5,527.47	3,130.76	5,080.68	66,007.27	44,394.46
	DME	413,736.91	406,439.36	413,260.76	381,882.43	3,976,396.53	3,901,282.41

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES

NOTE: CLAIMS LISTED ARE ON A PAID BASIS

NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 APRIL 2009

Page: 2

Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	5,052,157.78	4,453,362.04	4,441,732.22	4,230,105.31	44,480,739.21	42,572,785.93
	IMMUNIZATION	261,588.31	303,122.10	244,717.99	325,834.71	3,151,146.61	3,120,681.57
	INJECTION	747,049.44	774,666.95	800,221.56	677,683.86	7,462,651.58	6,784,905.53
	LAB AND PATHOLOGY	821,708.47	671,744.33	747,332.83	625,418.57	6,444,725.16	6,092,723.95
	MAMMOGRAPHY	67,781.32	78,017.62	69,989.36	95,158.46	783,195.33	952,140.85
	OTHER	437,571.81	424,959.59	393,016.75	357,162.39	4,281,852.40	3,742,626.85
	OTHER IMAGING	883,181.71	729,661.12	805,687.13	782,708.01	7,124,781.75	7,774,013.55
	OTHER MEDICINE	1,141,810.09	698,389.66	1,038,646.81	654,548.89	7,046,266.43	7,158,882.90
	PHYSICAL MEDICINE	700,322.21	589,769.28	613,483.92	544,949.66	5,780,362.42	5,510,387.24
	PROSTATE CANCER SCREENING	17,073.50	15,446.79	13,970.52	14,420.47	146,118.37	135,640.37
	SURGICAL	2,505,492.59	2,443,023.57	2,577,759.65	2,366,323.18	23,349,734.12	23,741,164.30

sum		15,290,891.67	13,707,117.52	14,282,771.50	13,085,904.82	134,297,086.54	131,682,856.88
sum		45,673,968.15	39,143,800.35	38,548,309.90	36,311,037.37	384,665,114.78	362,217,973.06

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES



Monthly Management Report

PER CAPITA CLAIMS

APRIL 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 APRIL 2009

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.2134	1.2853	.9556	1.0436	9.2440
	MATERNITY	1.4241	1.0600	.8365	1.1054	10.2281
	MEDICAL AND SURGICAL	42.5249	43.6608	44.2810	38.8152	382.1405
	NEONATAL COMPLICATIONS	.0825	.3221	.5383	.2710	2.9972
	***** sum	45.2449	46.3481	46.6115	41.2352	404.6097
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2837	.2920	.2997	.2314	2.2701
	DIALYSIS	.8908	.8649	1.0406	.9383	9.1264
	EMERGENCY ROOM	3.8187	3.2650	2.9262	2.9943	28.5908
	MATERNITY	.2940	.3082	.2466	.2981	2.8501
	MEDICAL AND SURGICAL	59.9278	52.6105	49.2290	48.4303	471.5145
***** sum	65.2148	57.3406	53.7422	52.8924	514.3518	
PHARMACY	PRESCRIPTION DRUGS	84.8256	69.6980	60.8738	68.8115	633.1918
***** sum	84.8256	69.6980	60.8738	68.8115	633.1918	
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.3376	3.6851	3.9448	3.6290	35.0669
	AMBULANCE	1.6947	1.3070	.8506	1.2059	11.3286
	ANESTHESIA	4.0906	4.6536	4.2943	4.5238	43.8744
	BEHAVIORAL	2.4726	2.1393	2.1065	2.1915	20.5388
	CARDIOVASCULAR MEDICINE	2.6051	2.4993	2.7601	2.5064	23.4146
	CERVICAL CANCER SCREENING	.0977	.1251	.1284	.1511	1.4515
	DIALYSIS	.1083	.0376	.0208	.0357	.2989
	DME	2.6593	2.7696	2.7458	2.6786	26.2667
					25.8958	

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
APRIL 2009

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Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	32.4724	30.3465	29.5122	29.6715	289.6749	286.6352
	IMMUNIZATION	1.6813	2.0629	1.6260	2.2877	20.5214	21.0110
	INJECTION	4.8016	5.2798	5.3169	4.7571	48.5995	45.6816
	LAB AND PATHOLOGY	5.2815	4.5799	4.9655	4.3891	41.9704	41.0213
	MAMMOGRAPHY	.4357	.5318	.4650	.6680	5.1005	6.4106
	OTHER	2.8125	2.8961	2.6113	2.5052	27.8850	25.1985
	OTHER IMAGING	5.6766	4.9734	5.3532	5.4909	46.3992	52.3411
	OTHER MEDICINE	7.3389	4.7633	6.9011	4.5937	45.8879	48.1995
	PHYSICAL MEDICINE	4.5013	4.0192	4.0762	3.8221	37.6438	37.1005
	PROSTATE CANCER SCREENING	.1097	.1054	.0928	.1013	.9516	.9132
	SURGICAL	16.1039	16.6597	17.1274	16.6042	152.0620	159.8452

sum		98.2812	93.4344	94.8990	91.8128	874.5919	886.5980
sum		293.5666	266.8211	256.1264	254.7519	2,505.0804	2,438.7513

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
NOTE: CLAIMS LISTED ARE ON A PAID BASIS
NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES



Monthly Management Report

PER CAPITA UTILIZATION

APRIL 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 APRIL 2009

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0004	.0007	.0055	.0052
	MATERNITY	.0005	.0008	.0077	.0083
	MEDICAL AND SURGICAL	.0066	.0080	.0812	.0822
	NEONATAL COMPLICATIONS	.0001	.0003	.0021	.0032

SUM		.0076	.0098	.0966	.0989
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0025	.0022	.0268	.0258
	DIALYSIS	.0038	.0037	.0302	.0314
	EMERGENCY ROOM	.0270	.0224	.2317	.2454
	MATERNITY	.0021	.0021	.0205	.0228
	MEDICAL AND SURGICAL	.2022	.1688	1.9833	2.0416

SUM		.2377	.1992	2.2924	2.3670
PHARMACY	PRESCRIPTION DRUGS	1.1385	.8219	9.4746	9.0541

SUM		1.1385	.8219	9.4746	9.0541
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0248	.0223	.2288	.2316
	AMBULANCE	.0045	.0027	.0376	.0402
	ANESTHESIA	.0178	.0170	.1900	.1872
	BEHAVIORAL	.0417	.0364	.3756	.3931
	CARDIOVASCULAR MEDICINE	.0366	.0330	.3359	.3311
	CERVICAL CANCER SCREENING	.0039	.0053	.0474	.0639
	DIALYSIS	.0007	.0003	.0035	.0041
	DME	.0224	.0255	.2375	.2474
	EVALUATION AND MANAGEMENT	.5206	.4849	4.8265	4.9186
	IMMUNIZATION	.0186	.0167	.3995	.3640

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 APRIL 2009

Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0304	.0291	.2701	.2748
	LAB AND PATHOLOGY	.1642	.1589	1.5766	1.6680
	MAMMOGRAPHY	.0147	.0145	.1656	.1737
	OTHER	.0338	.0328	.3733	.3421
	OTHER IMAGING	.1018	.0917	.9260	.9595
	OTHER MEDICINE	.0796	.0746	.7518	.7645
	PHYSICAL MEDICINE	.1036	.0992	1.0042	1.0329
	PROSTATE CANCER SCREENING	.0060	.0053	.0601	.0593
	SURGICAL	.0797	.0772	.7839	.7868

SUM		1.3050	1.2277	12.5941	12.8426
SUM		2.6887	2.2585	24.4576	24.3625

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

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

DRAFT

		April 30	
		(In thousands)	
		2009	2008
ASSETS			
Short Term Assets			
Cash and Equivalents	\$	29,884	\$ 28,716
Advance Deposit with Carrier/Trustee		179,406	166,626
Receivables - Net		2,024	9,505
Prepaid Insurance		1,023	1,066
Total Short Term Assets		212,337	195,913
Long Term Assets			
Investments		98,849	111,988
Total Long Term Assets		98,849	111,988
TOTAL ASSETS		311,186	307,901
LIABILITIES			
Short Term Liabilities			
Accounts payable		1,265	4,324
Claims Payable		170	40
OPEB Liability		36	-
Agents Commissions Payable		1,351	1,654
Unearned Revenue		11,030	12,664
Current Estimated Claim Reserve		52,108	53,340
Total Short Term Liabilities		65,959	72,022
Long Term Liabilities			
Compensated Absences		52	200
Estimated Noncurrent Claim Reserve		114,040	110,507
Total Long Term Liabilities		114,092	110,707
TOTAL LIABILITIES		180,051	182,729
Prior Year Net Assets		127,630	97,547
Current Year Earnings		3,505	27,625
TOTAL NET ASSETS		131,135	125,172
TOTAL LIABILITIES AND RETAINED EARNINGS	\$	311,186	\$ 307,901

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	April 30	
	(in thousands)	
	2009	2008
Operating Revenues		
Premium Revenues	\$ 52,202	\$ 61,135
Less - Excess Insurance	(5,114)	(5,329)
Total Operating Revenues	47,088	55,806
Operating Expenses		
Claims Expense	36,356	36,474
Property & MS Claims Expense	5,006	1,718
Personal Services	1,088	1,104
Operating Expenses	2,435	2,627
Total Operating Expenses	44,885	41,923
Operating Income (Loss)	2,203	13,883
Nonoperating Revenues		
Court Fees	27	24
Investment Income	1,275	13,718
Total Nonoperating Revenues	1,302	13,742
Net Income (Loss)	3,505	27,625

DRAFT - Unaudited - Management Purposes Only



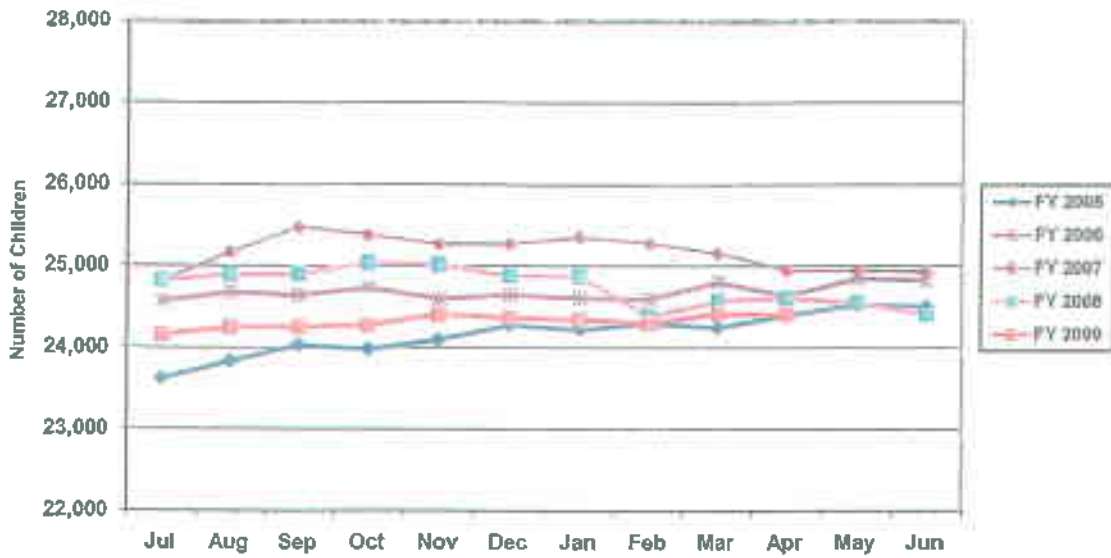
**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301**

**Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-558-2741
www.wvchip.org**

**Joint Committee on
Government and Finance
Report**

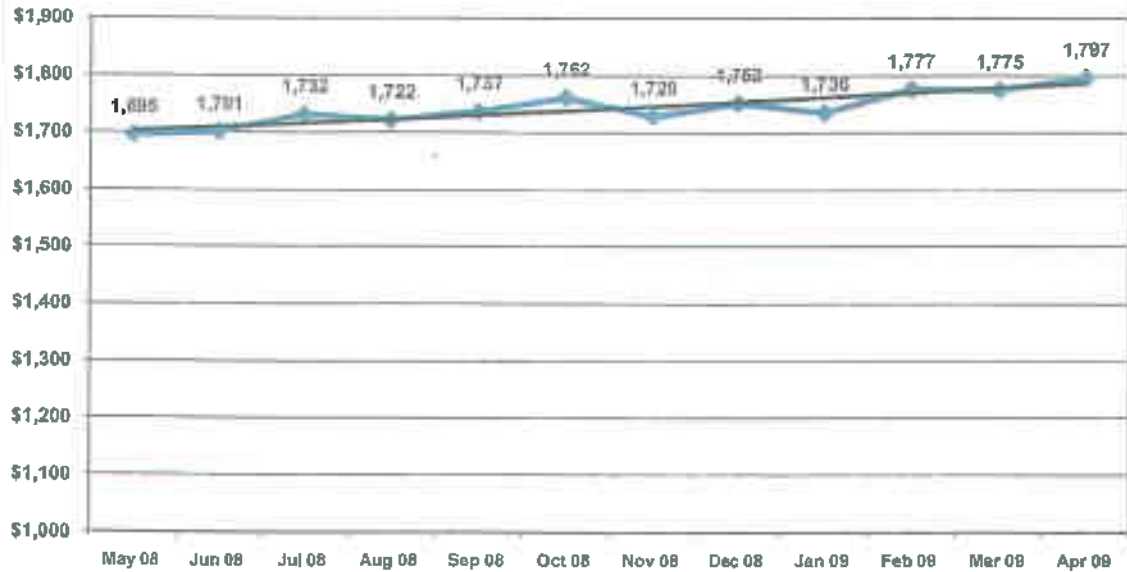
June 2009

WV CHIP Enrollment



May 31, 2009 Enrollment 24,524

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
April 2009 and 2008
(Accrual Basis)**

	April 30, 2009	April 30, 2008	Variance	
Assets:				
Cash & Cash Equivalents	\$11,484,397	\$9,648,937	\$1,835,460	19%
Due From Federal Government	\$3,313,807	\$3,012,039	\$301,768	10%
Due From Other Funds	\$746,733	\$662,075	\$84,658	13%
Accrued Interest Receivable	\$1,810	\$16,734	(\$14,924)	-89%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
Total Assets	<u>\$15,617,029</u>	<u>\$13,401,354</u>	<u>\$2,215,675</u>	<u>17%</u>
Liabilities:				
Due to Other Funds	\$240,540	\$304,115	(\$63,575)	-21%
Deferred Revenue	\$2,623,753	\$1,519,462	\$1,104,291	73%
Unpaid Insurance Claims Liability	<u>\$3,820,000</u>	<u>\$3,370,000</u>	<u>\$450,000</u>	<u>13%</u>
Total Liabilities	<u>\$6,684,292</u>	<u>\$5,193,577</u>	<u>\$1,490,715</u>	<u>29%</u>
Fund Equity	<u>\$8,932,736</u>	<u>\$8,207,777</u>	<u>\$724,959</u>	<u>9%</u>
Total Liabilities and Fund Equity	<u>\$15,617,029</u>	<u>\$13,401,354</u>	<u>\$2,215,675</u>	<u>17%</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 Ten Months Ending April 30, 2009 and April 30, 2008
(Modified Accrual Basis)

	April 30, 2009	April 30, 2008	Variance	
Revenues:				
Federal Grants	31,722,510	29,454,728	2,267,782	8%
State Appropriations	10,971,688	10,968,995	2,693	0%
Premium Revenues	112,019	70,839	41,180	58%
Investment Earnings	<u>99,914</u>	<u>204,017</u>	<u>(104,103)</u>	-51%
Total Operating Revenues	<u>42,906,131</u>	<u>40,698,579</u>	<u>2,207,552</u>	<u>5%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	10,046,032	8,853,571	1,192,461	13%
Physicians & Surgical	8,251,659	7,715,175	536,484	7%
Prescribed Drugs	7,145,315	6,795,951	349,364	5%
Dental	4,153,608	4,104,274	49,334	1%
Inpatient Hospital Services	3,282,775	2,948,288	334,487	11%
Outpatient Mental Health	1,092,661	1,001,179	91,482	9%
Durable & Disposable Med. Equip.	1,026,051	926,091	99,960	11%
Vision	532,231	519,087	13,144	3%
Inpatient Mental Health	611,104	491,039	120,065	24%
Therapy	376,819	315,327	61,492	20%
Medical Transportation	294,519	207,003	87,516	42%
Other Services	91,606	79,407	12,199	15%
Less: Collections*	<u>(657,183)</u>	<u>(542,791)</u>	<u>(114,392)</u>	<u>21%</u>
Total Claims	<u>36,247,197</u>	<u>33,413,601</u>	<u>2,833,596</u>	<u>8%</u>
General and Admin Expenses:				
Salaries and Benefits	410,362	397,316	13,046	3%
Program Administration	1,810,389	1,734,034	76,355	4%
Eligibility	252,092	274,930	(22,838)	-8%
Outreach & Health Promotion	106,997	57,611	49,386	86%
Current	<u>123,723</u>	<u>98,426</u>	<u>25,295</u>	<u>26%</u>
Total Administrative	<u>2,703,563</u>	<u>2,562,319</u>	<u>141,244</u>	<u>6%</u>
Total Expenditures	<u>38,950,760</u>	<u>35,975,920</u>	<u>2,974,840</u>	<u>8%</u>
Excess of Revenues				
Over (Under) Expenditures	3,955,370	4,722,659	(767,289)	-16%
Fund Equity, Beginning	<u>4,977,366</u>	<u>3,485,118</u>	<u>1,492,248</u>	<u>43%</u>
Fund Equity, Ending	<u>8,932,736</u>	<u>8,207,777</u>	<u>724,959</u>	<u>9%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2009
 For the Ten Months Ended April 30, 2009

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Apr-09	Mar-09	Feb-09
Projected Cost	\$42,533,167	\$35,444,306	\$36,461,765	(\$1,017,460)	-3%	\$3,544,431	\$5,133,053	\$3,835,575	\$3,744,182
Premiums	136,290	113,575	112,019	\$1,556	-1%	11,358	\$16,052	15,420	13,327
Subrogation & Rebates	<u>539,625</u>	<u>449,668</u>	<u>657,513</u>	<u>(207,825)</u>	<u>45%</u>	<u>44,969</u>	<u>79,263</u>	<u>86,487</u>	<u>42,545</u>
Net Benefit Cost	41,857,252	\$34,881,043	\$35,692,234	(\$811,190)	-2%	3,488,104	5,038,738	3,733,668	3,688,310
Salaries & Benefits	\$515,486	\$429,572	\$410,364	\$19,208	4%	\$42,957	\$40,615	\$40,325	\$40,133
Program Administration	2,080,170	1,733,475	1,708,470	25,005	1%	173,348	93,944	286,615	200,530
Eligibility	318,670	265,558	229,275	36,283	14%	26,556	0	63,222	3,060
Outreach	81,895	68,246	96,176	(27,930)	-41%	6,825	3,780	17,354	2,224
Current Expense	<u>140,400</u>	<u>117,000</u>	<u>121,601</u>	<u>(4,601)</u>	<u>-4%</u>	<u>11,700</u>	<u>16,774</u>	<u>14,280</u>	<u>14,228</u>
Total Admin Cost	\$3,136,822	\$2,813,852	\$2,565,886	\$47,966	2%	\$261,385	\$155,113	\$421,796	\$260,175
Total Program Cost	<u>\$44,993,874</u>	<u>\$37,494,895</u>	<u>\$38,258,120</u>	<u>(\$763,225)</u>	<u>-2%</u>	<u>\$3,749,489</u>	<u>\$5,193,851</u>	<u>\$4,155,464</u>	<u>\$3,948,485</u>
Federal Share 81.90%	36,485,532	\$30,404,610	\$31,258,631	(854,021)	-3%	3,040,461	4,238,702	3,391,274	3,222,358
State Share 18.02%	<u>8,508,342</u>	<u>\$7,090,285</u>	<u>\$6,999,489</u>	<u>90,796</u>	<u>1%</u>	<u>709,028</u>	<u>955,149</u>	<u>764,190</u>	<u>726,126</u>
Total Program Cost **	<u>\$44,993,874</u>	<u>\$37,494,895</u>	<u>\$38,258,120</u>	<u>(\$763,225)</u>	<u>-2%</u>	<u>\$3,749,489</u>	<u>\$5,193,851</u>	<u>\$4,155,464</u>	<u>\$3,948,485</u>

* Positive percentages indicate favorable variances
 ** Budgeted Year Based on CCRC Actuary 6/30/2008 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calcs Above:

Notes:

- 1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/08 Final worksheet Net Paid Program Costs.
- 2/. Federal Share for FFY 2008 is 81.98%. Federal Share for FFY 2009 (10/1/08 - 9/30/09) is set at 81.61%.

WV CHIP Enrollment Report

ATTACHMENT 1

May 2009

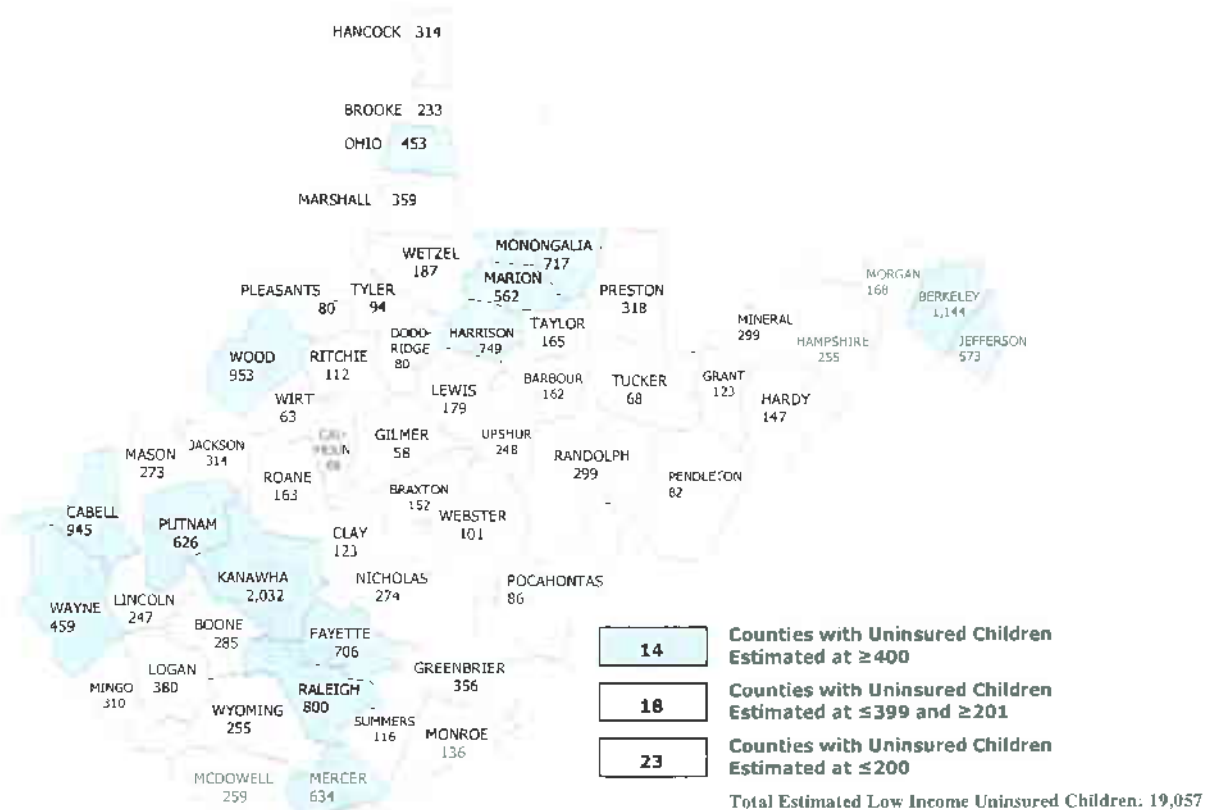
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment May-09	Total Medicaid Enrollment May-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Barbour	3,248	299	1,498	1,797	55.3%	162	38
Berkeley	22,882	1,292	6,745	8,037	35.1%	1,144	2
Boone	5,706	311	2,521	2,832	49.6%	285	24
Braxton	3,044	189	1,557	1,746	57.4%	152	39
Brooke	4,658	307	1,488	1,795	38.5%	233	32
Cabell	18,900	995	8,100	9,095	48.1%	945	4
Calhoun	1,389	131	847	978	70.4%	69	52
Clay	2,454	190	1,412	1,602	65.3%	123	43
Doddridge	1,607	128	715	843	52.4%	80	50
Fayette	9,692	915	4,654	5,569	57.5%	485	12
Gilmer	1,154	99	558	657	56.9%	58	55
Grant	2,463	151	957	1,108	45.0%	123	42
Greenbrier	7,110	580	2,810	3,390	47.7%	356	17
Hampshire	5,110	273	1,994	2,267	44.4%	255	28
Hancock	6,270	351	2,304	2,655	42.3%	314	20
Hardy	2,950	162	1,149	1,311	44.4%	147	40
Harrison	14,973	910	5,734	6,644	44.4%	749	6
Jackson	6,277	373	2,549	2,922	46.6%	314	19
Jefferson	11,465	404	2,438	2,842	24.8%	573	10
Kanawha	40,647	2,199	16,582	18,781	46.2%	2,032	1
Lewis	3,577	306	1,716	2,022	56.5%	179	34
Lincoln	4,945	394	2,566	2,960	59.9%	247	31
Logan	7,610	545	3,868	4,413	58.0%	380	15
Marion	11,245	712	4,287	4,999	44.5%	562	11
Marshall	7,176	351	2,712	3,063	42.7%	359	16
Mason	5,461	297	2,569	2,866	52.5%	273	26
McDowell	5,170	377	3,344	3,721	72.0%	259	27
Mercer	12,687	1,090	6,588	7,678	60.5%	634	8
Mineral	5,973	297	1,972	2,269	38.0%	299	22
Mingo	6,204	373	3,061	3,434	55.4%	310	21
Monongalia	14,346	746	4,114	4,860	33.9%	717	7
Monroe	2,728	188	1,053	1,241	45.5%	136	41
Morgan	3,365	245	1,184	1,429	42.5%	168	35
Nicholas	5,478	417	2,556	2,973	54.3%	274	25
Ohio	9,068	552	2,978	3,530	38.9%	453	14
Pendleton	1,632	103	453	556	34.1%	82	49
Pleasants	1,593	102	540	642	40.3%	80	51
Pocahontas	1,717	138	661	799	46.5%	86	48
Preston	6,354	467	2,316	2,783	43.8%	318	18
Putnam	12,522	690	3,112	3,802	30.4%	626	9
Raleigh	15,992	1,249	6,997	8,246	51.6%	800	5
Randolph	5,971	445	2,600	3,045	51.0%	299	23
Ritchie	2,234	148	953	1,101	49.3%	112	45
Roane	3,266	268	1,658	1,926	59.0%	163	37
Summers	2,322	204	1,140	1,344	57.9%	116	44
Taylor	3,307	234	1,362	1,596	48.3%	165	36
Tucker	1,354	153	484	637	47.0%	68	53
Tyler	1,887	121	763	884	46.9%	94	47

WV CHIP Enrollment Report

May 2009

ATTACHMENT 1

County	County Pop 2005 Est. (0-18 Yrs)	Total CHIP Enrollment May-09	Total Medicaid Enrollment May-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007	2007
						Est. Uninsured 5%	# Children Uninsured Ranking*
Upshur	4,956	429	2,232	2,661	53.7%	248	30
Wayne	9,176	547	4,145	4,692	51.1%	459	13
Webster	2,020	177	1,147	1,324	65.6%	101	46
Wetzel	3,732	216	1,625	1,841	49.3%	187	33
Wirt	1,268	113	548	661	52.1%	63	54
Wood	19,063	1,147	7,887	9,034	47.4%	953	3
Wyoming	5,092	424	2,583	3,007	59.1%	255	29
Totals	382,490	24,524	154,386	178,910	46.8%	19,125	



Legislative Oversight Commission on
Health and Human Resources Accountability

JUNE 2009

Department of Administration

State Children's Health Insurance Program
UPDATE



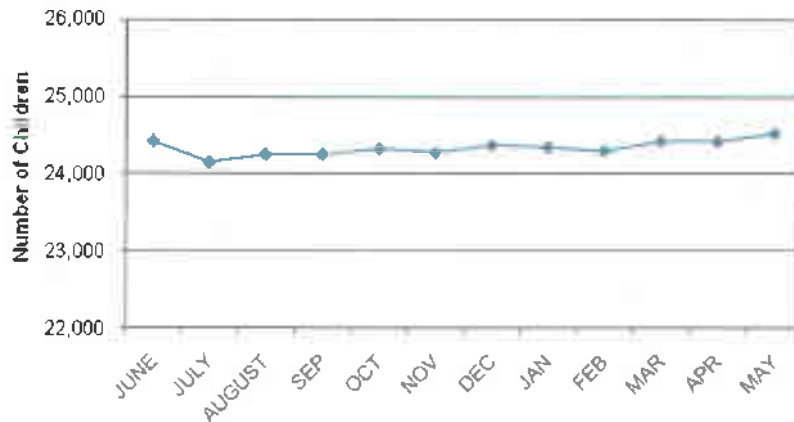
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JUNE 2009

I. Enrollment on May 2009: 24,524

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: June 2008 through May 2009



Enrollee Totals: March 2009 to May 2009

Month	Total	1 Year Average	Total
March	2,078	1,742	1,742
April	1,884	High	2,088
May	1,771	Low	1,396

New Enrollee (Never Before on CHIP) Totals: March 2009 to May 2009

Month	Total	1 Year Average	Total
March	726	757	757
April	710	High	838
May	648	Low	646

II. Re-enrollment for 3 Month Period: February 2009 to April 2009

Total Forms Mailed	Enrolled within Notice Period		Reopened Cases After Closure		Final Closures		
	Month	Total	#	%	#	%	#
February	1,951	1,063	55%	341	17%	547	28%
March	1,985	1,151	58%	253	13%	581	29%
April	1,705	1,098	64%	168	10%	439	26%

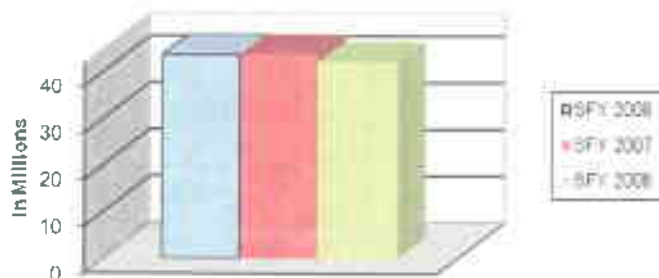
III. Financial Activity

Please see this month's financial statement at Attachment 2.

The average annualized claims cost per child for the month ended April 2009 was \$1,925.

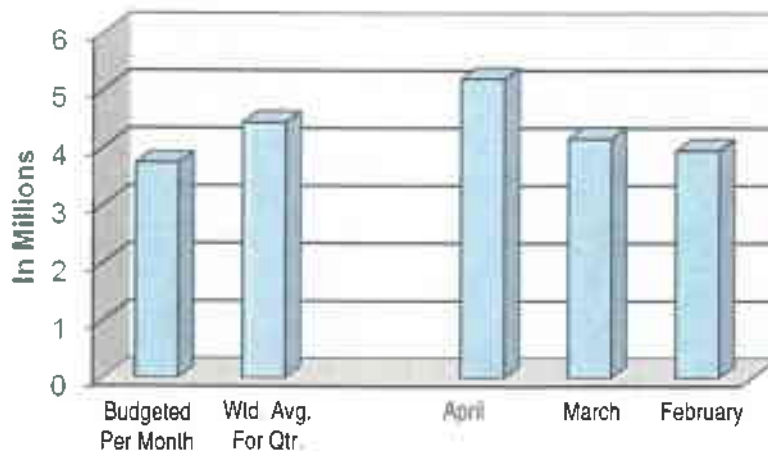
Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008

	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: February 2009 – April 2009

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			April 2009	March 2009	February 2009
Federal	3,028,695	3,617,445	4,238,702	3,391,274	3,222,358
State	706,285	815,155	955,149	764,190	726,126
Total	3,734,980	4,432,600	5,193,851	4,155,464	3,948,484



IV. Other Highlights

Changes Under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)

- ◆ **Financial:** At present, information and guidance from the Centers for Medicare and Medicaid Services (CMS) concerning changes to law under the reauthorized Act (CHIPRA) is slowly being released on a section by section basis. At this point the Agency is still awaiting official confirmation of its 2009 allotment – still expected to be in the \$40 to \$43 million range in federal funds. At the same time the Agency is reviewing new mandates under the law in order to assure compliance.
- ◆ **New Mandates:** These involve assuring mental health parity, assuring a benchmarked level of dental benefits, and preparing to change to a prospective payment system for Community Health Centers. One other mandate is that CHIP applicants are now subject to the same citizenship documentation requirements as Medicaid applicants. CHIP is hopeful that DHHR will be able to implement social security data matches to prevent this from being a barrier to enrollment.
- ◆ **New Coverage Options:** New latitude exists for states to exercise coverage options for supplemental dental services coverage, provide premium assistance for Employer Sponsored Plans, coverage for pregnant women, and coverage of legal immigrants.
- ◆ **Performance Bonus:** Since the re-based formula is structured to encourage further enrollment growth, there is a performance bonus that states may qualify for if they target further growth. If West Virginia qualified to be eligible, the performance bonus would go to the Medicaid agency since they often see a larger increase in enrollment when states expand coverage to children. The bonus is also meant to encourage states to streamline their enrollment and renewal processes. The Agency hopes to explore with DHHR the possibility of whether or not we can undertake any initiative in these areas.

CHIP Enrollment Trends

- ◆ During the past year the Agency has been asked about its slight decline in enrollment. A comparison of CHIP and Medicaid enrollment trends over the past 18 months seems to clearly reflect the economic climate that as employment and income have dropped lower, Medicaid bears the brunt with an increased enrollment trend, and working families in CHIP have also had decreases in income or employment may now qualify under Medicaid instead of CHIP **(please refer to attached graphs for the period of June 2007 to March 2009).**
- ◆ Despite this trend WVCHIP is running some paid advertisements to continue to raise awareness of expanded income guidelines now permitting families of 4 with a household income up to \$55,125 to enroll when they pay a premium share.

WV CHIP Enrollment Report

ATTACHMENT 1

May 2009

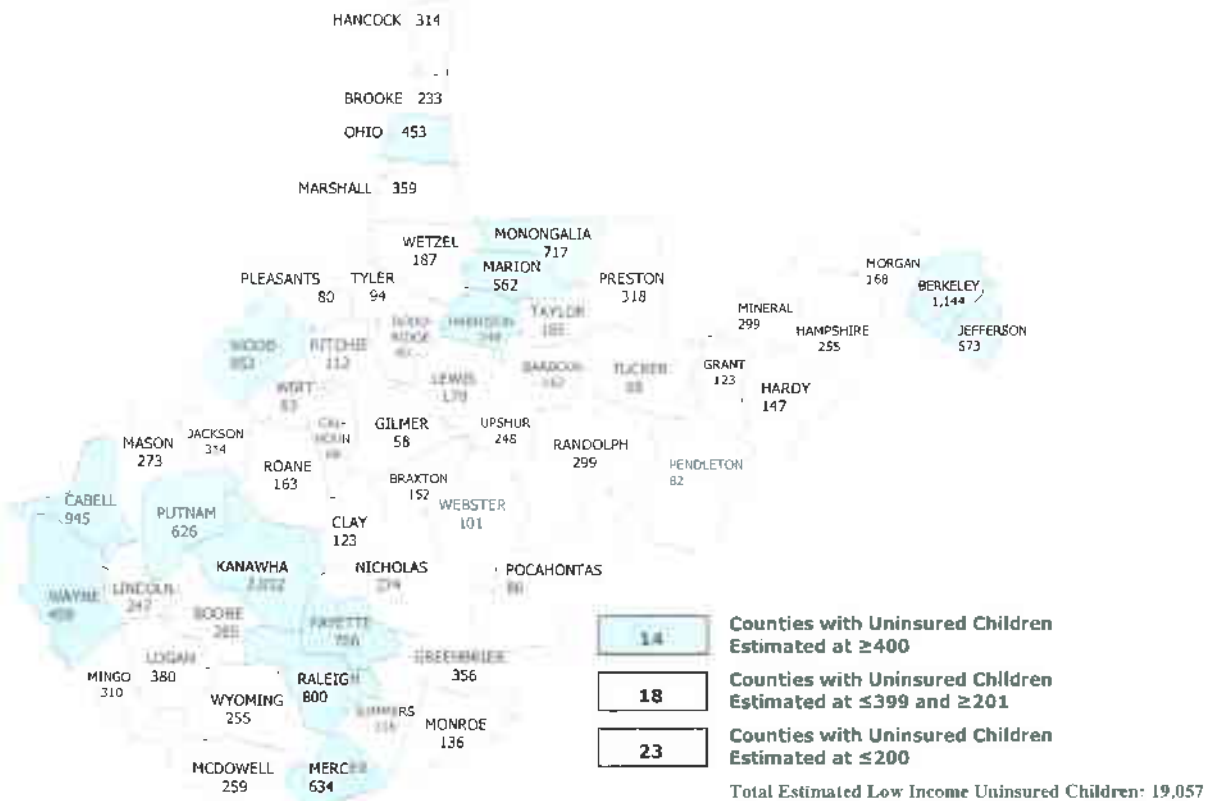
County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2007	2007
	2005 Est. (0-18 Yrs)	Enrollment May-09	Enrollment May-09	CHIP/Medicaid Enrollment	Enrollment % of Population	Est Uninsured 5%	# Children Uninsured Ranking*
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WV CHIP Enrollment Report

ATTACHMENT 1

May 2009

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Wirt	1,268	113	548	661	52.1%	63	54
Wood	19,063	1,147	7,887	9,034	47.4%	953	3
Wyoming	5,092	424	2,583	3,007	59.1%	255	29
Totals	382,490	24,524	154,386	178,910	46.8%	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 Ten Months Ending April 30, 2009 and April 30, 2008
(Modified Accrual Basis)

	April 30, 2009	April 30, 2008	Variance	
Revenues:				
Federal Grants	31,722,510	29,454,728	2,267,782	8%
State Appropriations	10,971,688	10,968,995	2,693	0%
Premium Revenues	112,019	70,839	41,180	58%
Investment Earnings	<u>99,914</u>	<u>204,017</u>	<u>(104,103)</u>	-51%
Total Operating Revenues	<u>42,906,131</u>	<u>40,698,579</u>	<u>2,207,552</u>	<u>5%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	10,046,032	8,853,571	1,192,461	13%
Physicians & Surgical	8,251,659	7,715,175	536,484	7%
Prescribed Drugs	7,145,315	6,795,951	349,364	5%
Dental	4,153,608	4,104,274	49,334	1%
Inpatient Hospital Services	3,282,775	2,948,288	334,487	11%
Outpatient Mental Health	1,092,661	1,001,179	91,482	9%
Durable & Disposable Med. Equip.	1,026,051	926,091	99,960	11%
Vision	532,231	519,087	13,144	3%
Inpatient Mental Health	611,104	491,039	120,065	24%
Therapy	376,819	315,327	61,492	20%
Medical Transportation	294,519	207,003	87,516	42%
Other Services	91,606	79,407	12,199	15%
Less: Collections*	<u>(657,183)</u>	<u>(542,791)</u>	<u>(114,392)</u>	<u>21%</u>
Total Claims	<u>36,247,197</u>	<u>33,413,601</u>	<u>2,833,596</u>	<u>8%</u>
General and Admin Expenses:				
Salaries and Benefits	410,362	397,316	13,046	3%
Program Administration	1,810,389	1,734,034	76,355	4%
Eligibility	252,092	274,930	(22,838)	-8%
Outreach & Health Promotion	106,997	57,611	49,386	86%
Current	<u>123,723</u>	<u>98,428</u>	<u>25,295</u>	<u>26%</u>
Total Administrative	<u>2,703,563</u>	<u>2,562,319</u>	<u>141,244</u>	<u>6%</u>
Total Expenditures	<u>38,950,760</u>	<u>35,975,920</u>	<u>2,974,840</u>	<u>8%</u>
Excess of Revenues				
Over (Under) Expenditures	3,955,370	4,722,659	(767,289)	-16%
Fund Equity, Beginning	<u>4,977,366</u>	<u>3,485,118</u>	<u>1,492,248</u>	<u>43%</u>
Fund Equity, Ending	<u>8,932,736</u>	<u>8,207,777</u>	<u>724,959</u>	<u>9%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
April 2009 and 2008
(Accrual Basis)**

	April 30, 2009	April 30, 2008	Variance	
Assets:				
Cash & Cash Equivalents	\$11,484,397	\$9,648,937	\$1,835,460	19%
Due From Federal Government	\$3,313,807	\$3,012,039	\$301,768	10%
Due From Other Funds	\$746,733	\$662,075	\$84,658	13%
Accrued Interest Receivable	\$1,810	\$16,734	(\$14,924)	-89%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
Total Assets	<u>\$15,617,029</u>	<u>\$13,401,354</u>	<u>\$2,215,675</u>	<u>17%</u>
Liabilities:				
Due to Other Funds	\$240,540	\$304,115	(\$63,575)	-21%
Deferred Revenue	\$2,623,753	\$1,519,462	\$1,104,291	73%
Unpaid Insurance Claims Liability	<u>\$3,820,000</u>	<u>\$3,370,000</u>	<u>\$450,000</u>	<u>13%</u>
Total Liabilities	<u>\$6,684,292</u>	<u>\$5,193,577</u>	<u>\$1,490,715</u>	<u>29%</u>
Fund Equity	<u>\$8,932,736</u>	<u>\$8,207,777</u>	<u>\$724,959</u>	<u>9%</u>
Total Liabilities and Fund Equity	<u>\$15,617,029</u>	<u>\$13,401,354</u>	<u>\$2,215,675</u>	<u>17%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended April 30, 2009
(Accrual Basis)

Investment Account

Funds Invested	\$10,977,769
Interest Earned	<u>99,914</u>
Total	<u>\$11,077,683</u>

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report
For the period of May 1, 2009 through May 31, 2009

NEW CONTRACT OF LEASE

DIVISION OF JUVENILE SERVICES

DJS-017 New contract of lease for 3 years containing 3,349 square feet of office space at the PSF rate of \$10.50, full service, with Tech Partners, LLC, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-129 New contract of lease for 1 year containing 165 square feet of office space at the PSF rate of \$14.55, full service including parking but excluding natural gas, with the Boone County Community and Economic Development Corporation, in the City of Madison, Boone County, West Virginia.

DIVISION OF REHABILITATION SERVICES

DRS-096 New contract of lease for 10 years containing 7,070 square feet of office space at the PSF rate of \$11.75 for the first 5 years, then \$12.75 for the remainder of said term, full service, with North Side Center, LLC., in the City of Summersville, Nicholas County, West Virginia.

DIVISION OF TOURISM

TOR-007 New contract of lease for 1 year containing 1,750 square feet of office space at the PSF rate of \$15.00, full service along with parking, with the Ohio County Development Authority, in the City of Tridelpia, Ohio County, West Virginia.

DIVISION OF VETERANS AFFAIRS

VET-034 New contract of lease for 2 years containing 439 square feet of office space at the PSF rate of \$12.70, full service along with parking, with the WV Adjutant General/State Armory Board, in the City of Morgantown, Monongalia County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-016 New contract of lease for 10 years containing 4,674 square feet of office space at the PSF rate of \$12.07 for the first 5 years, then \$12.75 for the remainder of the said term, full service, with North Side Center, LLC., in the City of Summersville, Nicholas County, West Virginia.

CONTINUATION OF NEW CONTRACT OF LEASE

WORKFORCE WEST VIRGINIA

WWV-015 New contract of lease for 5 years containing 5,609 square feet of office space at the PSF rate of \$16.50, full service excluding electrical, with Veteran's Square II, LLC., in the City of Fairmont, Marion County, West Virginia.

NEW CONTRACT OF SUBLEASE

DIVISION OF CORRECTIONS

COR-078 New contract of sub-lease containing 465 square feet of office space at the PSF rate of \$12.50, full service, with WORK4WV Region 1, Inc., in the City of Welch, McDowell County, West Virginia.

STRAIGHT RENEWALS

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-138 Renewal for 5 years containing 330 square feet of tower/monitoring site space at the same annual rate of \$1.00 per year, no utilities, with the West Virginia Department of Highways, in the City of Clintonville, Greenbrier County, West Virginia.

DIVISION OF FORESTRY

FOR-044 Renewal for 2 years containing 751 square feet of office space at the same PSF rate of \$5.99, full service, with Court Street Properties, LLC., in the City of Fayetteville, Fayette County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-097 Renewal for 1 year consisting of a public access site to the French Creek Embayment at the same monthly rate of \$110.50, with Mr. and Mrs. Hal C. Williams, in Pleasants County, West Virginia.

DIVISION OF VETERANS AFFAIRS

VET-031 Renewal for 1 year containing 900 square feet of storage/warehousing space at the same PSF rate of \$4.80, with Rose Bud, Inc., in the City of Clarksburg, Harrison County, West Virginia.

CONTINUATION OF STRAIGHT RENEWALS

EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE

ETC-004 Renewal for 1 month containing 4,113 square feet of office space at the same PSF rate of \$10.00, full service excluding janitorial service, with HARCO Investments, Inc., in the City of Moorefield, Hardy County.

FAIRMONT STATE UNIVERSITY

FSC-024 Renewal for 1 year containing 1,400 square feet of office space at the same PSF rate of \$4.42, with Teresa Puccio, in the City of Fairmont, Marion County, West Virginia.

GLENVILLE STATE COLLEGE

GSC-001 Renewal for 40 years containing 3,780 square feet of office space at the same annual rate of \$1.00, with Glenville State Alumni College Foundation, Inc., in the City of Glenville, Gilmer County, West Virginia.

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE

NRC-011 Renewal for 1 year containing 9,500 square feet of office space at the same PSF rate of \$12.50, parking only, with Three W Corporation of Virginia, in the City of Beckley, Raleigh County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-001 Renewal for 1 year containing 500 square feet of office space at the same PSF rate of \$12.00, full service, with South Western Region 2 Workforce Investment Board, Inc., in the City of Hurricane, Putnam County, West Virginia.

RENEWAL/RENT INCREASE

DIVISION OF MOTOR VEHICLES

DMV-020 Renewal for 3 years containing 7,025 square feet of office space with an increase in rent from \$10.00 annual PSF rate to \$12.50 annual PSF rate, parking only, with Platinum Properties, LLC., in the City of Bridgeport, Harrison County, West Virginia.

SMALL BUSINESS DEVELOPMENT CENTER

SBD-001 Renewal for 1 year for office space consisting of rooms 205 and 207 with an increase in rent from \$1,000.00 per month to \$1,040.00 per month, full service, with Newberry Properties, LLC., in the City of Martinsburg, Berkeley County.

NON-RENEWAL

EASTERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE

ETC-004 Non-renewal upon expiration of a lease containing 12,000 square feet of office space at the PSF rate of \$14.00, no utilities, only parking, with HARCO Investments, Inc., in the City of Moorefield, Hardy County, West Virginia, due to relocation of office to a new space.

Joint Committee on Government and Finance

June 2009

Department of Health and Human Resources

MEDICAID REPORT

April 2009 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2009

MONTH OF APRIL 2009

	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2008	SFY2009	Current Month Apr-09	Current Month Apr-08	Year To-Date Thru 04/30/09	04/01/08 Thru 06/30/09
EXPENDITURES:						
Inpatient Hospital Services	224,743,060	233,875,834	18,330,382	19,894,962	210,159,748	23,516,888
Inpatient Hospital Services - DSH Adjustment Payments	65,898,017	67,762,400	-	-	40,846,760	16,906,640
Mental Health Facilities	44,424,899	47,803,433	4,457,720	4,582,337	40,602,649	7,000,784
Mental Health Facilities - DSH Adjustment Payments	18,768,680	18,774,908	-	-	14,876,707	4,897,283
Nursing Facility Services	431,721,537	481,013,785	40,535,284	35,603,829	388,340,870	72,672,915
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,149,889	63,050,810	6,886,567	5,203,874	62,450,730	10,600,080
Physicians Services ***	122,769,471	125,162,523	18,588,320	15,187,840	118,508,653	5,853,670
Outpatient Hospital Services	104,668,493	111,471,368	11,580,501	10,726,231	100,741,187	10,730,179
Prescribed Drugs	337,818,180	363,600,438	34,232,220	34,088,279	281,497,878	82,102,457
Drug Rebate Offset - National Agreement	(107,877,804)	(102,168,200)	(28,188,280)	(21,893,686)	(117,283,829)	15,116,729
Drug Rebate Offset - State Schedule Agreement	(28,029,817)	(31,623,600)	(7,634,351)	(6,773,738)	(29,730,873)	(1,892,627)
Dental Services ***	37,677,318	42,380,662	3,528,802	4,079,731	33,185,881	9,184,711
Other Practitioners Services	28,659,342	29,893,748	2,168,974	2,801,183	18,512,842	10,381,108
Clinic Services	38,381,528	34,784,833	4,339,147	3,344,971	33,188,266	1,669,678
Lab & Radiological Services	8,222,288	9,200,885	1,111,469	890,894	8,342,490	858,386
Home Health Services	29,970,379	31,950,050	3,848,794	3,089,740	27,839,782	4,110,269
Hysterectomies/Sterilizations	515,628	620,120	64,484	60,058	399,045	121,076
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	2,419,032	2,943,119	209,040	283,115	1,894,855	1,048,284
Rural Health Clinic Services	6,710,171	7,433,655	926,857	716,644	6,300,824	1,132,230
Medicare Health Insurance Payments - Part A Premiums	17,124,133	18,671,400	1,413,258	1,686,860	13,770,895	4,900,545
Medicare Health Insurance Payments - Part B Premiums	67,960,223	76,481,100	6,913,435	6,288,425	58,785,425	18,705,675
120% - 134% Of Poverty	4,004,182	-	342,991	-	3,681,488	(3,681,488)
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	-	-	-	-
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	267,013,357	267,942,700	27,137,277	22,328,558	241,168,771	26,783,929
Medicaid Health Insurance Payments: Group Health Plan Payments	338,298	486,200	35,622	44,731	323,790	141,410
Home & Community-Based Services (MR/DD)	218,374,534	280,704,640	20,502,498	26,087,806	194,887,687	65,738,843
Home & Community-Based Services (Aged/Disabled)	65,632,681	68,568,233	7,723,681	8,515,022	68,680,240	21,895,893
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services	37,799,605	42,173,660	3,313,788	4,056,279	31,456,517	10,717,032
Targeted Case Management Services	6,438,815	7,817,806	386,801	764,638	3,591,297	4,228,311
Primary Care Case Management Services	718,208	810,500	47,811	77,833	518,967	291,533
Hospice Benefits	12,383,108	13,460,400	1,315,786	1,294,269	12,083,609	1,386,791
Emergency Services Undocumented Aliens	-	-	8,248	-	8,248	(8,248)
Federally Qualified Health Center	17,475,447	19,566,696	1,573,189	1,887,231	14,424,704	6,161,993
Other Care Services	121,772,650	137,481,187	11,822,670	13,281,942	107,858,280	29,622,887
Less: Recoupments	-	-	(234,696)	-	(234,696)	234,696
NET EXPENDITURES:	2,238,331,734	2,429,623,252	186,064,434	200,024,891	1,889,678,297	439,644,655
Collectors: Third Party Liability (Line 8A on CMS-84)	(4,696,459)	-	-	-	(3,311,625)	3,311,625
Collectors: Probate (Line 8B on CMS-84)	(178,773)	-	-	-	(85,837)	85,837
Collectors: Identified through Fraud & Abuse Effort (Line 8C on CMS-84)	(196,610)	-	-	-	(13,241)	13,241
Collectors: Other (Line 8D on CMS-84)	(4,109,627)	-	-	-	(2,973,875)	2,973,875
NET EXPENDITURES and CMS-84 ADJUSTMENTS:	2,228,281,266	2,429,623,252	186,064,434	200,024,891	1,883,483,618	448,039,633

Plus: Medicaid Part D Expenditures
 Plus: State Only Medicaid Expenditures ***

29,322,609	29,988,500	2,624,709	2,881,587	24,912,229	5,059,271
4,078,889	3,634,896	485,085	349,609	3,872,039	(237,144)
2,262,852,843	\$2,463,126,647	\$199,174,228	203,256,887	\$2,012,267,888	\$450,858,759
3,830,807	4,042,671	462,334	388,718	3,512,430	430,241
\$2,266,483,550	\$2,467,169,318	\$199,636,562	203,644,705	\$2,015,880,317	\$451,289,001

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables (1)

TOTAL EXPENDITURES

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

*** CMS is currently reviewing portions of these payments. Until review is completed these expenses will be classified as state-only on the CMS-64. 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
SFY2009

10 Months Actuals 2 Months Remaining

MONTH OF APRIL 2009	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2008	Current Month Ended 4/30/09	Year-To-Date Thru 4/30/09	5/1/2009 Thru 06/30/09	SFY2009
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	26,493,079	32,729,313	\$34,933,055		\$34,933,055
MATCHING FUNDS					
General Revenue (0403/189)	393,705,887	40,640,959	318,423,769	75,281,918	393,705,887
Rural Hospitals Under 150 Beds (0403/840)	2,595,001	216,334	2,183,334	432,666	2,595,000
Tertiary Funding (0403/647)	4,858,000	404,667	4,046,667	809,333	4,858,000
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	1,917,825	22,190,403	1,182,175	23,372,678
Lottery Transfer (5405/871)	10,300,000	1,800,000	10,300,000	0	10,300,000
Trust Fund Appropriation (5185/189)	14,337,873		19,784,219	10,772,376	30,556,594
Provider Tax (5090/189)	171,383,668	14,000,000	133,798,391	31,881,614	165,680,004
Certified Match	19,347,764	1,474,535	16,903,143	6,302,855	23,205,998
Reimbursables - Amount Reimbursed	3,721,481	277,507	3,278,447	768,224	4,042,671
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4016	301,154	36,932	351,736	(361,736)	0
CMS - 64 Adjustments	(5,988,538)		1,981,444	-1,981,444	0
TOTAL MATCHING FUNDS	664,346,748	\$93,498,072	\$588,152,608	\$125,076,980	\$693,228,587
FEDERAL FUNDS	1,630,783,428	155,396,696	1,499,522,880	\$299,751,981	\$1,799,274,841
TOTAL REVENUE SOURCES	2,295,130,176	\$248,894,668	\$2,067,675,488	\$424,827,941	\$2,492,503,429
TOTAL EXPENDITURES:					
Provider Payments	2,268,483,650	\$199,636,662	2,015,850,317	\$451,289,001	\$2,487,169,318
TOTAL	28,646,626	\$49,258,108	\$51,796,170		\$25,334,111

Note: FMAP (08' - 74.25% applicable July - Sept. 2008) (09' - 73.73% applicable Oct. 2008 - June 2009)
 (1) This amount will revert to State Only if not reimbursed.



West Virginia Investment Management Board
Monthly Performance Report
April 30, 2009

West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of April 30, 2009

	Asset \$	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	8,505,912,259	100.0							
Pension Assets	6,794,698,907	79.9							
Public Employees' Retirement System	3,029,784,078	35.6	7.5	5.9	-21.5	-24.5	-5.6	1.3	2.9
Teachers' Retirement System	3,190,826,027	37.5	7.1	5.6	-21.5	-25.3	-6.0	1.0	2.7
Teachers' Employers Cont. Collection A/C	27,091,841	0.3	0.0	0.1	1.0	1.4	-	-	-
EMS Retirement System	15,163,268	0.2	7.4	5.9	-20.8	-23.9	-	-	-
Public Safety Retirement System	340,797,677	4.0	7.5	5.9	-21.4	-24.6	-5.7	1.2	3.0
Judges' Retirement System	82,846,757	1.0	7.3	5.7	-21.3	-24.4	-5.7	1.3	2.9
State Police Retirement System	36,599,654	0.4	7.5	5.9	-21.0	-24.0	-5.5	1.3	2.8
Deputy Sheriffs' Retirement System	71,589,605	0.8	7.5	5.9	-21.1	-24.3	-5.6	1.3	2.9
Insurance Assets	1,242,392,567	14.6							
Workers' Compensation Old Fund	617,933,628	7.3	5.7	4.8	-14.7	-16.9	-2.0	-	-
Workers' Comp. Self-Insured Guaranty Risk Pool	6,503,468	0.1	0.0	0.1	1.0	1.4	3.9	-	-
Workers' Comp. Uninsured Employers Fund	8,467,372	0.1	0.0	0.1	1.0	1.4	3.9	-	-
Pnuemoconiosis	213,394,221	2.5	5.0	4.4	-12.8	-14.7	-1.4	-	-
Board of Risk & Insurance Mgmt.	98,849,312	1.2	5.2	5.4	-9.6	-11.7	-0.2	-	-
Public Employees' Insurance Agency	108,545,930	1.3	4.8	4.5	-11.3	-13.1	-0.7	-	-
WV Retiree Health Benefit Trust Fund	188,698,636	2.2	4.5	4.8	-4.9	-6.5	-	-	-
Endowment Assets	468,820,785	5.5							
Wildlife Fund	27,955,757	0.3	7.5	5.9	-21.3	-24.7	-5.6	1.3	3.9
Prepaid Tuition Trust	67,435,924	0.8	9.0	7.4	-20.0	-23.4	-5.0	1.7	-
Revenue Shortfall Reserve Fund	152,782,824	1.8	7.4	5.4	-23.1	-26.3	-	-	-
Revenue Shortfall Reserve Fund - Part B	220,646,280	2.6	7.2	5.3	-23.4	-26.7	-	-	-

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of April 30, 2009

	Asset \$	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	8,510,881,301	100.00							
Total Equity Composite	4,139,780,834	48.64	11.87	7.96	-32.09	-36.66	-11.11	-0.35	1.32
<i>Total Equity Policy Index</i>			12.14	9.55	-34.38	-38.63	-11.87	-0.94	0.28
Excess Return			-0.27	-1.59	2.29	1.97	0.76	0.59	1.04
US Equity Composite	2,029,648,721	23.85	9.39	5.86	-31.67	-35.40	-11.53	-1.77	0.13
<i>Russell 3000 Index</i>			10.52	7.61	-30.52	-34.95	-10.94	-2.26	-1.70
Excess Return			-1.13	-1.75	-1.15	-0.45	-0.59	0.49	1.83
Large Cap Composite	1,728,125,133	20.30	9.04	5.40	-31.29	-35.74	-11.18	-2.57	-2.54
<i>S&P 500</i>			9.57	6.48	-30.26	-35.31	-10.76	-2.70	-2.48
Excess Return			-0.53	-1.08	-1.03	-0.43	-0.42	0.13	-0.06
Non-Large Cap Composite	301,523,588	3.54	11.47	8.56	-32.47	-34.17	-11.89	-0.35	4.90
<i>Russell 2500 Index</i>			15.41	12.33	-29.68	-32.35	-11.97	-0.70	3.92
Excess Return			-3.94	-3.77	-2.79	-1.82	0.08	0.35	0.98
International Equity Composite	2,110,132,113	24.79	14.36	10.05	-32.62	-38.09	-9.67	2.79	4.13
<i>MSCI AC World ex USA</i>			13.75	11.50	-38.24	-42.32	-10.44	3.02	1.70
Excess Return			0.61	-1.45	5.62	4.23	0.77	-0.23	2.43
Fixed Income Composite	2,293,360,025	26.95	4.65	4.55	-6.65	-7.95	1.29	2.51	5.04
<i>Fixed Income Policy</i>			1.03	2.01	2.98	2.05	5.51	4.48	5.56
Excess Return			3.62	2.54	-9.63	-10.00	-4.22	-1.97	-0.52
TRS Annuity	252,489,097	2.97	0.31	1.02					
Cash Composite	164,085,352	1.93	0.05	0.15	1.11	1.50	3.84	3.45	3.45
<i>Citigroup 90 Day T-Bill + 15bps</i>			0.03	0.09	0.88	1.17	3.46	3.21	3.38
Excess Return			0.02	0.06	0.23	0.33	0.38	0.24	0.07
Private Equity Composite	559,647,302	6.58	-0.70	-0.72	-21.68	-21.89			
Real Estate Composite	37,670,381	0.44	1.14	0.55	-19.39	-22.53			
Hedge Funds Composite	1,063,848,310	12.50	1.74	2.58	-11.35				

West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of April 30, 2009

	Large Cap		Non-Large Cap		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %
Pension Assets																
Public Employees' Retirement System	21.9	21.3	3.9	3.8	26.9	25.0	26.5	30.0	8.2	10.0	0.6	0.0	11.7	10.0	0.4	0.0
Teachers' Retirement System	22.1	21.3	3.9	3.8	26.9	25.0	18.2	30.0	8.2	10.0	0.5	0.0	11.4	10.0	0.9	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	21.9	21.3	3.7	3.8	26.3	25.0	27.0	30.0	8.7	10.0	0.5	0.0	9.5	10.0	2.4	0.0
Public Safety Retirement System	22.1	21.3	3.9	3.8	27.2	25.0	26.6	30.0	9.0	10.0	0.6	0.0	10.5	10.0	0.2	0.0
Judges' Retirement System	21.3	21.3	3.7	3.8	26.1	25.0	25.7	30.0	8.6	10.0	0.5	0.0	10.0	10.0	4.0	0.0
State Police Retirement System	22.0	21.3	3.8	3.8	26.6	25.0	26.9	30.0	8.8	10.0	0.6	0.0	9.9	10.0	1.5	0.0
Deputy Sheriffs' Retirement System	22.1	21.3	3.9	3.8	26.9	25.0	27.0	30.0	8.9	10.0	0.6	0.0	10.2	10.0	0.4	0.0
Insurance Assets																
Workers' Compensation Old Fund	14.3	12.8	2.4	2.3	17.2	15.0	39.6	40.0	0.0	0.0	0.0	0.0	20.6	20.0	5.8	10.0
Workers' Comp Self-Insured Guaranty Risk Pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Workers' Comp. Uninsured Employers Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Pnuemoconiosis	8.7	8.5	1.6	1.5	11.2	10.0	53.8	55.0	0.0	0.0	0.0	0.0	20.4	20.0	4.2	5.0
Board of Risk & Insurance Mgmt	9.3	8.5	1.6	1.5	10.9	10.0	57.6	60.0	0.0	0.0	0.0	0.0	20.0	20.0	0.6	0.0
Public Employees' Insurance Agency	7.0	6.4	1.2	1.1	8.4	7.5	62.9	65.0	0.0	0.0	0.0	0.0	20.0	20.0	0.4	0.0
WV Retiree Health Benefit Trust Fund	2.4	2.1	0.4	0.3	2.8	2.5	94.4	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Endowment Assets																
Wildlife Fund	21.9	21.3	3.9	3.8	26.9	25.0	27.2	30.0	8.9	10.0	0.6	0.0	10.2	10.0	0.5	0.0
Prepaid Tuition Trust	26.3	25.5	4.6	4.5	31.7	30.0	35.7	40.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.0
Revenue Shortfall Reserve Fund	23.3	25.5	3.6	4.5	28.5	30.0	18.9	20.0	0.0	0.0	0.0	0.0	19.8	20.0	6.0	0.0
Revenue Shortfall Reserve Fund - Part B	22.4	25.5	3.4	4.5	27.9	30.0	18.9	20.0	0.0	0.0	0.0	0.0	19.1	20.0	8.2	0.0

Statutory Limitations

- Public Equity - 75%
- International Equity - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of April 30, 2009

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

AXA Policy Index is 100% S&P Developed ex USA Small Cap as of April 2007. Prior periods were 100% MSCI World ex USA Small Cap.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of manager fees. Returns shorter than one year are unannualized.

DISCLAIMER

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Status Report Workers' Compensation

Joint Committee on Government &
Finance

6/17/09

Provided by the West Virginia Offices of the Insurance Commissioner



**Old Fund / Debt Reduction
FY2009 – FY2008
COMPARISON
April FY2009**

Year to Date

	FY2009	FY2008	Change	FY2008 Annual
Revenues				
Personal Income Tax	84,800,000	84,800,000	-	95,400,000
Severance Tax	80,605,381.68	86,142,863	(5,537,481)	124,294,765
Debt Reduction Surcharge	40,114,208	29,662,848	10,451,360	29,662,848
Self-Insured Debt Reduction Surcharge	6,533,783	7,469,596	(935,813)	7,477,936
Video Lottery	11,000,000	11,000,000	-	11,000,000
Employer Premium	2,837,296	2,518,140	319,156	2,679,526
Other Income - Return of Unclaimed Property	39,392	50,460	(11,068)	50,460
	<hr/>			
Total Revenues	225,930,061	221,643,907	4,286,154	270,565,535
	<hr/>			
Surplus Note Principal Payments	60,000,000	-	60,000,000	40,000,000
	<hr/>			
Investment / Interest Earnings (Losses)	(128,237,533)	5,690,389	(133,927,922)	7,402,971
	<hr/>			
Expenditures				
Public Employees Insurance	96,525	126,017	(29,492)	137,115
Payment of Claims	231,662,202	241,511,429	(9,849,227)	260,588,335
Contractual/Professional	17,129,307	21,406,108	(4,276,801)	23,957,894
	<hr/>			
Total Expenditures	248,888,034	263,043,554	(14,155,520)	284,683,344
	<hr/>			
Excess (Deficiency) of Revenues over Expenditures	(91,195,507)	(35,709,258)	(55,486,249)	33,285,162
	<hr/>			
Cash Beginning Balances	736,141,865	700,910,351	35,231,514	702,856,703
	<hr/>			
Cash Ending Balances	644,946,358	665,201,094	(20,254,736)	736,141,865

Old Fund Liability Estimate

(excluding LAE)

(discounted)

May FY2009

	FY2009	May
Beginning Reserve Amount		2,292,403,891
Claim Payments		20,836,112
Estimated Ending Reserve Amount		2,280,864,915

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)
May, FY2009

	June 30, 2008	May 31, 2009	Change
Assets:			
Cash and Cash Equivalents	713,576	644,946	(68,630)
Receivables, Net:	24,256	24,256	0
Surplus Note	162,759	102,759	(60,000)
Total Assets	<u>900,591</u>	<u>771,961</u>	<u>(128,630)</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,407,700	2,280,865	(126,835)
Other Liabilities	490	490	0
Total Liabilities	<u>2,408,190</u>	<u>2,281,355</u>	<u>(126,835)</u>
Net Assets:			
Unrestricted	(1,507,599)	(1,509,394)	(1,795)
Total Net Assets	<u>(1,507,599)</u>	<u>(1,509,394)</u>	<u>(1,795)</u>

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

Workers' Compensation Old Fund Revenue & Expenditures
Cash Basis

May Report

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009 January 1 - May 31
Revenue				
Statutory Transfers*	\$ 266,613,362.36	\$ 261,975,877.00	\$ 287,088,649.84	\$ 112,665,162.36
Collections	8,316,798	1,041,116	3,265,870	756,853
Investment Income	50,201,026	40,659,223	(168,342,828)	3,624,915
Total Revenue	<u>\$ 325,131,186.27</u>	<u>\$ 303,676,215.42</u>	<u>\$ 122,011,692.14</u>	<u>\$ 117,046,930.11</u>
Expenditures				
Claim Payments	\$ (355,245,366.34)	\$ (284,445,312.56)	\$ (249,839,063.40)	\$ 104,301,742.03
Administrative/Other Expense	(21,630,179)	(24,710,582)	(23,576,238)	7,085,292
Total Expenditures	<u>\$ (376,875,545.26)</u>	<u>\$ (309,155,894.73)</u>	<u>\$ (273,415,301.30)</u>	<u>\$ 111,387,034.32</u>
* Workers' Compensation Commission Initial fund transfer January 2006	711,094,830			
* Payments from BrickStreet Insurance on Surplus Note			100,015,205	60,000,000
<hr/>				
Invested Balance with WVIMB at year end	647,444,812	635,908,034	591,375,200	602,838,116

**Workers' Compensation Old Fund Benefit Payments
Average Monthly Payments**

May Report

	Previous 12 month period 6/1/07 : 5/31/08	Current 12 month period 6/1/08 : 5/31/09
Claims benefits paid:		
Medical	\$ 4,271,027.72	\$ 4,210,046.01
Permanent Total Disability	12,741,529.55	12,532,524.18
Permanent Partial Disability	1,366,792.01	699,809.85
Temporary Total Disability	294,276.41	171,142.26
Settlement Agreements	399,862.53	253,582.28
Fatals	2,821,313.89	2,730,555.73
104 weeks	430,601.18	546,059.57
Total	22,325,403.28	21,143,719.88
Claims credits and overpayments	(337,286.41)	(264,038.23)
Total claims paid	\$ 21,988,116.87	\$ 20,879,681.65

Coal Workers Fund

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009
Revenues					
Investment Earnings (Losses)	(9,601,885)	(42,804,488)	(606,214)	4,400,135	(48,612,452)
Other Income - Return of Unclaimed Property	-	-	-	132	132
Total Revenues	(9,601,885)	(42,804,488)	(606,214)	4,400,266	(48,612,320)
Expenditures					
Payment of Claims	3,259,857	2,974,861	2,587,207	1,018,804	9,840,729
Deposit Refunds	-	(359)	-	-	(359)
Total Expenditures	3,259,857	2,974,502	2,587,207	1,018,804	9,840,370
Excess (Deficiency) of Revenues over Expenditures	(12,861,742)	(45,778,990)	(3,193,421)	3,381,462	(58,452,690)
Cash Beginning Balances	261,695,430	248,833,689	203,054,699	199,861,278	261,695,430
Cash Ending Balances	248,833,689	203,054,699	199,861,278	203,242,740	203,242,740

UNINSURED

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009
Revenues					
Fines and Penalties	270,014	222,462	227,222	103,034	822,732
Investment Earnings (Losses)	45,653	33,134	15,253	3,020	97,060
Total Revenues	315,666	255,596	242,475	106,054	919,791
Expenditures					
Payment of Claims	184,161	230,905	119,220	32,909	567,195
Total Expenditures	184,161	230,905	119,220	32,909	567,195
Excess (Deficiency) of Revenues over Expenditures	131,505	24,691	123,255	73,145	352,596
Cash Beginning Balances	8,164,225	8,295,731	8,320,422	-	8,164,225
Cash Ending Balances	8,295,731	8,320,422	8,443,677	73,145	8,516,822

Self Insured Fund

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009
Revenues					
Guaranty Risk Pool Assessments	461,231	346,826	486,392	332,507	1,626,955
Investment Earnings (Losses)	29,366	22,719	11,144	2,305	65,535
Total Revenues	490,597	369,545	497,536	334,812	1,692,490
Expenditures					
Payment of Claims	18,982	5,108	9,943	8,550	42,583
Total Expenditures	18,982	5,108	9,943	8,550	42,583
Excess (Deficiency) of Revenues over Expenditures	471,615	364,437	487,593	326,262	1,649,907
Cash Beginning Balances	5,177,977	5,649,592	6,014,029	6,501,622	5,177,977
Cash Ending Balances	5,649,592	6,014,029	6,501,622	6,827,884	6,827,884

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

June 25, 2009

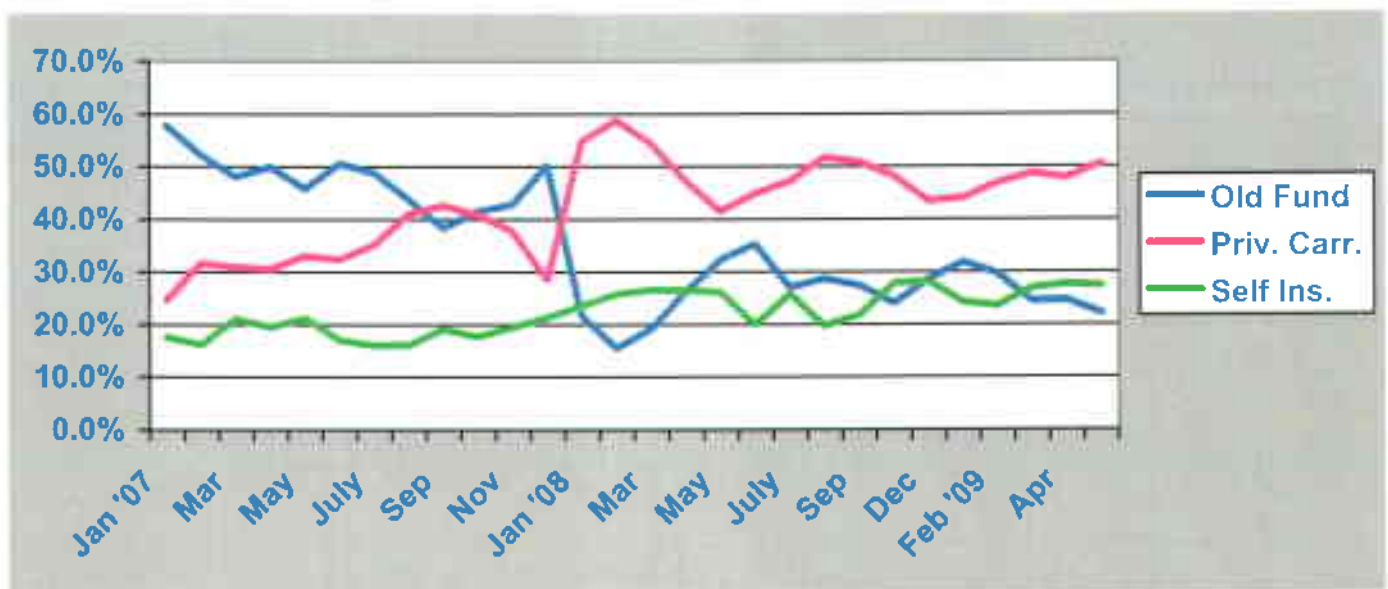
Statistical Analysis

2008 May 2009

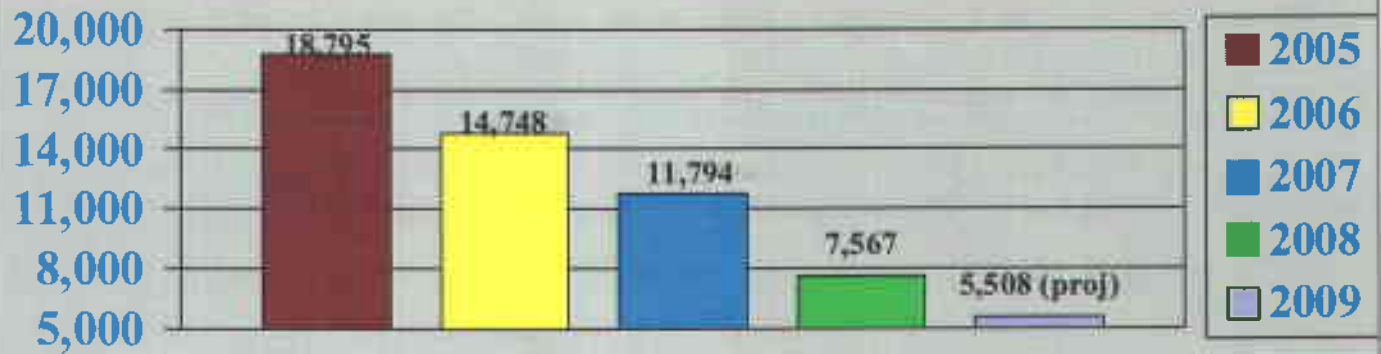
A. *Protests Acknowledged:* 7567 486 2139

Fund Involved:

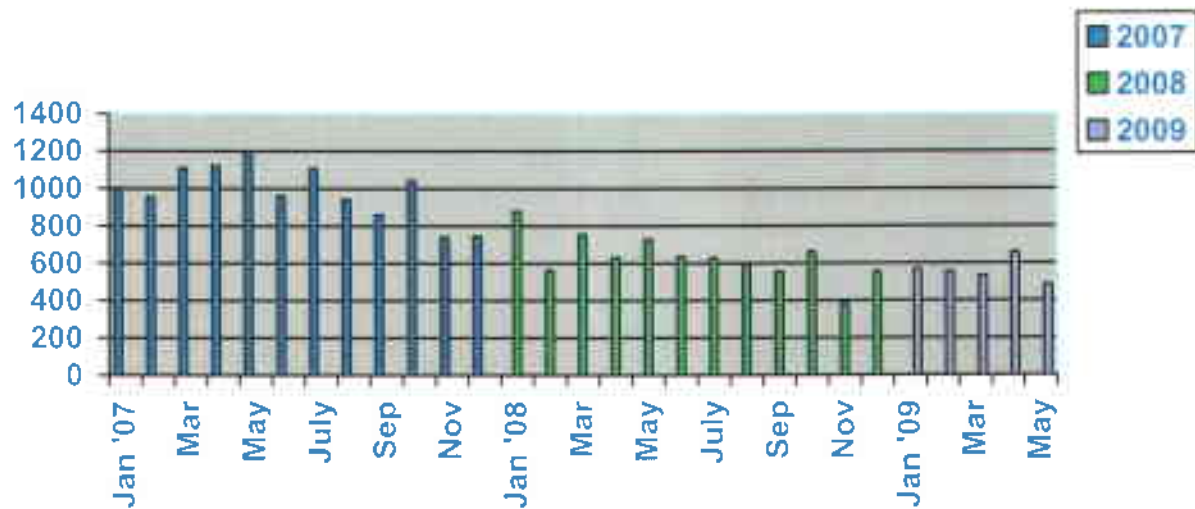
FUND	2006	2007	% of protests	2008	% of protests	May '09	% of protests	2009	% of protests
Old Fund	8,146	4,433	56.68%	1,592	26.18%	93	22.09%	619	26.56%
Priv. Carrier	2,207	3,370	25.13%	2,971	48.86%	213	50.59%	1108	47.53%
Others									
Self-Insured	2,264	1,772	18.19%	1,518	24.96%	115	27.32%	604	25.91%
Subtotal	12,617	9,575		6,081		421		2331	
Temporary	2,131	2,219		1,486		65		467	
Total	14,748	11,794		7,567		486		2798	



PROTESTS PER CALENDAR YEAR



PROTESTS BY MONTH

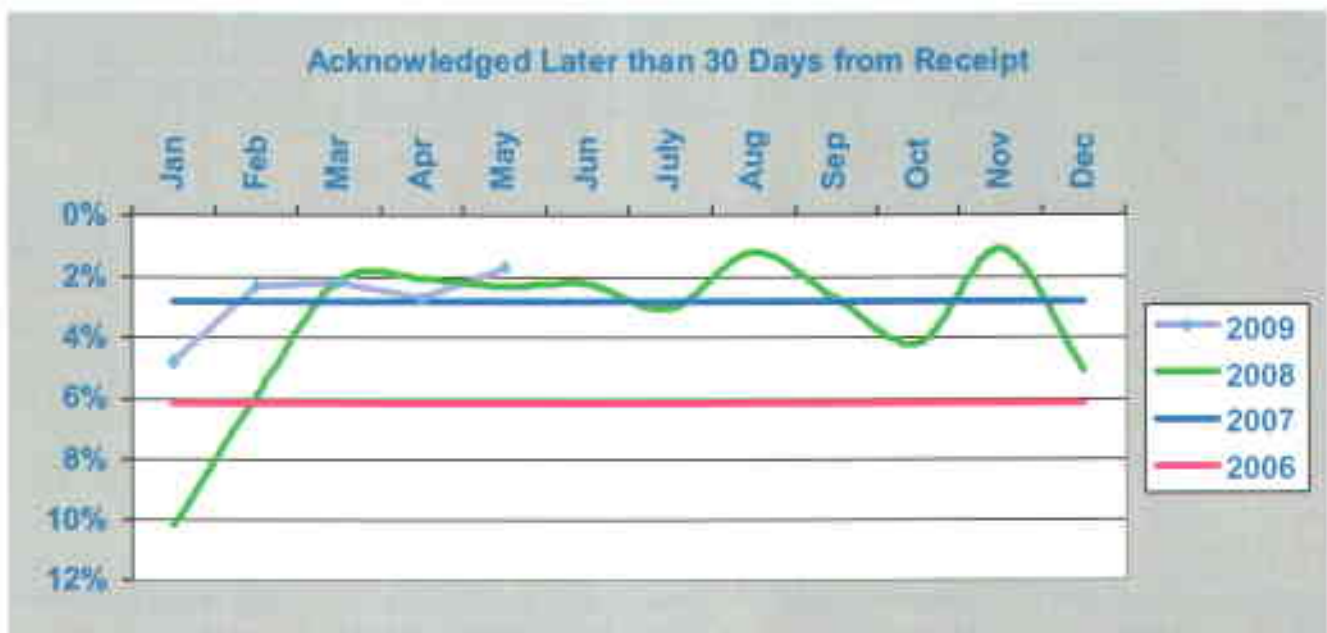


2009	2008	May
B. Issues Resolved: 2653	8,094	446

C. Pending Caseload Report

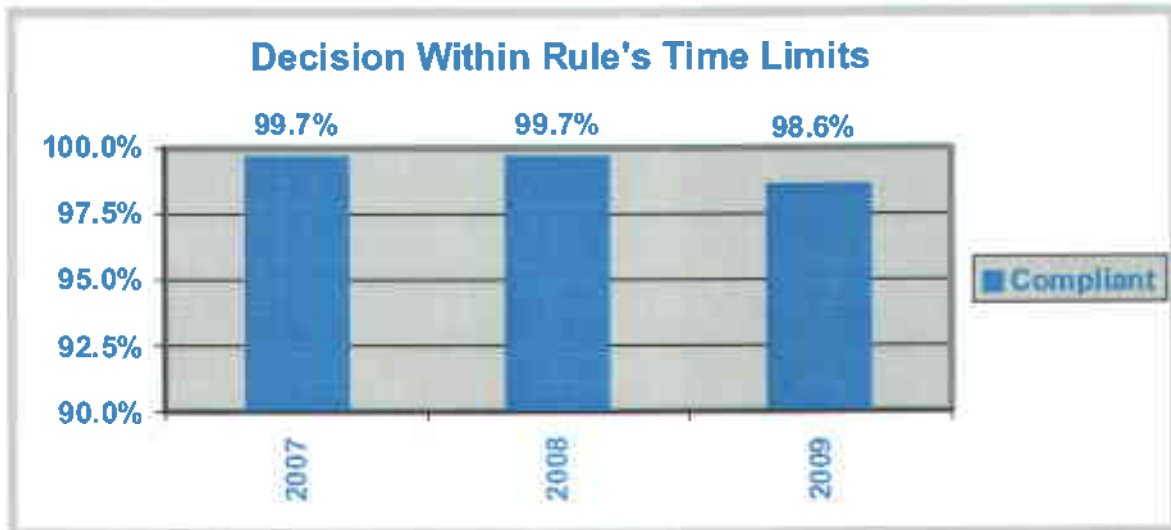
PENDING END OF MAY	4,134
PENDING 1 MONTH BEFORE	4,122
PENDING 2 MONTHS BEFORE	4,132
PENDING 3 MONTHS BEFORE	4,209
PENDING 6 MONTHS BEFORE	
PENDING 12 MONTHS BEFORE	5,395

D. Acknowledgment Timeliness:	2008	May	YTD
1. Protest Ackn. >30 days	3.6%	1.7%	2.7%
2. Protest Ackn. 24-30 days	2.3%	0.7%	2.2%
3. Protest Ackn. 11-23 days	19.0%	15.2%	19.9%
4. Protest Ackn. <11 days	75.1%	82.4%	75.2%



	<u>MAY '09</u>	<u>2009</u>
E. Protests Resolved:		
1. Protests decided:	310	1815
2. Withdrawals:	69	360
3. "No Evidence" Dismissals:	48	308

F. Final Decision Timeliness	<u>2008</u>	<u>MAY</u>	<u>2009</u>
1. <30 days:	59.6%	47.0%	48.7%
2. 30-60 days:	26.2%	36.9%	34.0%
3. 60-90 days:	13.9%	12.6%	15.9%
4. +90 days:	0.3%	3.5%	1.4%



G. Time Standard Compliance	<u>2008</u>	<u>MAY</u>	<u>2009</u>
	91.2%	79.2%	79.6%

Thursday, June 04, 2009

Time Standard Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Timestandard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	26	21	80.8%	5	19.2%
DEP BEN 104	1	1	100%	0	0%
OPBD	26	7	26.9%	19	73.1%
REOPENING	15	13	86.7%	2	13.3%
TTD	8	8	100%	0	0%
DEP BEN FATAL	3	0	0%	3	100%
PPD	37	37	100%	0	0%
REHABILITATION	1	1	100%	0	0%
TRMT/EQUIP CL	34	33	97.1%	1	2.9%
TRMT/EQUIP EM	1	1	100%	0	0%
Total Motions	152	122	79.2%	30	20.8%

Thursday, June 04, 2009

Final Decision Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
OP NON-MED	4	0	0.0%	4	100.0%	0	0.0%	0	0.0%
OPBD	36	21	58.3%	7	19.4%	8	22.2%	0	0.0%
PTD ENTITLEMENT	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
REOPENING	29	13	44.8%	10	34.5%	4	13.8%	2	6.9%
TRMT/EQUIP CL	84	41	48.8%	38	45.2%	4	4.8%	1	1.2%
TTD	21	5	23.8%	7	33.3%	3	14.3%	6	28.6%
APPLICATION THRESHOLD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
COMPENSABILITY	67	30	44.8%	27	40.3%	8	11.9%	2	3.0%
DEP BEN FATAL	10	3	30.0%	3	30.0%	4	40.0%	0	0.0%
IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	58	33	56.9%	20	34.5%	5	8.6%	0	0.0%
REHABILITATION	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
TRMT/EQUIP EM	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
Totals	317	149	47.0%	117	36.9%	40	12.6%	11	3.5%

Motion Resolution Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Time standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
COMPENSABILITY	184	174	94.6%	10	5.4%
DEP BEN FATAL	32	29	90.6%	3	9.4%
IEB DETERMINATION	4	3	75%	1	25%
PPD	139	127	91.4%	12	8.6%
PTD ENTITLEMENT	22	17	77.3%	5	22.7%
REHABILITATION	2	0	0%	2	100%
REOPENING	60	53	88.3%	7	11.7%
TRMT/EQUIP CL	143	134	93.7%	9	6.3%
TRMT/EQUIP EM	2	2	100%	0	0%
TTD	62	56	90.3%	6	9.7%
APPLICATION THRESHOLD	2	2	100%	0	0%
BENEFIT OVERPAYMENT	2	1	50%	1	50%
BENEFIT RATE	2	2	100%	0	0%
OP NON-MED	9	7	77.8%	2	22.2%
OPBD	51	42	82.4%	9	17.6%
TEMP	1	1	100%	0	0%
Total Motions	717	650	81.9%	67	18.1%

* Action Date < Motion Date

** Action Date > Motion Date

Report Dates: From 5/1/2009 thru 5/31/2009

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
COMPENSABILITY	Total: 71	2	2.8%	1	1.4%	12	16.9%	56	78.9%
CCS - CL SEC.CONDITION	15	0	0.0%	0	0.0%	3	20.0%	12	80.0%
CHC - CL COMPENSABILITY	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIS - CL SI SEC.CONDITION	13	1	7.7%	0	0.0%	0	0.0%	12	92.3%
CPI - CL SI REJECT CLAIM	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CPJ - CL REJECT CLAIM	30	0	0.0%	1	3.3%	5	16.7%	24	80.0%
CQR - CL SI REJ	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
OCCDISEASE CRZ - CL REJ OCC DISEASE	6	1	16.7%	0	0.0%	3	50.0%	2	33.3%
DEP BEN FATAL	Total: 4	1	25.0%	0	0.0%	2	50.0%	1	25.0%
CDF - CL DENY/GRNT DTH BEN	4	1	25.0%	0	0.0%	2	50.0%	1	25.0%
OP NON-MED	Total: 5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CIR - CL SI NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNR - CL NON- MED ORDER	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
OPBD	Total: 25	0	0.0%	0	0.0%	9	36.0%	16	64.0%
CAO - CL ADD BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBF - CL % BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CSF - CL% SI BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%

Description	Protests Acknowledg ed	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Cou nt	Perce nt	Cou nt	Perce nt	Cou nt	Perce nt	Cou nt	Perce nt
CSO - CL SI AD.BRD FINDING	11	0	0.0%	0	0.0%	8	72.7%	3	27.3%
EAO - EM ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0 %
EBF - EM % BOARD FINDING	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
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 %
PPD	Total: 117	2	1.7%	1	0.9%	9	7.7%	105	89.7%
CAA - CL ADDL % AWARD D/G	21	0	0.0%	1	4.8%	0	0.0%	20	95.2%
CAD - CL % AWARD DENY/GRNT	72	2	2.8%	0	0.0%	9	12.5%	61	84.7%
CIE - CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0 %
CIG - CL SI %AWARD DNY/GNT	23	0	0.0%	0	0.0%	0	0.0%	23	100.0 %
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	1	100.0 %	0	0.0%
CIT - CL SI DENY/GRANT PTD	1	0	0.0%	0	0.0%	1	100.0 %	0	0.0%

REOPENING	Total: 25	0	0.0%	0	0.0%	4	16.0%	21	84.0%
CIQ - CL SI DY/GNT R/O PPD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIY - CL SI DY/GNT R/O TTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIZ - CL SI D/G R/O TRTMT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJV - CL DNY/GRNT R/O PPD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CRD - CL DENY/GRNT R/O TTD	13	0	0.0%	0	0.0%	2	15.4%	11	84.6%
CRO - CL DY/GRNT R/O TRTMT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
TRMT/EQUIP CL	Total: 119	1	0.8%	0	0.0%	22	18.5%	96	80.7%
C1Y - CL SI TRMT GRANT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBX - CL TRMT DENY	78	1	1.3%	0	0.0%	18	23.1%	59	75.6%
CHH - CL AUTH HA/RPR D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CSX - CL SI TRMT DENY	36	0	0.0%	0	0.0%	3	8.3%	33	91.7%
CYY - CL TRMT GRANT TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
	Total: 54	1	1.9%	1	1.9%	5	9.3%	47	87.0%
CCC - CL CLOSING THE CLAIM	41	1	2.4%	1	2.4%	0	0.0%	39	95.1%
CIC - CL SI CLSING THE CLM	8	0	0.0%	0	0.0%	1	12.5%	7	87.5%
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJS - CL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CPX - CL INITIAL TTD	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CSG - CL SI INITIAL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
Totals:	421	7	1.7%	3	0.7%	64	15.2%	347	82.4%

Resolution of Issues

Report Dates: Decision Date from 5/1/2009 thru 5/31/2009

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	12	0	0	10	83.3	1	8.3	1	8.3	0	0	0	0	0	0	0	0
OP NON-MED	7	0	0	4	57.1	0	0	3	42.9	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	40	8	20	21	52.5	3	7.5	6	15	0	0	2	5	0	0	0	0
TRMT/EQUIP CL	117	38	32.5	39	33.3	15	12.8	17	14.5	5	4.3	3	2.6	0	0	0	0
COMPENSABILITY	78	31	39.7	29	37.2	4	5.1	7	9	2	2.6	3	3.8	2	2.6	0	0
DEP BEN 104	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0
IEB DETERMINATION	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPBD	52	4	7.7	32	61.5	2	3.8	13	25	0	0	0	0	0	0	1	1.9
PPD	91	23	25.3	31	34.1	19	20.9	16	17.6	0	0	2	2.2	0	0	0	0
REHABILITATION	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
TRMT/EQUIP EM	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
TTD	40	8	20	13	32.5	3	7.5	14	35	0	0	2	5	0	0	0	0
Totals	446	114	25.6	185	41.5	48	10.8	77	17.3	7	1.6	12	2.7	2	0.4	1	0.2

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 5/31/2009	31
Petitions denied on face:	12
Petitions denied by ALJ Decision:	12
Petitions granted:	3
Petitions withdrawn through settlement:	2
Petitions currently pending:	2

OOJ- Failure to Timely Act Process

Failure to Timely Act Petitions filed since 9/1/05

Filed:	94
Denied/dismissed:	43
Withdrawn:	6
Reports to OIC:	39
Pending:	6

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2005	13	13	14	25	16	9	9	19	11	10	16	4	159
2006	7	0	2	1	7	4	8	2	5	7	6	3	52
2007	12	4	5	5	1	12	9	4	5	5	4	2	68
2008	3	2	1	11	1	6	11	8	6	4	8	4	65
2009	5	6	5	4	10	14							44

Joe Manchin, III
Governor

James D. Gray
Chairman

W. Jack Stevens
Member

Rita Hedrick-Helmick
Member

Workers' Compensation Board of Review

Offices located at 1207 Quarrier St. 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: James D. Gray, Chairman

Date: June 2, 2009

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's May 2009 monthly report.

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

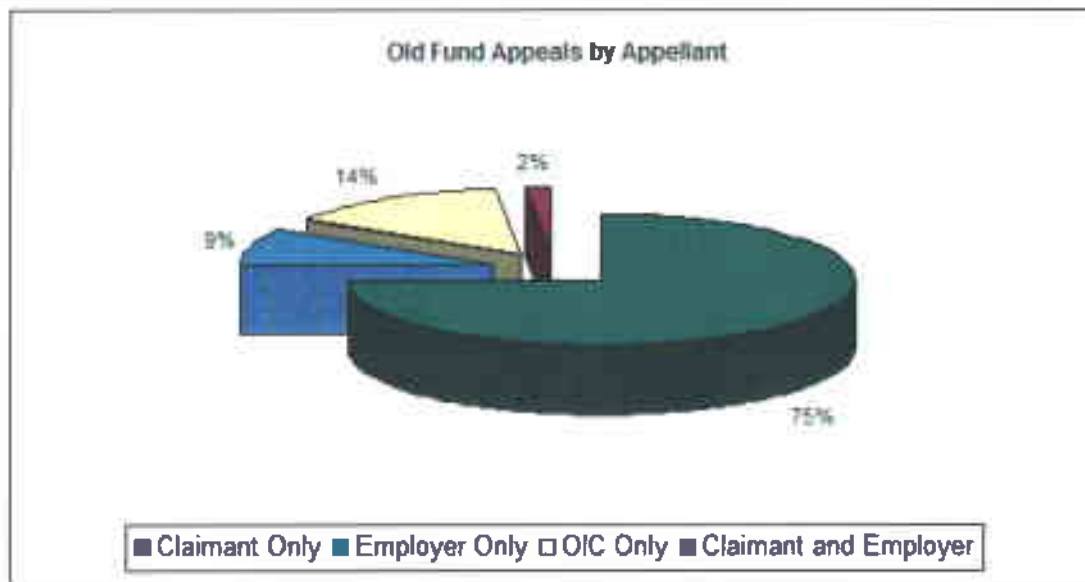
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

Appeals Received From May 1, 2009 Thru May 31, 2009

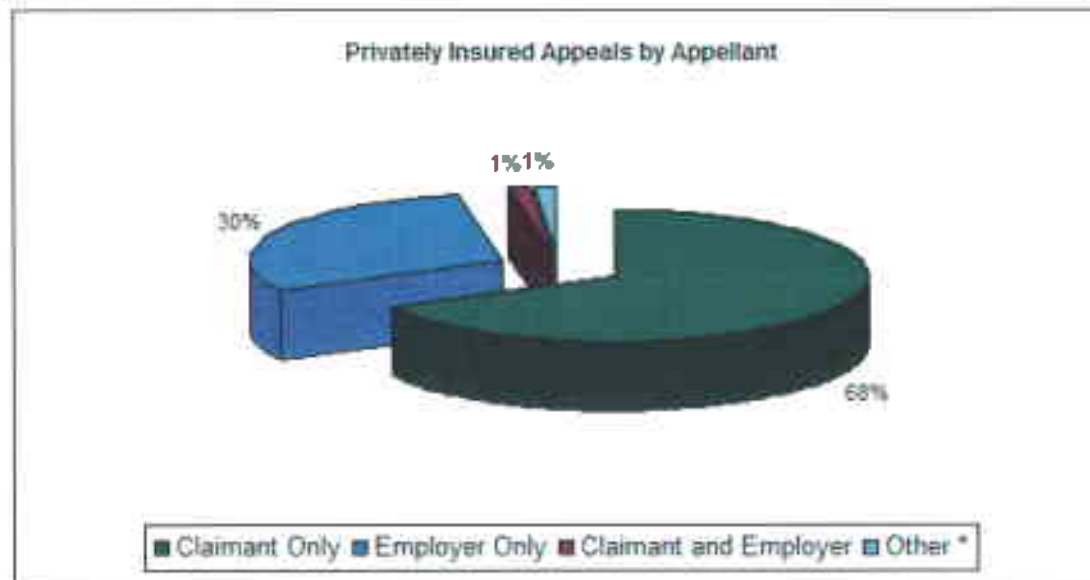
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	42
Employer Only	5
OIC Only	8
Claimant and Employer	1
Insured Fund Total	56



Privately Ins. Fund Appeals (DOI > Jun-30-2005)

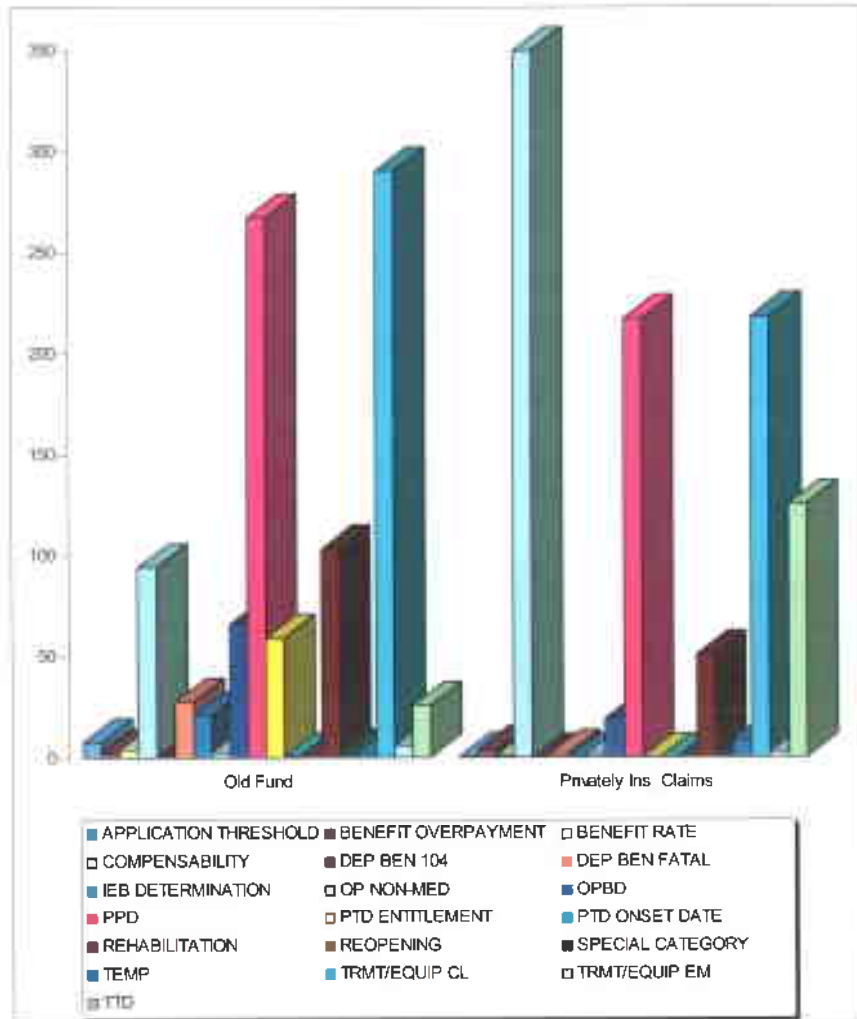
Appellant	Count
Claimant Only	47
Employer Only	21
Claimant and Employer	1
Other *	1
Privately Insured Total	70
Total Appeals	126



* Appeals requiring research

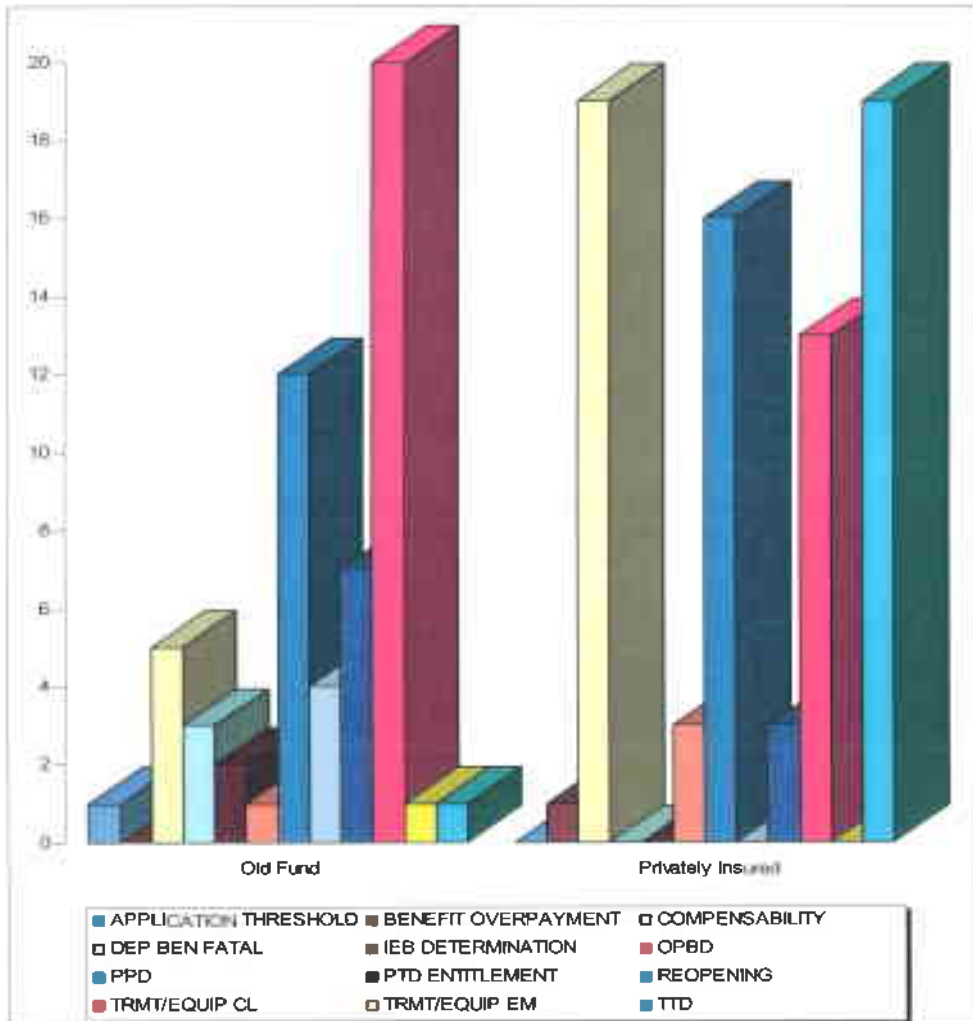
Appeals counted more than once:

Yearly Appeals Received by Issue
Old Fund Appeals (DOI < July-1-2005) vs. Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2008 Thru May 31, 2009



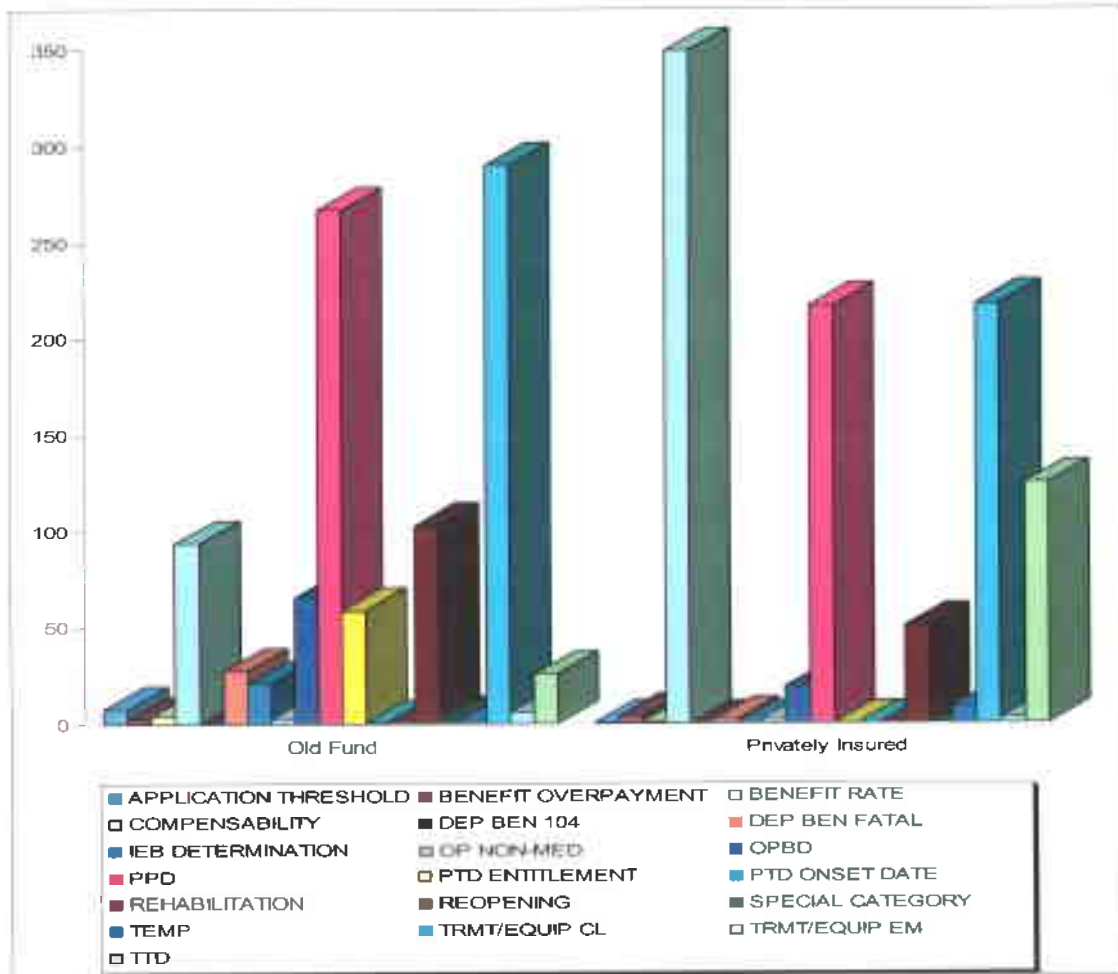
Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	9	8	88.9	1	11.1
BENEFIT OVERPAYMENT	7	3	42.9	4	57.1
BENEFIT RATE	5	4	80.0	1	20.0
COMPENSABILITY	443	94	21.2	349	78.8
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	30	28	93.3	2	6.7
IEB DETERMINATION	21	21	100.0	0	0.0
OP NON-MED	5	3	60.0	2	40.0
OPBD	85	66	77.6	19	22.4
PPD	484	267	55.2	217	44.8
PTD ENTITLEMENT	59	59	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REHABILITATION	3	2	66.7	1	33.3
REOPENING	154	103	66.9	51	33.1
SPECIAL CATEGORY	3	3	100.0	0	0.0
TEMP	12	3	25.0	9	75.0
TRMT/EQUIP CL	508	290	57.1	218	42.9
TRMT/EQUIP EM	9	6	66.7	3	33.3
TTD	151	26	17.2	125	82.8
Totals	1990	988	49.6	1002	50.4

Appeals Received by Issue
Old Fund Appeals (DOI < July-1-2005) vs. Privately Insured Appeals (DOI > Jun-30-2005)
From May 1, 2009 Thru May 31, 2009



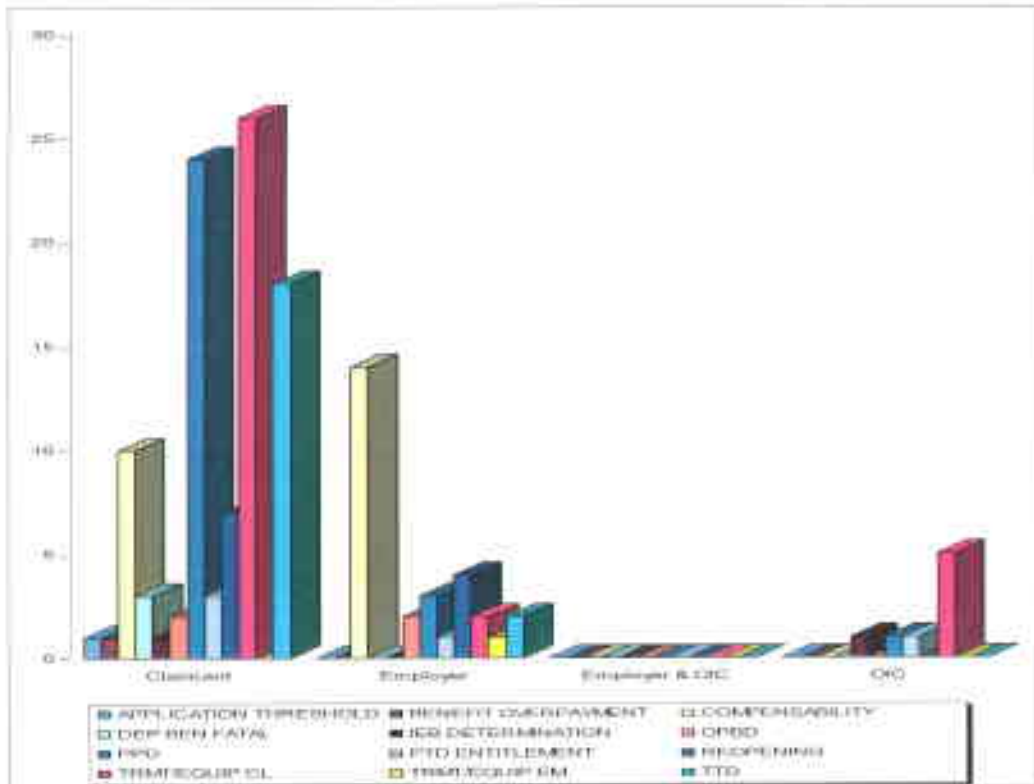
Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0
BENEFIT OVERPAYMENT	1	0	0.0	1	100.0
COMPENSABILITY	24	5	20.8	19	79.2
DEP BEN FATAL	3	3	100.0	0	0.0
IEB DETERMINATION	2	2	100.0	0	0.0
OPBD	4	1	25.0	3	75.0
PPD	28	12	42.9	16	57.1
PTD ENTITLEMENT	4	4	100.0	0	0.0
REOPENING	10	7	70.0	3	30.0
TRMT/EQUIP CL	33	20	60.6	13	39.4
TRMT/EQUIP EM	1	1	100.0	0	0.0
TTD	20	1	5.0	19	95.0
Totals	131	57	43.5	74	56.5

Yearly Appeals Received by Issue
Old Fund Appeals (DOI < July-1-2005) vs. Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2008 Thru May 31, 2009



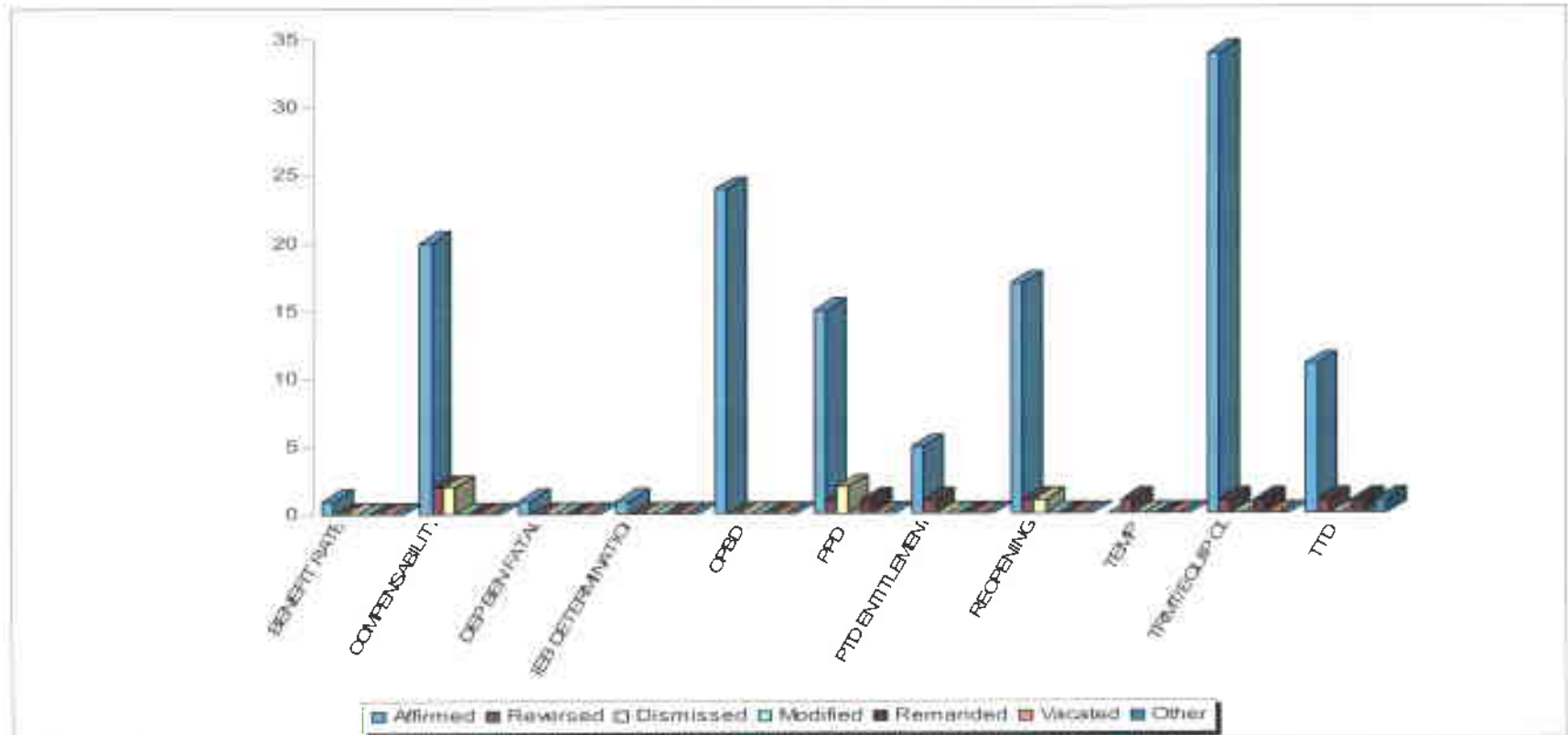
Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	9	8	88.9	1	11.1
BENEFIT OVERPAYMENT	7	3	42.9	4	57.1
BENEFIT RATE	5	4	80.0	1	20.0
COMPENSABILITY	443	94	21.2	349	78.8
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	30	28	93.3	2	6.7
IEB DETERMINATION	21	21	100.0	0	0.0
OP NON-MED	5	3	60.0	2	40.0
OPBD	85	66	77.6	19	22.4
PPD	484	267	55.2	217	44.8
PTD ENTITLEMENT	59	59	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REHABILITATION	3	2	66.7	1	33.3
REOPENING	154	103	66.9	51	33.1
SPECIAL CATEGORY	3	3	100.0	0	0.0
TEMP	12	3	25.0	9	75.0
TRMT/EQUIP CL	508	290	57.1	218	42.9
TRMT/EQUIP EM	9	6	66.7	3	33.3
TTD	151	26	17.2	125	82.8
Totals	1990	988	49.6	1002	50.4

Appeals Received by Issue From May 1, 2009 Thru May 31, 2009



Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	24	10	41.7	14	58.3	0	0.0	0	0.0
DEP BEN FATAL	3	3	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	2	1	50.0	0	0.0	0	0.0	1	50.0
OPBD	4	2	50.0	2	50.0	0	0.0	0	0.0
PPD	28	24	85.7	3	10.7	0	0.0	1	3.6
PTD ENTITLEMENT	5	3	60.0	1	20.0	0	0.0	1	20.0
REOPENING	11	7	63.6	4	36.4	0	0.0	0	0.0
TRMT/EQUIP CL	33	26	78.8	2	6.1	0	0.0	5	15.2
TRMT/EQUIP EM	1	0	0.0	1	100.0	0	0.0	0	0.0
TTD	20	18	90.0	2	10.0	0	0.0	0	0.0
Totals	133	96	72.2	29	21.8	0	0.0	8	6.0

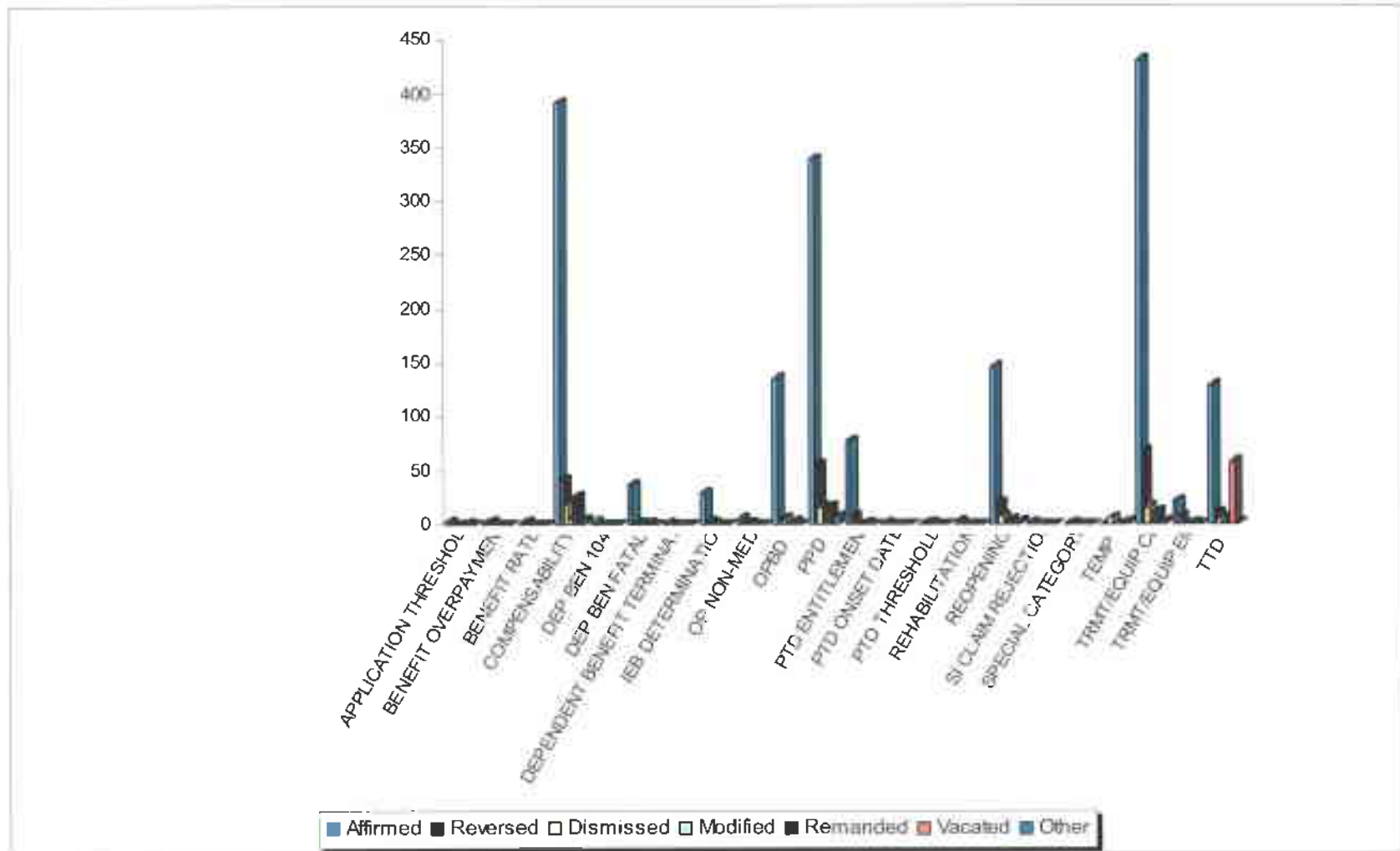
Dispositions by Issue
BOR Orders Mailed From May 1, 2009 Thru May 31, 2009



Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
BENEFIT RATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	24	20	83.3	2	8.3	2	8.3	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	24	24	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	19	15	78.9	1	5.3	2	10.5	0	0.0	1	5.3	0	0.0	0	0.0
PTD ENTITLEMENT	6	5	83.3	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	19	17	89.5	1	5.3	1	5.3	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	36	34	94.4	1	2.8	0	0.0	0	0.0	1	2.8	0	0.0	0	0.0
TTD	14	11	78.6	1	7.1	0	0.0	0	0.0	1	7.1	0	0.0	1	7.1
Totals	146	129	88.4	8	5.5	5	3.4	0	0.0	3	2.1	0	0.0	1	0.7

Appeals counted in multiple categories: 5

Yearly Dispositions by Issue BOR Orders Mailed From June 1, 2008 Thru May 31, 2009



Yearly Dispositions by Issue - Continued
BOR Orders Mailed From June 1, 2008 Thru May 31, 2009

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	4	3	75.0	0	0.0	0	0.0	0	0.0	1	25.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	4	1	25.0	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT RATE	3	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	489	391	80.0	42	8.6	19	3.9	5	1.0	26	5.3	1	0.2	4	0.8
DEP BEN 104	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	40	37	92.5	1	2.5	1	2.5	0	0.0	1	2.5	0	0.0	0	0.0
DEPENDENT BENEFIT TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	32	29	90.6	2	6.3	1	3.1	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	7	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	147	135	91.8	4	2.7	5	3.4	0	0.0	3	2.0	0	0.0	0	0.0
PPD	437	339	77.6	55	12.6	16	3.7	2	0.5	17	3.9	0	0.0	8	1.8
PTD ENTITLEMENT	85	77	90.6	7	8.2	0	0.0	0	0.0	1	1.2	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
PTD THRESHOLD	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	181	146	80.7	20	11.0	7	3.9	2	1.1	4	2.2	0	0.0	2	1.1
SI CLAIM REJECTION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
SPECIAL CATEGORY	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	11	0	0.0	2	18.2	6	54.5	0	0.0	0	0.0	1	9.1	2	18.2
TRMT/EQUIP CL	531	431	81.2	67	12.6	16	3.0	0	0.0	12	2.3	0	0.0	3	0.6
TRMT/EQUIP EM	29	21	72.4	7	24.1	0	0.0	0	0.0	1	3.4	0	0.0	0	0.0
TTD	211	129	61.1	11	5.2	5	2.4	0	0.0	7	3.3	58	27.5	1	0.5
Totals	2222	1753	78.9	226	10.2	78	3.5	9	0.4	73	3.3	60	2.7	20	0.9

**WORKER COMPENSATION BOARD OF REVIEW
FOR MAY 2009**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date		
					Date	Disp %	Total %
CLAIMANT	AFFIRMED	95	94.1%	68.3%	471	87.9%	58.7%
	DISMISSED	1	1.0%	0.7%	4	0.7%	0.5%
	MODIFY				1	0.2%	0.1%
	MOOT				2	0.4%	0.2%
	REMAND	3	3.0%	2.2%	19	3.5%	2.4%
	REVERSE	2	2.0%	1.4%	38	7.1%	4.7%
	VACATE				1	0.2%	0.1%
	Total Dispositions	101			536		
CLAIMANT/EMPLOYER	AFFIRMED				4	66.7%	0.5%
	DISMISSED	1	100.0%	0.7%	1	16.7%	0.1%
	REVERSE				1	16.7%	0.1%
	Total Dispositions	1			6		
EMPLOYER	ABEYANCE				1	0.5%	0.1%
	AFFIRMED	21	87.5%	15.1%	131	70.8%	16.3%
	DISMISSED	1	4.2%	0.7%	4	2.2%	0.5%
	MODIFY				2	1.1%	0.2%
	MOOT				1	0.5%	0.1%
	REMAND				4	2.2%	0.5%
	REVERSE	2	8.3%	1.4%	42	22.7%	5.2%
	Total Dispositions	24			185		
DIVISION/OIC	ABEYANCE	1	7.7%	0.7%	1	1.3%	0.1%
	AFFIRMED	8	61.5%	5.8%	39	52.0%	4.9%
	MODIFY				2	2.7%	0.2%
	REMAND				2	2.7%	0.2%
	REVERSE	4	30.8%	2.9%	31	41.3%	3.9%
	Total Dispositions	13			75		
	Grand Totals	139			802		

Revenue Recovery Activity	April 2009
COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 41,370.42
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 88,064.46
Receipts - Payment Agreements	\$ 29,374.28
Receipts - Collection Agency	\$ 826
# of active accounts uninsured (cumulative)	\$ 2,640,519.37
\$ of active accounts uninsured (cumulative)	2,190
Telephone contacts	16
Walk-ins	
LIENS	
Liens sent to county clerks for recordation	106
Liens sent to county clerks for release	65
Intent to lien letters sent to employer/owner/officer/member	73
INJUNCTIONS	
Affidavits for injunction submitted to legal	33
Hearings attended	2
# of injunction complaints filed	17
# of injunctions granted	1
# of agreed orders entered	1
PAYMENT AGREEMENTS	
# of repayment agreements applications	4
Agreements set up	5
Total # of agreements on system (cumulative)	112
Intent to void letters mailed	6
Agreements voided	1
MISCELLANEOUS	
Terminations Processed	370
Rule 11 Letters Mailed	313
Rule 11 hearings	2
Uninsured Policies Resolved	340
All Cash Receipts from WC accounts	\$ 158,809.16

Anticipated Rule Amendments

The West Virginia Offices of the Insurance Commissioner (WVOIC) anticipates bringing the following rules before the Industrial Council at its meeting on June 25, 2009.

- Title 85, Series 1 to amend travel reimbursement provisions pursuant to Senate Bill 537
- Title 85, Series 9 to amend the Uninsured Employers' Fund rule, to reflect changes in Senate Bill 537 regarding subrogation (clarifying that OIC can subrogate on past and future payments from the UEF) and to reflect changes to the UEF decision protest process (all UEF decisions now go to the OOI).

The WVOIC is currently drafting rules to address return to work and utilization review. These rules will be presented at the June 25, 2009 meeting of the Industrial Council if research and drafting is complete by that date.

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

 MAY 28, 2009
 MANAGER

CALENDAR NOTES

CD Auction

July 8, 2009

Board Meeting

July 10, 2009

OPERATING REPORT

APRIL 2009

Board of Treasury Investments

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

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer
III, State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

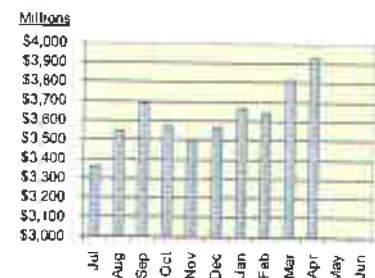
Chief Financial Officer
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$3,926,217,000

Last Month
\$3,818,630,000

Beginning of Fiscal Year
\$3,364,534,000



16.7% Growth This Fiscal Year

Total Net Income & Gains

This Month
\$739,000

Fiscal Year
\$56,010,000



Fiscal Year Comparison

Money Market Pools

As of April 30, 2009

Pool	Dividend Factor *	1-Day Yield **	7-Day Yield **	30-Day Avg. Yield **	W.A.M. ***	Assets
WV Money Market	0.00015956	.1447%	.1630%	.1941%	42 Days	\$2.8 Billion
WV Gov't Money Market	0.00017973	.2014%	.1991%	.2187%	44 Days	\$369.5 Million

* Dividend factor represents the monthly dividend amount per share.

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
APRIL 2009

Market Sectors Take Different Directions

The markets continued to reflect renewed optimism in April further fanning the debate over whether the economic cup is “half-full” or “half-empty”.

Increased consumer confidence, lower inflation, narrowing corporate spreads and a jump in pending home sales would have one thinking the cup is “half-full” while a second consecutive quarter of negative GDP growth, declines in retail sales and housing starts, along with a jump in the unemployment rate to 8.9%, would have one thinking the cup is “half-empty”.

Regardless of just how full the cup is, the markets continue to reflect volatility that does not appear to be going away anytime soon and the best one can say is that the rate of decline in the economy “may” be moderating.

One the bright side, the mixed nature of data and moderation in the rate of decline in key economic indicators tends to occur before the economy reaches a trough.

Amid record levels of US Treasury debt issuance, rates rose across the yield curve for issues greater than one year, with the largest increases occurring at the long end of the curve. Both the 10-year note and the 30-year bond ended the month at their highest yields since late November, as the 10-year yield increased 46 bps to 3.12% and the 30-year yield increased 50 bps to 4.03%.

By month-end, spreads on the front end of the curve (2-10 year) had widened by 35 bps to 222 bps, while the back end of the curve (10-30 year) steepened by 4 bps to 91 bps.

The Barclays Capital U.S. Aggregate Index returned 0.48% during the month, while all spread sectors outperformed their same duration Treasuries. CMBS issues continued the rally that began in March following the government’s decision to include CMBS as part of the expanded version of the Term Asset-Backed Securities Loan Facility (TALF).

The rollout of the TALF as well as the Public-Private Investment Program (PPIP) likewise provided support to the asset-backed securities market and the credit sector enjoyed its strongest month in ten years.

The Citigroup 90-Day T-Bill Index returned 0.02% in April trailing the 0.46% return of the Citigroup 1-3 Year Government / Corporate Index. For the trailing 12 month period, the 90-Day T-Bills returned 1.01% while the 1-3 Year Government / Corporate Index returned 3.93%.

Six Banks Win in Latest CD Auction

Six banks took home \$25 million with successful interest rate bids during the West Virginia Board of Treasury Investments’ 19th online certificate of deposit auction in May. The winning bids are as follows.

BB&T	\$5,000,000
CNB Bank, Inc. – Berkeley Springs	\$5,000,000
Fifth Third Bank – Huntington	\$5,000,000
First Community Bank	\$1,000,000
Huntington National Bank – Charleston	\$4,000,000
WesBanco Bank, Inc. – Wheeling	\$5,000,000

Nine banks offered bids totaling \$46,000,000. The minimum rate bid was 0.5% and the highest rate bid was 0.875%. The auction garnered an additional \$44,427 in earnings above the benchmark.

West Virginia Board of Treasury Investments

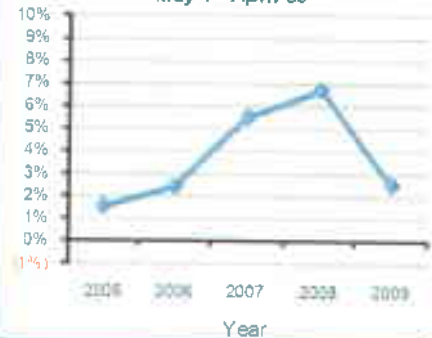
Financial Highlights as of April 30, 2009

WV Short Term Bond Pool

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

<u>May 1 - April 30</u>	<u>Return</u>	<u>Net Assets At April 30 (in Millions)</u>
2009	2.5%	\$ 325.7
2008	6.7%	\$ 379.0
2007	5.5%	\$ 229.5
2006	2.4%	\$ 265.8
2005	1.5%	\$ 259.4

**WV Short Term Bond Pool
Rates of Return
Past 12 Months
May 1 - April 30**



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

Summary of Value and Earnings (In Thousands)

<u>Pool</u>	<u>Net Asset Value</u>	<u>April Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 2,777,045	\$ 437	\$ 28,408
WV Gov't Money Market	369,527	67	2,281
WV Short Term Bond	325,662	568	8,829
WV Bank	75,093	56	1,911
Loss Amortization	184,290	(745)	12,213
Loans	123,480	379	1,429
Reserve	42,845	15	96
Participant Accounts	28,275	(38)	843
	<u>\$ 3,926,217</u>	<u>\$ 739</u>	<u>\$ 56,010</u>

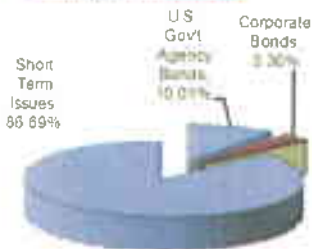
Percent of Total Net Asset Value



- Participant Accounts, 0.7%
- Reserve, 1.1%
- Loans 3.2%
- Loss Amortization 4.7%
- WV Bank 1.9%
- WV Short Term Bond, 8.3%
- WV Gov't Money Market 9.4%
- WV Money Market 70.7%

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

WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

APRIL 30, 2009

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments						
At amortized cost	\$ 2,775,963	\$ 369,472		\$ 75,000	\$ 165,931	\$ 24,969
At fair value	-	-	\$ 323,978	-	184,290	3,078
Cash	-	-	-	-	-	-
Collateral for securities loaned	283,722	-	107,984	-	-	-
Other assets	1,452	100	2,393	93	398	228
Total assets	3,061,137	369,572	434,355	75,093	350,619	28,275
Liabilities						
Payable for securities loaned	283,722	-	107,984	-	-	-
Other liabilities	370	45	709	-	4	-
Total liabilities	284,092	45	108,693	-	4	-
Net Assets	\$ 2,777,045	\$ 369,527	\$ 325,662	\$ 75,093	\$ 350,615	\$ 28,275
Investment Income						
Interest and dividends	\$ 618	\$ 66	\$ 989	\$ 56	\$ 398	\$ 70
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	(789)	(63)	(238)	-	-	-
Net accretion (amortization)	760	86	(106)	-	578	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	589	89	645	56	976	57
Expenses						
Fees	152	22	34	-	4	1
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	152	22	34	-	4	1
Net investment income	437	67	611	56	972	56
Net realized gain (loss) from investments						
Net increase (decrease) in fair value of investments	-	-	(43)	-	(1,323)	(94)
Net gain (loss) from investments	-	-	(43)	-	(1,323)	(94)
Net increase (decrease) in net assets from operations	437	67	568	56	(351)	(38)
Distributions to participants	437	67	611	56	394	-
Participant activity						
Purchases, reinvestment of units and contributions	1,295,166	45,379	40,540	56	1,647	29
Redemptions and withdrawals	1,193,758	76,802	-	-	3,628	216
Inter-pool transfers in	265	-	-	-	-	-
Inter-pool transfers out	-	-	-	265	-	-
Net increase (decrease) in net assets from participant activity	101,673	(31,423)	40,540	(209)	(1,981)	(187)
Increase (decrease) in net assets	101,673	(31,423)	40,497	(209)	(2,726)	(225)
Net assets at beginning of period	2,675,372	400,950	285,165	75,802	353,341	28,500
Net assets at end of period	\$ 2,777,045	\$ 369,527	\$ 325,662	\$ 75,093	\$ 350,615	\$ 28,275

(Speaker Thompson presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
June 17, 2009

3:00 - 4:00 p.m.

Senate Finance Room

1. **Approval of May 28, 2009, minutes**
2. **Committee Reports/Requests: None**
3. **Monthly/Quarterly Reports Distribution:**

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund
4. **Monthly/Quarterly Reports Distribution: Chuck Jones**

PEIA
BRIM
CHIP
Real Estate Report
5. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources: John Law**

Medicaid Report
6. **Investment Management Board Distribution: Kristy Watson, Chief Investment Officer**
7. **Workers' Compensation: Mary Jane Pickens, General Counsel**
8. **Board of Treasury Report Distribution**
9. **Other Business**
10. **Scheduled Interim Dates:** July 14-16 (Tuesday, Wednesday, and Thursday)
August 10-12 (Monday, Tuesday, and Wednesday)
September 14-16 (Monday, Tuesday, and Wednesday)
October 13-15 (Tuesday, Wednesday, and Thursday)
November 17-19 (Tuesday, Wednesday, and Thursday)
December 7-9 (Monday, Tuesday, and Wednesday)
January 10-12 (Sunday, Monday, and Tuesday)
11. **Adjournment**

(Speaker Thompson presides)

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