

FILE COPY

JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE

**Materials Distributed**

**April 14, 2010**

January 12, 2010

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

Thompson, Chair  
Boggs  
Caputo  
Miley  
White  
Armstead  
Border

President Tomblin, Cochair, presided.

1. Approval of Minutes

Upon motion by Speaker Thompson, properly adopted, the minutes of the December 9, 2009, meeting were approved.

2. Committee Reports

Upon motion by Speaker Thompson, properly adopted, the following committee reports for the 2009 interim period were accepted:

Agriculture and Agri-business Committee (Senator White and Delegate Argento, Chairs)  
Joint Commission on Economic Development (Senator Browning and Delegate Kominar, Chairs)  
Equal Pay Commission (Senator Palumbo and Delegate Mahan, Chairs)  
Joint Standing Committee on Finance (Senator Helmick and Delegate White, Chairs)  
Finance Subcommittee C (Senator McCabe and Delegate Kominar, Chairs)  
Forest Management Review Commission (Senator Helmick and Delegate Michael, Chairs)  
Commission on Interstate Cooperation (Senator Jenkins and Delegate Doyle, Chairs)  
Parks, Recreation and Natural Resources Subcommittee (Senator Fanning and Delegate Eldridge, Chairs)  
Joint Standing Committee on Pensions and Retirement (Senator Foster and Delegate Spencer, Chairs)  
Select Committee on Infrastructure (Senator Unger and Delegate Martin, Chairs)  
Select Committee on PEIA, Seniors and Long Term Care (Senator Unger and Delegate Williams, Chairs)  
Select Committee on Veterans' Issues (Senator Wells and Delegate Fleischauer, Chairs)  
Legislative Oversight Commission on Workforce Investment for Economic Development  
(Senator McCabe and Delegate Kominar, Chairs)

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 November 30, 2009; General Revenue Fund report for the month ended December 31, 2009; and the Unemployment Compensation Trust Fund report as of November 30, 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 November 30, 2009.

The following reports from CHIP were distributed: A report of enrollment for December 2009 and financial statements for period ending November 30, 2009.

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

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

A leasing report for December 1, 2009, through December 31, 2009, was distributed.

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

A Medicaid report dated January 2010 was distributed.

7. **Investment Management Board**

An Investment Management Board report dated November 30, 2009, was distributed. Speaker Thompson requested information regarding how much the state will have to pay into the CPRB this year to cover investment losses.

8. **Workers' Compensation**

A Workers' Compensation report dated January 6, 2010, was distributed.

9. **GOHELP Report Distribution**

A GOHELP Report dated January 4, 2010 was distributed.

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

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

11. **Department of Transportation Distribution**

12. **Department of Administration Distribution**

13. **Other Business**

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*  
April 7, 2010



. 304-347-4870

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

**Lottery Commission as of February 28, 2010 :**

Appears to be in good condition. Gross profit for fiscal year 2010 was 9.51% lower than for fiscal year 2009.

**General Revenue Fund as of March 31, 2010:**

Collections were at 98.73% of the yearly estimate as of March 31, 2010. (FY 2009-2010)  
This lag in collections was anticipated in December and budgeted expenditures were reduced 3.4%.

**State Road Fund as of March 31, 2010**

Fund collections were at 97.64 % of the yearly estimate. (FY 2009-2010)

**Unemployment Compensation Trust as of February 28, 2010:**

Regular benefits paid in fiscal year 2010 were \$ 105.2 million more than in fiscal year 2009.  
Total revenues for 2010 were \$ 189.6 million more than in 2009. Trust fund ending balance on February 28, 2010 was \$85,875,210.76. \*

Note:

\*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. The bill authorized 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. The balance continues to decline as unemployment rose to 11% in February 2010. Workforce WV continues surveillance on the balance; the status of the stability of the fund will be better forecast after the employers have made their first calendar quarter payments to the fund. At the end of the first calendar quarter the employer payments account for almost fifty percent of the yearly revenue. In case of insolvency unemployed workers will continue to receive benefits as benefits are legally mandated; the federal program will loan the money to the state program. It is not known at this time if West Virginia will need to borrow from the federal program.

*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: April 7, 2010

Re: Review of West Virginia Lottery Financial Information  
As of February 28, 2010 (FY 2010)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for July - February of fiscal year 2009-2010 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 \$ 887,221,000.00 for July - February of fiscal year 2010. Table games accounted for \$21 million of this total. Historic Resort Hotel video lottery and table games enacted in 2009 accounted for \$740 thousand of total gross receipts. These gross receipts were \$ 978,477,000.00 for the same months of the preceding fiscal year, 2008-2009. Gross lottery revenue is down by 9.33% from the preceding fiscal year. This number does not

Lottery

*Joint Committee on Government and Finance*

Lottery continued

include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - February 2010 was \$388,781,000.00; for the previous fiscal year it was \$427,939,000.00. Expressed as a percentage, gross profit is 9.15% lower for fiscal year 2010 than for fiscal year 2009.

**Operating Income:**

Operating income was \$ 372,543,000.00 for July - February 2010. For the preceding July- February it was \$ 412,096,000.00. This was a decrease of 9.60%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$362,632,000.00 for July- February 2010.

**Operating Transfers to the State of West Virginia:**

A total of \$362,632,000.00 has been accrued to the state of West Virginia for fiscal year 2009-2010. 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	\$ 56,587,000.00
Community and Technical College	\$1,500,000.00
Department of Education	\$ 33,982,000.00
Library Commission	\$ 11,077,000.00
Higher Education-Central Office	\$ 13,770,000.00
Tourism	\$ 7,527,000.00
Department of Natural Resources	\$ 3,414,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 5,819,000.00
Department of Education and Arts	\$ 1,179,000.00
State Building Commission	\$ 8,000,000.00
School Building Authority	\$ 14,400,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$157,255,000.00</b>

**Excess Lottery Fund**

General Purpose Fund	65,000,000.00
Economic Development Fund	15,200,000.00
Excess Lottery Surplus	-0-
Education Improvement Fund	8,000,000.00
WV Infrastructure Council Fund	21,643,000.00
Higher Education Improvement Fund	29,000,000.00
State Park Improvement Fund	2,706,000.00
Refundable Credit	2,036,000.00
School Building Authority	12,959,000.00
<b>TOTAL EXCESS LOTTERY FUND</b>	<b>\$156,544,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	162,000.00
State Debt Reduction Fund	48,000.00
Tourism Promotion Fund	8,000.00
<b>Total Historic Hotel</b>	<b>218,000.00</b>

Veterans Instant Ticket Fund 329,000.00

Lottery

Lottery continued

Table Games State Debt Reduction Fund

11,254,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$6,339,000.00
Development Office Promo Fund	\$1,729,000.00
Research Challenge Fund .5%	\$2,305,000.00
Capitol Renovation and Improvement Fund .6875%	\$3,170,000.00
Parking Garage Fund .0625%	\$288,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$2,610,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$29,441,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$355,041,000.00</b>

\* CASH BASIS

Total Accrued last FY 2009:	202,184,000.00
Total Cash Distributions July-February :	355,041,000.00
Applied to FY 2009:	202,184,000.00
Total Applied to FY 2010	152,857,000.00
Accrued for FY 2009 as of Feb 28	-0-
Accrued for FY 2010 as of Feb 28	209,775,000.00

Lottery





P.O. BOX 2067  
CHARLESTON, WV 25327

PHONE: (304) 558-0500  
FAX: (304) 558-3321

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 February 28, 2010

DATE: March 19, 2010

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

Financial statements of the Lottery for the month ending February 28, 2010 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$101,273,834 for the month of February.

Transfers of lottery revenue totaling \$43,260,848 made for the month of February to the designated state agencies per House Bill 2010, 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 10 on pages 17 and 18 of the attached financial statements.

The number of traditional and limited retailers active as of February 28, 2010 was 1,581 and 1,638 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](http://www.wvlottery.com)

Lottery Attachment February 2010 Financials



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**February 28, 2010**

**WEST VIRGINIA LOTTERY**

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

ASSETS	February 28, 2010	June 30, 2009
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 218,675	\$ 228,358
Accounts receivable	37,397	33,311
Inventory	527	649
Current portion of investments held in trust	-	-
Other assets	2,378	2,535
Total Current Assets	<u>258,977</u>	<u>261,870</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	69,928	69,870
Investments held in trust, less current portion	-	-
Capital assets	17,916	17,641
Less accumulated depreciation and amortization	<u>(15,602)</u>	<u>(14,335)</u>
Net Capital Assets	<u>2,314</u>	<u>3,306</u>
Total Noncurrent Assets	<u>72,242</u>	<u>73,176</u>
Total Assets	<u>\$ 331,219</u>	<u>\$ 335,046</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 209,775	\$ 202,184
Estimated prize claims	12,639	12,939
Accounts payable	2,341	1,716
Other accrued liabilities	23,227	35,019
Current portion of deferred jackpot prize obligations	-	-
Total Current Liabilities	<u>247,973</u>	<u>251,858</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>247,973</u>	<u>251,858</u>
<b>Net Assets:</b>		
Invested in capital assets	2,314	3,306
Unrestricted assets (deficit)	(1,814)	(2,806)
Unrestricted assets- Committed ( see note 12)	12,818	12,818
Restricted assets ( see note 11)	<u>69,928</u>	<u>69,870</u>
Total Net Assets	<u>83,246</u>	<u>83,188</u>
Total Liabilities and Net Assets	<u>\$ 331,219</u>	<u>\$ 335,046</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 EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2010**

(In Thousands)  
 -Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2010	2009	2010	2009
<b>Lottery revenues</b>				
On-line games	\$ 5,883	\$ 7,504	\$ 54,267	\$ 55,610
Instant games	8,152	9,722	61,928	76,625
Racetrack video lottery	51,078	72,829	488,579	552,822
Limited video lottery	33,425	36,697	260,494	271,021
Table games	2,540	2,939	21,219	22,399
Historic resort	196	-	740	-
	<u>101,274</u>	<u>129,691</u>	<u>887,221</u>	<u>978,477</u>
<b>Less commissions</b>				
On-line games	411	525	3,799	3,893
Instant games	571	680	4,335	5,363
Racetrack video lottery	28,118	39,789	279,045	314,965
Limited video lottery	16,378	17,982	127,642	132,801
Table games	998	1,156	8,339	8,811
Historic resort	103	-	368	-
	<u>46,579</u>	<u>60,132</u>	<u>423,528</u>	<u>465,833</u>
Less on-line prizes	2,914	3,635	26,977	28,697
Less instant prizes	5,551	6,736	42,000	51,694
Less ticket costs	115	113	915	1,025
Less vendor fees and costs	457	517	5,020	3,889
	<u>9,037</u>	<u>11,081</u>	<u>74,912</u>	<u>84,705</u>
<b>Gross profit</b>	<u>45,658</u>	<u>58,558</u>	<u>388,781</u>	<u>427,939</u>
<b>Administrative expenses</b>				
Advertising and promotions	823	578	4,973	4,457
Wages and related benefits	888	712	7,201	5,879
Telecommunications	54	348	449	1,480
Contractual and professional	633	329	3,227	3,659
Rental	46	60	454	489
Depreciation and amortization	143	166	1,267	1,323
Other administrative expenses	63	69	697	649
	<u>2,650</u>	<u>2,262</u>	<u>18,268</u>	<u>17,936</u>
<b>Other Operating Income</b>	<u>197</u>	<u>75</u>	<u>2,090</u>	<u>2,093</u>
<b>Operating Income</b>	<u>43,115</u>	<u>56,371</u>	<u>\$72,543</u>	<u>412,096</u>
<b>Nonoperating income (expense)</b>				
Investment income	28	79	244	2,460
Nonoperating income - OPEB	-	-	-	-
Interest expense	-	-	-	(1)
Distributions to municipalities and counties	(635)	(719)	(5,106)	(5,312)
Distributions - capital reinvestment	(1,087)	(1,618)	(4,991)	(6,186)
Distributions to the State of West Virginia	(41,391)	(34,099)	(362,632)	(402,548)
	<u>(43,103)</u>	<u>(36,347)</u>	<u>(372,485)</u>	<u>(411,587)</u>
<b>Net income</b>	<u>7</u>	<u>20</u>	<u>68</u>	<u>509</u>
<b>Net assets, beginning of period</b>	<u>83,239</u>	<u>64,974</u>	<u>83,183</u>	<u>64,485</u>
<b>Net assets, end of period</b>	<u>\$ 83,246</u>	<u>\$ 64,994</u>	<u>\$ 83,246</u>	<u>\$ 64,994</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2010**

(In Thousands)  
 -Unaudited-

	2010	2009
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 885,165	\$ 980,206
Cash payments for:		
Personnel costs	(7,201)	(5,879)
Suppliers	(8,628)	(15,172)
Other operating costs	(499,980)	(551,733)
Cash provided by operating activities	<u>369,356</u>	<u>407,422</u>
<b>Cash flows from noncapital financing activities:</b>		
Nonoperating distributions to the State of West Virginia	(355,040)	(369,139)
Distributions to municipalities and counties	(5,085)	(5,250)
Distributions to racetrack from racetrack cap. reinv. fund	(15,872)	(15,370)
Deferred jackpot prize obligations and related interest paid	-	(1)
Cash used in noncapital financing activities	<u>(375,947)</u>	<u>(389,760)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	<u>(274)</u>	<u>(245)</u>
<b>Cash flows from investing activities:</b>		
Maturities of investments held in trust	-	137
Investment earnings received	<u>243</u>	<u>2,460</u>
Cash provided by investing activities	<u>243</u>	<u>2,597</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6,622)</b>	<b>20,014</b>
<b>Cash and cash equivalents - beginning of period</b>	<b><u>295,225</u></b>	<b><u>238,949</u></b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ <u>288,603</u></b>	<b>\$ <u>258,963</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 372,543	\$ 412,096
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,267	1,373
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(4,086)	(364)
(Increase) decrease in inventory	121	16
(Increase) decrease in other assets	176	(58)
Increase (decrease) in estimated prize claims	(309)	(731)
Increase (decrease) in accounts payable	625	(1,578)
Increase (decrease) in other accrued liabilities	(981)	(3,282)
Cash provided by operating activities	<u>\$ 369,356</u>	<u>\$ 407,422</u>

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

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

**NOTE 1 - LEGISLATIVE ENACTMENT**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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



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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

Historic resort lottery games are a combination of self-activated video lottery games as well as table games which are located at a licensed historic resort hotel as defined by the WV Code. Video lotteries at the historic resort are board-operated games that 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 historic resort 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 historic resort lottery revenues:

- Video lottery revenues consisting of "gross terminal income" equivalent to all wagers, net of related prizes; and,
- Historic resort table games revenues consisting of a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Amounts required by statute to be paid to the private and local government entities are reported as commissions. The Lottery Act as amended has established specific requirements for historic resort video and table games lotteries and imposed certain restrictions limiting the licensing for operation of historic resort lottery games in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from historic resort lottery games, and requires any licensed historic resort 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 is 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 cancelable operating leases. Rental expense for the year-to-date ended February 28, 2010 and February 28, 2009 approximated \$453,949 and \$488,947, 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 \$467,815 and \$371,165 of at June 30, 2009 and 2008, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 15).

**NET ASSETS** – Net assets are presented as restricted, unrestricted and invested in capital assets which represent 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.

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At February 28, 2010 the carrying amounts of deposits (overdraft) with financial institutions were (\$42) thousand with a bank balance (overdraft) of \$21 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):

	February 28, 2010	June 30, 2009
Amount on deposit with the BTI	\$ 288,645	\$ 295,248

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 February 28, 2010 is as follows (in thousands):

**Capital Assets:**

	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At February 28, 2010
<b>Construction in Progress</b>	\$ -	\$ -	\$ -	\$ -
<b>Improvements</b>	1,170	-	-	1,170
<b>Equipment</b>	16,471	275	-	16,746
	\$ 17,641	\$ 275	\$ -	\$ 17,916
<b>Accumulated Depreciation:</b>				
	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At February 28, 2010
<b>Improvements</b>	\$ 1,080	\$ 48	\$ -	\$ 1,128
<b>Equipment</b>	13,255	1,219	-	14,474
	\$ 14,335	\$ 1,267	\$ -	\$ 15,602

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

**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 February 28, 2010 were \$3,057,069 and \$31,888,748 while related prize costs for the same periods were \$1,539,238 and \$16,022,821. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended February 28, 2010 were \$400,972 and \$4,464,200 while related prize costs for the same periods were \$200,184 and \$2,246,831. Revenues derived from the Lottery's participation in the MEGA MILLIONS® jackpot game for the month and year-to-date periods ended February 28, 2010 were \$440,603 and \$440,603 while related prize costs for the same periods were \$209,329 and \$209,329.

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 February 28, 2010 the POWERBALL® prize reserve fund had a balance of \$110,383,420 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 10 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.

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

**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

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 allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. 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 February 28, 2010 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 555,998	\$ 741,017	\$ 5,285,292	\$ 5,671,430
Credits (prizes) won	(500,024)	(667,873)	(4,760,114)	(5,115,680)
Promotional credits played	(4,643)	-	(34,016)	-
MWAP Contributions	(253)	(315)	(2,583)	(2,928)
Gross terminal income	51,078	72,829	488,579	532,822
Administrative costs	(971)	(1,185)	(14,446)	(15,685)
Net Terminal Income	50,107	71,644	474,133	537,137
Less distribution to agents	(28,118)	(39,789)	(279,045)	(314,965)
Racetrack video lottery revenues	<u>\$ 21,989</u>	<u>\$ 31,855</u>	<u>\$ 195,088</u>	<u>\$ 222,172</u>

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

**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

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

	<u>February 28, 2010</u>	<u>Year-to-Date</u>
State Lottery Fund	\$ 6,991	\$ 105,222
State Excess Lottery Revenue Fund	12,059	55,609
Capital Reinvestment Fund	1,081	4,968
Tourism Promotion Fund 1.375%	639	6,287
Development Office Promotion Fund .375 %	174	1,715
Research Challenge Fund .5 %	232	2,286
Capitol Renovation & Improvement Fund .6875 %	319	3,143
Parking Garage Fund .0625 %	29	286
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	465	2,572
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 21,989</u>	<u>\$ 195,088</u>

**NOTE 7 - LIMITED VIDEO LOTTERY**

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation 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 February 28, 2010 and year-to-date follows (in thousands):

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

**NOTE 7 - LIMITED VIDEO LOTTERY (continued)**

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 389,977	\$ 431,305	\$ 3,056,540	\$ 3,266,777
Credits (prizes) won	(356,552)	(394,608)	(2,796,046)	(2,995,756)
Gross terminal income	\$ 33,425	\$ 36,697	\$ 260,494	\$ 271,021
Administrative costs	(669)	(734)	(5,210)	(5,420)
Gross Profit	32,756	35,963	253,284	265,601
Commissions	(16,378)	(17,982)	(127,642)	(132,801)
Municipalities and Counties	(653)	(719)	(3,106)	(5,312)
Limited video lottery revenues	<u>\$ 15,723</u>	<u>\$ 17,262</u>	<u>\$ 122,536</u>	<u>\$ 127,488</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 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:

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

**NOTE 8 – TABLE GAMES (continued)**

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended February 28, 2010 were \$7,257,937 and \$60,607,953, respectively. The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Table Games Privilege Tax	\$ 2,540	\$ 2,939	\$ 21,213	\$ 22,399
Interest on Table Games Fund	-	1	2	20
Administrative costs	(218)	(252)	(1,819)	(1,920)
Total Available for Distribution	<u>2,322</u>	<u>2,688</u>	<u>19,396</u>	<u>20,499</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	181	210	1,515	1,600
Thoroughbred & Greyhound Development Funds	145	168	1,212	1,280
Racing Association Pension Plan	70	81	582	615
Municipalities/ Counties	602	697	5,031	5,316
Total Distributions	<u>998</u>	<u>1,156</u>	<u>8,340</u>	<u>8,811</u>
State Debt Reduction Fund	<u>\$ 1,324</u>	<u>\$ 1,532</u>	<u>\$ 11,056</u>	<u>\$ 11,688</u>

**NOTE 9 – HISTORIC RESORT HOTEL**

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

Historic Resort Video Lottery

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



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

**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended February 28, 2010 and year-to-date follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Total credits played	\$ 1,347	\$ 4,650
Credits (prizes) won	(1,207)	(4,172)
Promotional credits played	-	-
Gross terminal income	140	478
Capital reinvestment	(7)	(23)
Administrative costs	(7)	(26)
Commissions	(59)	(202)
Net terminal income	67	227
Historic Resort Hotel Fund	43	146
Human Resource Benefit Fund	24	81

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year-to-date periods ended February 28, 2010 were \$159,396 and \$748,837, 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>
Table games privilege tax	\$ 56	\$ 262
Administrative Costs	(7)	(34)
Total Available for Distribution	49	228
Historic Resort Hotel Fund	41	191
Human Resource Benefit Fund	8	37

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;

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

**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 43	\$ 146
Historic Resort Table Games	41	191
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>84</u>	<u>337</u>
Municipalities/ Counties	12	47
State General Revenue Fund	53	216
State Debt Reduction Fund	16	64
State Tourism Promotion Fund	3	10
Total Distributions	<u>\$ 84</u>	<u>\$ 337</u>

**NOTE 10- 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, 2010 the State Legislature budgeted \$166,010,000 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 \$3,920,843 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 February 28, 2010 the Lottery made such distributions and accrued additional distributions of \$38,136,682. The Lottery is a non-appropriated state

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
**(continued)**

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 February 28, 2010 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$613,748.

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. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort 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>February 28, 2010</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 1,500
Bureau of Senior Services	2,761	56,587
Department of Education	1,658	33,982
Library Commission	540	11,077
Higher Education-Policy Commission	672	13,770
Tourism	367	7,527
Natural Resources	167	3,414
Division of Culture & History	284	5,819
Department of Education & Arts	58	1,179
Building Commission	1,000	8,000
School Building Authority	1,800	14,400
Total State Lottery Fund	<u>\$ 9,807</u>	<u>\$ 157,255</u>

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

**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
**(continued)**

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,900	\$ 15,200
Higher Education Improvement Fund	1,000	8,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	2,352	2,706
School Building Authority	4,762	12,959
Refundable Credit	1,317	2,036
Excess Lottery Surplus		
West Va. Infrastructure Council	<u>18,819</u>	<u>21,643</u>
Total State Excess Lottery Revenue Fund	<u>\$ 30,150</u>	<u>\$ 156,544</u>

Total Budgetary distributions:	<u>\$ 39,957</u>	<u>\$ 313,799</u>
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Veterans Instant Ticket Fund	\$ 45	\$ 329
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Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 610	\$ 6,339
Development Office Promotion Fund .375%	166	1,729
Research Challenge Fund .5%	222	2,305
Capitol Renovation & Improvement Fund .6875%	304	3,170
Parking Garage Fund .0625 %	28	288
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	443	2,610
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	<u>\$ 1,773</u>	<u>\$ 29,441</u>

Table Games State Debt Reduction Fund	\$ 1,416	\$ 11,254
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 52	\$ 162
State Debt Reduction Fund	15	48
Tourism Promotion Fund	<u>3</u>	<u>8</u>
Total	<u>\$ 70</u>	<u>\$ 218</u>

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 43,261	\$ 355,041
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Accrued nonoperating distributions, beginning	(211,645)	(202,184)
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Accrued nonoperating distributions, end	<u>209,775</u>	<u>209,775</u>
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	<u>\$ 41,391</u>	<u>\$ 362,632</u>
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**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**-Unaudited-**

**NOTE 11 – 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 \$10,817,386 to the fund for fiscal year 2009 plus related interest of \$566,293.

**NOTE 12 – COMMITMENTS**

The Lottery Commission has set aside funds as unrestricted net assets for the acquisition of future assets. As of June 30, 2009, a balance of \$12,817,601 is available for this purpose.

**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. 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 February 28, 2010 are as follows (in thousands):

	February 28, 2010	Year-to-Date
Lottery contributions	\$ 63	\$ 508
Employee contributions	26	208
Total contributions	\$ 89	\$ 716

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

**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 has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

**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 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.

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

**NOTE 14 - RISK MANAGEMENT (continued)**

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

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$388 and \$461 per employee per month for the years ending June 30, 2009 and 2008 respectively. Through June 30, 2009 and 2008, the Lottery has paid premiums of \$185,563 and \$98,625. For year ended June 30, 2008 (initial year of the Lottery's participation in the Trust), the State of West Virginia, on the Lottery's behalf, paid \$472,247 towards the Annual Required Contribution. As of June 30, 2009 and 2008, the Lottery has recorded a liability of \$251,867 and \$10,073 on its balance sheet for OPEB.

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

**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: April 5, 2010

Re: Status of General Revenue Fund March 31, 2010

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the months of July - March of fiscal year 2009-2010. The status of the fund collections are as follows:

The net collections were **98.73%** of the estimate for the fiscal year as of March 31, 2010. **The amount BELOW estimate was \$33.5 million for the year.**

Personal Income Tax collections were \$ 35.9 million under the estimate for the fiscal year.

Consumer sales and use tax collections were \$35.9 million under the estimate for the fiscal year.

Severance tax collections were \$ 85.2 million over the estimate for the fiscal year.

Corporate income and business franchise collections were \$ 5 million below the estimate for the year.

***Joint Committee on Government and Finance***

**State Road Fund**

The state road fund was collected at 97.64% of the estimate for the months of July - March 2010. Privilege tax collections were \$ 11.8 million under the estimate. Gasoline tax was \$ 3.2 million above the estimate. The entire fund was \$ 10.8 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 \$ \$273,939,647.95 as of March 31, 2010.

Balance July 1, 2009	236,619,572.54
Cash flow loan to General Revenue on July 1, 2009. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; repaid in September.	- 56,000,000.00 + 56,000,000.00
Revenues July 1, 2008-June 30,2009 (Surplus from FY 2009 transferred in August 2009.)	11,067,940.23
Earnings	26,252,134.56
Balance March 31, 2010	273,939,647.95

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 275,488,610.81 as of March 31, 2010.

Balance July 1, 2009	236,006,002.65
Earnings	39,482,608.16
Balance March 31, 2010	275,488,610.81

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of March 31, 2010.

Balance July 1, 2009	45,019,319.21
Revenues	-0-
Balance March 31, 2010	45,019,319.21

Monthly Revenue Estimates  
as of March 31, 2010 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	109,600,000	97,517,820	-12,082,180	997,700,000	961,796,037	-35,903,963
Consumer Sales Tax & Use Tax	84,800,000	80,313,574	-4,486,426	861,000,000	825,084,999	-35,915,001
Severance Tax	37,300,000	43,545,192	6,245,192	213,100,000	298,389,658	85,289,658
Corp Income /Business Franchise	41,200,000	6,682,739	-34,517,261	149,900,000	144,850,182	-5,049,818
Business and Occupation	19,500,000	23,216,758	3,716,758	101,600,000	98,668,107	-2,931,893
Insurance Tax	24,500,000	26,636,015	2,136,015	82,600,000	78,148,445	-4,451,555
HB 102 - Lottery Transfers	16,600,000	0	-16,600,000	81,600,000	65,000,000	-16,600,000
Cigarette Tax	9,000,000	9,339,853	339,853	81,400,000	81,742,854	342,854
Interest Income	2,100,000	937,826	-1,162,174	18,700,000	10,362,653	-8,337,347
Liquor Profit Transfers	700,000	16,349	-683,651	11,720,000	9,759,825	-1,960,175
Departmental Collections	900,000	854,607	-45,393	11,600,000	11,768,794	168,794
Property Transfer Tax	600,000	371,330	-228,670	7,900,000	5,985,660	-1,914,340
Beer Tax and Licenses	650,000	581,026	-68,974	5,890,000	5,700,195	-189,805
Refundable Credit Reim LTY	2,650,000	2,017,678	-632,324	5,120,000	4,053,511	-1,066,489
Miscellaneous Receipts	100,000	240,799	140,799	4,850,000	1,294,056	-3,555,944
Property Tax	1,200,000	1,133,039	-66,961	4,800,000	4,802,004	2,004
Smokeless Tobacco Tax	450,000	169,065	-280,935	4,400,000	2,990,526	-1,409,474
Business Franchise Fees	20,000	26,323	6,323	770,000	659,236	-110,764
Racing Fees	140,000	30,575	-109,425	590,000	267,702	-322,298
Miscellaneous Transfers	0	0	0	500,000	239,287	-260,713
Charter Tax	0	18,303	18,303	0	136,927	136,927
Telecommunications Tax	0	8,359	8,359	0	16,088	16,088
Estate and Inheritance Tax	0	0	0	0	26,146	26,146
Video Lottery Transfers	0	125,371	125,371	0	484,889	484,889
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
<b>TOTALS</b>	<b>352,010,000</b>	<b>293,782,599</b>	<b>-58,227,401</b>	<b>2,645,740,000</b>	<b>2,612,227,782</b>	<b>-33,512,218</b>
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		<b>83.46%</b>				
<b>TOTALS</b>	<b>352,010,000</b>	<b>293,782,599</b>	<b>-58,227,401</b>	<b>2,645,740,000</b>	<b>2,612,227,782</b>	<b>-33,512,218</b>
Percent of Estimates		<b>83.46%</b>			<b>98.73%</b>	
Collections this day		<b>56,050,065</b>				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2009-2010  
 Monthly Revenue Estimates July 2009  
 as of March 31, 2010 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	44,000,000	41,751,779	-2,248,221	284,700,000	287,984,748	3,284,748
Privilege Tax	14,180,000	14,203,947	23,947	116,559,000	104,729,139	-11,829,861
Licenses & Registration	8,590,000	6,236,862	-2,353,138	58,585,000	56,252,491	-2,332,509
Highway Litter Control	163,000	122,847	-40,153	1,108,000	1,105,098	-2,902
<b>TOTALS</b>	<b>66,933,000</b>	<b>62,315,435</b>	<b>-4,617,565</b>	<b>460,952,000</b>	<b>450,071,476</b>	<b>-10,880,524</b>
Percent of Estimates		93.10%			97.64%	
Collections this day		13,756,387				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF Mar 1, 2010 : \$273,555,004.32

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF Mar 1, 2010 : \$273,862,617.01

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF Mar 1, 2010: \$45,019,319.21

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. *EL*  
Director Budget Division  
Legislative Auditor's Office

Date: April 5, 2010

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the February 2010 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. February is the eighth month of fiscal year 2009-2010.

For the fiscal year 2009-2010, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2009	\$193,165,088.22
Receipts July 1, 2009 thru June 30, 2010	\$302,270,473.87
Disbursements July 1, 2009 thru June 30, 2010	\$409,560,351.33
Balance February 28, 2010	\$85,875,210.76

### ITEMS OF NOTE:

Regular benefits paid for July - February 2010 (fiscal year 2010) were \$105.2 million more than for July - February of fiscal year 2009.

*Joint Committee on Government and Finance*  
Unemployment

Federal emergency benefits totaled \$ 121 million for the fiscal year 2010; for last fiscal year federal emergency benefits totaled \$ 30 million during the same period.

Total disbursements were \$ 246 million more than the same months of the preceding fiscal year.

Receipts in July - February 2010 were \$ 189.6 million more than in July - February of fiscal year 2009. Overall ending trust fund balance was \$ 115 million less on February 28, 2010 than on February 28, 2009.

West Virginia's unemployment rate for the month of February 2010 was 11 percent. National unadjusted employment rate was 10.4 percent.

Seasonally adjusted unemployment rates were 9.5 percent for West Virginia and 9.7 percent nationally.

Since February 2009 employment has decreased by 22,600. The declines were: 5,900 in construction; 4,300 in mining and logging; 3,500 in trade, transportation and utilities; 3,300 in manufacturing; 2,800 in leisure and hospitality; 2,200 in professional and business services; 1,400 in financial activities; 700 in information; and 400 in other services. Gains were: 1,700 in educational and health services and 200 in government.

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

	DECEMBER 08	JANUARY 09	FEBRUARY 09	DECEMBER 09	JANUARY 2010	FEBRUARY 2010	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<b>\$249,863,601.23</b>	<b>\$231,788,020.82</b>	<b>\$216,071,498.24</b>	<b>\$146,660,668.49</b>	<b>\$123,606,132.83</b>	<b>\$97,456,823.49</b>	<b>(\$329,870,005.18)</b>
<b>Add Receipts:</b>							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$416,370.01	\$5,768,787.85	\$12,545,573.50	\$894,904.63	\$8,828,348.68	\$16,276,882.26	\$7,170,501.61
3. Federal Emergency Benefits (EUC08)	\$6,142,010.00	\$5,460,130.00	\$3,539,930.00	\$16,860,466.80	\$16,672,649.12	\$21,057,308.18	\$49,468,248.20
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$2,237,391.78	\$1,426,847.88	\$728,680.38	\$4,391,020.02
5. Temp Federal Additional Comp [FAC]	\$0.00	\$0.00	\$0.00	\$4,444,613.00	\$4,866,726.00	\$4,829,018.00	\$14,130,259.00
6. UCFA (Federal Agencies)	\$88,000.00	\$88,200.00	\$100,000.00	\$273,768.84	\$243,696.16	\$230,031.31	\$450,268.31
7. Special Administrative Transfer **	\$0.00	\$0.00	\$2,389,758.00	\$0.00	\$0.00	\$0.00	(\$2,389,758.00)
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$2,666,199.02	\$0.00	\$0.00	\$1,652,714.74	\$0.00	\$0.00	(\$1,235,484.28)
11. UCK (Military Agencies)	\$344,000.00	\$280,700.00	\$280,000.00	\$345,880.61	\$290,791.34	\$275,763.33	\$27,785.18
12. WV Insurance Committee-Senate Bill 248	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<b>\$8,688,678.03</b>	<b>\$11,697,817.85</b>	<b>\$18,815,282.50</b>	<b>\$26,809,620.60</b>	<b>\$35,118,788.16</b>	<b>\$43,395,104.46</b>	<b>\$68,022,824.04</b>
<b>Less Disbursements:</b>							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$21,472,394.64	\$22,614,243.49	\$27,898,167.51	\$26,873,678.84	\$31,678,293.85	\$27,798,021.77	\$13,168,165.92
Federal Emergency Benefits (EUC08)	\$5,094,800.00	\$5,279,814.00	\$3,917,405.00	\$16,027,780.87	\$22,258,109.12	\$21,080,285.25	\$46,484,388.24
Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$2,029,321.98	\$1,405,169.79	\$885,477.66	\$4,129,969.41
Emergency Benefits (TEUC)	(\$781.18)	(\$958.45)	(\$325.00)	(\$740.00)	(\$284.00)	(\$315.00)	\$728.63
Temp Federal Additional Comp [FAC]	\$0.00	\$0.00	\$0.00	\$4,248,030.00	\$6,310,168.00	\$4,827,662.00	\$14,388,838.00
UCFA (Federal Workers) Benefits	\$87,400.08	\$102,351.88	\$108,128.53	\$308,441.89	\$338,208.24	\$268,004.47	\$606,775.13
UCK (Military Workers) Benefits	\$340,426.10	\$298,888.13	\$283,042.18	\$377,685.50	\$378,853.60	\$326,381.04	\$181,182.72
Reed Act Funds	\$0.00	\$0.00	\$1,044,818.58	\$0.00	\$0.00	\$0.00	(\$1,044,818.58)
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Disbursements</b>	<b>\$28,974,089.64</b>	<b>\$28,294,340.03</b>	<b>\$32,951,237.81</b>	<b>\$48,884,146.18</b>	<b>\$61,269,267.60</b>	<b>\$54,976,617.19</b>	<b>\$79,880,293.47</b>
<b>Trust Fund Balance</b>	<b>\$231,788,020.62</b>	<b>216,071,488.24</b>	<b>\$200,835,522.89</b>	<b>\$123,606,132.83</b>	<b>\$97,456,823.49</b>	<b>\$86,676,210.78</b>	<b>(\$340,838,074.61)</b>

\* 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 \$500 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 26, 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**

## **February 2010**

*West Virginia Legislative Interims*  
*April 2010*



### WV PEIA - Monthly Trend

Plan Demographics	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total Drug Cost	\$12,468,197	\$13,256,823	\$13,869,017	\$14,752,642	\$13,922,216	\$14,627,003
Amount Paid By Plan Sponsor	\$7,706,237	\$10,130,089	\$11,048,236	\$11,571,791	\$11,408,691	\$12,397,693
Amount Paid By Members	\$4,761,960	\$3,126,734	\$2,820,781	\$2,881,061	\$2,513,526	\$2,229,311
Total Claims	198,485	204,563	217,163	235,628	220,183	230,716
Average Eligible Member	182,225	182,451	183,415	184,742	185,228	185,874
Average # of Rx's Per Member Per Month	1.21	1.28	1.33	1.43	1.33	1.39
Plan Paid Per Member Per Month (PMPM)	\$47.50	\$52.38	\$57.60	\$72.08	\$69.05	\$74.83
Average Eligible Enrollees	74,591	74,687	75,147	75,521	76,108	76,323
Average # of Rx's Per Enrollee Per Month	2.63	2.74	2.69	3.11	2.89	3.02
Plan Paid Per Enrollee Per Month (PEPM)	\$103.31	\$135.67	\$147.00	\$166.58	\$149.90	\$162.44
<b>Rx Cost Share</b>						
Avg. Claim Cost to Plan	\$39.22	\$49.62	\$60.87	\$50.38	\$61.82	\$53.74
AVG. Member Cost/Claim	\$24.19	\$15.28	\$13.00	\$12.23	\$11.41	\$10.98
Percent member Cost Share	38.1%	23.6%	20.4%	19.8%	18.1%	18.9%
<b>Average Ingredient Costs</b>						
Single Source (no generics available)	\$189.44	\$191.87	\$191.48	\$181.12	\$188.69	\$187.12
Multi-Source Brand (generics available)	\$53.19	\$65.69	\$79.49	\$76.04	\$88.76	\$73.33
Generic Drugs	\$19.42	\$19.50	\$19.28	\$19.03	\$19.58	\$20.34
<b>Brand/Generic Dispensing Rates</b>						
Single Source (no generics)	24.84%	25.16%	24.73%	25.7%	24.92%	24.07%
Multi-Source Brand % (generics available)	0.88%	0.99%	0.99%	0.9%	0.98%	0.87%
Generic Drug	74.22%	73.83%	74.28%	73.4%	74.10%	74.96%
Generics Dispensed when available	88.74%	88.69%	88.69%	88.8%	88.70%	88.72%
Percent of Plan Cost for Single Source	65.40%	81.43%	78.88%	78.2%	78.25%	77.76%
<b>Retail Pharmacy Program</b>						
Avg. Day Supply	33.1	33.8	32.9	31.8	32.3	33.1
Avg. Plan Cost/Day Supply	\$1.17	\$1.48	\$1.53	\$1.58	\$1.59	\$1.81
Avg. Claim Cost to Plan	\$38.83	\$49.07	\$60.37	\$49.88	\$51.38	\$53.24
Avg. Member Cost / Claim	\$24.03	\$15.18	\$12.89	\$12.16	\$11.35	\$10.90
Percent Member Cost Share	38.23%	23.69%	20.38%	19.8%	18.09%	18.99%
Special Maint Network (% of claims filled)	11.66%	12.49%	12.25%	11.5%	11.68%	12.53%
Other Maint (% of claims filled)	0.66%	0.72%	0.73%	0.7%	0.67%	0.77%
Avg. Days Supply for Maint. Networks	87.3	87.3	87.4	87.3	87.3	87.4
Total # Claims Fills 1-34 Days Supply	168,150	173,338	184,878	202,508	188,251	195,817
Total # Claims Fills 35-60 Day Supply	1,545	1,655	1,737	1,813	1,735	1,850
Total # Claims Fills 61-90 Day Supply	24,684	27,437	28,718	29,187	28,188	31,228
Total # Claims Fills 91+ Day Supply	37	51	63	41	82	63
<b>Mail Service Program</b>						
Avg. Days Supply	71.8	71.5	71.3	71.2	69.8	70.8
Avg. Plan Cost/Days Supply	\$1.06	\$1.31	\$1.48	\$1.35	\$1.42	\$1.84
Avg. Cost to Plan	\$76.91	\$93.71	\$105.43	\$96.09	\$99.38	\$109.28
Avg. Member Cost/Claim	\$38.84	\$28.79	\$24.55	\$19.87	\$18.39	\$16.39
Percent Member Cost Share	33.85%	23.60%	18.85%	17.1%	15.62%	14.41%
Total # Claims Fill 1-34 Days Supply	603	618	684	628	638	637
Total # Claims Fills 35-60 Days Supply	11	8	8	12	12	9
Total # Claims Fills 61-90 Days Supply	1,456	1,460	1,389	1,432	1,306	1,411
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0
<b>Formulary Program</b>						
S/S Formulary Drugs (% by claim)	20.23%	20.81%	20.34%	21.5%	20.71%	19.88%
S/S Non-Formulary Drugs (% by claim)	4.81%	4.57%	4.39%	4.2%	4.21%	4.09%
M/S Drugs (% by claim)	0.95%	0.98%	0.99%	0.9%	0.98%	0.97%
Generic Drugs (% by Claim)	74.22%	73.83%	74.28%	73.4%	74.10%	74.96%
S/S Formulary Drugs (% by \$)	76.27%	72.29%	70.62%	70.5%	69.51%	68.97%
n/s non-Formulary Drugs (% by \$)	9.13%	9.14%	9.26%	8.7%	8.74%	8.79%
M/S Drugs (% by \$)	0.52%	0.73%	1.02%	1.0%	1.12%	0.82%
Generic Drugs (% by \$)	14.07%	17.84%	19.11%	19.8%	20.62%	21.41%
<b>Specialty Drugs</b>						
Total Drug Cost	\$1,474,493	\$1,523,284	\$1,628,720	\$1,631,192	\$1,630,888	\$1,713,210
Amount Paid by Plan Sponsor	\$1,408,068	\$1,483,872	\$1,569,820	\$1,592,608	\$1,494,862	\$1,673,642
Amount Paid by Members	\$66,425	\$39,412	\$58,900	\$38,584	\$36,026	\$39,568
Total Claims	749	719	765	780	725	600
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)	\$8.69	\$9.13	\$9.73	\$9.67	\$9.08	\$10.10
Avg Claim Cost to Plan	\$1,881.13	\$2,063.80	\$2,105.72	\$2,041.80	\$2,061.88	\$2,682.06
Avg Claim Cost to Member	\$87.48	\$54.79	\$51.62	\$49.47	\$49.70	\$48.48
Percent of Member Cost Share	4.44%	2.59%	2.39%	2.37%	2.35%	2.31%
Percent of Overall Drug Spend	11.84%	11.49%	11.74%	11.06%	11.00%	11.48%

WV PEIA - Monthly Trend

Plan Demographics	Jan-10	Feb-10	2009 - 2010 Fiscal	2008 - 2009 Fiscal	% Change
Total Drug Cost	\$14,309,993	\$13,567,575	\$111,062,770	\$103,630,683	7.17%
Amount Paid By Plan Sponsor	\$11,907,588	\$11,559,908	\$87,828,409	\$80,626,289	8.88%
Amount Paid By Members	\$2,401,825	\$2,207,859	\$23,234,360	\$22,804,397	1.89%
Total Claims	221,138	203,849	1,728,892	1,846,967	6.02%
Average Eligible Member	168,993	169,234	164,495	169,491	3.14%
Average # of Rx's Per Member Per Month	1.33	1.23	1.31	1.29	1.62%
Plan Paid Per Member Per Month (PMPM)	\$71.74	\$68.34	\$68.74	\$63.35	5.35%
Average Eligible Enrollees	76,467	76,624	75,719	73,408	3.16%
Average # of Rx's Per Enrollee Per Month	2.89	2.68	2.85	2.80	1.82%
Plan Paid Per Enrollee Per Month (PEPM)	\$155.72	\$148.28	\$144.89	\$137.83	5.35%
<b>Rx Cost Share</b>					
Avg. Claim Cost to Plan	\$53.95	\$55.73	\$60.78	\$49.08	3.47%
Avg. Member Cost/Claim	\$10.85	\$10.83	\$13.43	\$13.85	-2.99%
Percent member Cost Share	16.6%	16.3%	20.9%	22.0%	-4.93%
<b>Average Ingredient Costs</b>					
Single Source (no generics available)	\$200.32	\$206.22	\$192.72	\$178.62	9.74%
Multi-Source Brand (generics available)	\$77.48	\$83.68	\$75.11	\$47.10	69.47%
Generic Drugs	\$20.08	\$20.87	\$19.77	\$19.08	3.50%
<b>Brand/Generic Dispensing Rates</b>					
Single Source (no generics)	23.7%	23.84%	24.60%	26.85%	-8.36%
Multi-Source Brand (generics available)	0.8%	0.90%	0.95%	0.97%	-1.05%
Generic Drug	75.3%	75.45%	74.44%	72.18%	3.12%
Generics Dispensed when available	98.8%	99.82%	99.73%	98.68%	0.05%
Percent of Plan Cost for Single Source	77.9%	77.44%	79.36%	80.42%	-1.33%
<b>Retail Pharmacy Program</b>					
Avg. Day Supply	33.3	33.0	32.9	32.6	1.18%
Avg. Plan Cost/Day Supply	\$1.60	\$1.67	\$1.53	\$1.50	2.16%
Avg. Claim Cost to Plan	\$53.34	\$55.28	\$50.32	\$48.69	3.37%
Avg. Member Cost / Claim	\$10.78	\$10.78	\$13.34	\$13.78	-3.06%
Percent Member Cost Share	16.6%	16.30%	20.88%	22.03%	-4.81%
Special Maint Netwk (% of claims filled)	12.6%	12.46%	12.15%	11.57%	5.08%
Other Maint (% of claims filled)	0.7%	0.69%	0.71%	0.60%	18.69%
Avg. Days Supply for Maint. Netwks	87.2	87.4	87.3	87.8	-0.21%
Total # Claims Fills 1-34 Days Supply	187,266	172,891	1,472,682	1,418,907	3.78%
Total # Claims Fills 35-60 Day Supply	1,900	1,518	13,894	11,589	19.63%
Total # Claims Fills 61-90 Day Supply	29,731	27,366	226,524	202,114	12.08%
Total # Claims Fills 91+ Day Supply	49	58	404	65	634.56%
<b>Mail Service Program</b>					
Avg. Days Supply	71.8	71.6	71.2	72.3	-1.63%
Avg. Plan Cost/Days Supply	\$1.45	\$1.51	\$1.39	\$1.30	6.63%
Avg. Cost to Plan	\$104.38	\$108.15	\$98.89	\$94.01	5.18%
Avg. Member Cost/Claim	\$18.08	\$18.88	\$23.28	\$23.83	-2.31%
Percent Member Cost Share	14.8%	14.87%	19.06%	20.22%	-5.77%
Total # Claims Fill 1-34 Days Supply	644	538	4,899	4,087	20.46%
Total # Claims Fills 35-60 Days Supply	10	8	78	44	77.27%
Total # Claims Fills 61-90 Days Supply	1,548	1,272	11,241	10,181	10.30%
Total # Claims Fills 91+ Day Supply	0	0	-	-	
<b>Formulary Program</b>					
S/S Formulary Drugs (% by claim)	19.3%	19.24%	20.28%	22.02%	-8.01%
S/S Non-Formulary Drugs (% by claim)	4.4%	4.40%	4.35%	4.83%	-9.84%
M/S Drugs (% by claim)	0.9%	0.90%	0.88%	0.97%	-1.03%
Generic Drugs (% by Claim)	75.3%	75.45%	74.44%	72.19%	3.12%
S/S Formulary Drugs (% by \$)	69.0%	68.19%	70.36%	72.38%	-2.77%
S/S non-Formulary Drugs (% by \$)	3.9%	3.28%	3.98%	3.04%	11.60%
M/S Drugs (% by \$)	0.9%	0.87%	0.88%	0.39%	123.06%
Generic Drugs (% by \$)	21.3%	21.68%	19.77%	19.18%	3.05%
<b>Specialty Drugs</b>					
Total Drug Cost	\$1,551,158	\$1,583,299	\$12,638,219	\$10,824,823	16.87%
Amount Paid by Plan Sponsor	\$1,517,061	\$1,549,227	\$12,310,037	\$10,815,129	16.97%
Amount Paid by Members	\$34,107	\$34,072	\$328,182	\$309,497	5.39%
Total Claims	691	693	5,902	6,909	5.22%
Avg # of Rx's per Member per Month	0.00	0.00	0.004	0.004	2.02%
Plan Paid Per Member Per Month (PMPM)	\$9.14	\$9.32	\$9.35	\$9.32	12.43%
Avg Claim Cost to Plan	\$2,185.44	\$2,268.27	\$2,085.74	\$1,692.52	10.21%
Avg Claim Cost to Member	\$49.36	\$49.89	\$55.27	\$56.18	0.16%
Percent of Member Cost Share	2.20%	2.16%	2.56%	2.83%	-8.68%
Percent of Overall Drug Spend	10.84%	11.67%	11.38%	10.54%	7.83%



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 02/2010 - 02/2010

Previous Period: 02/2009 - 02/2009

	Current Period	Previous Period	% Change
<b>Overall Performance</b>			
Plan Cost PMPM	\$68.27	\$64.93	5.1 %
Average Mbrs/Month	166,234	161,469	3.0 %
Average Subs/Month	76,624	74,349	3.1 %
% Utilizing Members	44.1 %	46.1 %	-4.3 %
% Retail Utilizing Members	43.8 %	45.8 %	-4.4 %
% Mail Utilizing Members	0.5 %	0.5 %	3.2 %
<b>Rx Measures</b>			
Rxs PMPM	1.23	1.30	-5.4 %
Retail Rxs PMPM	1.21	1.28	-5.5 %
Mail Rxs PMPM	0.01	0.01	-0.3 %
Average Admin Fee/Rx	\$0.00	\$0.00	-87.9 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-87.9 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$55.73	\$50.12	11.2 %
Avg Retail Plan Cost/Rx	\$55.26	\$49.70	11.2 %
Avg Mail Plan Cost/Rx	\$108.22	\$98.62	9.7 %
Average Mbr Contrib/Rx	\$10.82	\$11.18	-3.2 %
Avg Retail Mbr Contrib/Rx	\$10.75	\$11.10	-3.2 %
Avg Mail Mbr Contrib/Rx	\$18.89	\$19.45	-2.9 %
Average Ing Cost/Rx	\$65.26	\$59.77	9.2 %
Avg Retail Ing Cost/Rx	\$64.70	\$59.27	9.2 %
Avg Mail Ing Cost/Rx	\$127.10	\$118.07	7.6 %
Average AWP/Rx	\$119.63	\$111.89	6.9 %
Avg Retail AWP/Rx	\$118.61	\$110.90	7.0 %
Avg Mail AWP/Rx	\$232.37	\$228.67	1.6 %
Average Days Supply/Rx	33.4	32.1	4.1 %
Avg Retail Days/Rx	33.0	31.7	4.1 %
Avg Mail Days/Rx	71.6	72.1	-0.7 %
Average Plan Cost/Day	\$1.67	\$1.56	6.8 %
Avg Retail Plan Cost/Day	\$1.67	\$1.57	6.7 %
Avg Mail Plan Cost/Day	\$1.51	\$1.37	10.5 %
% Plan Cost	83.7 %	81.8 %	2.4 %
% Member Contribution	16.3 %	18.2 %	-10.8 %
% Retail Plan Cost	83.7 %	81.7 %	2.4 %
% Retail Mbr Contrib	16.3 %	18.3 %	-10.8 %
% Mail Plan Cost	85.1 %	83.5 %	1.9 %
% Mail Member Contrib	14.9 %	16.5 %	-9.8 %



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 02/2010 - 02/2010

Previous Period: 02/2009 - 02/2009

	Current Period	Previous Period	% Change
<b>Rx Sources</b>			
% Mall Rx's	0.9 %	0.8 %	5.4 %
% Retail Rx's	99.1 %	99.1 %	-0.0 %
% Member Submit Rx's	0.0 %	0.0 %	-68.7 %
<b>Rx Types</b>			
Avg SSB Plan Cost/Rx	\$182.59	\$155.45	17.5 %
Avg Retail SSB Plan Cost/Rx	\$181.55	\$154.58	17.5 %
Avg Mall SSB Plan Cost/Rx	\$276.47	\$239.19	15.6 %
Avg MSB Plan Cost/Rx	\$53.79	\$26.57	102.5 %
Avg Retail MSB Plan Cost/Rx	\$52.79	\$26.67	98.0 %
Avg Mall MSB Plan Cost/Rx	\$184.21	\$18.94	872.6 %
Avg GEN Plan Cost/Rx	\$16.01	\$13.33	20.1 %
Avg Retail GEN Plan Cost/Rx	\$15.82	\$13.17	20.2 %
Avg Mall GEN Plan Cost/Rx	\$38.40	\$34.15	12.4 %
% Single-Source Brand Rx's	23.6 %	25.8 %	-8.4 %
% Multi-Source Brand Rx's	0.9 %	0.9 %	-1.2 %
% Generic Rx's	75.5 %	73.3 %	3.0 %
% Retail Single-Source Brand	23.6 %	25.8 %	-8.4 %
% Retail Multi-Source Brand	0.9 %	0.9 %	-0.7 %
% Retail Generic	75.5 %	73.3 %	3.0 %
% Mall Single-Source Brand	28.9 %	31.5 %	-8.5 %
% Mall Multi-Source Brand	0.8 %	1.4 %	-43.2 %
% Mall Generic	70.4 %	67.1 %	4.9 %
% Formulary Rx's	94.0 %	93.8 %	0.2 %
% Retail Formulary Rx's	94.0 %	93.9 %	0.2 %
% Mall Formulary Rx's	92.0 %	91.8 %	0.2 %
% DAW Rx's	0.5 %	0.5 %	15.9 %
% Retail DAW Rx's	0.5 %	0.5 %	16.7 %
% Mall DAW Rx's	0.9 %	1.1 %	-22.1 %
% Generic Conversion	98.8 %	98.8 %	0.0 %
% Retail GEN Conversion	98.8 %	98.8 %	0.0 %
% Mall GEN Conversion	98.9 %	98.0 %	0.9 %
<b>Period Totals</b>			
Total Plan Cost	\$11,349,511.26	\$10,484,485.53	8.3 %
Retail Plan Cost	\$11,152,985.97	\$10,310,028.18	8.2 %
Mall Plan Cost	\$196,525.29	\$174,457.35	12.6 %
Total Member Contribution	\$2,204,124.75	\$2,337,806.08	-5.7 %



# Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

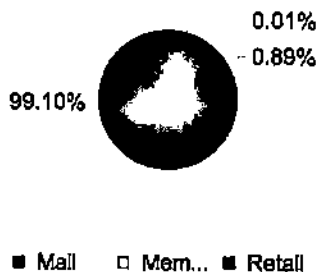
Current Period: 02/2010 - 02/2010

Previous Period: 02/2009 - 02/2009

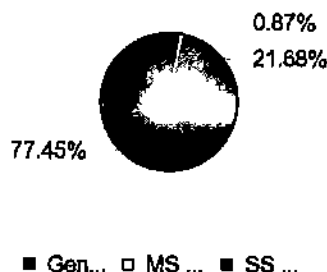
	Current Period	Previous Period	
Retail Member Contrib	\$2,169,823.15	\$2,303,393.11	-5.8 %
Mail Member Contrib	\$34,301.60	\$34,412.97	-0.3 %
<b>Total Rx Count</b>	<b>203,657</b>	<b>209,194</b>	<b>-2.6 %</b>
Retail Rx Count	201,823	207,366	-2.7 %
Member Submit Rxs	18	59	-69.5 %
Mail Rx Count	1,816	1,769	2.7 %
<b>Total Admin Fee</b>	<b>\$45.00</b>	<b>\$382.50</b>	<b>-88.2 %</b>
Total UC Savings	\$10,518,463.82	\$8,202,523.38	28.2 %
Total Lost Savings	\$26,258.76	\$15,284.47	71.8 %
<b>Demographics</b>			
Average Age	38.9	38.9	-0.1 %
% Male Members	46.6 %	46.5 %	0.2 %
% Female Members	53.4 %	53.5 %	-0.1 %

## Graphs based on Current Period: 02/2010 - 02/2010

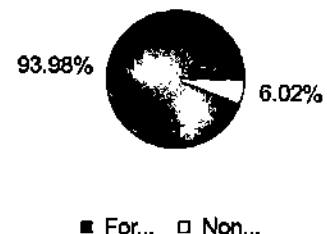
Claim Source by Rx Count



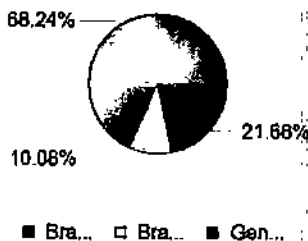
Drug Type by Plan Cost



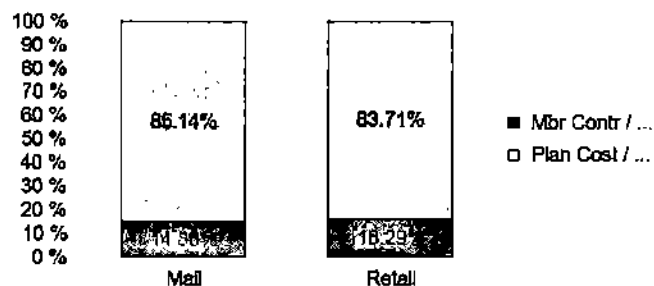
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



# Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 02/2010 - 02/2010



EXPRESS SCRIPTS®

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Math	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	375	204	690	\$58,917	\$10.75	\$82.49	2.2 %	75.9 %	94.5 %	98.9 %	\$151.78
NON STATE AGENCIES (02)	19,152	8,064	22,451	\$1,180,752	\$10.22	\$51.70	0.8 %	77.0 %	94.6 %	99.1 %	\$60.61
NON STATE AGENCIES PLAN B (02B)	3,791	1,447	3,646	\$170,192	\$12.58	\$46.68	3.2 %	80.1 %	94.2 %	99.5 %	\$44.89
NON STATE RETIREES (08)	1,364	852	3,106	\$177,412	\$10.45	\$57.12	1.6 %	75.1 %	94.8 %	99.0 %	\$130.07
NON STATE RETIREES 60 (0860)	13	10	46	\$1,961	\$3.13	\$42.83	0.0 %	84.8 %	100.0 %	100.0 %	\$150.85
STATE AGENCIES (01)	122,170	52,192	140,685	\$7,850,327	\$10.75	\$55.80	0.8 %	75.5 %	93.9 %	98.8 %	\$64.26
STATE AGENCIES (01B)	4,889	1,249	2,887	\$99,458	\$13.72	\$37.01	1.3 %	78.9 %	93.5 %	99.0 %	\$21.30
STATE RETIREES (07)	14,643	9,178	30,177	\$1,824,921	\$11.25	\$60.47	1.1 %	73.4 %	93.7 %	98.7 %	\$124.63
STATE RETIREES ASST 60 (0780)	57	41	168	\$7,572	\$4.18	\$44.80	0.0 %	80.5 %	94.1 %	100.0 %	\$132.84
<b>Grand Total</b>	<b>166,234</b>		<b>203,657</b>	<b>\$11,349,511</b>	<b>\$10.82</b>	<b>\$55.73</b>	<b>0.9 %</b>	<b>75.5 %</b>	<b>94.0 %</b>	<b>98.8 %</b>	<b>\$68.27</b>



**Monthly Management Report  
Total Claims  
February 2010**

*West Virginia Legislative Interims  
April 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS  
FEBRUARY 2010

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	273,875.90	213,222.02	219,391.16	167,614.30	1,779,731.25	1,506,650.97
	MATERNITY	123,911.90	169,506.01	111,797.56	158,131.22	1,251,083.14	1,177,736.06
	MEDICAL AND SURGICAL	8,723,562.73	6,437,107.12	5,547,844.67	6,281,707.89	51,839,491.49	46,668,701.32
	NEONATAL COMPLICATIONS	67,089.94	21,671.65	4,129.67	48,326.35	214,280.81	380,996.91
	***** sum		9,188,440.47	6,841,506.80	5,883,163.06	6,655,779.75	55,084,586.69
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	39,617.23	46,884.01	44,338.86	40,699.55	355,691.71	318,648.58
	DIALYSIS	232,391.84	134,736.69	103,245.56	122,070.86	1,087,773.02	831,588.31
	EMERGENCY ROOM	556,592.32	564,819.52	505,262.48	470,247.15	4,221,146.44	3,566,806.55
	MATERNITY	54,619.39	42,217.53	46,243.54	45,602.43	334,417.16	348,198.85
	MEDICAL AND SURGICAL	8,912,764.48	8,412,940.85	7,618,309.23	7,613,547.95	62,541,568.49	57,137,984.32
***** sum		9,795,985.26	9,201,598.60	8,317,399.67	8,292,167.95	68,540,596.82	62,203,226.61
PHARMACY	PRESCRIPTION DRUGS	11,311,555.17	10,818,966.58	10,017,783.07	10,009,152.93	87,455,144.26	79,427,847.55
***** sum		11,311,555.17	10,818,966.58	10,017,783.07	10,009,152.93	87,455,144.26	79,427,847.55
PROFESSIONAL SERVICES	ADVANCED IMAGING	469,676.00	424,937.55	470,905.16	554,047.94	3,008,035.90	4,046,585.97
	AMBULANCE	247,759.41	221,166.75	177,213.41	192,734.51	1,857,293.45	1,464,491.70
	ANESTHESIA	669,817.59	691,246.55	538,593.38	668,829.05	5,319,759.76	5,104,386.27
	BEHAVIORAL	439,673.34	326,391.33	312,548.96	319,345.43	2,537,755.01	2,322,540.88
	CARDIOVASCULAR MEDICINE	370,001.37	337,555.33	303,554.20	371,567.65	2,392,089.99	2,643,507.49
	CERVICAL CANCER SCREENING	18,681.81	17,555.66	14,133.93	19,193.64	148,564.32	146,203.91
	DIALYSIS	9,830.39	14,339.07	7,991.02	4,511.44	112,693.38	35,270.23
	DME	425,191.69	419,140.44	420,312.46	395,978.51	3,065,565.42	3,071,002.09

SOURCE: WELLS FARGO 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  
 FEBRUARY 2010

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	6,047,265.41	4,788,153.58	4,400,322.17	4,457,447.98	38,119,452.74	34,211,289.04
	IMMUNIZATION	288,593.48	306,948.47	235,049.57	293,972.82	2,632,106.04	2,552,505.16
	INJECTION	996,464.57	692,980.37	779,683.45	744,439.11	5,400,251.77	5,918,709.91
	LAB AND PATHOLOGY	910,311.67	732,106.41	653,291.72	666,387.88	5,465,207.02	4,832,254.19
	MAMMOGRAPHY	154,035.82	142,041.61	124,659.62	139,790.63	1,189,584.30	1,157,865.34
	OTHER	404,807.99	381,237.43	286,415.68	350,973.17	2,972,246.46	2,814,138.20
	OTHER IMAGING	848,477.87	774,934.47	643,710.37	729,331.26	5,656,452.35	5,226,007.55
	OTHER MEDICINE	608,764.54	705,367.40	518,862.06	695,167.34	5,266,185.91	5,245,144.27
	PHYSICAL MEDICINE	757,972.00	626,285.16	612,720.35	582,433.53	4,637,329.38	4,403,388.32
	PROSTATE CANCER SCREENING	12,896.06	13,015.53	13,923.00	15,086.33	80,988.53	115,101.64
	SURGICAL	2,757,899.64	2,465,258.19	2,311,791.05	2,435,487.92	18,776,915.14	18,195,435.92
*****							
sum		16,438,120.65	14,080,661.30	12,825,681.56	13,636,726.15	108,638,476.87	103,505,828.08
*****							
sum		46,734,101.55	40,942,733.28	37,044,027.36	38,593,826.78	319,718,804.64	294,870,987.50

SOURCE: WELLS FARGO 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  
February 2010**

*West Virginia Legislative Interims  
April 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS  
 FEBRUARY 2010

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	1.6808	1.4045	1.4125	1.1442	11.0522	9.8111
	MATERNITY	.7605	1.1180	.7198	1.0814	7.7693	7.6693
	MEDICAL AND SURGICAL	53.5385	42.4570	35.7186	42.9773	321.9264	303.9009
	NEONATAL COMPLICATIONS	.4117	.1427	.0266	.3302	1.3307	2.4810
	*****						
sum		56.3916	45.1221	37.8774	45.5331	342.0787	323.8624
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2431	.3092	.2855	.2783	2.2089	2.0750
	DIALYSIS	1.4262	.8896	.6647	.8359	6.7551	5.4152
	EMERGENCY ROOM	3.4159	3.7251	3.2530	3.2158	26.2136	23.2266
	MATERNITY	.3352	.2784	.2977	.3117	2.0768	2.2674
	MEDICAL AND SURGICAL	54.6997	55.5158	49.0488	52.0834	388.3870	372.0757
*****							
sum		60.1202	60.7181	53.5497	56.7252	425.6413	405.0599
PHARMACY	PRESCRIPTION DRUGS	69.4216	71.3179	64.4973	68.4062	543.1018	517.2246
*****							
sum		69.4216	71.3179	64.4973	68.4062	543.1018	517.2246
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.8825	2.8074	3.0318	3.7905	18.6801	26.3509
	AMBULANCE	1.5206	1.4561	1.1409	1.3183	11.5339	9.5366
	ANESTHESIA	4.1108	4.5604	3.4676	4.5739	33.0360	33.2391
	BEHAVIORAL	2.6984	2.1538	2.0123	2.1846	15.7596	15.1241
	CARDIOVASCULAR MEDICINE	2.2708	2.2300	1.9544	2.5431	14.8550	17.2142
	CERVICAL CANCER SCREENING	.1147	.1157	.0910	.1313	.9226	.9521
	DIALYSIS	.0603	.0945	.0514	.0309	.6998	.2297
	DME	2.6095	2.7668	2.7061	2.7079	19.0373	19.9980

SOURCE: WELLS FARGO 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  
 FEBRUARY 2010

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	37.1134	31.5950	28.3305	30.4847	236.7241	222.7798
	IMMUNIZATION	1.7712	2.0210	1.5133	2.0055	16.3455	16.6216
	INJECTION	6.1155	4.5738	5.0198	5.0883	33.5359	38.5419
	LAB AND PATHOLOGY	5.5868	4.8336	4.2061	4.5595	33.9393	31.4671
	MAMMOGRAPHY	.9454	.9367	.8026	.9554	7.3874	7.5399
	OTHER	2.4844	2.5150	1.8440	2.3990	18.4578	18.3253
	OTHER IMAGING	5.2073	5.1164	4.1444	4.9909	35.1269	34.0311
	OTHER MEDICINE	3.7361	4.6528	3.3406	4.7527	32.7033	34.1557
	PHYSICAL MEDICINE	4.6518	4.1349	3.9449	3.9833	28.7981	28.6743
	PROSTATE CANCER SCREENING	.0791	.0862	.0896	.1032	.5029	.7495
	SURGICAL	16.9259	16.2716	14.8840	16.6630	116.6058	118.4865
*****							
SUM		100.8845	92.9216	82.5753	93.2659	674.6516	674.0175
SUM		286.8179	270.0796	238.4998	263.9305	1,985.4735	1,920.1643

SOURCE: WELLS FARGO 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  
February 2010**

*West Virginia Legislative Interims  
April 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 FEBRUARY 2010

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	.0010	.0004	.0057	.0045
	MATERNITY	.0007	.0007	.0062	.0062
	MEDICAL AND SURGICAL	.0080	.0073	.0638	.0645
	NEONATAL COMPLICATIONS	.0001	.0001	.0006	.0019
*****					
sum		.0099	.0085	.0764	.0772
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0029	.0023	.0260	.0216
	DIALYSIS	.0043	.0031	.0341	.0222
	EMERGENCY ROOM	.0226	.0223	.1874	.1798
	MATERNITY	.0020	.0019	.0165	.0163
	MEDICAL AND SURGICAL	.1978	.1936	1.5647	1.5624
*****					
sum		.2296	.2231	1.8287	1.8023
PHARMACY	PRESCRIPTION DRUGS	.8773	.8829	7.4982	7.2710
*****					
sum		.8773	.8829	7.4982	7.2710
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0241	.0217	.1663	.1802
	AMBULANCE	.0032	.0037	.0286	.0296
	ANESTHESIA	.0170	.0160	.1482	.1482
	BEHAVIORAL	.0467	.0345	.3083	.2968
	CARDIOVASCULAR MEDICINE	.0350	.0292	.2426	.2541
	CERVICAL CANCER SCREENING	.0046	.0038	.0367	.0394
	DIALYSIS	.0002	.0004	.0049	.0021
	DME	.0226	.0201	.1784	.1866
	EVALUATION AND MANAGEMENT	.5801	.4708	3.7764	3.7550
	IMMUNIZATION	.0356	.0222	.3480	.3566

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 FEBRUARY 2010

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	.0290	.0253	.2089	.2067
	LAB AND PATHOLOGY	.1837	.1472	1.2934	1.2443
	MAMMOGRAPHY	.0177	.0154	.1363	.1416
	OTHER	.0310	.0221	.2471	.2479
	OTHER IMAGING	.1126	.0824	.7323	.6967
	OTHER MEDICINE	.0905	.0676	.5847	.5850
	PHYSICAL MEDICINE	.1037	.0913	.7596	.7972
	PROSTATE CANCER SCREENING	.0054	.0051	.0369	.0490
	SURGICAL	.0880	.0737	.5964	.6212
*****					
sum		1.4307	1.1526	9.8342	9.8383
-----					
sum		2.5475	2.2672	19.2374	18.9887

SOURCE: WELLS FARGO 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**



February 28

2010

2009

(In thousands)

**ASSETS**

**Short Term Assets**

Cash and Equivalents

\$ 29,223      \$ 25,832

Advance Deposit with Carrier/Trustee

181,938      183,572

Receivables - Net

848      668

Prepaid Insurance

2,085      2,045

**Total Short Term Assets**

**214,094      212,107**

**Long Term Assets**

Investments

118,953      92,925

**Total Long Term Assets**

**118,953      92,925**

**TOTAL ASSETS**

**333,047      305,032**

**LIABILITIES**

**Short Term Liabilities**

Accounts payable

1,221      998

Claims Payable

386      100

OPEB Liability

-      35

Agents Commissions Payable

841      1,081

Unearned Revenue

11,520      12,311

Current Estimated Claim Reserve

41,905      48,212

**Total Short Term Liabilities**

**55,873      62,737**

**Long Term Liabilities**

Compensated Absences

58      52

Estimated Noncurrent Claim Reserve

104,624      116,668

**Total Long Term Liabilities**

**104,682      116,720**

**TOTAL LIABILITIES**

**160,555      179,457**

Prior Year Net Assets

150,958      127,630

Current Year Earnings/Prior Year Earnings (Loss)

21,534      (2,055)

**TOTAL NET ASSETS**

**172,492      125,575**

**TOTAL LIABILITIES AND RETAINED EARNINGS**

**\$ 333,047      \$ 305,032**

DRAFT - Unaudited - Management Purposes Only



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

**DRAFT**

	February 28	
	2010	2009
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 39,000	\$ 41,839
Less - Excess Insurance	(4,170)	(4,091)
Total Operating Revenues	34,830	37,748
Operating Expenses		
Claims Expense	24,510	26,218
Property & MS Claims Expense	5,101	3,779
Personal Services	848	865
General & Administrative Expense	1,702	2,003
Total Operating Expenses	32,161	32,865
Operating Income (Loss)	2,669	4,883
Nonoperating Revenues		
Court Fees	24	20
Investment Income	18,841	(6,958)
Total Nonoperating Revenues	18,865	(6,938)
Net Income (Loss)	21,534	(2,055)

DRAFT - Unaudited - Management Purposes Only

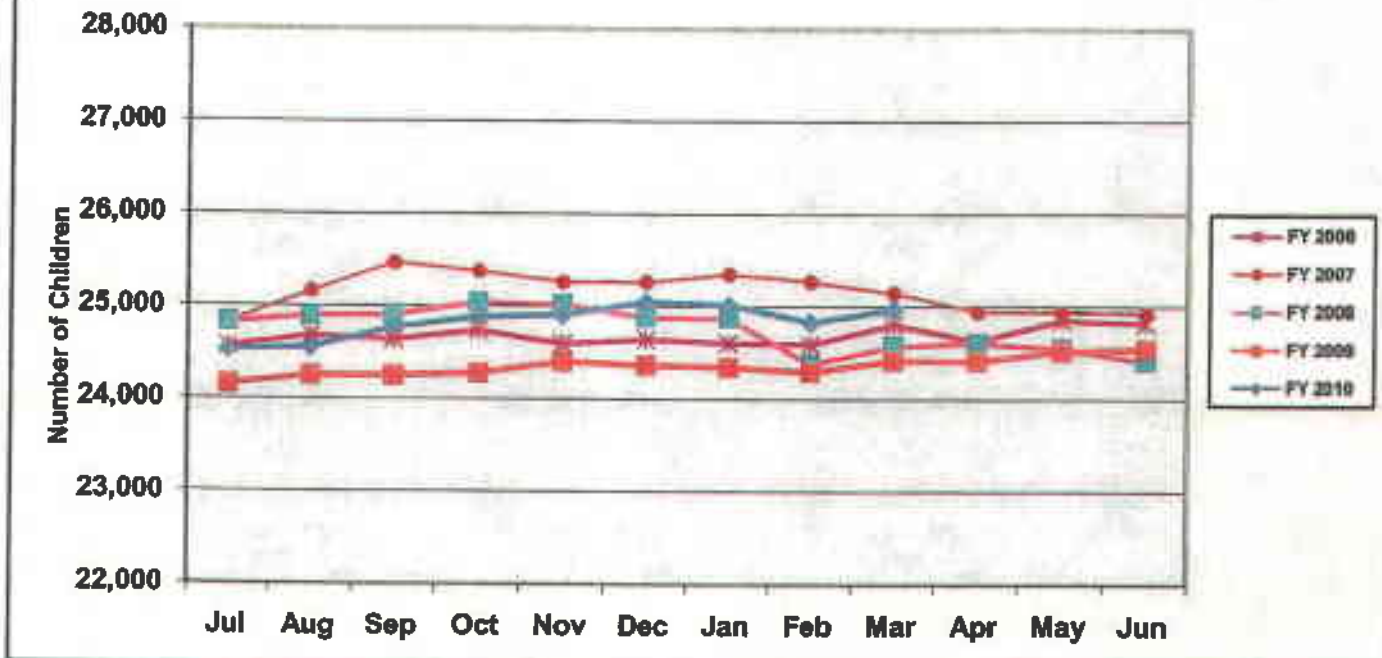


**West Virginia  
Children's Health Insurance Program  
1018 Kanawha Boulevard East  
Suite 209  
Charleston, WV 25301  
Phone: 304-558-2732  
Toll-Free: 1-877-WVA CHIP  
Fax: 304-558-2741  
[www.wvchlp.org](http://www.wvchlp.org)**

**Joint Committee on  
Government and Finance  
Report**

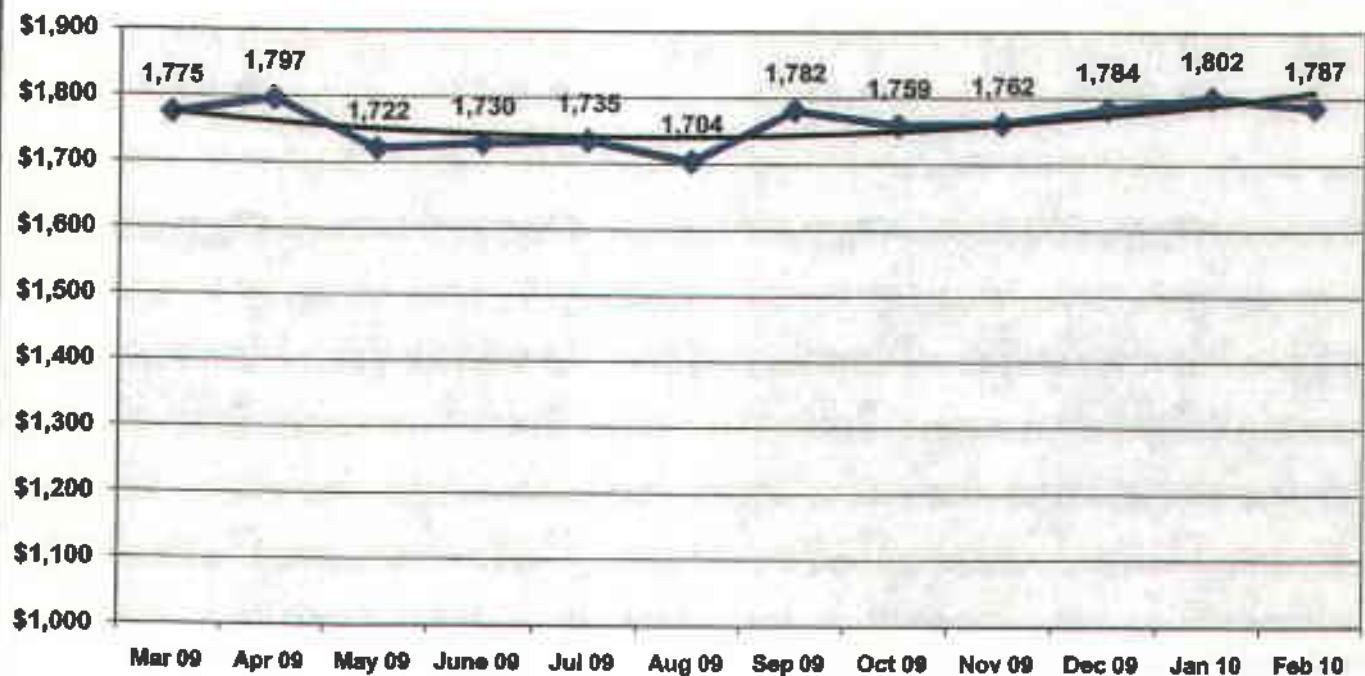
**April 2010**

## WV CHIP Enrollment



March 31 Enrollment 24,979

## Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
February 2010 and 2009  
(Accrual Basis)**

	February 28, 2010	February 28, 2009	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$12,693,572	\$10,451,624	\$2,241,948	21%
Due From Federal Government	\$3,327,475	\$2,918,042	\$409,433	14%
Due From Other Funds	\$738,852	\$657,552	\$81,300	12%
Accrued Interest Receivable	\$18,196	\$3,333	\$14,863	446%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	<u>(\$544)</u>	<u>-1%</u>
<b>Total Assets</b>	<b><u>\$16,847,833</u></b>	<b><u>\$14,100,833</u></b>	<b><u>\$2,747,000</u></b>	<b><u>19%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$136,327	\$265,594	(\$129,267)	-49%
Deferred Revenue	\$2,762,832	\$3,415,715	(\$652,883)	-19%
Unpaid Insurance Claims Liability	<u>\$3,930,000</u>	<u>\$3,310,000</u>	<u>\$620,000</u>	<u>19%</u>
<b>Total Liabilities</b>	<b><u>\$6,829,159</u></b>	<b><u>\$6,991,309</u></b>	<b><u>(\$162,150)</u></b>	<b><u>-2%</u></b>
<b>Fund Equity</b>	<b><u>\$10,018,674</u></b>	<b><u>\$7,109,524</u></b>	<b><u>\$2,909,150</u></b>	<b><u>41%</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$16,847,833</u></b>	<b><u>\$14,100,833</u></b>	<b><u>\$2,747,000</u></b>	<b><u>19%</u></b>

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

(Modified Accrual Basis)

	February 28, 2010	February 28, 2009		Variance
Revenues:				
Federal Grants	25,656,405	23,727,163	1,929,242	8%
State Appropriations	7,351,715	7,351,031	684	0%
Premium Revenues	213,049	80,547	132,502	165%
Investment Earnings	60,430	95,868	(35,438)	-37%
Unrealized Gain on Investments**	<u>70,231</u>	<u>0</u>	<u>70,231</u>	100%
Total Operating Revenues	<u>33,351,830</u>	<u>31,254,609</u>	<u>2,097,221</u>	<u>7%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	8,044,028	7,242,316	801,712	11%
Physicians & Surgical	6,478,350	6,048,642	429,708	7%
Prescribed Drugs	5,776,313	5,599,734	176,579	3%
Dental	3,373,324	3,285,428	87,896	3%
Inpatient Hospital Services	2,169,205	2,358,604	(189,399)	-8%
Durable & Disposable Med. Equip.	829,433	798,550	30,883	4%
Outpatient Mental Health	784,974	787,421	(2,447)	0%
Inpatient Mental Health	561,704	417,461	144,243	35%
Vision	472,822	398,839	73,983	19%
Therapy	307,241	272,823	34,418	13%
Medical Transportation	206,211	189,419	16,792	9%
Other Services	27,164	63,758	(36,594)	-57%
Less: Collections*	<u>(310,143)</u>	<u>(492,432)</u>	<u>182,289</u>	<u>-37%</u>
Total Claims	<u>28,720,626</u>	<u>26,970,563</u>	<u>1,750,063</u>	<u>6%</u>
General and Admin Expenses:				
Salaries and Benefits	332,097	329,422	2,675	1%
Program Administration	1,975,039	1,442,662	532,377	37%
Eligibility	263,654	201,674	61,980	31%
Outreach & Health Promotion	211,636	87,619	124,017	142%
Current	<u>84,132</u>	<u>90,511</u>	<u>(6,379)</u>	<u>-7%</u>
Total Administrative	<u>2,866,558</u>	<u>2,151,888</u>	<u>714,670</u>	<u>33%</u>
Total Expenditures	<u>31,587,184</u>	<u>29,122,451</u>	<u>2,464,733</u>	<u>8%</u>
Excess of Revenues Over (Under) Expenditures	1,764,646	2,132,158	(367,512)	-17%
Fund Equity, Beginning	<u>8,254,028</u>	<u>4,977,366</u>	<u>3,276,662</u>	<u>66%</u>
Fund Equity, Ending	<u>10,018,674</u>	<u>7,109,524</u>	<u>2,909,150</u>	<u>41%</u>

\* Collections are primarily drug rebates and subrogation

\*\* Short Term Bond Fund Investment began in November 2009

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

For the Eight Months Ended February 28, 2010

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Feb-10	Jan-10	Dec-09
Projected Cost	\$48,693,584	\$32,462,389	\$28,831,671	\$3,630,718	11%	\$4,057,799	\$3,472,968	\$4,197,599	\$3,096,197
Premiums	305,826	203,884	213,049	(\$9,165)	4%	25,486	28,543	31,998	26,573
Subrogation & Rebates	<u>623,650</u>	<u>415,767</u>	<u>307,820</u>	<u>107,947</u>	-26%	<u>51,971</u>	<u>9,898</u>	<u>754</u>	<u>34,237</u>
Net Benefit Cost	47,764,108	\$31,842,739	\$28,310,802	\$3,531,936	11%	3,980,342	3,434,526	4,164,847	3,035,388
Salaries & Benefits	\$581,411	\$387,607	\$332,096	\$55,511	14%	\$48,451	\$40,111	\$40,882	\$40,111
Program Administration	2,665,833	1,777,222	2,082,013	(304,791)	-17%	222,153	448,812	226,304	256,911
Eligibility	295,243	196,829	244,048	(47,219)	-24%	24,604	13,640	17,322	71,971
Outreach	300,000	200,000	208,630	(8,630)	-4%	25,000	6,657	12,946	27,806
Current Expense	<u>352,772</u>	<u>235,181</u>	<u>120,079</u>	<u>115,102</u>	-49%	<u>29,398</u>	<u>10,598</u>	<u>8,890</u>	<u>11,656</u>
Total Admin Cost	\$4,195,259	\$2,796,839	\$2,986,866	(\$190,026)	-7%	\$349,605	\$519,818	\$306,344	\$408,455
Total Program Cost	<u>\$51,959,367</u>	<u>\$34,639,579</u>	<u>\$31,297,668</u>	<u>\$3,341,910</u>	10%	<u>\$4,329,947</u>	<u>\$3,954,344</u>	<u>\$4,471,191</u>	<u>\$3,443,843</u>
Federal Share 81.83%	42,489,772	\$28,326,515	\$25,585,366	2,741,149	10%	3,540,814	3,235,840	3,658,776	2,818,096
State Share 18.17%	<u>9,469,595</u>	<u>\$6,313,063</u>	<u>\$5,712,302</u>	<u>600,761</u>	10%	<u>789,133</u>	<u>718,504</u>	<u>812,415</u>	<u>625,746</u>
Total Program Cost **	<u>\$51,959,367</u>	<u>\$34,639,578</u>	<u>\$31,297,668</u>	<u>\$3,341,910</u>	10%	<u>\$4,329,947</u>	<u>\$3,954,344</u>	<u>\$4,471,191</u>	<u>\$3,443,843</u>

\* Positive percentages indicate favorable variances

\*\* Budgeted Year Based on CCRC Actuary 6/30/2009 Report

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

- 1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/09 Final worksheet Net Paid Program Costs.
- 2/. Federal Share for FFY 2009 is 81.61%. Federal Share for FFY 2010 (10/1/09 - 9/30/10) is set at 81.83%.

# WVCHIP Enrollment Report

ATTACHMENT 1

March 2010

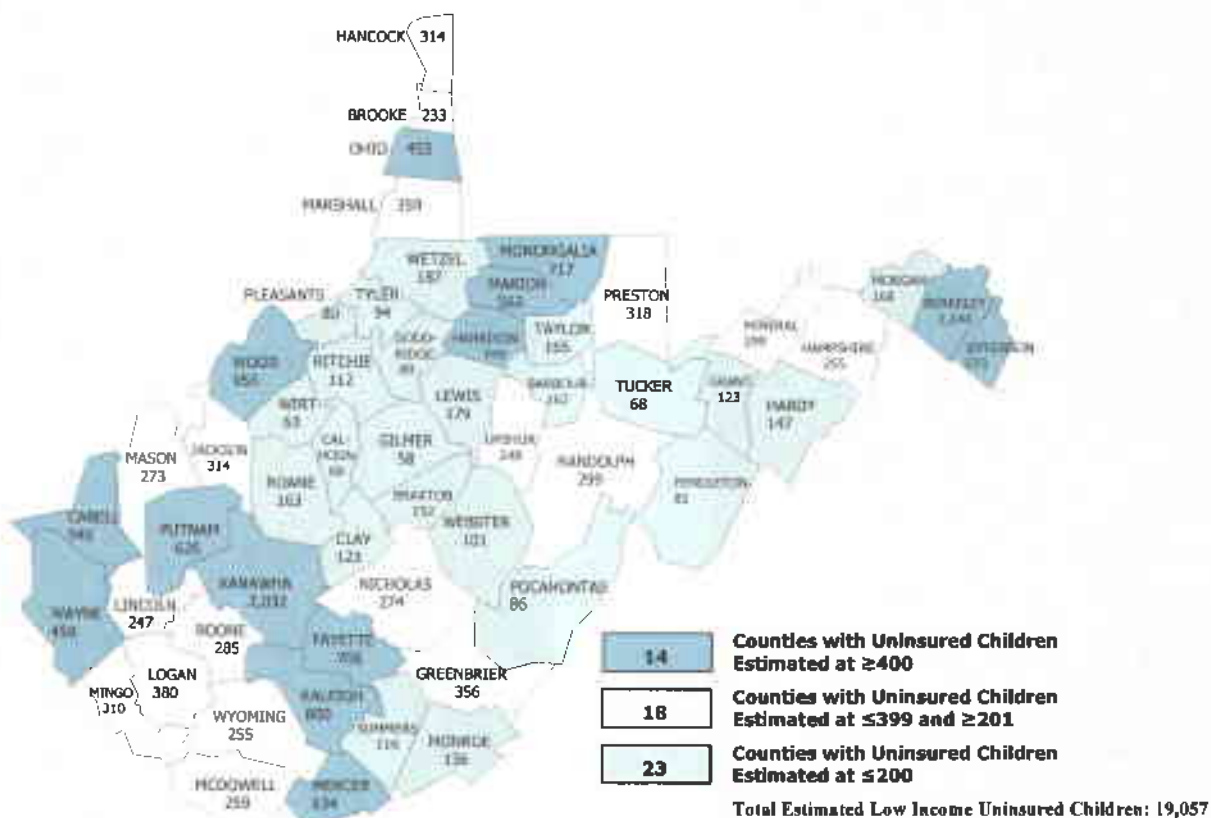
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Kanawha	40,647	2,333	17,241	19,574	48.2%	2,032	1
Berkeley	22,882	1,285	7,385	8,670	37.9%	1,144	2
Wood	19,063	1,115	8,336	9,451	49.6%	953	3
Cabell	18,900	1,047	8,321	9,368	49.6%	945	4
Raleigh	15,992	1,320	7,288	8,608	53.8%	800	5
Harrison	14,973	959	5,954	6,913	46.2%	749	6
Monongalia	14,346	726	4,231	4,957	34.6%	717	7
Mercer	12,687	1,131	6,755	7,886	62.2%	634	8
Putnam	12,522	717	3,312	4,029	32.2%	626	9
Jefferson	11,465	434	2,600	3,034	26.5%	573	10
Marion	11,245	746	4,406	5,152	45.8%	562	11
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Wayne	9,176	604	4,148	4,752	51.8%	459	13
Ohio	9,068	539	3,020	3,559	39.3%	453	14
Logan	7,610	610	4,026	4,636	60.9%	380	15
Marshall	7,176	356	2,858	3,214	44.8%	359	16
Greenbrier	7,110	606	2,971	3,577	50.3%	356	17
Preston	6,354	469	2,469	2,938	46.2%	318	18
Jackson	6,277	394	2,658	3,052	48.6%	314	19
Hancock	6,270	341	2,420	2,761	44.0%	314	20
Mingo	6,204	395	3,259	3,654	58.9%	310	21
Mineral	5,973	284	2,068	2,352	39.4%	299	22
Randolph	5,971	416	2,642	3,058	51.2%	299	23
Boone	5,706	297	2,724	3,021	52.9%	285	24
Nicholas	5,478	413	2,729	3,142	57.4%	274	25
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Taylor	3,307	217	1,385	1,602	48.4%	165	36
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Hardy	2,950	178	1,231	1,409	47.8%	147	40
Monroe	2,728	206	1,094	1,300	47.6%	136	41
Grant	2,463	186	972	1,158	47.0%	123	42
Clay	2,454	174	1,479	1,653	67.3%	123	43
Summers	2,322	219	1,216	1,435	61.8%	116	44
Ritchie	2,234	149	992	1,141	51.1%	112	45
Webster	2,020	145	1,210	1,355	67.1%	101	46
Tyler	1,887	131	806	937	49.7%	94	47
Pocahontas	1,717	141	698	839	48.9%	86	48

# WVCHIP Enrollment Report

ATTACHMENT 1

March 2010

County	County Pop 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Mar-10	Total Medicaid Enrollment Mar-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est Uninsured 5%	2009 # Children Uninsured Ranking*
Pendleton	1,632	108	502	610	37.4%	82	49
Doddridge	1,607	133	728	861	53.6%	80	50
Pleasants	1,593	102	571	673	42.2%	80	51
Calhoun	1,389	128	891	1,019	73.4%	69	52
Tucker	1,354	144	515	659	48.7%	68	53
Wirt	1,268	111	579	690	54.4%	63	54
Gilmer	1,154	94	606	700	60.7%	58	55
<b>Totals</b>	<b>382,490</b>	<b>24,979</b>	<b>161,101</b>	<b>186,080</b>	<b>48.6%</b>	<b>19,125</b>	



**Note 1:** The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. 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:** It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.



Legislative Oversight Commission on  
Health and Human Resources Accountability

*APRIL 2010*

Department of Administration

State Children's Health Insurance Program  
UPDATE



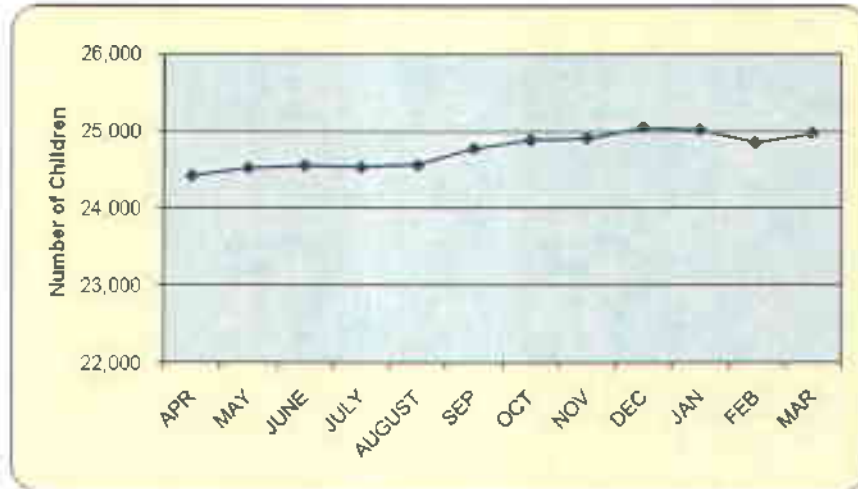
# WV CHILDREN'S HEALTH INSURANCE AGENCY

## REPORT FOR APRIL 2010

### I. Enrollment on March 2010: 24,979

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: April 2009 through March 2010



Enrollee Totals: January 2010 to March 2010

Month	Total	1 Year	Total
January	1,566	Average	1,884
February	1,581	High	2,271
March	1,707	Low	1,496

New Enrollee (Never Before on CHIP) Totals: January 2010 to March 2010

Month	Total	1 Year	Total
January	614	Average	738
February	567	High	909
March	604	Low	567

### II. Re-enrollment for 3 Month Period: December 2009 to February 2010

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
December	1,520	913	60%	123	8%	445	29%
January	1,684	965	57%	203	12%	468	28%
February	2,024	1,223	60%	190	9%	547	27%

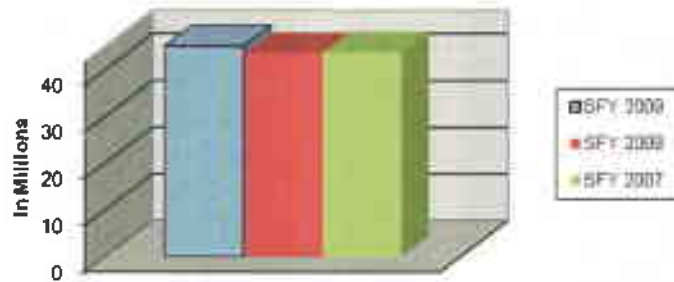
**III. Financial Activity**

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

*The average annualized claims cost per child for the month ended December 2009 was \$1,950.*

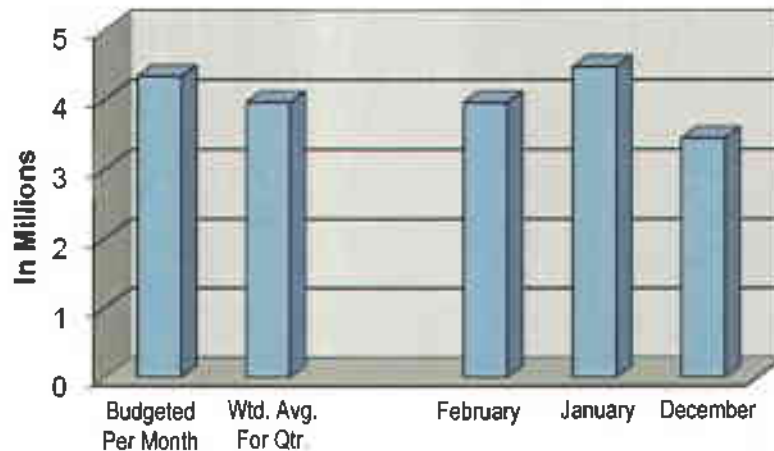
**Annual Expenditures for a 3 Year Period: SFY 2007 – SFY 2009**

	SFY 2009	FFP% 2009	SFY 2008	FFP% 2008	SFY 2007	FFP% 2007
Federal	37,550,029	81.61	35,626,232	81.98	35,472,537	80.97
State	8,417,193	18.39	7,947,861	18.02	8,336,944	19.03
<b>Total Costs</b>	<b>45,967,222</b>	<b>100.00</b>	<b>43,574,093</b>	<b>100.00</b>	<b>43,809,481</b>	<b>100.00</b>



**Monthly Budgeted and Current 3 Month Period: December 2009 – February 2010**

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			February 2010	January 2010	December 2009
Federal	3,540,814	3,237,571	3,235,840	3,658,776	2,818,096
State	789,133	718,888	718,504	812,415	625,746
<b>Total</b>	<b>4,329,947</b>	<b>3,956,459</b>	<b>3,954,344</b>	<b>4,471,191</b>	<b>3,443,843</b>



**IV. Other Highlights**

- ◆ Nothing new to report.

# WVCHIP Enrollment Report

ATTACHMENT 1

March 2010

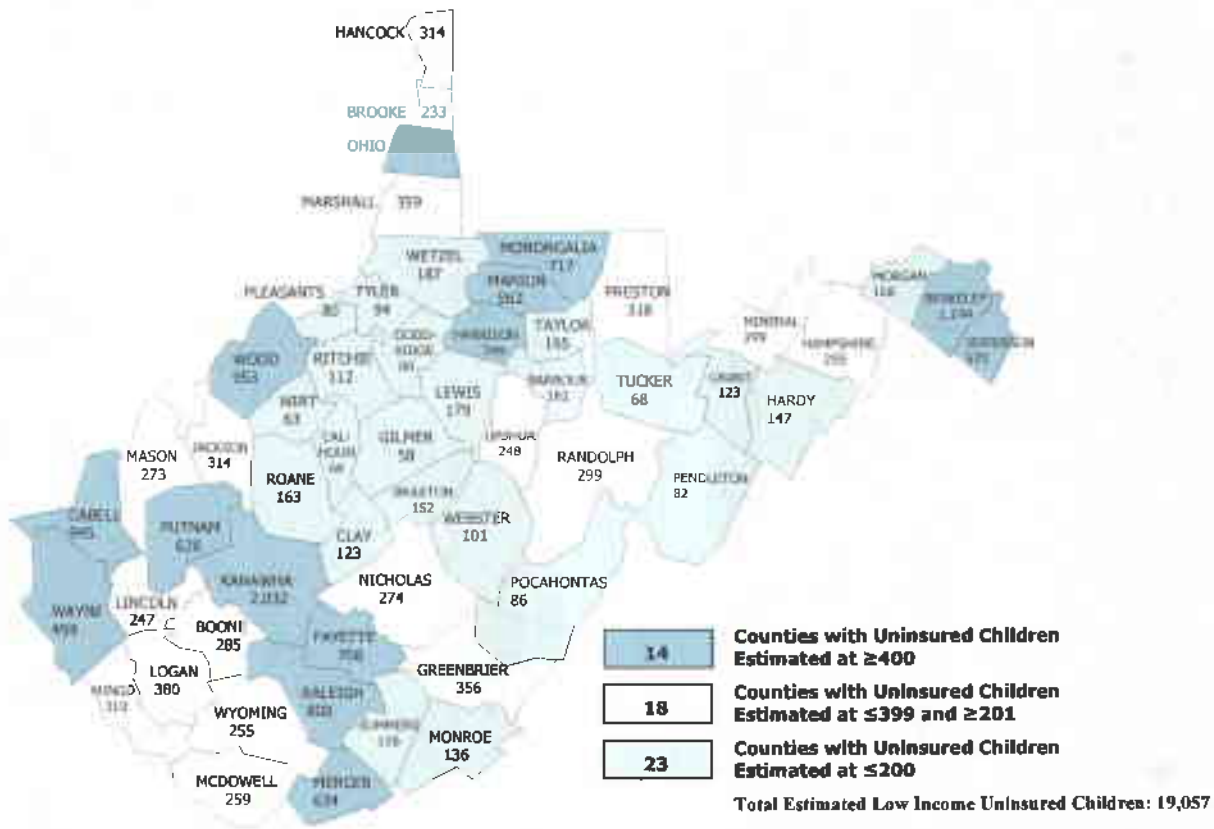
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# WVCHIP Enrollment Report

ATTACHMENT 1

March 2010

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**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Eight Months Ending February 28, 2010 and February 28, 2009**  
**(Modified Accrual Basis)**

	February 28, 2010	February 28, 2009	Variance	
<b>Revenues:</b>				
Federal Grants	25,656,405	23,727,163	1,929,242	8%
State Appropriations	7,351,715	7,351,031	684	0%
Premium Revenues	213,049	80,547	132,502	165%
Investment Earnings	60,430	95,868	(35,438)	-37%
Unrealized Gain on Investments**	<u>70,231</u>	<u>0</u>	<u>70,231</u>	100%
Total Operating Revenues	<u>33,351,830</u>	<u>31,254,609</u>	<u>2,097,221</u>	<u>7%</u>
<b>Operating Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	8,044,028	7,242,316	801,712	11%
Physicians & Surgical	6,478,350	6,048,642	429,708	7%
Prescribed Drugs	5,776,313	5,599,734	176,579	3%
Dental	3,373,324	3,285,428	87,896	3%
Inpatient Hospital Services	2,169,205	2,358,604	(189,399)	-8%
Durable & Disposable Med. Equip.	829,433	798,550	30,883	4%
Outpatient Mental Health	784,974	787,421	(2,447)	0%
Inpatient Mental Health	561,704	417,461	144,243	35%
Vision	472,822	398,839	73,983	19%
Therapy	307,241	272,823	34,418	13%
Medical Transportation	206,211	189,419	16,792	9%
Other Services	27,164	63,758	(36,594)	-57%
Less: Collections*	<u>(310,143)</u>	<u>(492,432)</u>	<u>182,289</u>	<u>-37%</u>
Total Claims	<u>28,720,626</u>	<u>26,970,563</u>	<u>1,750,063</u>	<u>6%</u>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	332,097	329,422	2,675	1%
Program Administration	1,975,039	1,442,662	532,377	37%
Eligibility	263,654	201,674	61,980	31%
Outreach & Health Promotion	211,636	87,619	124,017	142%
Current	<u>84,132</u>	<u>90,511</u>	<u>(6,379)</u>	<u>-7%</u>
Total Administrative	<u>2,866,558</u>	<u>2,151,888</u>	<u>714,670</u>	<u>33%</u>
<b>Total Expenditures</b>	<b><u>31,587,184</u></b>	<b><u>29,122,451</u></b>	<b><u>2,464,733</u></b>	<b><u>8%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	1,764,646	2,132,158	(367,512)	-17%
<b>Fund Equity, Beginning</b>	<b><u>8,254,028</u></b>	<b><u>4,977,366</u></b>	<b><u>3,276,662</u></b>	<b><u>66%</u></b>
<b>Fund Equity, Ending</b>	<b><u>10,018,674</u></b>	<b><u>7,109,524</u></b>	<b><u>2,909,150</u></b>	<b><u>41%</u></b>

\* Collections are primarily drug rebates and subrogation

\*\* Short Term Bond Fund Investment began in November 2009

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
February 2010 and 2009  
(Accrual Basis)**

	February 28, 2010	February 28, 2009	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$12,693,572	\$10,451,624	\$2,241,948	21%
Due From Federal Government	\$3,327,475	\$2,918,042	\$409,433	14%
Due From Other Funds	\$738,852	\$657,552	\$81,300	12%
Accrued Interest Receivable	\$18,196	\$3,333	\$14,863	446%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	<u>(\$544)</u>	-1%
<b>Total Assets</b>	<u><b>\$16,847,833</b></u>	<u><b>\$14,100,833</b></u>	<u><b>\$2,747,000</b></u>	<u><b>19%</b></u>
<b>Liabilities:</b>				
Due to Other Funds	\$136,327	\$265,594	(\$129,267)	-49%
Deferred Revenue	\$2,762,832	\$3,415,715	(\$652,883)	-19%
Unpaid Insurance Claims Liability	<u>\$3,930,000</u>	<u>\$3,310,000</u>	<u>\$620,000</u>	19%
<b>Total Liabilities</b>	<u><b>\$6,829,159</b></u>	<u><b>\$6,991,309</b></u>	<u><b>(\$162,150)</b></u>	<u><b>-2%</b></u>
<b>Fund Equity</b>	<u><b>\$10,018,674</b></u>	<u><b>\$7,109,524</b></u>	<u><b>\$2,909,150</b></u>	<u><b>41%</b></u>
<b>Total Liabilities and Fund Equity</b>	<u><b>\$16,847,833</b></u>	<u><b>\$14,100,833</b></u>	<u><b>\$2,747,000</b></u>	<u><b>19%</b></u>

**PRELIMINARY FINANCIAL STATEMENTS**

Unaudited - For Management Purposes Only - Unaudited



**West Virginia Children's Health Insurance Program  
WVFIMS Fund 2154  
For the Month Ended February 28, 2010  
(Accrual Basis)**

**Investment Account**

Funds Invested	\$12,633,142
Interest Earned	<u>60,430</u>
<b>Total</b>	<b><u>\$12,693,572</u></b>

Unaudited - For Management Purposes Only - Unaudited

**Department of Administration Real Estate Division Leasing Report**  
For the period of March 1, 2010 through March 31, 2010

**NEW CONTRACT OF LEASE**

**INSURANCE COMMISSION**

**INS-030** New contract of lease for 2 years consisting of 1,460 square feet of office space at the rate of \$9.87 PSF, including parking only, in the City of Chapmanville, Logan County, West Virginia.

**NEW CONTRACT OF LEASE – DOA OWNED**

**DIVISION OF CORRECTIONS**

**COR-085** New contract of lease consisting of 17,379 square feet of office space at the PSF rate of \$9.50, full service including parking, in the City of Charleston, Kanawha County, West Virginia.

**COR-086** New contract of lease consisting of 1,304 square feet of office space at the PSF rate of \$9.50, full service including parking, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DIVISION OF NATURAL RESOURCES**

**NAT-130** Renewal for 1 year consisting of a boat slip at the current monthly rate of \$94.42, in the City of Huntington, Cabell County, West Virginia.

**NAT-112** Renewal for 3 years consisting of 1,000 square feet of office space at the current annual PSF rate of \$8.20, full service, in the City of Elkins, Randolph County, West Virginia.

**DIVISION OF CORRECTIONS**

**COR-033** Renewal for 2 years consisting of 10,358 square feet of office space/land at the current annual PSF rate of \$7.27, in the City of Charleston, Kanawha County, West Virginia.

**COR-012** Renewal for 3 years consisting of 578 square feet of office space at the current rate of \$430.00 per month, full service including parking, in the City of Lewisburg, Greenbrier County, West Virginia.

**COR-080** Renewal for 3 years consisting of 2,042 square feet of office space at the current annual PSF rate of \$9.85, full service excluding janitorial, in the City of Elkins, Randolph County, West Virginia.

**DIVISION OF MOTOR VEHICLES**

**DMV-038** Renewal for 5 years consisting of 8,000 square feet of office space at the current annual PSF rate of \$13.95, full service including parking, in the City of Morgantown, Monongalia County, West Virginia.

**DMV-023** Renewal on a month-to-month basis consisting of 10,387 square feet of office space, at the current annual PSF rate of \$15.15, in the City of Charleston, Kanawha County, West Virginia.

## STRAIGHT RENEWAL CONTINUED

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-201** Renewal for 1 year consisting of 5,972 square feet of office space at the current annual PSF rate of \$6.57, full service including parking, in the City of Big Chimney, Kanawha County, West Virginia.

**HHR-166** Renewal for 1 year consisting of 11,480 square feet of office space at the current annual PSF rate of \$10.00, including parking and snow removal, in the City of Hurricane, Putnam County, West Virginia.

### **WEST VIRGINIA STATE POLICE**

**PSA-080** Renewal for 1 year consisting of 3,600 square feet of office space at the current annual PSF rate of \$4.50, in the City of Fairmont, Marion County, West Virginia.

**PSA-010** Renewal for 1 year consisting of 1,272 square feet of office space at the current annual PSF rate of \$2.84, in the City of Richwood, Nicholas County, West Virginia.

### **WEST VIRGINIA SUPREME COURT OF APPEALS**

**SCA-002** Renewal for 5 years consisting of 2,224 square feet of office space at the current annual PSF rate of \$8.90, full service including parking, in the City of Charleston, Kanawha County, West Virginia.

### **WEST VIRGINIA CONSERVATION AGENCY**

**SCC-005** Renewal for 5 years consisting of 300 square feet of office space at the current rate of \$262.50 per month, full service including parking, in the City of Philippi, Barbour County, West Virginia.

**SCC-004** Renewal for 5 years consisting of 303 square feet of office space at the current rate of \$198.21 per month, full service including parking, in the City of Gassaway, Braxton County, West Virginia.

### **SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**

**SWV-014** Renewal for 1 year consisting of 39,000 square feet of office space at the current annual PSF \$1.08, full service excluding natural gas and electrical service, in the City of Logan, Logan County, West Virginia.

### **KANAWHA VALLEY COMMUNITY AND TECHNICAL COLLEGE**

**KVC-001** Renewal for 5 years consisting of 22,000 square feet of classroom space at the current rate of \$1.00 per year, in the City of Charleston, Kanawha County, West Virginia.

**KVC-002** Renewal for 5 years consisting of 2,360 square feet of office space at the current annual PSF rate of \$10.00, full service including parking, in the City of Institute, Kanawha County, West Virginia.

### **DIVISION OF FORESTRY**

**FOR-021** Renewal for 3 years consisting of 5,120 square feet of office space with at the current annual PSF rate of \$4.02, including parking, in the City of Milton, Cabell County, West Virginia.

## STRAIGHT RENEWAL – SUBLEASE

### **DIVISION OF FORESTRY**

**FOR-079** Renewal for 3 years consisting of 130 square feet of office space at the current rate of \$110.00 per month, full service including parking, in the City of Princeton, Mercer County, West Virginia.

## INCREASED SQUARE FOOTAGE

### **DIVISION OF CORRECTIONS**

**COR-030** Increase in square footage from 1,046 square feet to 1,532 square feet of office space at the current annual PSF rate of \$11.41, full service, in the City of Wheeling, Ohio County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-171** Increase in square footage from 300 square feet to 416 square feet of storage space with an increase in the monthly rate from \$85.00 per month to \$180.00 per month, in the City of Fairmont, Marion County, West Virginia.

## DECREASE IN SQUARE FOOTAGE – DOA OWNED

### **WORKFORCE WEST VIRGINIA**

**WWV-007** Decrease in square footage of office space from 67,937 square feet to 65,451 square feet, at the current annual PSF rate of \$9.03, full service, in the City of Charleston, Kanawha County, West Virginia.

## DECREASE IN SQUARE FOOTAGE - SUBLEASE

### **NORTHERN PANHANDLE WORKFORCE INVESTMENT BOARD**

**NPW-001** Decrease in square footage from 1,732 square feet to 1,332 square feet with a decrease in rent from \$1,876.34 to \$1,443.01 per month, full service along with parking, in the City of Weirton, Brooke County, West Virginia.

## CANCELLATION

**NONE**

**Joint Committee on Government and Finance**

**April 2010**

**Department of Health and Human Resources**

**MEDICAID REPORT**

February 2010 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2010

Note: The Centers for Medicare and Medicaid Services (CMS) has mandated changes to reporting of Medicaid expenditures. The report below reflects the updated categorizations by provider type, which is the new format for future quarterly CMS 84 reports. The Department is in the process of re-coding the data and reports to comply with the mandated reporting changes. At the present time, we are only able to present provider type detail for the Current Month and Year-to-Date (YTD) Actuals. Prior year Actuals and Projected SFY 2010 Budget provider type detail will be updated when the coding changes are complete and data validation and quality assurance processes have been performed.

MONTH OF FEBRUARY 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month Feb-10	Current Month Feb-10	Year To-Date Thru 2/28/10	3/1/10 Thru 06/30/10
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	260,846,691	127,998,928	10,879,856	10,848,000	134,764,978	(7,166,052)
Inpatient Hospital - DSH	64,483,948	55,411,679	9,353,555	17,691,000	38,782,668	18,649,014
Inpatient Hospital - Supplemental Payments	-	114,140,000	-	-	15,908,775	98,234,223
Inpatient Hospital - GME Payments	-	4,073,000	1,267,905	1,018,000	3,681,438	411,562
Mental Health Facilities	47,960,442	65,718,840	6,368,678	4,847,000	48,814,411	9,104,630
Mental Health Facilities - DSH Adjustment Payments	18,798,469	19,095,764	4,721,781	4,722,000	14,186,284	4,890,470
Nursing Facility Services - Regular Payments	484,023,240	491,237,898	42,535,341	40,830,000	314,749,630	176,487,967
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,246,071	83,402,719	8,464,518	5,284,000	42,856,430	20,646,268
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	143,420,126	125,928,805	9,972,952	1,078,000	82,437,876	43,488,832
Physicians Services - Supplemental Payments ***	-	22,753,000	-	-	34,080,878	(11,326,876)
Outpatient Hospital Services - Regular Payments	120,824,371	118,191,884	7,888,884	9,894,000	63,609,668	54,581,998
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	341,993,892	397,593,420	24,319,059	30,878,000	219,652,114	147,941,315
Drug Rebate Offset - National Agreement	(130,851,220)	(128,794,904)	(3,773,824)	(1,056,000)	(100,389,819)	(26,408,265)
Drug Rebate Offset - State Sidebar Agreement	(30,810,728)	(90,333,652)	(140,192)	(2,828,000)	(19,999,519)	(14,334,133)
Dental Services	40,360,098	48,900,576	3,430,494	4,082,000	29,436,232	19,464,344
Other Practitioners Services - Regular Payments	22,381,163	7,818,662	778,669	698,000	7,812,623	(99,971)
Other Practitioners Services - Supplemental Payments ***	-	-	-	-	-	-
Clinic Services	39,655,489	14,837,884	376,568	1,247,000	3,267,620	11,570,394
Lab & Radiological Services	10,177,238	10,836,738	811,029	629,000	7,682,400	3,154,338
Home Health Services	32,681,694	35,689,618	3,840,344	3,035,000	29,329,921	9,899,597
Hysterectomies/Sterilizations	816,269	674,054	18,179	48,000	188,928	418,126
Pregnancy Terminations	-	-	-	-	-	-
EPSTD Services	2,247,631	2,699,669	124,094	217,000	1,282,370	1,317,299
Rural Health Clinic Services	7,763,806	8,637,239	1,438,851	716,000	5,889,699	2,951,640
Medicare Health Insurance Payments - Part A Premiums	14,821,488	19,068,436	1,472,154	1,581,000	11,473,468	7,814,871
Medicare Health Insurance Payments - Part B Premiums	70,371,344	77,248,842	8,888,849	8,424,000	48,883,283	28,363,689
120% - 134% Of Poverty	4,408,674	5,101,770	406,308	432,000	3,426,567	1,673,213
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	622,692	-	4,318,588	(4,315,588)
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	294,897,012	295,059,331	28,537,787	22,088,000	222,034,789	49,024,543
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	393,790	418,652	33,891	35,000	292,940	122,912
Medicaid Health Insurance Payments: Coinurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	233,488,853	266,920,094	19,587,572	23,121,009	183,908,332	93,011,762
Home & Community-Based Services (Aged/Disabled)	60,034,343	69,794,000	7,478,211	7,483,000	62,748,801	27,048,399

MONTH OF FEBRUARY 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2008	SFY2010	Current Month Feb-10	Current Month Feb-10	Year To-Date Thru 2/28/10	3/1/10 Thru 06/30/10
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	37,876,888	42,577,777	3,427,632	3,550,000	27,444,984	16,133,192
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	0	-	-	-	0
Targeted Case Management Services - Institutional Transitioning	-	-	-	-	-	-
Targeted Case Management Services - State Wide	4,308,088	5,811,539	308,200	472,000	2,678,783	3,031,789
Primary Care Case Management Services	609,744	691,427	29,226	68,000	287,172	404,286
Hospice Benefits	14,498,070	15,248,730	1,528,483	1,271,000	10,522,991	4,723,739
Emergency Services Undocumented Aliens	69,318	-	4,886	-	97,551	(67,551)
Federally Qualified Health Center	19,781,940	20,208,126	1,973,489	1,693,000	12,788,776	7,480,390
Non-Emergency Medical Transportation	-	4,502,000	387,818	378,000	3,380,709	1,111,291
Physical Therapy	-	2,078,000	143,862	173,000	1,217,035	859,915
Occupational Therapy	-	868,000	23,843	55,000	134,598	520,402
Services for Speech, Hearing & Language	-	504,000	16,768	42,000	197,088	308,904
Prosthetic Devices, Dentures, Eyeglasses	-	680,000	134,277	67,000	1,292,316	(612,316)
Diagnostic Screening & Preventive Services	-	-	27,169	-	233,684	(233,684)
Nurse Mid-Wife	-	-	27,594	-	261,357	(251,357)
Emergency Hospital Services	-	-	754,056	-	6,040,899	(6,040,899)
Critical Access Hospitals	-	5,507,000	8,919,873	459,000	21,570,232	(18,063,232)
Nurse Practitioner Services	-	1,890,000	66,851	129,000	677,538	872,482
School Based Services	-	44,095,000	5,683,468	3,674,000	33,310,803	10,784,197
Rehabilitative Services (Non-School Based)	-	84,792,000	5,789,235	5,399,000	48,042,189	16,749,831
Private Duty Nursing	-	3,119,000	304,911	280,000	2,083,427	1,035,573
Other Care Services	128,180,832	51,022,601	2,888,823	4,382,000	29,298,818	29,728,083
Less: Recoupments	-	-	(104,184)	-	(307,846)	307,846
<b>NET EXPENDITURES:</b>	<b>2,410,168,304</b>	<b>2,514,532,515</b>	<b>224,322,990</b>	<b>217,342,009</b>	<b>1,638,680,743</b>	<b>828,841,772</b>
Collections: Third Party Liability (line 9A on CMS-64)	(8,038,342)	-	-	-	(2,911,895)	2,911,899
Collections: Probate (line 9B on CMS-64)	(122,220)	-	-	-	(62,904)	62,904
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(13,789)	-	-	-	(528)	628
Collections: Other (line 9D on CMS-64)	(5,509,009)	-	-	-	(1,359,919)	1,359,919
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>2,388,812,864</b>	<b>2,514,532,515</b>	<b>224,322,990</b>	<b>217,342,009</b>	<b>1,634,356,897</b>	<b>830,179,818</b>
Plus: Medicaid Part D Expenditures	27,747,852	31,899,237	2,648,228	2,461,480	23,936,817	8,082,420
Plus: State Only Medicaid Expenditures ***	4,583,431	3,848,881	428,218	289,648	3,320,492	828,398
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>2,430,844,047</b>	<b>\$2,550,378,843</b>	<b>\$227,399,434</b>	<b>\$220,093,037</b>	<b>\$1,711,613,006</b>	<b>\$839,785,637</b>
Plus: Reimbursables (1)	4,326,882	4,787,584	410,644	335,888	3,625,800	1,161,783
<b>TOTAL EXPENDITURES</b>	<b>\$2,435,170,930</b>	<b>\$2,555,166,207</b>	<b>\$227,810,079</b>	<b>\$220,428,702</b>	<b>\$1,715,238,806</b>	<b>\$839,927,400</b>

(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.

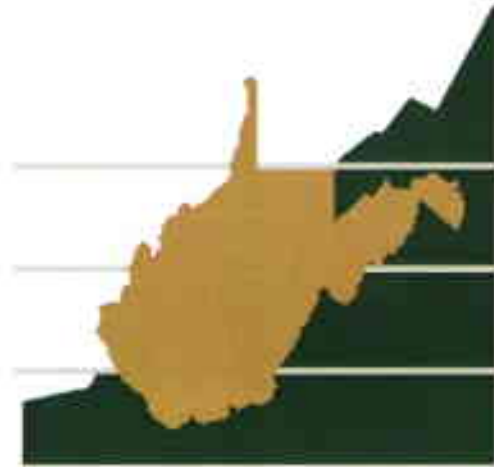
WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2010

8 Months Actuals      4 Months Remaining

MONTH OF FEBRUARY 2010	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2009	Current Month Ended 2/28/10	Year-To-Date Thru 2/28/10	3/1/2010 Thru 6/30/10	SFY2010
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	34,933,065	97,245,263	\$116,583,948		\$116,583,948
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	393,705,687	21,964,833	137,701,470	129,614,098	267,315,568
MRDD Waiver (0403/486)	-	6,696,124	47,140,711	33,212,772	80,353,483
Rural Hospitals Under 150 Beds (0403/940)	2,586,000	216,333	1,730,867	865,333	2,586,000
Tertiary Funding (0403/547)	4,856,000	528,667	4,237,334	2,118,668	6,356,000
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	8,822,678	20,272,578	3,000,000	23,272,578
Lottery Transfer (5405/871)	10,300,000	2,500,000	7,500,000	1,170,000	8,670,000
Trust Fund Appropriation (5185/189)	19,764,219		0	30,556,594	30,556,594
Provider Tax (5090/189)	165,400,000	16,046,996	105,640,983	56,017,307	164,658,290
Certified Match	19,399,722	1,708,596	9,085,168	6,785,172	15,830,340
Reimbursables - Amount Reimbursed	4,348,906	203,142	2,586,107	2,221,456	4,787,564
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4011	428,344	47,269	(663,054)	663,054	0
CMS - 64 Adjustments	1,098,690		(319,118)	319,118	0
<b>TOTAL MATCHING FUNDS</b>	<b>680,123,202</b>	<b>\$153,878,901</b>	<b>\$451,466,785</b>	<b>\$289,523,670</b>	<b>\$720,980,365</b>
<b>FEDERAL FUNDS</b>	<b>1,874,488,891</b>	<b>161,209,454</b>	<b>1,371,293,502</b>	<b>\$718,498,468</b>	<b>\$2,088,791,970</b>
<b>TOTAL REVENUE SOURCES</b>	<b>2,654,612,863</b>	<b>\$335,188,355</b>	<b>\$1,822,760,298</b>	<b>\$988,022,039</b>	<b>\$2,810,772,335</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	2,435,173,930	\$227,810,079	\$1,715,238,806	\$839,927,400	\$2,555,168,207
<b>TOTAL</b>	<b>119,438,934</b>	<b>\$107,378,276</b>	<b>\$107,511,490</b>		<b>\$255,606,128</b>

Note: FMAP (09' - 83.05% applicable July - Sept. 2009) ( 10' - 83.05% applicable Oct. 2009 - June 2010)  
 (1) This amount will revert to State Only if not reimbursed.





**West Virginia Investment Management Board**  
Monthly Performance Report  
February 28, 2010

## West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of February 28, 2010

	Asset \$	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
<b>WVIMB Fund Assets</b>	<b>10,567,249,120</b>	<b>100.0</b>								
<b>Pension Assets</b>	<b>8,443,849,336</b>	<b>79.9</b>								
Public Employees' Retirement System	3,724,571,602	35.2	0.9	1.1	16.6	40.0	-1.1	3.6	4.7	
Teachers' Retirement System	4,019,604,984	38.0	0.9	1.0	15.9	37.8	-1.9	3.1	4.4	
Teachers' Employers Cont. Collection A/C	27,544,965	0.3	0.0	0.0	0.1	0.2	-	-	-	
EMS Retirement System	22,340,570	0.2	0.9	1.1	16.4	39.5	-	-	-	
Public Safety Retirement System	405,038,389	3.8	0.9	1.0	16.5	39.9	-1.3	3.5	4.8	
Judges' Retirement System	102,638,132	1.0	0.8	1.0	16.5	39.6	-1.2	3.6	4.7	
State Police Retirement System	50,760,380	0.5	0.8	1.1	16.4	39.6	-1.1	3.6	4.7	
Deputy Sheriffs' Retirement System	91,350,313	0.9	0.8	1.1	16.5	39.8	-1.2	3.6	4.7	
<b>Insurance Assets</b>	<b>1,559,544,596</b>	<b>14.8</b>								
Workers' Compensation Old Fund	826,342,972	7.8	0.3	1.5	12.6	29.8	1.0	-	-	
Workers' Comp. Self-Insured Guaranty Risk Pool	7,780,319	0.1	0.0	0.0	0.1	0.2	2.4	-	-	
Workers' Comp. Uninsured Employers Fund	8,753,498	0.1	0.0	0.0	0.1	0.2	2.4	-	-	
Pnuemoconiosis	244,928,745	2.3	0.5	1.5	12.3	27.8	1.8	-	-	
Board of Risk & Insurance Mgmt.	118,952,969	1.1	0.5	1.6	12.8	28.9	3.1	4.9	-	
Public Employees' Insurance Agency	129,165,611	1.2	0.4	1.6	12.2	27.2	2.5	-	-	
WV Retiree Health Benefit Trust Fund	223,620,482	2.1	0.3	1.7	11.5	25.4	-	-	-	
<b>Endowment Assets</b>	<b>563,855,188</b>	<b>5.3</b>								
Wildlife Fund	36,591,065	0.3	0.8	1.1	16.6	39.9	-1.1	3.6	5.8	
Prepaid Tuition Trust	77,876,393	0.7	1.0	1.4	18.1	46.4	0.2	4.5	5.3	
Revenue Shortfall Reserve Fund	173,899,119	1.6	0.2	1.8	15.4	38.5	-2.1	-	-	
Revenue Shortfall Reserve Fund - Part B	275,488,611	2.6	0.6	1.5	15.8	38.4	-2.2	-	-	

## West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of February 28, 2010

	Asset \$	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	10,571,809,402	100.00								
Total Equity Composite	4,549,365,591	43.03	1.49	1.15	22.57	61.47	-4.83	2.70	3.02	
<i>Total Equity Policy Index</i>			1.70	-0.19	20.53	59.88	-6.21	1.61	1.68	
Excess Return			-0.21	1.34	2.04	1.59	1.38	1.09	1.34	
US Equity Composite	2,282,955,135	21.59	3.52	2.53	22.43	53.21	-6.12	0.76	1.90	
<i>Russell 3000 Index</i>			3.39	2.50	22.76	55.96	-5.60	0.80	0.07	
Excess Return			0.13	0.03	-0.33	-2.75	-0.52	-0.04	1.83	
Large Cap Composite	1,912,741,422	18.09	3.23	1.65	21.66	52.49	-6.05	0.33	-0.47	
<i>S&amp;P 500</i>			3.10	1.31	21.84	53.62	-5.67	0.37	-0.31	
Excess Return			0.13	0.34	-0.18	-1.13	-0.38	-0.04	-0.16	
Non-Large Cap Composite	370,213,712	3.50	5.02	7.47	26.75	57.20	-5.53	1.87	6.09	
<i>Russell 2500 Index</i>			4.97	8.77	28.00	68.00	-5.20	2.11	3.90	
Excess Return			0.05	-1.30	-1.25	-10.80	-0.33	-0.24	2.19	
International Equity Composite	2,266,410,456	21.44	-0.47	-0.20	22.13	68.78	-3.14	5.97	4.74	
<i>MSCI AC World ex USA</i>			0.01	-2.84	18.26	63.51	-4.95	4.60	2.90	
Excess Return			-0.48	2.64	3.87	5.27	1.81	1.37	1.84	
Fixed Income Composite	3,147,332,073	29.77	0.21	1.80	11.78	26.30	4.45	4.91	6.94	
<i>Fixed Income Policy</i>			0.38	0.63	7.08	11.89	6.27	5.41	6.46	
Excess Return			-0.17	1.17	4.70	14.41	-1.82	-0.50	0.48	
TRS Annuity	204,830,824	1.94	0.34	1.09	2.97	4.44				
Cash Composite	187,603,308	1.77	0.01	0.02	0.09	0.24	2.40	3.19	3.03	
<i>Citigroup 90 Day T-Bill + 15bps</i>			0.01	0.05	0.16	0.28	2.10	2.96	2.97	
Excess Return			0.00	-0.03	-0.07	-0.04	0.30	0.23	0.06	
Private Equity Composite	826,592,529	7.82	1.23	-0.32	10.75	10.03				
Private Real Estate Composite	498,716,651	4.72	-1.30	-1.72	2.01	2.80				
Hedge Funds Composite	1,157,368,425	10.95	0.19	1.76	9.02	16.29				

## West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of February 28, 2010

	Domestic Equity		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 %
<b>Pension Assets</b>														
Public Employees' Retirement System	25.1	25.0	25.0	25.0	23.9	24.0	9.8	10.0	5.9	6.0	10.0	10.0	0.4	0.0
Teachers' Retirement System	25.2	25.0	24.9	25.0	23.5	24.0	9.8	10.0	5.9	6.0	10.0	10.0	0.6	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	100.0	100.0
EMS Retirement System	25.3	25.0	25.0	25.0	21.4	24.0	9.8	10.0	5.9	6.0	10.2	10.0	2.4	0.0
Public Safety Retirement System	25.2	25.0	25.2	25.0	23.7	24.0	9.9	10.0	5.9	6.0	10.1	10.0	0.1	0.0
Judges' Retirement System	24.9	25.0	24.9	25.0	23.7	24.0	9.7	10.0	5.9	6.0	10.0	10.0	0.9	0.0
State Police Retirement System	24.7	25.0	24.4	25.0	24.4	24.0	9.6	10.0	5.8	6.0	9.9	10.0	1.1	0.0
Deputy Sheriffs' Retirement System	24.9	25.0	24.8	25.0	24.1	24.0	9.7	10.0	5.9	6.0	10.0	10.0	0.6	0.0
<b>Insurance Assets</b>														
Workers' Compensation Old Fund	4.9	5.0	4.8	5.0	63.2	80.0	0.0	0.0	0.0	0.0	16.3	0.0	10.8	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	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	100.0	100.0
Pnuemoconiosis	10.0	10.0	10.0	10.0	55.3	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	10.0	10.0	9.9	10.0	60.1	60.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0
Public Employees' Insurance Agency	7.5	7.5	7.5	7.5	65.1	65.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	2.5	2.5	2.5	2.5	95.0	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Endowment Assets</b>														
Wildlife Fund	24.9	25.0	24.8	25.0	24.4	24.0	9.7	10.0	5.9	6.0	10.0	10.0	0.2	0.0
Prepaid Tuition Trust	29.9	30.0	30.0	30.0	38.8	40.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	83.1	100.0	0.0	0.0	0.0	0.0	16.9	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	14.9	15.0	14.8	15.0	52.9	70.0	0.0	0.0	0.0	0.0	17.3	0.0	0.0	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 February 28, 2010

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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, 18% 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.

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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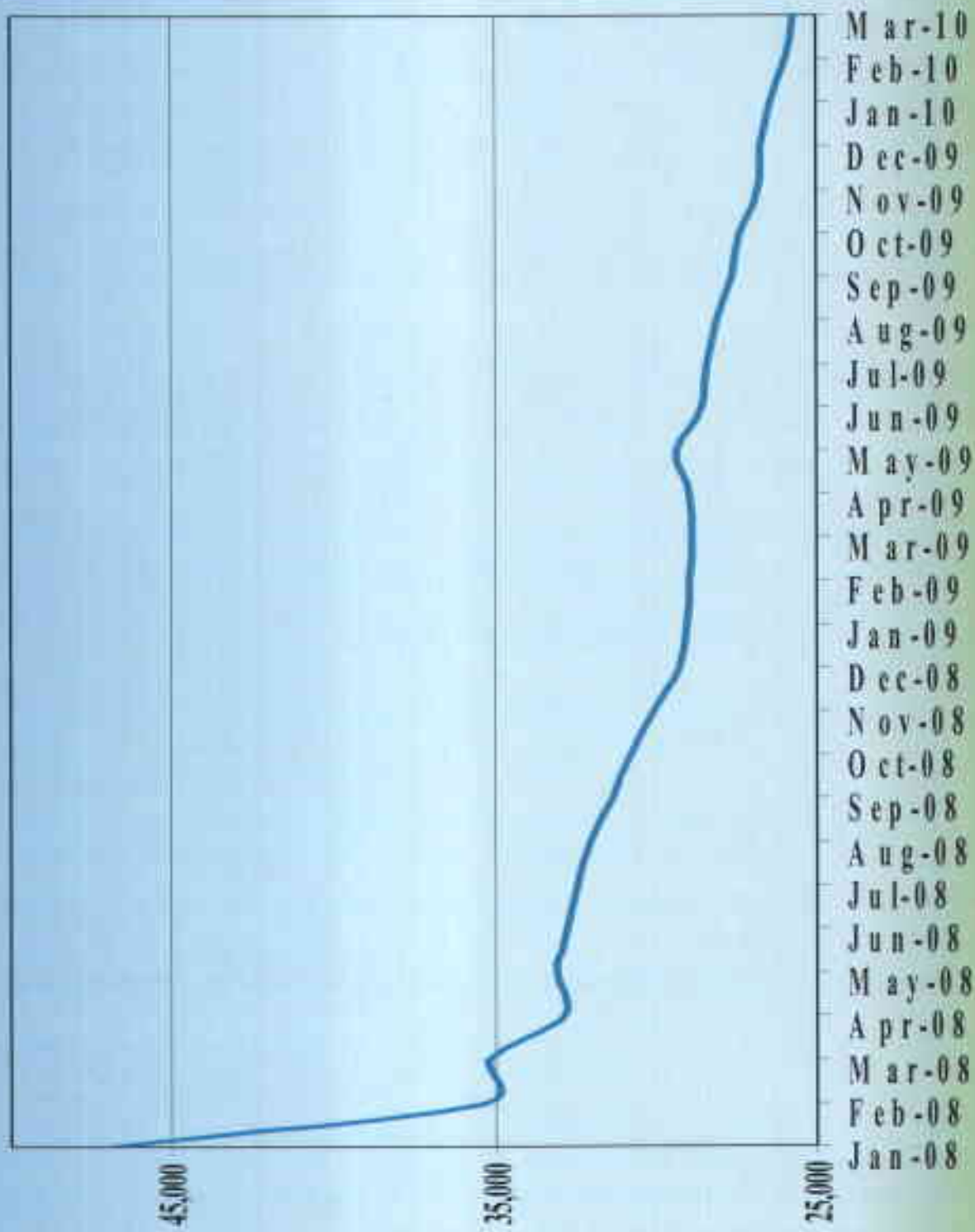
# Status Report Workers' Compensation

Joint Committee on  
Government & Finance

4/2/10

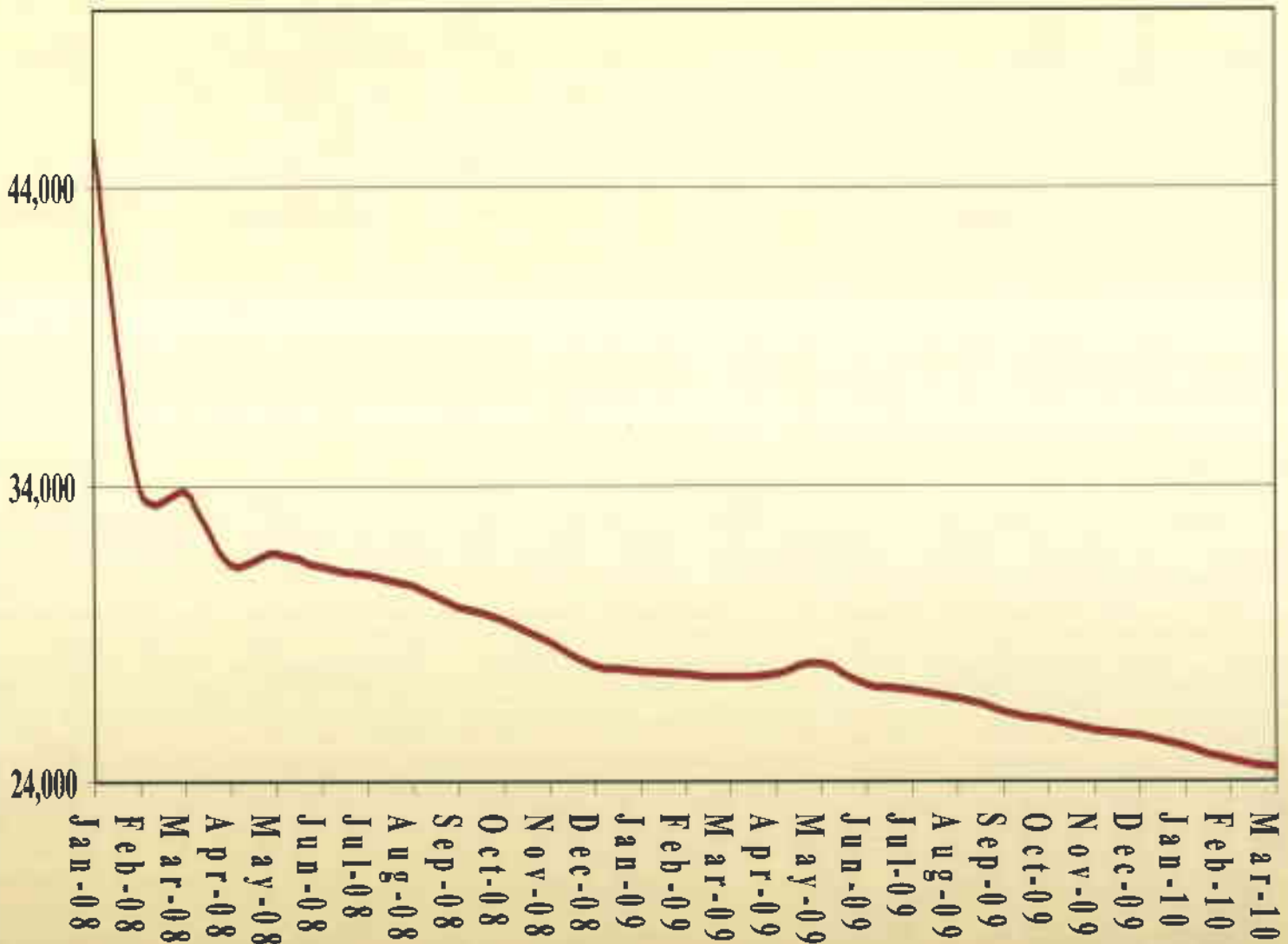


Total Active Claim counts

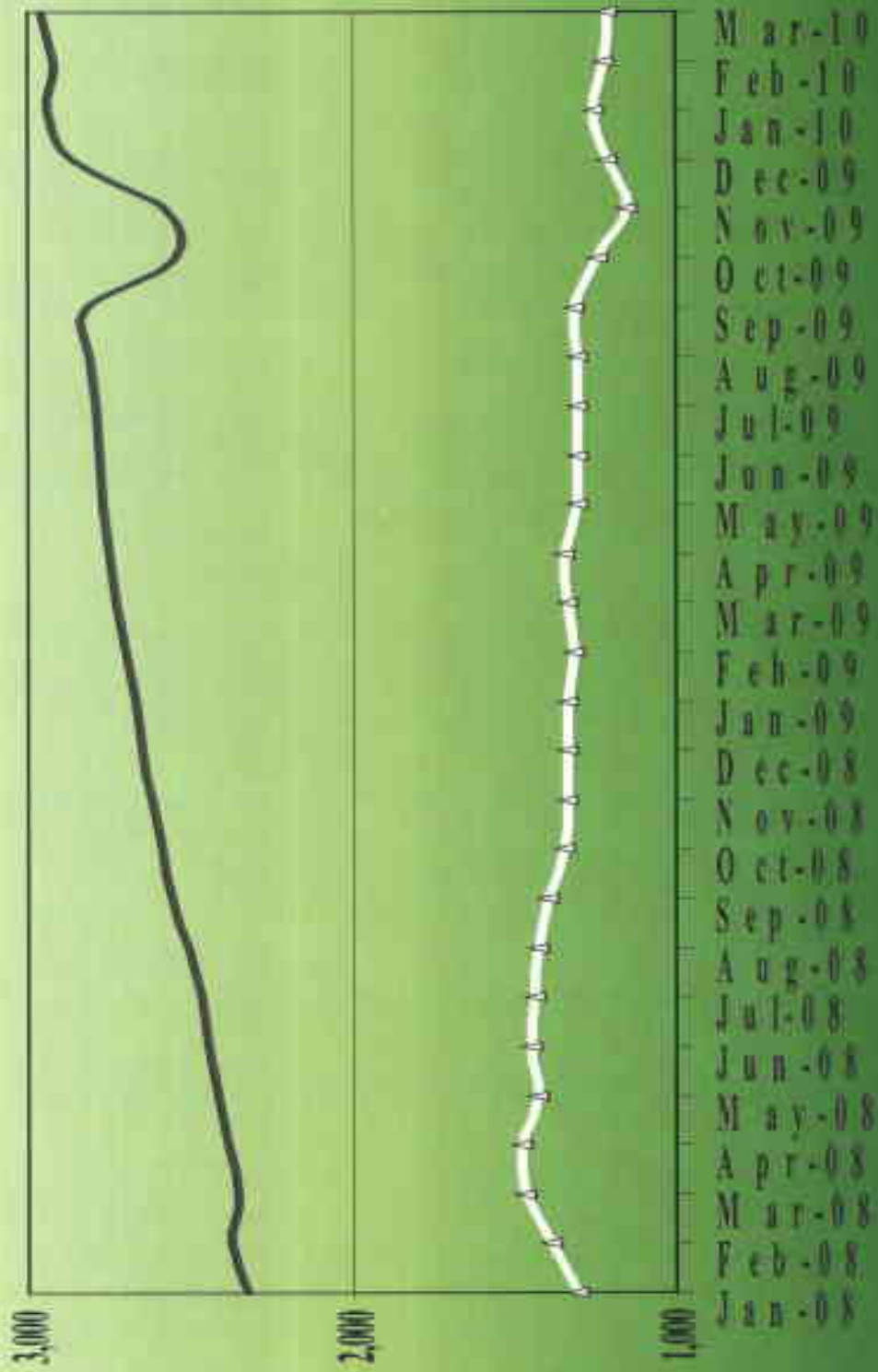




### Non-FBL Active Claim counts

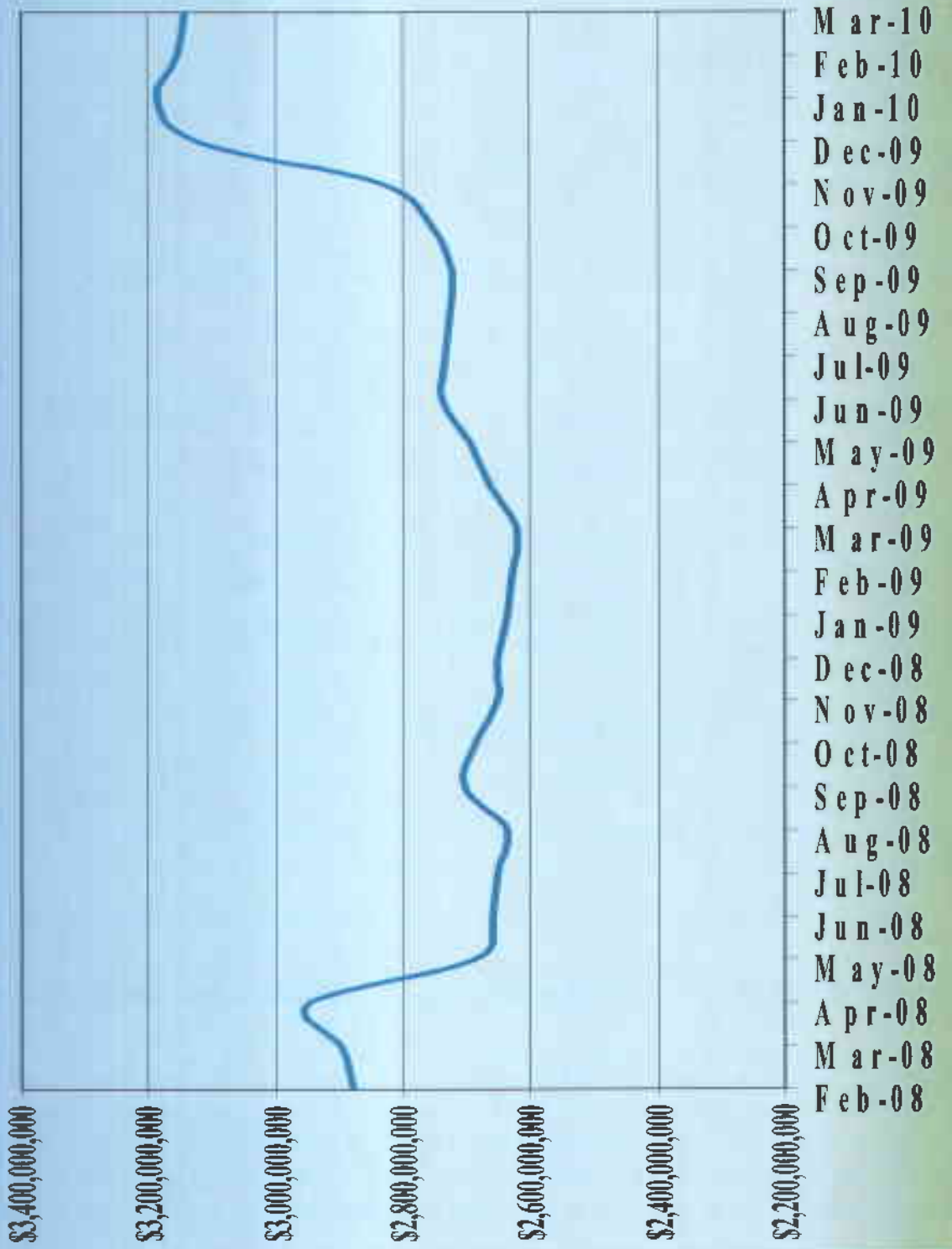


# FBL Active Claim counts



4. Active FBL Claims — Total FBL Claims

# Total Case Reserves

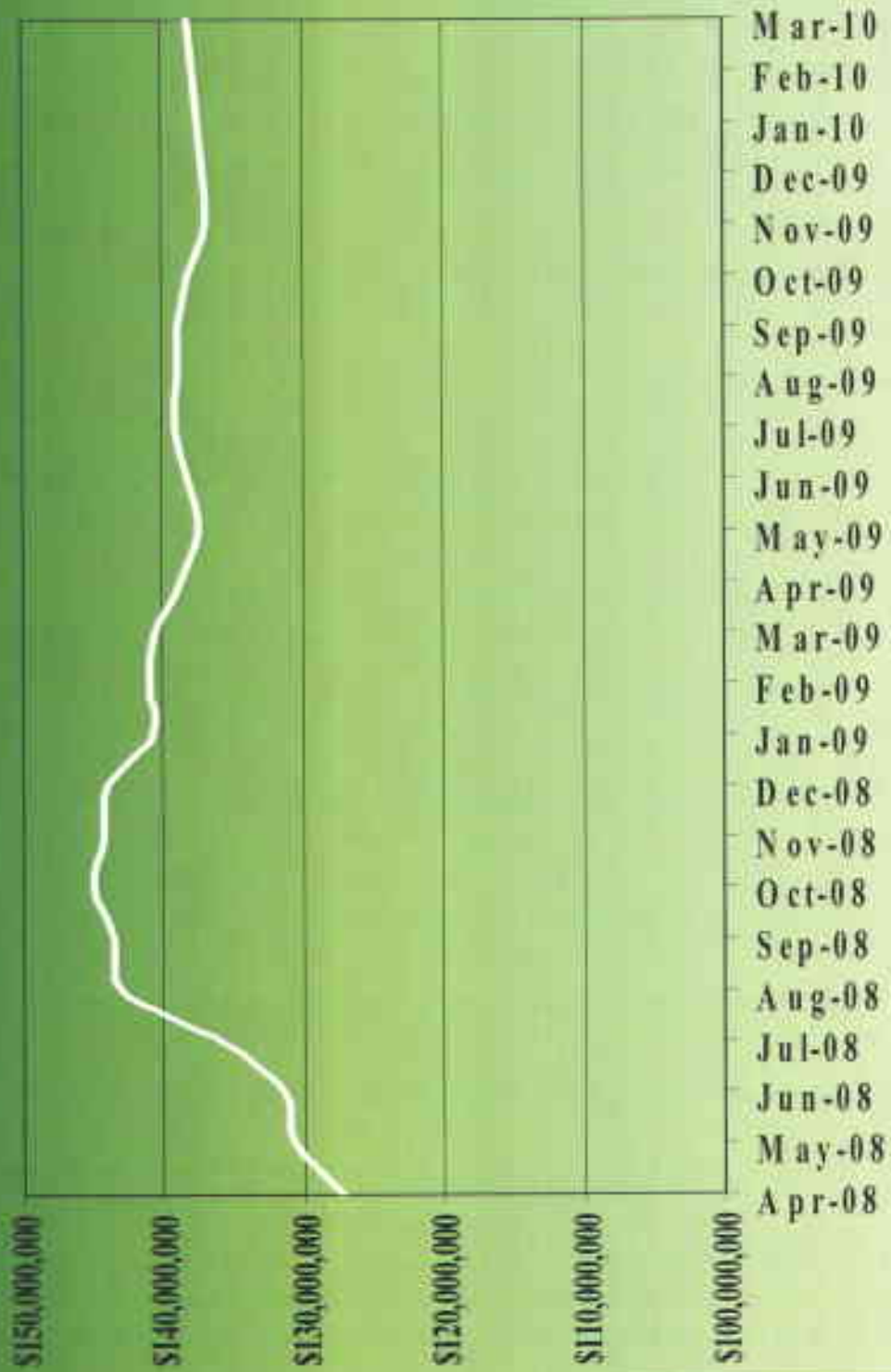


Mar-10  
Feb-10  
Jan-10  
Dec-09  
Nov-09  
Oct-09  
Sep-09  
Aug-09  
Jul-09  
Jun-09  
May-09  
Apr-09  
Mar-09  
Feb-09  
Jan-09  
Dec-08  
Nov-08  
Oct-08  
Sep-08  
Aug-08  
Jul-08  
Jun-08  
May-08  
Apr-08  
Mar-08  
Feb-08



Non-FBL Case Reserves

# FBL Case Reserves



3/31/2010

**Total Claims**  
**Non-FBL**  
**FBL**

<b>Sedgwick</b>	<b>Wells Fargo</b>	<b>American Mining</b>
20,562	2,411	2,703
20,562	2,269	1,630
0	142	1,073

**Totals**  
**25,676**  
**24,461**  
**1,215**

<b>FBL Inactive</b>	<b>FBL Total</b>
1,746	2,961

**Total Reserves**  
**Non-FBL Reserves**  
**FBL Reserves**

<b>Sedgwick</b>	<b>Wells Fargo</b>	<b>American Mining</b>
2,561,634,909	283,047,788	298,046,655
2,561,634,909	250,082,354	192,863,949
-	32,965,435	105,182,706

**Totals**  
**\$3,142,729,352**  
**\$3,004,581,212**  
**\$138,148,141**

**Med Only**  
**PTD**  
**PPD**  
**TTD**  
**TPD**  
**Settlement (payments)**  
**Fatal**  
**Partial Awd**  
**OP/OD**  
**Total NonFBL**  
**Total FBL**  
**Total**

<b>Sedgwick</b>	<b>Wells Fargo</b>	<b>American Mining</b>
1,694	9	390
7,183	597	358
5,869	1,055	674
1,065	0	28
6	0	0
0	14	9
1,661	503	171
17	91	0
3,067	2,044	950
20,562	2,269	1,630
0	142	1,073
20,562	2,411	2,703

**Totals**  
**2,093**  
**8,138**  
**7,598**  
**1,093**  
**6**  
**23**  
**2,335**  
**108**  
**6,061**  
**24,461**  
**1,215**  
**25,676**

WEST VIRGINIA  
OFFICES OF THE INSURANCE COMMISSIONER  
SCHEDULE OF NET ASSETS  
Workers' Compensation Old Fund - Debt Reduction  
(In Thousands)  
March FY2010

	June 30, 2009	March 31, 2010	Change
<b>Assets:</b>			
Cash and Cash Equivalents	800,819	897,403	96,584
Receivables, Net:	63,343	19,843	(43,500)
Total Assets	<u>864,162</u>	<u>917,246</u>	<u>53,084</u>
<b>Liabilities:</b>			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,163,500	2,039,560	(123,940)
Other Liabilities	244	244	0
Total Liabilities	<u>2,163,744</u>	<u>2,039,804</u>	<u>(123,940)</u>
<b>Net Assets:</b>			
Unrestricted	<u>(1,299,582)</u>	<u>(1,122,558)</u>	<u>177,024</u>
Total Net Assets	<u><u>(1,299,582)</u></u>	<u><u>(1,122,558)</u></u>	<u><u>177,024</u></u>

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

# OFFICE OF JUDGES' REPORT

## March, 2010 & YTD Statistics

April 1, 2010

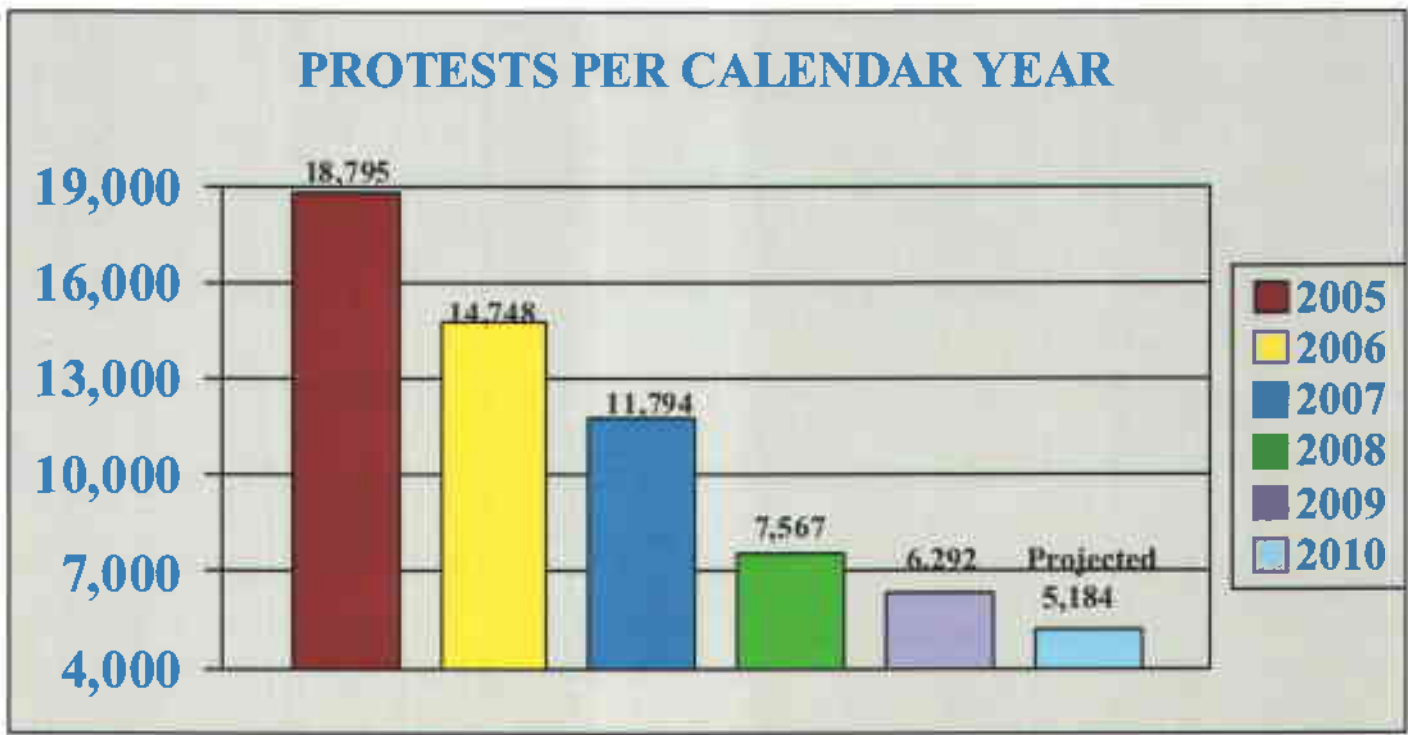
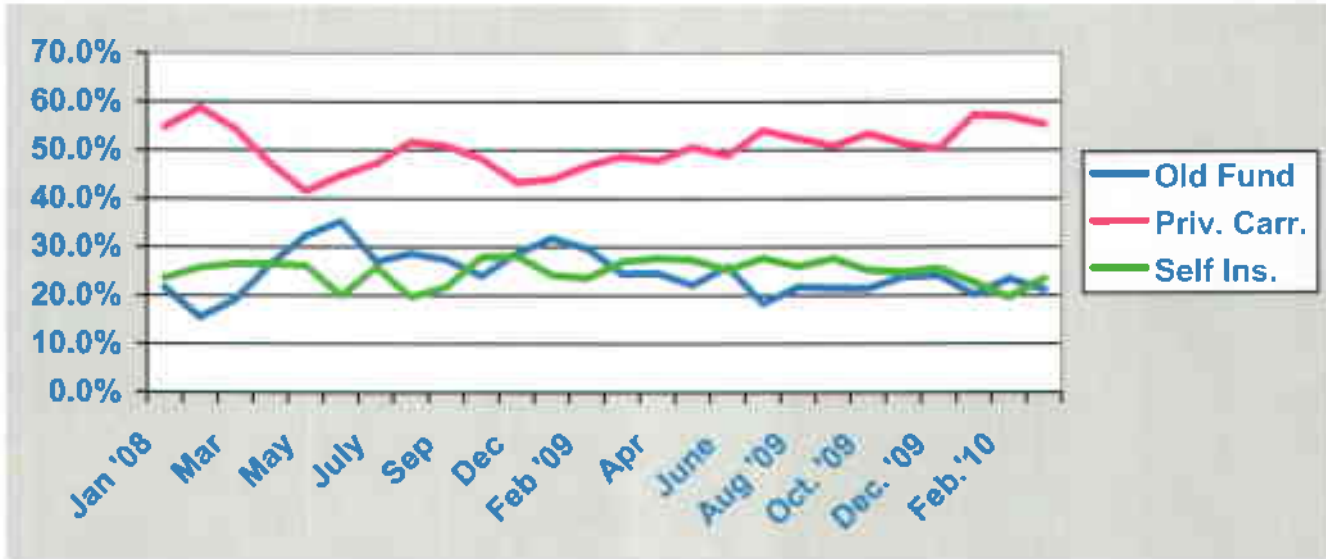
### I. Statistical Analysis

A. Protests Acknowledged:                      2009                      Mar.                      2010  
                                                                                  6292                      495                      1297

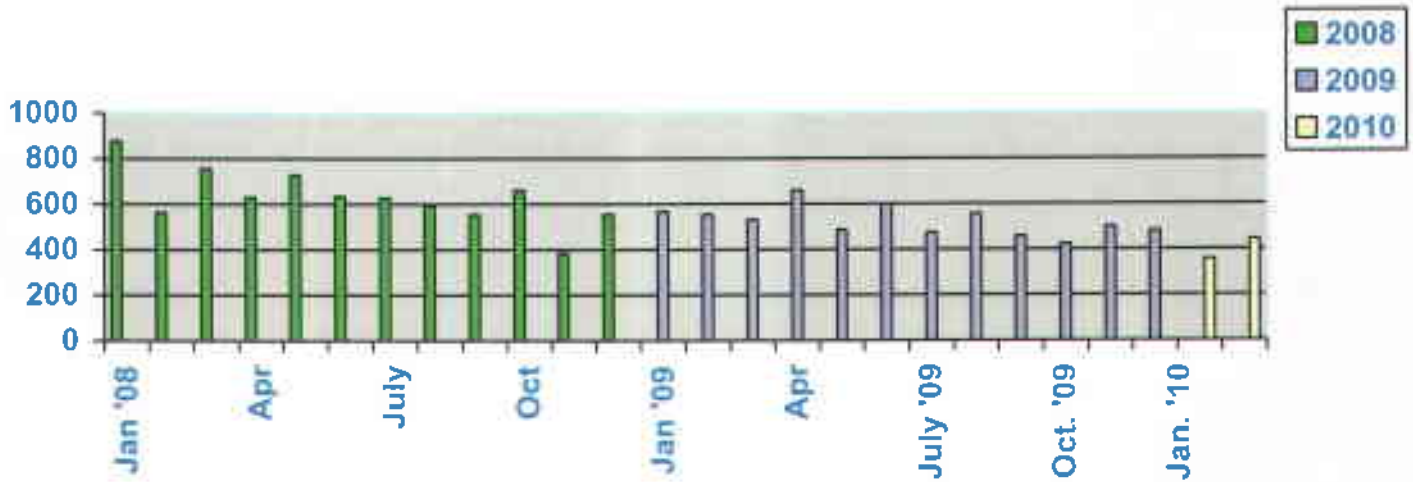
Fund Involved:

FUND	2009	% of protests	March '10	% of protests	2010	% of protests
Old Fund	1277	24.13%	105	21.21%	281	21.66%
Priv.Carrier	2661	50.28%	274	55.35%	732	56.44%
Self-Insured	1354	25.59%	116	23.43%	284	21.90%
Subtotal	5292		495		1297	
Temporary	1000		101		903	
Total	6292		596		2200	





## PROTESTS BY MONTH



B. Issues Resolved: 2009 Mar. 2010  
5680 519 1469

C. Pending Caseload Report

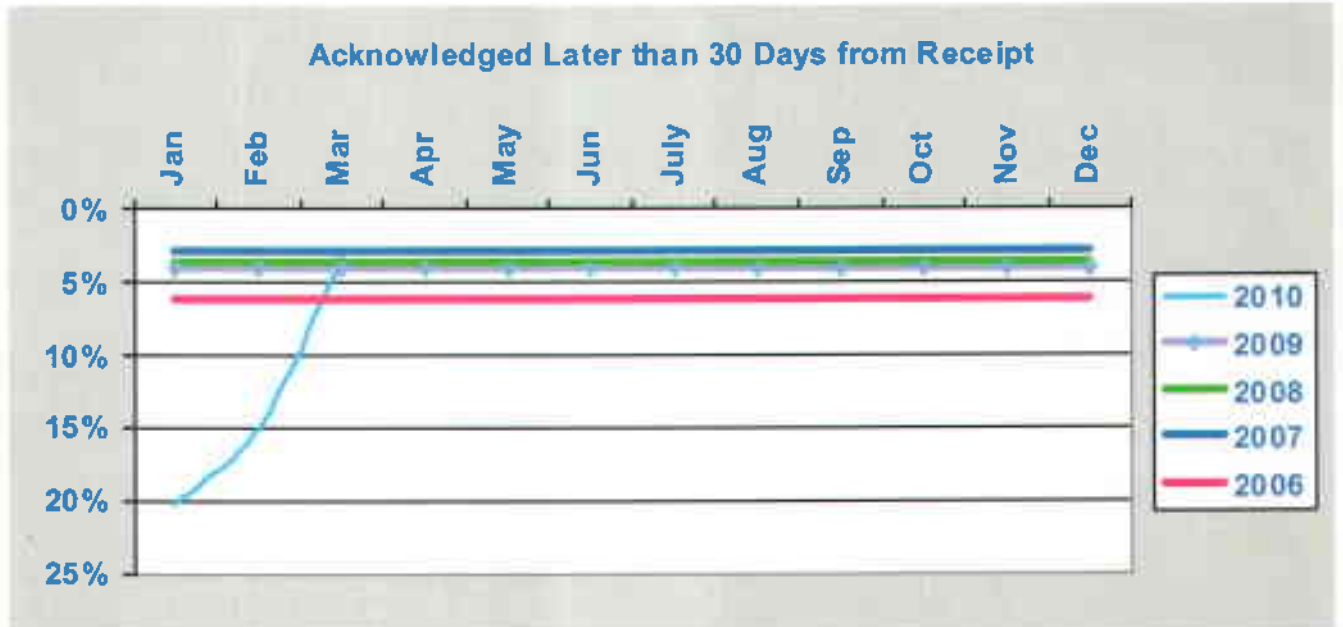
<b>PENDING END OF March, 2010</b>	<b>3,839</b>
PENDING 1 MONTH BEFORE	3,866
PENDING 2 MONTHS BEFORE	3,897
PENDING 3 MONTHS BEFORE	4,026
PENDING 6 MONTHS BEFORE	4,125
PENDING 12 MONTHS BEFORE	<b>4,132</b>

D.

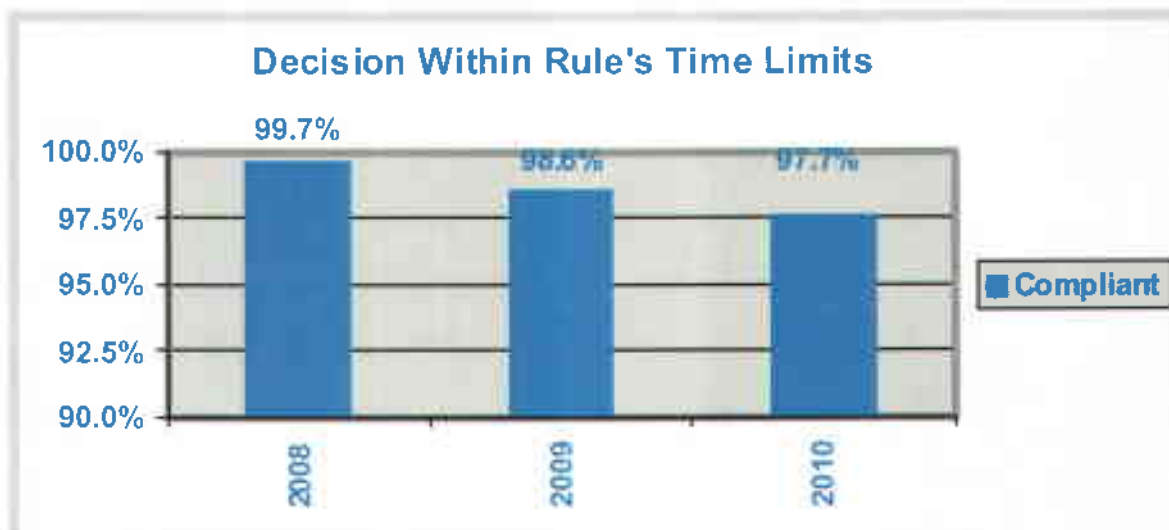
**Acknowledgment**  
**Timeliness: 2009**

	<u>Mar.</u>	<u>YTD</u>		
1. Protest Ackn. >30 days	4.0%	3.2%	11.8%	

2. Protest Ackn. 24-30 days	3.0%	1.0%	3.6%
3. Protest Ackn. 11-23 days	22.6%	27.9%	26.4%
4. Protest Ackn. <11 days	70.4%	67.9%	58.2%



		<u>Mar. '10</u>	<u>2010</u>	
<b>E.</b>	<b>Protests Resolved:</b>			
	1. Protests decided:	343	961	
	2. Withdrawals:	136	301	
	3. "No Evidence" Dismissals:	27	163	
<b>F.</b>	<b>Final Decision Timeliness</b>	<u>2009</u>	<u>Mar. '10</u>	<u>2010</u>
	1. <30 days:	49.2%	41.8%	44.2%
	2. 30-60 days:	29.3%	35.9%	31.6%
	3. 60-90 days:	20.1%	20.3%	21.9%
	4. +90 days:	1.4%	2.0%	2.3%



G. Time Standard Compliance	<u>2009</u>	<u>Mar.</u>	<u>2010</u>
	88.9%	90.3%	90.5%

Wednesday, March 31, 2010

### Time Standard Compliance

Report Dates: From 3/1/2010 thru 3/31/2010

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	24	22	91.7%	2	8.3%
OPBD	8	6	75%	2	25%
PPD	51	50	98%	1	2%
PTD ENTITLEMENT	1	0	0%	1	100%
BENEFIT RATE	1	0	0%	1	100%
DEP BEN FATAL	2	2	100%	0	0%
TRMT/EQUIP CL	33	27	81.8%	6	18.2%
TTD	14	14	100%	0	0%
REHABILITATION	1	1	100%	0	0%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
REOPENING	19	17	89.5%	2	10.5%
<b>Total</b>	<b>155</b>	<b>140</b>	<b>90.3%</b>	<b>15</b>	<b>9.7%</b>

### Final Decision Compliance

Report Dates: From 3/1/2010 thru 3/31/2010

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
BENEFIT RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
TRMT/EQUIP CL	78	34	43.6%	29	37.2%	13	16.7%	2	2.6%
FAILURE TO ACT 15 DAY	3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
DEP BEN FATAL	5	3	60.0%	1	20.0%	1	20.0%	0	0.0%
IEB DETERMINATION	8	3	37.5%	2	25.0%	2	25.0%	1	12.5%

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
OPBD	18	9	50.0%	6	33.3%	3	16.7%	0	0.0%
REHABILITATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
PTD ENTITLEMENT	6	1	16.7%	1	16.7%	2	33.3%	2	33.3%
TTD	33	18	54.5%	12	36.4%	3	9.1%	0	0.0%
BENEFIT OVERPAYMENT	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
COMPENSABILITY	81	24	29.6%	37	45.7%	19	23.5%	1	1.2%
REOPENING	35	14	40.0%	13	37.1%	8	22.9%	0	0.0%
TRMT/EQUIP EM	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	80	41	51.3%	20	25.0%	19	23.8%	0	0.0%
<b>Totals</b>	<b>354</b>	<b>148</b>	<b>41.8%</b>	<b>127</b>	<b>35.9%</b>	<b>72</b>	<b>20.3%</b>	<b>7</b>	<b>2.0%</b>

Wednesday, March 31, 2010

### Motion Resolution Compliance

Report Dates: From 3/1/2010 thru 3/31/2010

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
COMPENSABILITY	179	171	95.5%	8	4.5%
OP NON-MED	9	9	100%	0	0%
TTD	119	116	97.5%	3	2.5%
SPECIAL CATEGORY	1	1	100%	0	0%
OPBD	67	57	85.1%	10	14.9%
FAILURE TO ACT 15 DAY	2	2	100%	0	0%
REOPENING	64	63	98.4%	1	1.6%
BENEFIT OVERPAYMENT	5	5	100%	0	0%
DEP BEN FATAL	23	23	100%	0	0%
PPD	209	197	94.3%	12	5.7%
TRMT/EQUIP CL	179	175	97.8%	4	2.2%
IEB DETERMINATION	12	11	91.7%	1	8.3%
PTD ENTITLEMENT	8	8	100%	0	0%
TRMT/EQUIP EM	1	1	100%	0	0%
<b>Total</b>	<b>878</b>	<b>839</b>	<b>95.6%</b>	<b>39</b>	<b>4.4%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

Wednesday, March 31, 2010

### Acknowledgement Goal

Report Dates: From 3/1/2010 thru 3/31/2010

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>APPLICATION THRESHOLD</b>	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CZA - CL SI APP.THRESHOLD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>BENEFIT OVERPAYMENT</b>	Total: 4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CBO - CL BEN. OVERPAYMENT	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
<b>BENEFIT RATE</b>	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBR - CL PRSTS BEN RATE	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>COMPENSABILITY</b>	Total: 109	2	1.8%	3	2.8%	44	40.4%	60	55.0%
CCS - CL SEC.CONDITION	20	0	0.0%	1	5.0%	3	15.0%	16	80.0%
CHC - CL COMPENSABILITY	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CIM - CL SI COMPENSABLE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIS - CL SI SEC.CONDITION	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CPI - CL SI REJECT CLAIM	12	0	0.0%	0	0.0%	7	58.3%	5	41.7%
CPJ - CL REJECT CLAIM	53	2	3.8%	2	3.8%	24	45.3%	25	47.2%



Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CQR - CL SI REJ OCCDISEASE	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
CRZ - CL REJ OCC DISEASE	10	0	0.0%	0	0.0%	5	50.0%	5	50.0%
<b>DEP BEN FATAL</b>	Total: 8	1	12.5%	1	12.5%	3	37.5%	3	37.5%
CDF - CL DENY/GRNT DTH BEN	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CIF - CL SI DY/GNT DTH BEN	4	1	25.0%	1	25.0%	1	25.0%	1	25.0%
<b>FAILURE TO ACT 15 DAY</b>	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C03 - CL FTA TREATMENT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>FAILURE TO ACT 30 DAY</b>	Total: 2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
C6A - CL FTA ACT UPON PPD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
C7A - CL FTA RO TTD/MED	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>IEB DETERMINATION</b>	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CEB - CL IEB DETERMINATION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>OP NON-MED</b>	Total: 2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
CNR - CL NON-MED ORDER	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
<b>OPBD</b>	Total: 36	2	5.6%	0	0.0%	15	41.7%	19	52.8%
CAO - CL ADD BOARD FINDING	12	1	8.3%	0	0.0%	4	33.3%	7	58.3%
CBF - CL % BOARD FINDING	12	1	8.3%	0	0.0%	3	25.0%	8	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CSF - CL% SI BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CSO - CL SI AD.BRD FINDING	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
EAO - EM ADD BOARD FINDING	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
EBF - EM % BOARD FINDING	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
ESF - EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>PPD</b>	Total: 107	2	1.9%	1	0.9%	32	29.9%	72	67.3%
CAA - CL ADDL % AWARD D/G	12	1	8.3%	0	0.0%	2	16.7%	9	75.0%
CAD - CL % AWARD DENY/GRNT	67	1	1.5%	1	1.5%	22	32.8%	43	64.2%
CIE - CL SI ADD% AWARD D/G	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CIG - CL SI %AWARD DNY/GNT	23	0	0.0%	0	0.0%	8	34.8%	15	65.2%
<b>PTD ENTITLEMENT</b>	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EKC - EM DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>PTD ONSET DATE</b>	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
COD - CL ONSET DATE ISSUE	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>REHABILITATION</b>	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIB - CL SI G/D VOC REHAB	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPV - CL DY/GRNT REHAB PLN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>REOPENING</b>	Total: 41	1	2.4%	0	0.0%	10	24.4%	30	73.2%
CIQ - CL SI DY/GNT R/O PPD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIY - CL SI DY/GNT R/O TTD	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CIZ - CL SI D/G R/O TRTMT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CJV - CL DNY/GRNT R/O PPD	10	1	10.0%	0	0.0%	1	10.0%	8	80.0%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	18	0	0.0%	0	0.0%	6	33.3%	12	66.7%
CRO - CL DY/GRNT R/O TRTMT	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
<b>SPECIAL CATEGORY</b>	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNW - CL SPL CATEGORY	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>TRMT/EQUIP CL</b>	Total: 124	3	2.4%	0	0.0%	16	12.9%	105	84.7%
CBX - CL TRMT DENY	88	3	3.4%	0	0.0%	13	14.8%	72	81.8%
CSX - CL SI TRMT DENY	32	0	0.0%	0	0.0%	2	6.3%	30	93.8%
CYY - CL TRMT GRANT	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
<b>TTD</b>	Total: 51	2	3.9%	0	0.0%	15	29.4%	34	66.7%
CCC - CL CLOSING THE CLAIM	30	1	3.3%	0	0.0%	10	33.3%	19	63.3%
CIC - CL SI CLSING THE CLM	9	0	0.0%	0	0.0%	2	22.2%	7	77.8%
CJS - CL TTD	6	1	16.7%	0	0.0%	0	0.0%	5	83.3%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CPX - CL INITIAL TTD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CSG - CL SI INITIAL TTD	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
Totals: Claims 433	495	16	3.2%	5	1.0%	138	27.9%	336	67.9%

## Resolution of Issues

Report Dates: Decision Date from 3/1/2010 thru 3/31/2010

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	98	28	28.6	45	45.9	3	3.1	15	15.3	5	5.1	1	1	1	1	0	0
PPD	152	39	25.7	38	25	15	9.9	58	38.2	0	0	2	1.3	0	0	0	0
IEB DETERMINATION	9	1	11.1	7	77.8	0	0	1	11.1	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	113	25	22.1	46	40.7	6	5.3	29	25.7	3	2.7	4	3.5	0	0	0	0
TRMT/EQUIP EM	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
REHABILITATION	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	0	0	0	0	0	0	1	100	0	0	0	0	0	0
TTD	52	5	9.6	22	42.3	0	0	21	40.4	3	5.8	1	1.9	0	0	0	0
OPBD	28	1	3.6	17	60.7	0	0	10	35.7	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	7	2	28.6	4	57.1	0	0	1	14.3	0	0	0	0	0	0	0	0

REOPENING	40	8	20	26	65	2	5	4	10	0	0	0	0	0	0	0	
OP NON-MED	6	0	0	0	0	0	0	6	100	0	0	0	0	0	0	0	
BENEFIT OVERPAYMENT	4	1	25	0	0	1	25	1	25	1	25	0	0	0	0	0	
DEP BEN FATAL	7	0	0	5	71. 4	0	0	2	28. 6	0	0	0	0	0	0	0	
<hr/>																	
<b>Totals</b>	<b>519</b>	<b>110</b>	<b>21. 2</b>	<b>212</b>	<b>40. 8</b>	<b>27</b>	<b>5. 2</b>	<b>148</b>	<b>28. 5</b>	<b>13</b>	<b>2.5</b>	<b>8</b>	<b>1. 5</b>	<b>1</b>	<b>0. 2</b>	<b>0</b>	<b>0</b>

**OOJ – Petition for Attorney Fees for Unreasonable Denial**

**Petitions received 9/1/2005 through 3/31/10** **38**

Petitions denied on face: 14  
 Petitions denied by ALJ Decision: 15  
 Petitions granted: 4  
 Petitions withdrawn through settlement: 2

Petitions currently pending: 3

**Failure to Timely Act Process**

**Petitions filed 9/1/05 through 3/31/10**

Filed: 157

Denied/dismissed: 59

Withdrawn: 9

Reports to OIC: 60

Pending 29

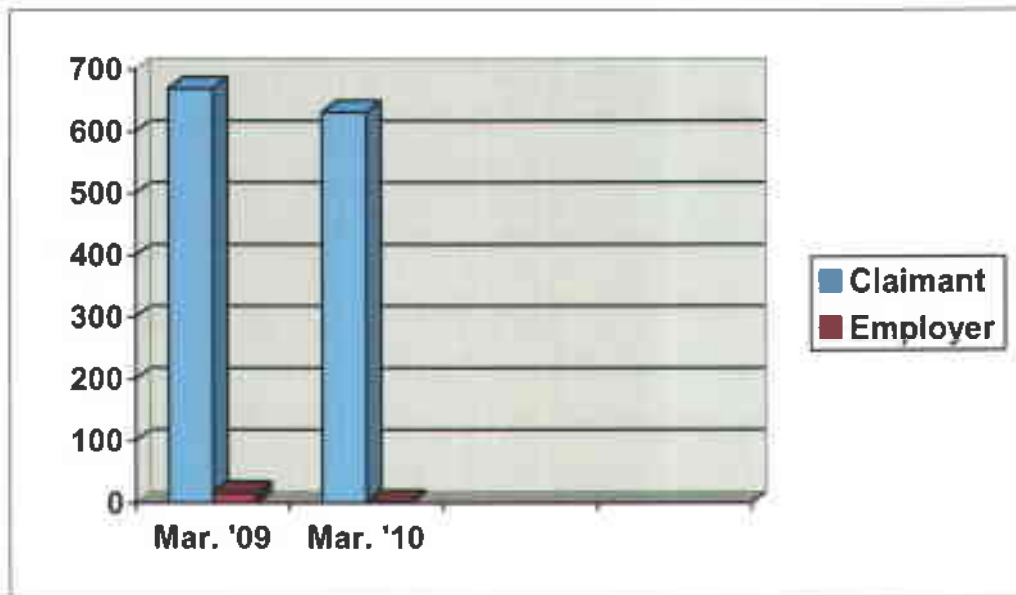
**Expedited Hearings Scheduled**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2006</b>	7	0	2	1	7	4	8	2	5	7	6	3	<b>52</b>
<b>2007</b>	12	4	5	5	1	12	9	4	5	5	4	2	<b>68</b>
<b>2008</b>	3	2	1	11	1	6	11	8	6	4	8	4	<b>65</b>
<b>2009</b>	5	6	5	4	10	14	10	6	12	4	5	9	<b>90</b>
<b>2010</b>	13	2	6										<b>21</b>

**OOJ – Pending Treatment Issues**

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Mar.'10	% Protests	Month Mar '09	% Protests
Claimant	632	16.46%	670	16.21%
Employer	2	0.05%	17	0.41%
<b>Total</b>	<b>634</b>	<b>16.51%</b>	<b>687</b>	<b>16.62%</b>

**Pending Treatment Issues**



**Pro Se Claimant Information**

Pending Protests Involving Pro Se Claimants: 573

Pending Claims Involving Pro Se claimants: 517



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  
Bill Dean, Chairman  
Kent Hartsog, Vice Chairman  
Dan Marshall  
Honorable Brooks McCabe  
Honorable Nancy Peoples Guthrie  
Senator Don Caruth  
Jim Dissen

**From:** W. Jack Stevens, Chairman

**Date:** April 1, 2010

**Re:** Workers' Compensation Board of Review Monthly Report

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Attached, please find the Board of Review's March 2010 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:

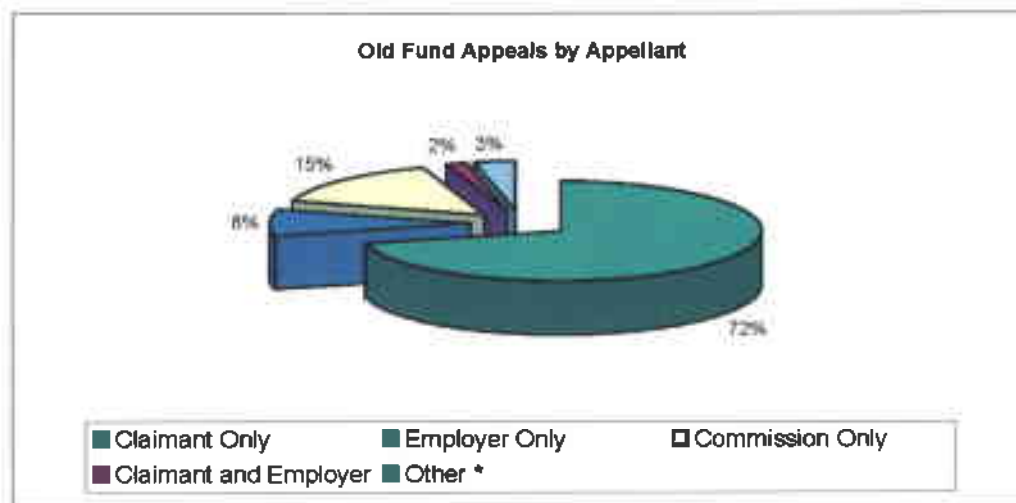
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by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

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

Appeals Received  
From March 1, 2010 Thru March 31, 2010

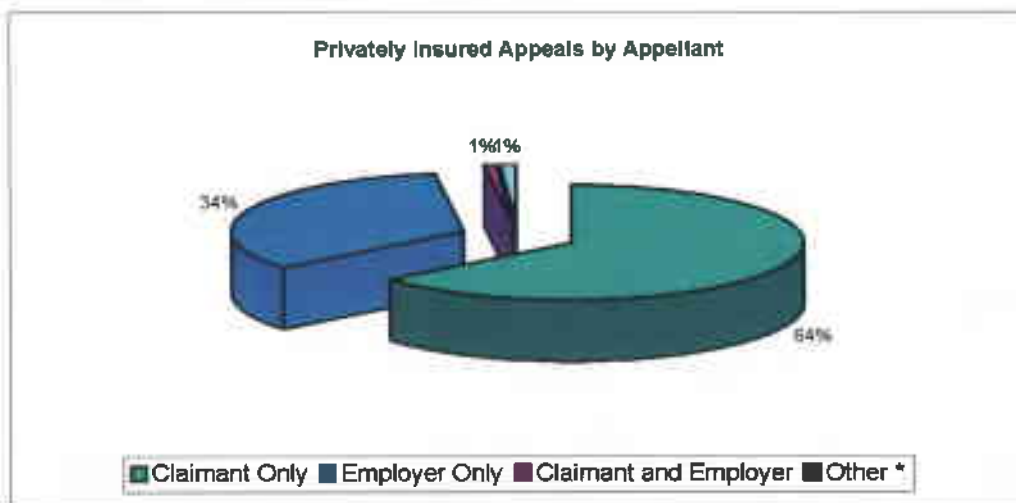
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	42
Employer Only	5
Commission Only	9
Claimant and Employer	1
Other *	2
<b>Old Fund Total</b>	<b>59</b>



**Privately Insured Appeals (DOI > Jun-30-2005)**

Appellant	Count
Claimant Only	63
Employer Only	33
Claimant and Employer	1
Other *	1
<b>Privately Insured Total</b>	<b>98</b>
<b>Total Appeals</b>	<b>157</b>



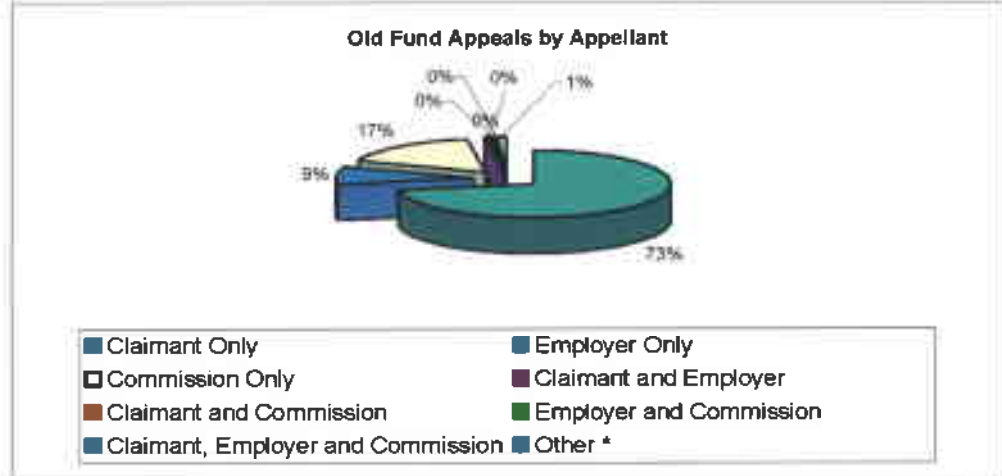
\* Appeals requiring research

Appeals counted more than once:

Yearly Appeals Received  
From June 1, 2008 Thru March 31, 2010

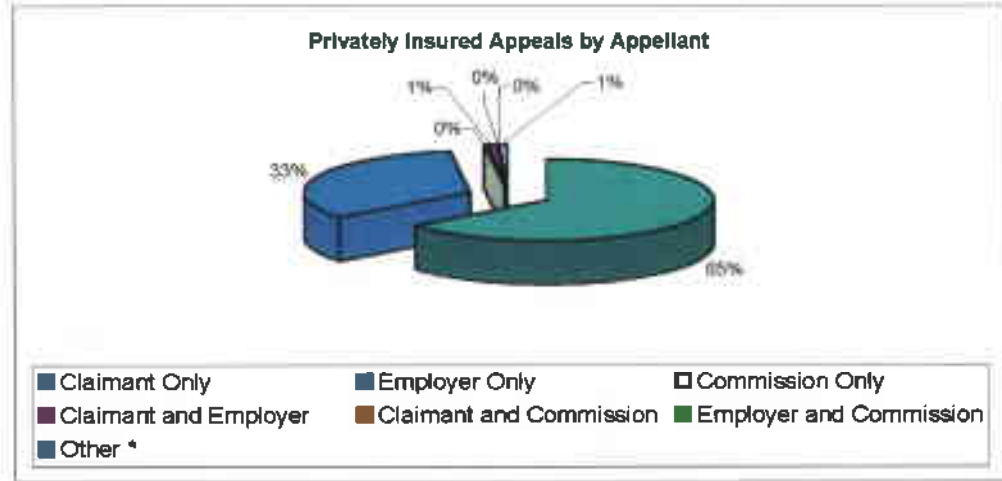
**Old Fund Appeals (DOI < Jul-1-2005)**

Appellant	Count
Claimant Only	1056
Employer Only	126
Commission Only	249
Claimant and Employer	6
Claimant and Commission	6
Employer and Commission	1
Claimant, Employer and Commission	1
Other *	17
<b>Old Fund Total</b>	<b>1462</b>



**Privately Insured Appeals (DOI > Jun-30-2005)**

Appellant	Count
Claimant Only	1058
Employer Only	549
Commission Only	3
Claimant and Employer	14
Claimant and Commission	1
Employer and Commission	1
Other *	13
<b>Privately Insured Total</b>	<b>1639</b>
<b>Total Appeals</b>	<b>3101</b>

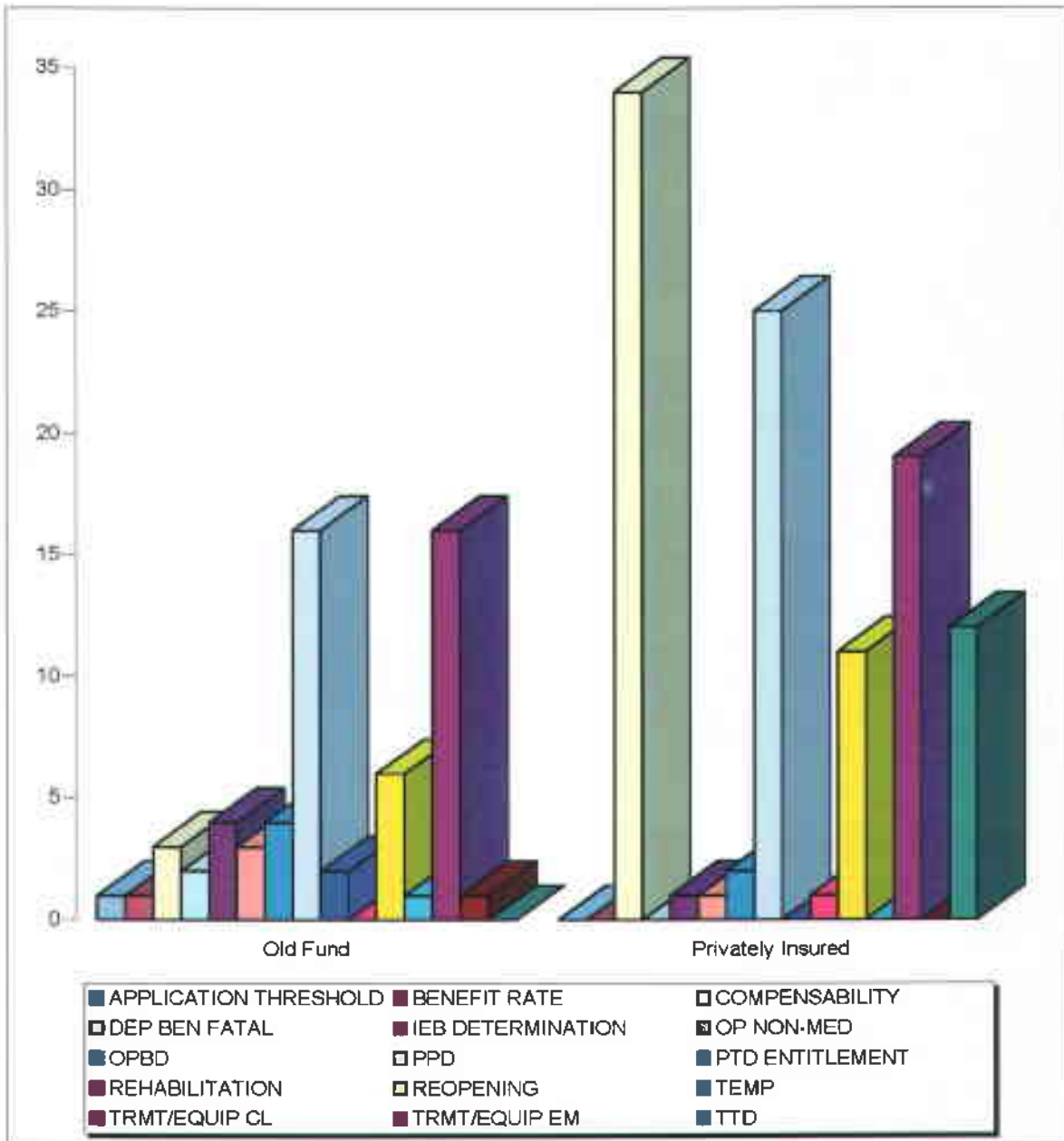


\* Appeals requiring research

Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)  
 From March 1, 2010 Thru March 31, 2010

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0
BENEFIT RATE	1	1	100.0	0	0.0
COMPENSABILITY	37	3	8.1	34	91.9
DEP BEN FATAL	2	2	100.0	0	0.0
IEB DETERMINATION	5	4	80.0	1	20.0
OP NON-MED	4	3	75.0	1	25.0
OPBD	6	4	66.7	2	33.3
PPD	41	16	39.0	25	61.0
PTD ENTITLEMENT	2	2	100.0	0	0.0
REHABILITATION	1	0	0.0	1	100.0
REOPENING	17	6	35.3	11	64.7
TEMP	1	1	100.0	0	0.0
TRMT/EQUIP CL	35	16	45.7	19	54.3
TRMT/EQUIP EM	1	1	100.0	0	0.0
TTD	12	0	0.0	12	100.0
<b>Totals</b>	166	60	36.1	106	63.9

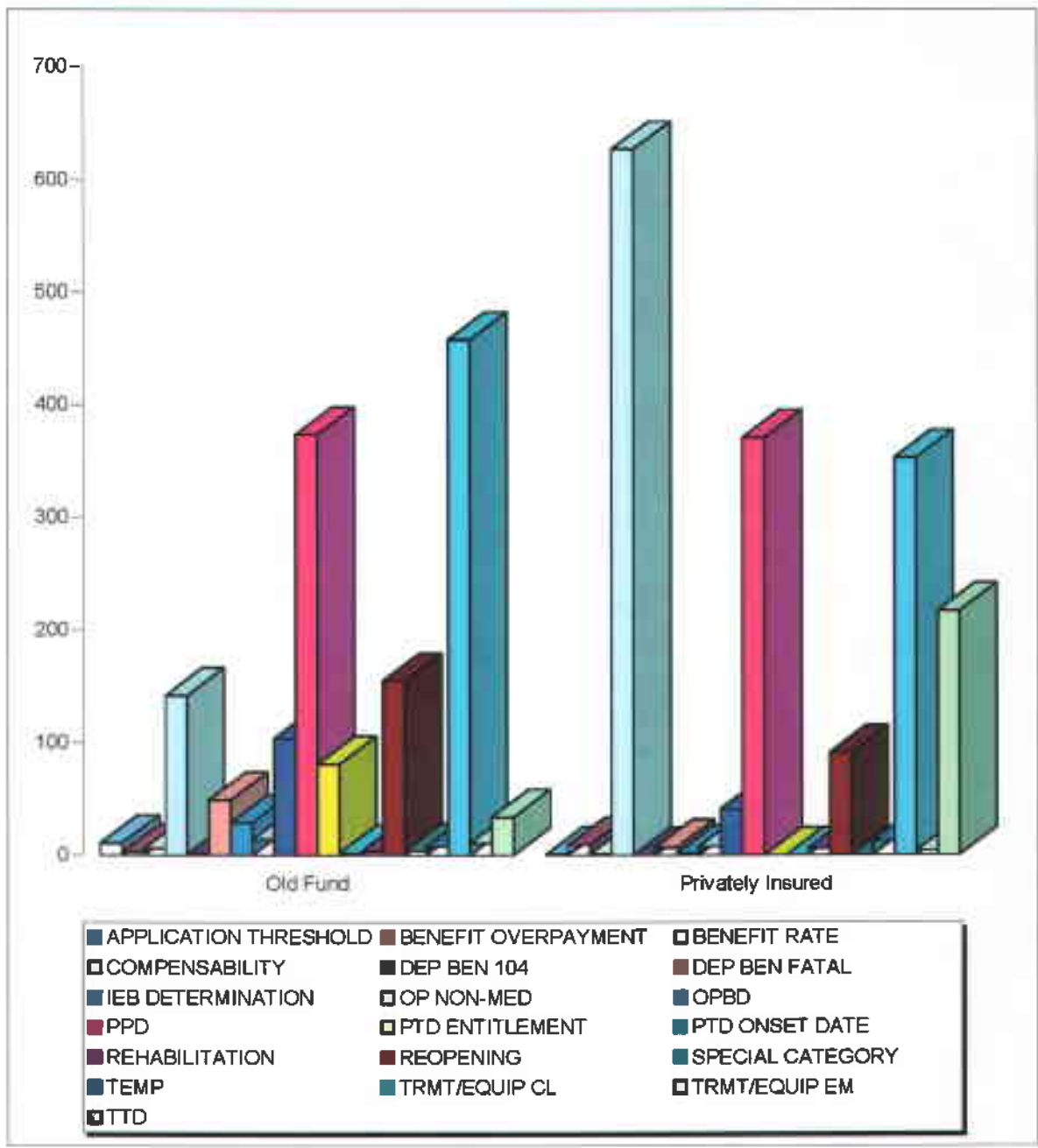
Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)  
 From March 1, 2010 Thru March 31, 2010



Yearly Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)  
 From June 1, 2008 Thru March 31, 2010

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	12	11	91.7	1	8.3
BENEFIT OVERPAYMENT	12	3	25.0	9	75.0
BENEFIT RATE	7	6	85.7	1	14.3
COMPENSABILITY	770	142	18.4	627	81.4
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	56	49	87.5	7	12.5
IEB DETERMINATION	31	29	93.5	2	6.5
OP NON-MED	22	14	63.6	8	36.4
OPBD	145	104	71.7	41	28.3
PPD	745	374	50.2	371	49.8
PTD ENTITLEMENT	81	81	100.0	0	0.0
PTD ONSET DATE	2	2	100.0	0	0.0
REHABILITATION	9	3	33.3	6	66.7
REOPENING	246	155	63.0	91	37.0
SPECIAL CATEGORY	4	4	100.0	0	0.0
TEMP	21	8	38.1	13	61.9
TRMT/EQUIP CL	811	458	56.5	353	43.5
TRMT/EQUIP EM	15	11	73.3	4	26.7
TTD	251	34	13.5	217	86.5
<b>Totals</b>	<b>3241</b>	<b>1489</b>	<b>45.9</b>	<b>1751</b>	<b>54.0</b>

Yearly Appeals Received By Issue  
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)  
 From June 1, 2008 Thru March 31, 2010

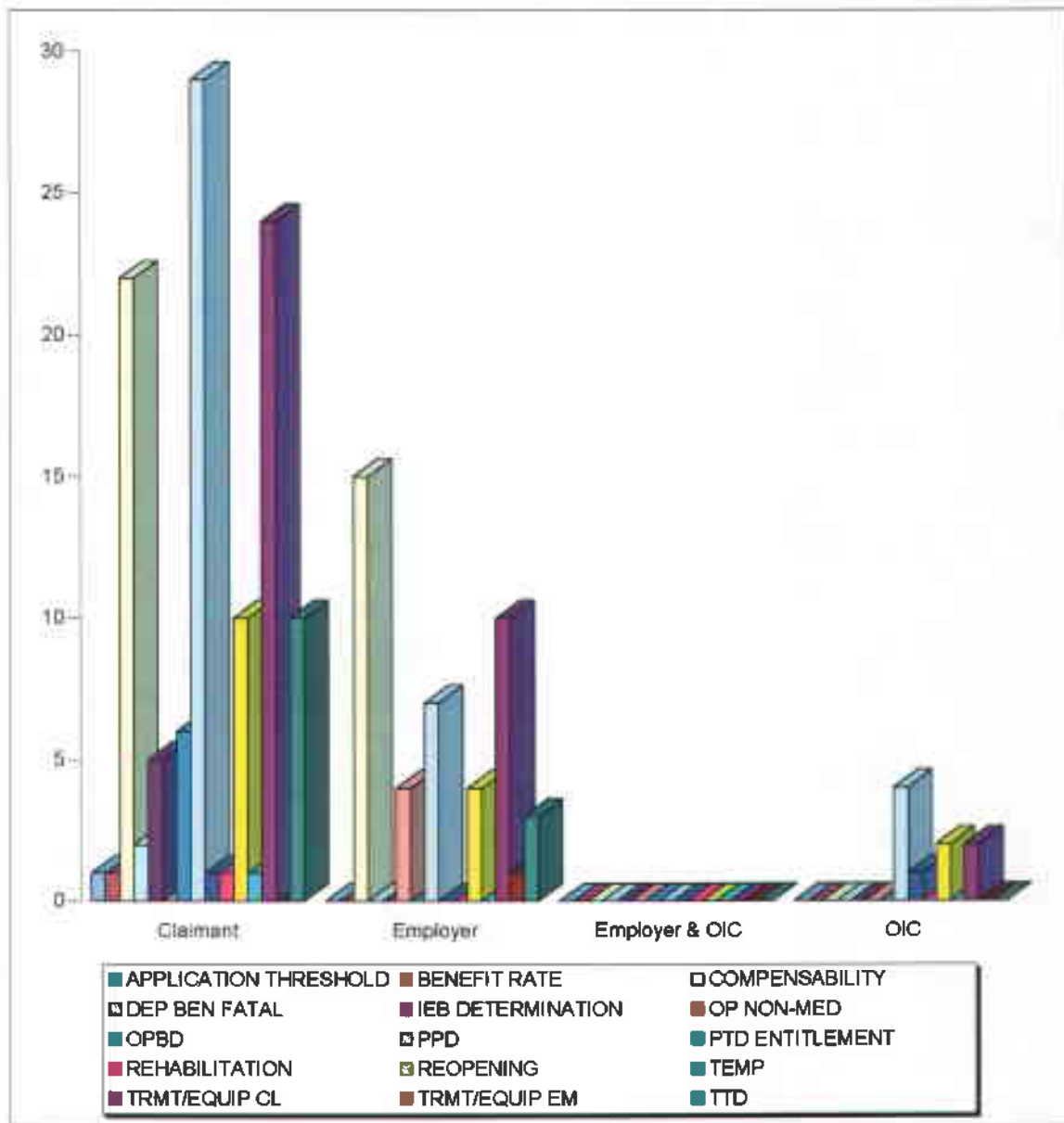


Appeals Received By Issue  
From March 1, 2010 Thru March 31, 2010

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 RATE	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	37	22	59.5	15	40.5	0	0.0	0	0.0
DEP BEN FATAL	2	2	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	5	5	100.0	0	0.0	0	0.0	0	0.0
OP NON-MED	4	0	0.0	4	100.0	0	0.0	0	0.0
OPBD	6	6	100.0	0	0.0	0	0.0	0	0.0
PPD	40	29	72.5	7	17.5	0	0.0	4	10.0
PTD ENTITLEMENT	2	1	50.0	0	0.0	0	0.0	1	50.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0
REOPENING	16	10	62.5	4	25.0	0	0.0	2	12.5
TEMP	1	1	100.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	36	24	66.7	10	27.8	0	0.0	2	5.6
TRMT/EQUIP EM	1	0	0.0	1	100.0	0	0.0	0	0.0
TTD	13	10	76.9	3	23.1	0	0.0	0	0.0
<b>Totals</b>	<b>166</b>	<b>113</b>	<b>68.1</b>	<b>44</b>	<b>26.5</b>	<b>0</b>	<b>0.0</b>	<b>9</b>	<b>5.4</b>



Appeals Received By Issue  
 From March 1, 2010 Thru March 31, 2010



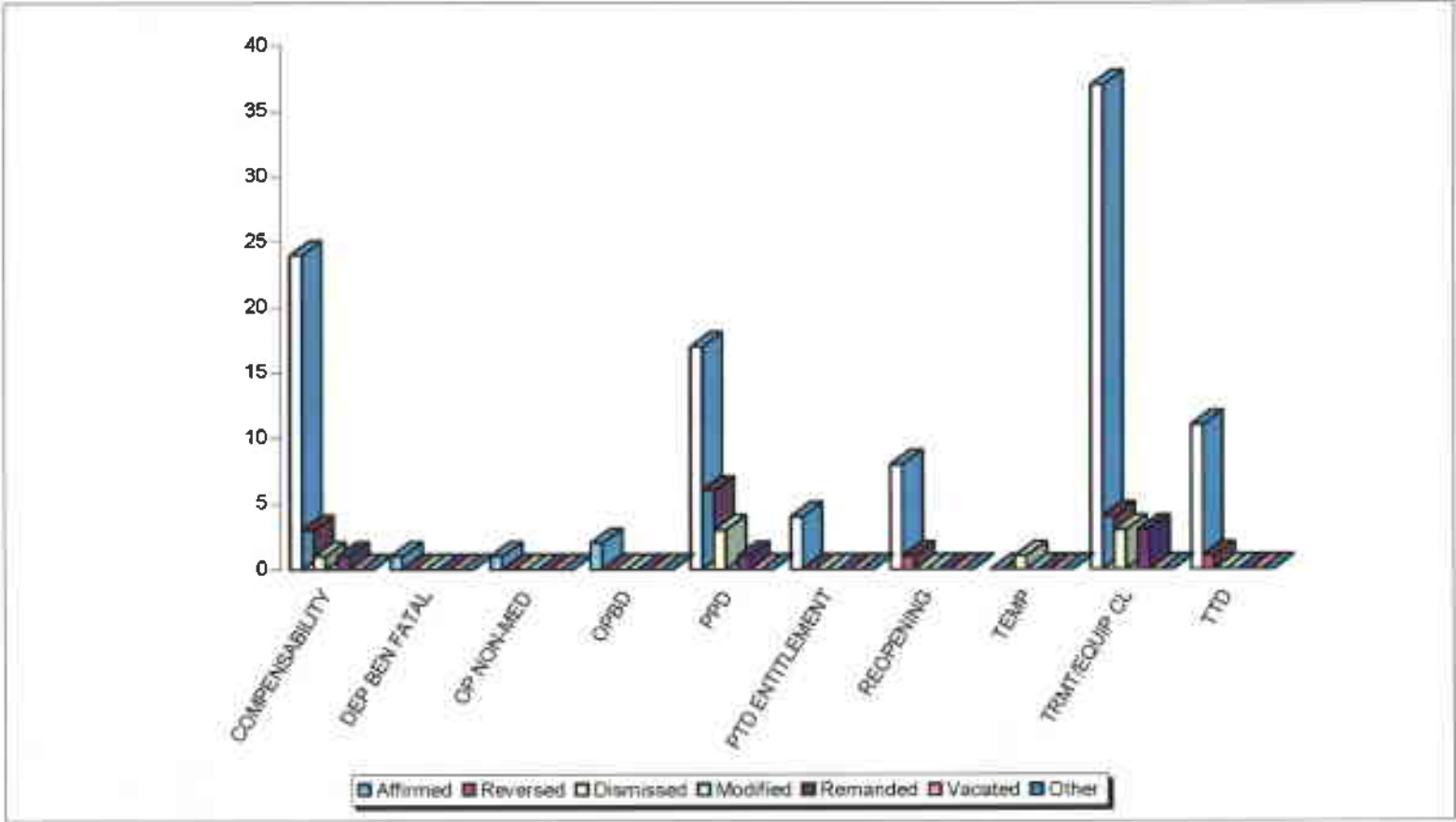
**WORKER COMPENSATION BOARD OF REVIEW  
FOR MARCH 2010**

Appealed By	BOR Disposition	Disposition			Year to Date		
		Count	Disp %	Total %	Date	Disp %	Total %
CLAIMANT	AFFIRMED	83	93.3%	67.5%	240	89.9%	61.2%
	DISMISSED				1	0.4%	0.3%
	MOOT				3	1.1%	0.8%
	REMAND	4	4.5%	3.3%	11	4.1%	2.8%
	REVERSE	2	2.2%	1.6%	12	4.5%	3.1%
	Total Dispositions	89			267		
CLAIMANT/EMPLOYER	AFFIRMED				1	50.0%	0.3%
	REVERSE				1	50.0%	0.3%
	Total Dispositions				2		
EMPLOYER	ABEYANCE				1	1.2%	0.3%
	AFFIRMED	15	71.4%	12.2%	52	61.2%	13.3%
	DISMISSED				1	1.2%	0.3%
	MOOT				3	3.5%	0.8%
	REMAND	1	4.8%	0.8%	5	5.9%	1.3%
	REVERSE	5	23.8%	4.1%	23	27.1%	5.9%
	Total Dispositions	21			85		
DIVISION/DIC	AFFIRMED	6	46.2%	4.9%	18	47.4%	4.6%
	DISMISSED				1	2.6%	0.3%
	REVERSE	7	53.8%	5.7%	19	50.0%	4.8%
	Total Dispositions	13			38		
	Grand Totals	123			392		

Dispositions By Issues  
BOR Orders Mailed From March 1, 2010 Thru March 31, 2010

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	29	24	82.8	3	10.3	1	3.4	0	0.0	1	3.4	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
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	27	17	63.0	6	22.2	3	11.1	0	0.0	1	3.7	0	0.0	0	0.0
PTD ENTITLEMENT	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	9	8	88.9	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	47	37	78.7	4	8.5	3	6.4	0	0.0	3	6.4	0	0.0	0	0.0
TTD	12	11	91.7	1	8.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>133</b>	<b>105</b>	<b>78.9</b>	<b>15</b>	<b>11.3</b>	<b>8</b>	<b>6.0</b>	<b>0</b>	<b>0.0</b>	<b>5</b>	<b>3.8</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

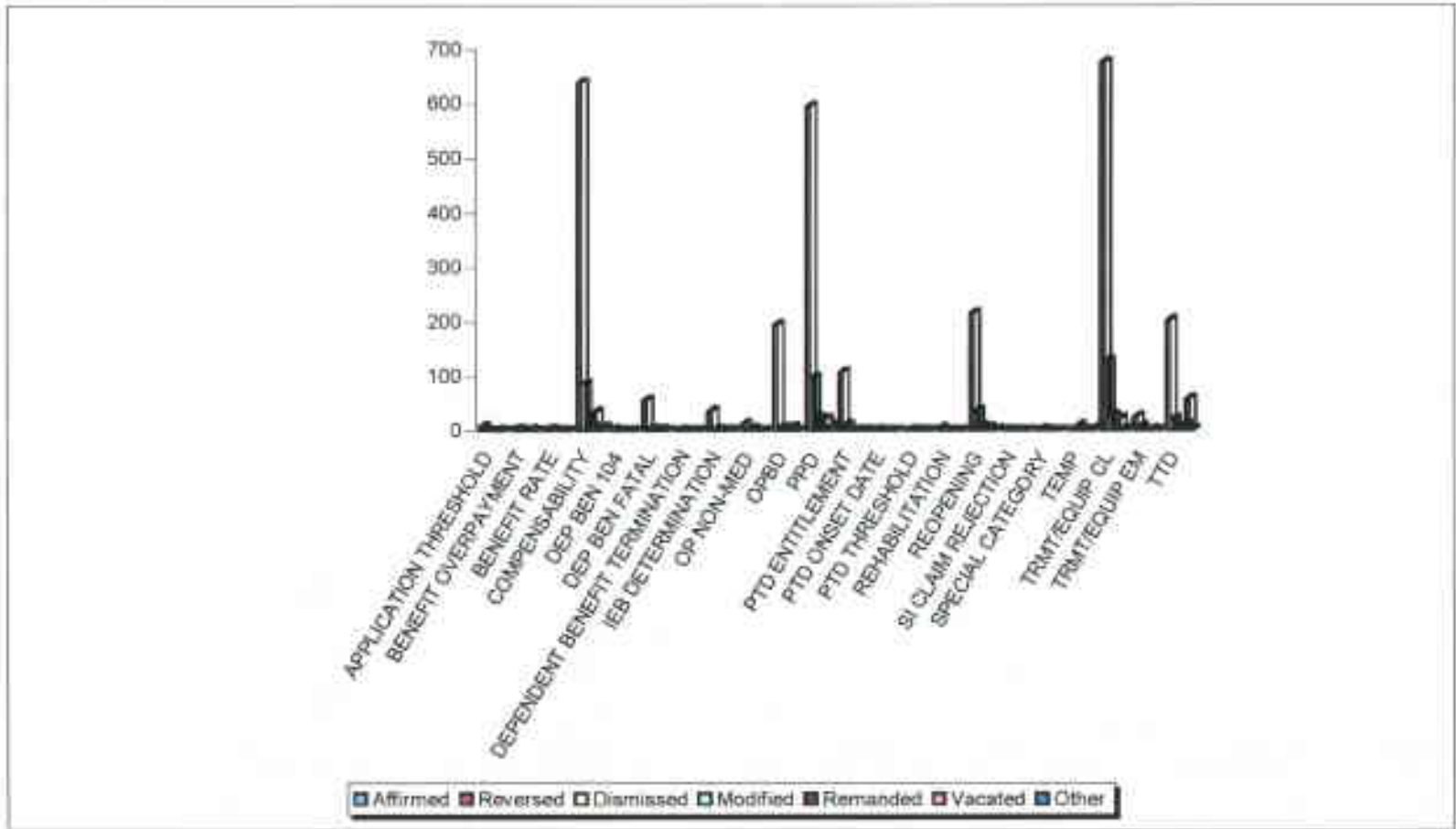
Dispositions By Issues  
 BOR Orders Mailed From March 1, 2010 Thru March 31, 2010



Yearly Dispositions By Issues  
BOR Orders Mailed From June 1, 2008 Thru March 31, 2010

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	9	8	88.9	0	0.0	0	0.0	0	0.0	1	11.1	0	0.0	0	0.0
BENEFIT OVERPAYMENT	8	3	37.5	3	37.5	0	0.0	0	0.0	2	25.0	0	0.0	0	0.0
BENEFIT RATE	5	2	40.0	3	60.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	803	639	79.6	86	10.7	25	3.1	7	0.9	34	4.2	1	0.1	7	0.9
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	63	56	88.9	3	4.8	2	3.2	0	0.0	2	3.2	0	0.0	0	0.0
DEPENDENT BENEFIT TERMINA	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	40	36	90.0	2	5.0	1	2.5	0	0.0	1	2.5	0	0.0	0	0.0
OP NON-MED	18	12	66.7	2	11.1	4	22.2	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	213	195	91.5	6	2.8	5	2.3	0	0.0	7	3.3	0	0.0	0	0.0
PPD	749	595	79.4	97	13.0	24	3.2	2	0.3	21	2.8	1	0.1	9	1.2
PTD ENTITLEMENT	119	107	89.9	10	8.4	0	0.0	0	0.0	1	0.8	0	0.0	1	0.8
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	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	271	216	79.7	36	13.3	8	3.0	3	1.1	6	2.2	0	0.0	2	0.7
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	3	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	17	0	0.0	2	11.8	9	52.9	0	0.0	1	5.9	1	5.9	4	23.5
TRMT/EQUIP CL	860	677	78.7	128	14.9	28	3.3	0	0.0	22	2.6	0	0.0	3	0.3
TRMT/EQUIP EM	35	25	71.4	8	22.9	0	0.0	0	0.0	2	5.7	0	0.0	0	0.0
TTD	303	203	67.0	21	6.9	7	2.3	1	0.3	10	3.3	58	19.1	2	0.7
<b>Totals</b>	<b>3528</b>	<b>2785</b>	<b>78.9</b>	<b>410</b>	<b>11.6</b>	<b>114</b>	<b>3.2</b>	<b>13</b>	<b>0.4</b>	<b>110</b>	<b>3.1</b>	<b>61</b>	<b>1.7</b>	<b>28</b>	<b>0.8</b>

Yearly Dispositions By Issues  
 BOR Orders Mailed From June 1, 2008 Thru March 31, 2010



<b>Revenue Recovery Activity</b>	<b>February 2010</b>
<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund (Employer out of business)	\$ 12,449.53
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 59,410.32
Receipts - Payment Agreements	\$ 18,536.13
Receipts - Collection Agency	\$
# of active accounts uninsured (cumulative)	807
\$ of active accounts uninsured (cumulative)	\$ 2,619,717.65
Telephone contacts	1,842
Walk-ins	9
<b>LIENS</b>	
Liens sent to county clerks for recordation	97
Liens sent to county clerks for release	32
Intent to lien letters sent to employer/owner/officer/member	108
<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	3
Hearings attended	1
# of injunction complaints filed	7
# of injunctions granted	4
# of agreed orders entered	3

<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	8
Agreements set up	8
Total # of agreements on system (cumulative)	104
Intent to void letters mailed	22
Agreements voided	12
<b>MISCELLANEOUS</b>	
Terminations Processed	72
Rule 11 Letters Mailed	329
Rule 11 hearings	1
<b>Uninsured Policies Resolved</b>	265
<b>All Cash Receipts from WC accounts</b>	\$ 90,395.98



## **WORKERS' COMPENSATION RULES UPDATE**

A public hearing was held for the Title 85, Series 8 "Workers' Compensation Policies, Coverage Issues and Related Topics" and Title 85, Series 22 "Medical Review" workers' compensation rules during the Industrial Council meeting on March 25, 2010.

These rules will be presented again to the Industrial Council at its meeting on April 29, 2010, with responses to comments and proposed changes.

# BOARD OF TREASURY INVESTMENTS

## CALENDAR NOTES

CU Annual  
April 14, 2010

Quarterly Board  
Meeting  
April 27, 2010

## Board of Treasury Investments

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

www.wvbt.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

## OPERATING REPORT FEBRUARY 28, 2010

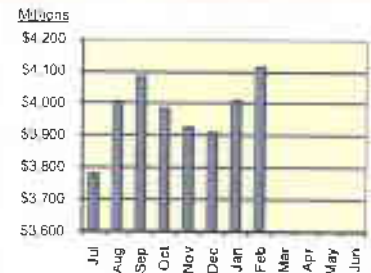
### Total Net Assets Under Management

**\$4,116,770,000**

Last Month  
**\$4,010,863,000**

Beginning of Fiscal Year  
**\$3,663,992,000**

**12.4% Growth This  
Fiscal Year**



### Total Net Income & Gains

Fiscal Year  
**\$19,049,000**



Fiscal Year Comparison

### Money Market Pools

As of February 28, 2010

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1226%	.1151%	.1201%	44 Days	\$2.9 Billion
WV Gov't Money Market	.1187%	.0973%	.0995%	44 Days	\$338.7 Million

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

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

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## THE ECONOMIC STATE

### FEBRUARY 2010

---

### Data Shows Overall Improvement

#### *Economy Is Stabilizing*

The economic data that is released every month can be at times conflicting and confusing. But overall, they continue to reflect the fact that the U.S. economy is stabilizing. Even the most visible indicator, the unemployment rate, which remained at 9.7%, is showing signs of improvement. Non-farm payrolls fell 36,000 following a revised decline of 26,000 in January. With initial estimates calling for a decline of 75,000 jobs in February, the trend indicates moderation in job losses and even has some economists talking about job growth for the first time in nearly two years.

Other positives during the month of February were:

- The Index of Leading Indicators rose in January (data released in February) for the 10th consecutive month.
- Retail sales posted a surprising 0.3% increase in February despite major snowstorms and outpaced the expected drop of 0.2%.
- Home prices, as measured by the Case-Shiller Home Price Index, rose 0.3% in December (data released in February). Prices dropped by 11% for the six-months ending April 2009 before increasing by approximately 5% over the following six-months.

While the ISM manufacturing index fell to 55.5 in February, down from 58.4 in January, the index level has remained above 50, indicating expansion in the manufacturing sector for seven straight months.

Following three straight monthly increases, consumer confidence, as reported by the Conference Board, fell 10.5 to 46.0 marking its lowest level since April 2009. Assessments of current conditions, which had been showing signs of leveling off, dropped off to just 19.4, marking the lowest level since February 1983. Oddly, a University of Michigan survey did not confirm the plunge reported by the Conference Board. While it did reflect a pullback in confidence, it was modest at best, falling 0.8. Moreover, assessments of current conditions actually improved in the Michigan survey. Next month's Conference Board findings will be important and should reflect either a one month aberration or a trend.

Despite the Fed's February 18th decision to hike the discount rate by 25 basis points (bps), interest rates ended the month modestly lower (1-4 bps across the 2-10 year maturity range), while longer term rates ended the month 2-4 bps higher.

Hidden within the small changes in rates during February was a considerable amount of volatility. This increase in volatility was the result of upward pressure on rates stemming from record levels of debt issuance; however, this was offset by downward pressure on rates caused by a continued sluggish economy. The 2-10 year spread remained elevated at 280 bps while the 10-30 year spreads closed at 95 bps.

The Barclays Capital Aggregate Index returned 0.37% during February as spread sectors continued to outpace the same-duration Treasury securities. The CMBS sector again led the way during the month. The ABS sector held firm despite heavy profit taking from TALF investors in the secondary market. In the residential mortgage market, spreads came under pressure following the Fed's increase of the discount rate. The credit sector was relatively flat during the month as strong technicals and fundamental trends were offset by sovereign debt worries.

The Merrill Lynch 3-Month T-Bill Index returned 0.00% in February leading the 0.21% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. The 3-Month T-Bills returned 0.20% for the year while the 1-3 Year Government / Corporate Index A+ returned 4.00%.

# West Virginia Board of Treasury Investments Financial Highlights as of February 28, 2010

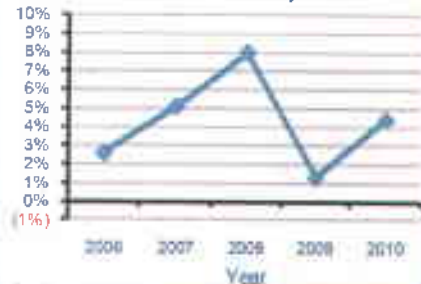
## WV Short Term Bond Pool

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

March 1 - February 28	Return	Net Assets At Feb. 28 (In Millions)
2010	4.4%	\$ 449.2
2009	1.3%	\$ 285.1
2008	8.0%	\$ 398.0
2007	5.1%	\$ 227.1
2006	2.6%	\$ 264.5

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

### WV Short Term Bond Pool Rates of Return Past 12 Months March 1 - February 28



## Summary of Value and Earnings (In Thousands)

Pool	Net Asset Value	Feb. Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 2,872,822	\$ 267	\$ 2,546
WV Gov't Money Market	338,712	23	202
WV Short Term Bond	449,178	912	10,249
WV Bank	85,086	22	366
Loss Amortization	187,288	234	3,181
Loans *	131,701	300	1,894
Reserve	30,038	9	277
Participant Accounts	21,945	33	334
	<b>\$ 4,116,770</b>	<b>\$1,800</b>	<b>\$ 19,049</b>

\* There have been \$700,000 in writedowns on venture capital loans in the Loan Pool this fiscal year

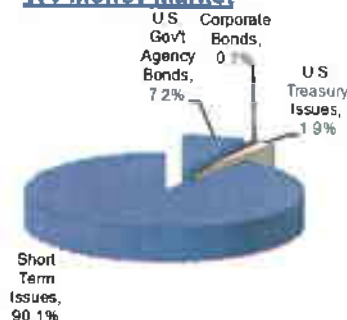
### Percent of Total Net Asset Value



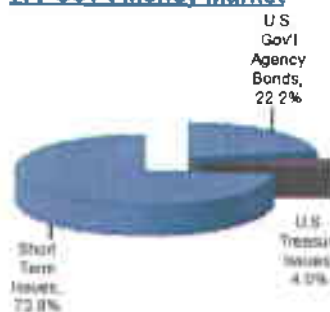
- Participant Accounts, 0.5%
- Reserve, 0.7%
- Loans, 3.2%
- Loss Amortization, 4.6%
- WV Bank, 2.1%
- WV Short Term Bond, 10.9%
- WV Gov't Money Market, 8.2%
- WV Money Market, 69.8%

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

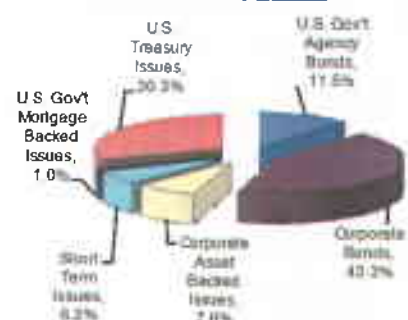
### WV Money Market



### WV Gov't Money Market



### WV Short Term Bond

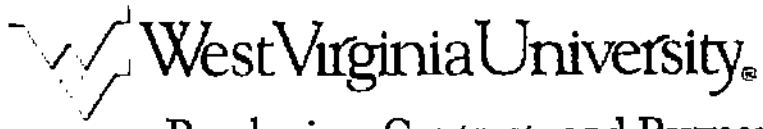


**WEST VIRGINIA BOARD OF TREASURY INVESTMENTS**  
**SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED**

**FEBRUARY 28, 2010**

*(IN THOUSANDS)*

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
<b>Assets</b>						
<b>Investments:</b>						
At amortized cost	\$ 2,872,487	\$ 338,572		\$ 85,000	\$ 161,430	\$ 18,735
At fair value			\$ 446,681		187,288	3,041
Cash						
Collateral for securities loaned	180,976		56,287			
Other assets	567	166	3,290	86	313	170
<b>Total assets</b>	<u>3,054,030</u>	<u>338,738</u>	<u>506,258</u>	<u>85,086</u>	<u>349,031</u>	<u>21,946</u>
<b>Liabilities</b>						
Payable for securities loaned	180,976		56,287			
Other liabilities	232	26	793		4	1
<b>Total liabilities</b>	<u>181,208</u>	<u>26</u>	<u>57,080</u>	<u>-</u>	<u>4</u>	<u>1</u>
<b>Net Assets</b>	<u>\$ 2,872,822</u>	<u>\$ 338,712</u>	<u>\$ 449,178</u>	<u>\$ 85,086</u>	<u>\$ 349,027</u>	<u>\$ 21,945</u>
<b>Investment income</b>						
Interest and dividends	\$ 275	\$ 56	\$ 993	\$ 22	\$ 313	\$ 46
Securities lending income	-	-				
Provision for securities lending loss	-	-				
Net accretion (amortization)	152	(15)	(227)	-	598	(13)
Provision for uncollectible loans	-	-				
<b>Total investment income</b>	<u>427</u>	<u>41</u>	<u>766</u>	<u>22</u>	<u>911</u>	<u>33</u>
<b>Expenses</b>						
Fees	160	18	47		4	
Securities lending borrower rebates	-	-				
Bad debt expense	-	-				
<b>Total expenses</b>	<u>160</u>	<u>18</u>	<u>47</u>	<u>-</u>	<u>4</u>	<u>-</u>
<b>Net investment income</b>	<u>267</u>	<u>23</u>	<u>719</u>	<u>22</u>	<u>907</u>	<u>33</u>
<b>Net realized gain (loss)</b>						
from investments						
Net increase (decrease) in fair value of investments			193		(364)	
<b>Net gain (loss) from investments</b>			<u>193</u>		<u>(364)</u>	
<b>Net increase (decrease) in net assets from operations</b>	<u>267</u>	<u>23</u>	<u>912</u>	<u>22</u>	<u>543</u>	<u>33</u>
<b>Distributions to participants</b>	268		727	22	309	
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	654,240	82,174	82,250	22	338	33
Redemptions and withdrawals	674,648	20,137			18,462	356
Inter-pool transfers in	25,048					
Inter-pool transfers out	-			25,048		
<b>Net increase (decrease) in net assets from participant activity</b>	<u>4,640</u>	<u>62,037</u>	<u>82,250</u>	<u>(25,026)</u>	<u>(18,124)</u>	<u>(323)</u>
Increase (decrease) in net assets	4,639	62,037	82,435	(25,026)	(17,890)	(290)
Net assets at beginning of period	2,868,183	276,675	366,743	110,112	366,917	22,235
<b>Net assets at end of period</b>	<u>\$ 2,872,822</u>	<u>\$ 338,712</u>	<u>\$ 449,178</u>	<u>\$ 85,086</u>	<u>\$ 349,027</u>	<u>\$ 21,945</u>



Purchasing, Contracts and Payment Services

Date: February 12, 2010

To: The Joint Committee on Government and Finance  
Earl Ray Tomblin, Chair  
Richard Thompson, Chair  
State Capital Complex  
Charleston, WV 25305

From: West Virginia University Department of Purchasing, Contracts, and Payment Services

Pursuant to West Virginia Code §5A-3B-2(j), West Virginia University provides this "thirty days' written notice" of its intent to sign an energy savings contract with Siemens Industries, Inc.

A copy of the resolution of the West Virginia University Board of Governors approving this contract is attached, as is the information required by paragraph (b) of the referenced code.

Please contact me if you have any questions regarding this notice.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Philip Charneskie'.

Philip Charneskie  
Chief Procurement Officer



West Virginia University

Board of Governors

February 11, 2010

To Whom It May Concern:

During its regular meeting on February 5, 2010, the West Virginia University Board of Governors approved the Performance Contracting Phase III at West Virginia University, in the amount of \$7.25 million, as attached.

Sincerely,

Carolyn Long, Chairman  
West Virginia University Board  
of Governors

CL/vsl  
Attachment

**WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS**  
**Meeting of February 5, 2010**

**ITEM:** Approval of Performance Contracting Phase III.

**INSTITUTION:** West Virginia University – Facilities Management

**COMMITTEE:** Full Board – Consent Agenda

**RECOMMENDATION:** Resolved: That the West Virginia University Board of Governors approve Performance Contracting Phase III at West Virginia University.

**STAFF SIGNOFF:** Narvel Weese  
Vice President for Administration and Finance

**BACKGROUND:** Since June 2006, West Virginia University has entered into performance-based contracts with Siemens Building Systems. This initiative has significantly reduced the amount of energy and water consumed on the campuses. WVU has executed two phases of a four phase plan with Siemens Building Technologies to implement energy savings.

**Performance Contracting Phase I**  
Phase I of the project included the following facilities:

- Mineral Resources Building (MRB)
- Engineering Sciences Building (ESB)
- Engineering Research Building (ERB)
- NRCCE
- Greenhouse
- Evansdale Library
- Agricultural Sciences Annex
- Chiller Plant
- Cultural Arts Center (CAC)
- Brooke Tower

Total cost of Phase 1: \$8 Million Dollars  
Guaranteed annual savings: \$745,000  
Phase 1 first-year savings of \$1.1 million dollars were verified in February 2009.



The environmental impact of Phase I is equal to eliminating the pollution from 878 cars per year or to planting 1820 trees per year. The Phase I environmental impact includes the following energy reductions:

- Generation fuel (natural gas and coal) equivalent to 11,297 barrels of crude oil
- Electricity savings of 6,276,460 kilowatt hours
- Water savings of 9,000,000 gallons/year

### **Performance Contracting Phase II**

Phase II of the project included the following facilities:

- Mylan Puskar Center
- Indoor Practice Facility
- Stadium Complex
- Agricultural Sciences
- Percival Hall
- Allen Hall
- Bennet Tower
- Lyon Tower
- Braxton Tower
- Summit Hall
- Student Recreation Center
- Medical Center Apartments J & K
- Fieldcrest Hall
- Coliseum
- Natatorium/Shell Building
- Women's Gymnastics Center
- Physical Plant
- Communications Building
- Law School
- Mountainlair
- WVU Tech
- WVU Parkersburg

Total cost of Phase II: \$12.5 million dollars  
Guaranteed annual savings (year 1): \$1.1 million  
Phase II savings still need to be verified.

The environmental impact of Phase II is equal to eliminating the pollution from 1,132 cars per year or to planting 2,345 trees per year. The environmental impact of Phase II includes the following energy reductions:

- Generation fuel (natural gas and coal) savings equivalent to 14,559 barrels of crude oil
- Electricity savings of 8,088,793 kilowatt hours
- Water savings of 24,257,000 gallons/year

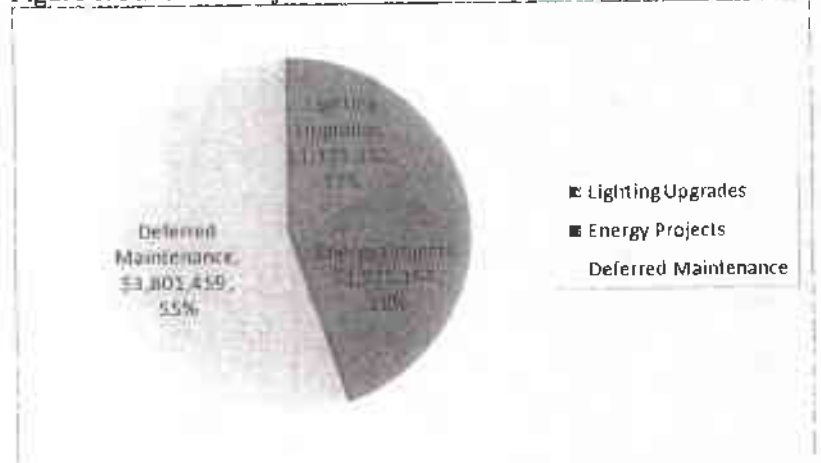
### **Performance Contracting PHASE III**

Performance Contracting Phase III will include system and equipment upgrades at the WVU Health Sciences Center Campus located in Morgantown, WV. Building upgrades will reduce energy consumption, reduce deferred maintenance, resolve existing Life Safety issues, and enhance the facility's operation.

Performance Contracting will provide facility improvements to existing buildings, that are owned and operated by West Virginia University, and will use existing utility budgets to fund the projects. These improvements will enhance Facility Management's ability to meet the present and future needs of the university.

Phase III costs : \$7.25 million  
Annual guaranteed savings: \$586,311  
Simple payback: 11.76 years  
Scheduled completion date: Spring 2011

**Figure 1. Phase III Project Breakdown**



**ATTACHMENTS:**

- Attachment 1 - Performance Contracting Phase III Facility Improvement Measures
- Attachment 2 - Project Cashflows
- Attachment 3 - Phase III Environmental Impact





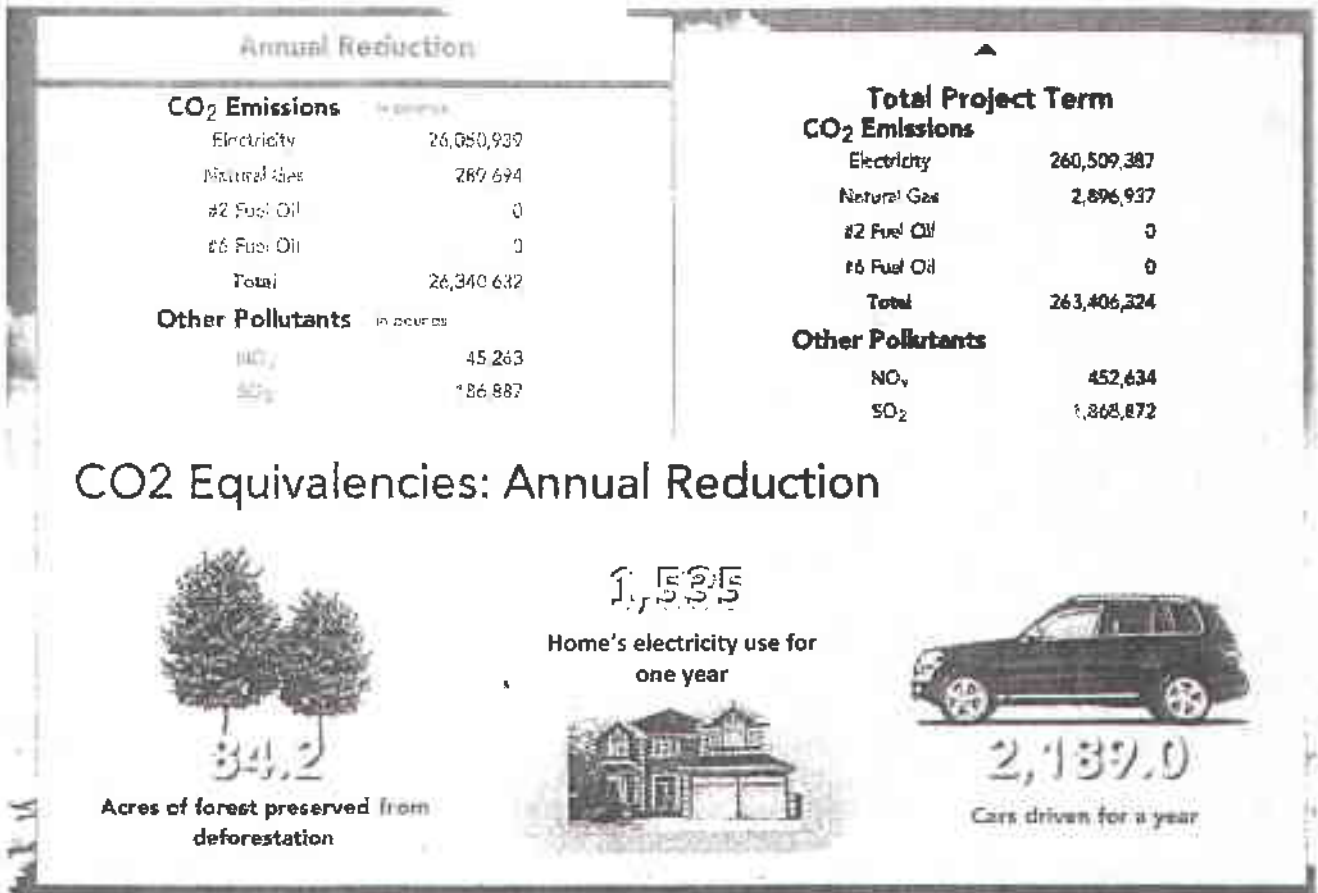
Program Costs	\$	6,885,523
Down Payment		
Amount Financed	\$	6,895,925
Annual Interest Rate		5.00%
Energy Escalation		4.00%
Service Escalation		3.00%
Payment Amount	Varies per year	
Yearly Payments		12
Term of Guarantee (Yrs)		15

West Virginia University Health Sciences Energy Project Cashflow

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
<b>PROGRAM SAVINGS</b>																
Time Savings	\$ 586,311	\$ 809,764	\$ 634,154	\$ 659,521	\$ 685,901	\$ 713,337	\$ 741,871	\$ 771,546	\$ 802,408	\$ 834,504	\$ 867,884	\$ 902,599	\$ 938,703	\$ 976,252	\$ 1,015,302	\$ 11,748,888
Construction Savings																
Annual Energy Savings	\$ 248,377	\$ 282,794	\$ 324,194	\$ 389,321	\$ 468,801	\$ 573,327	\$ 711,871	\$ 892,346	\$ 1,137,386	\$ 1,462,359	\$ 1,887,384	\$ 2,432,388	\$ 3,127,353	\$ 3,992,302	\$ 5,047,302	\$ 41,148,008
Cumulative Savings	\$ 586,311	\$ 1,396,105	\$ 2,030,299	\$ 2,689,750	\$ 3,375,651	\$ 4,088,978	\$ 4,830,849	\$ 5,602,406	\$ 6,404,814	\$ 7,237,323	\$ 8,104,707	\$ 9,007,206	\$ 9,945,909	\$ 10,922,161	\$ 11,937,463	\$ 117,450,906
<b>Annual Disburse</b>																
<b>PROGRAM COSTS</b>																
Principal & Interest	\$ 524,535	\$ 548,165	\$ 568,676	\$ 592,104	\$ 618,486	\$ 641,862	\$ 668,270	\$ 698,794	\$ 734,387	\$ 776,123	\$ 824,100	\$ 878,328	\$ 938,906	\$ 1,006,831	\$ 1,083,000	\$ 9,882,001
Automated TSP	\$ 43,272	\$ 44,570	\$ 45,907	\$ 47,284	\$ 48,703	\$ 50,164	\$ 51,669	\$ 53,218	\$ 54,816	\$ 56,460	\$ 58,154	\$ 59,899	\$ 61,698	\$ 63,546	\$ 65,450	\$ 804,812
Performance Assurance	\$ 10,749	\$ 11,071	\$ 11,404	\$ 11,746	\$ 12,098	\$ 12,461	\$ 12,835	\$ 13,220	\$ 13,617	\$ 14,025	\$ 14,444	\$ 14,874	\$ 15,316	\$ 15,780	\$ 16,256	\$ 188,823
Annual Extra Costs	\$ 118,306	\$ 119,897	\$ 121,587	\$ 123,277	\$ 124,967	\$ 126,657	\$ 128,347	\$ 130,037	\$ 131,727	\$ 133,417	\$ 135,107	\$ 136,797	\$ 138,487	\$ 140,177	\$ 141,867	\$ 1,748,823
Cumulative Costs	\$ 118,306	\$ 238,203	\$ 358,100	\$ 478,000	\$ 597,900	\$ 717,800	\$ 837,700	\$ 957,600	\$ 1,077,500	\$ 1,197,400	\$ 1,317,300	\$ 1,437,200	\$ 1,557,100	\$ 1,677,000	\$ 1,796,900	\$ 17,968,711
<b>Cash Flow</b>																
Annual Net Cash Flow	\$ 7,755	\$ 7,957	\$ 8,168	\$ 8,379	\$ 8,591	\$ 8,802	\$ 9,013	\$ 9,224	\$ 9,435	\$ 9,646	\$ 9,857	\$ 10,068	\$ 10,279	\$ 10,490	\$ 10,701	\$ 722,018
Cumulative Net Cash Flow	\$ 7,755	\$ 15,712	\$ 23,880	\$ 32,259	\$ 40,850	\$ 49,652	\$ 58,665	\$ 67,889	\$ 77,324	\$ 86,969	\$ 96,826	\$ 10,683	\$ 10,873	\$ 11,063	\$ 11,253	\$ 722,018

7. Distribution of Cash Flow to Participants

# Phase 3 Emission Savings Projections



(Speaker Thompson presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
April 14, 2010

2:00 - 3:00 p.m.

Senate Finance Room

1. Approval of January 12, 2010, minutes
2. 2010 Interim Studies

**MOVE** that the President and Speaker be authorized to establish interim committees as they deem appropriate and to appoint as many members as desired to any committee other than statutory committees.

**MOVE** the committee co-chairs be authorized to establish subcommittees with the approval of the President and the Speaker, study additional issues as approved by the President and Speaker and assign studies to appropriate subcommittee with approval to the President and Speaker.

**MOVE** the following committees be authorized to meet during the 2010 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

**MOVE** the following committees be created and authorized to meet during the 2010 Interim Period:

Agriculture and Agri-business Committee  
Joint Committee on Technology  
Joint Select Committee on Health Emergency Preparedness  
Legislative Intern Committee  
Parks, Recreation and Natural Resources Subcommittee  
Post Audits Subcommittee  
Select Committee on Children, Juveniles and Other Issues  
Select Committee on Higher Education Personnel  
Select Committee on Health  
Select Committee on Infrastructure  
Select Committee on Minority Issues  
Select Committee on PEIA, Seniors and Long Term Care  
Select Committee on Veterans' Issues

**MOVE** the study resolutions be assigned to interim committees as follows on the handout given to all the Committee Members in their booklets.

**MOVE** that for all committees, subcommittees and commissions meeting during the interim period 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.

**MOVE** that the following dates be approved for Interim Meetings:

**Proposed Interim Dates:** May 24-26 (Monday, Tuesday and Wednesday)  
June 7-9 (Monday, Tuesday and Wednesday)  
July 19-21 (Monday, Tuesday and Wednesday)  
August 9-11 (Monday, Tuesday and Wednesday)  
September 13-15 (Monday, Tuesday and Wednesday)  
October 11-13 (Monday, Tuesday and Wednesday)  
November 15-17 (Monday, Tuesday and Wednesday)  
December 13-15 (Monday, Tuesday and Wednesday)  
January 9-11 (Sunday, Monday and Tuesday)

**3. Monthly/Quarterly Reports Distribution:**

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund

**4. Monthly/Quarterly Reports Distribution: *Robert Ferguson, Jr., Secretary, Dept. of Administration***

PEIA  
BRIM  
CHIP  
Real Estate Report



5. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources: Patsy Hardy, Cabinet Secretary, DHHR**

Medicaid Report

6. **Investment Management Board Distribution: Craig Slaughter, Executive Director**

7. **Workers' Compensation: Bill Kenny, Deputy Insurance Commissioner**

8. **Board of Treasury Report Distribution**

9. **Notice of Proposed Energy Savings Contract Distribution**

10. **Other Business**

**MOVE** that the Joint Committee authorize the option under the current contract to renew for a second year its contract with Gibbons and Kawash for the state road audit for year ending June 30, 2010.

11. **Adjournment**