

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

October 13, 2011

September 14, 2011

1:00 - 2:00 p.m.

Joint Committee on Government and Finance

Senate

Kessler, Chair
Palumbo
Plymale
Prezioso
Unger (absent)
Facemyer (absent)
Hall

House

Thompson, Chair
Boggs
Caputo
Miley
White
Armstead (absent)
Carmichael

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by Acting President Kessler, properly adopted, the minutes of the July 13, 2011, meeting were approved.

2. Committee Reports/Requests:

Select Committee on Veterans' Issues - John Reed

Upon motion by Acting President Kessler, properly adopted, the travel expense reimbursement of up to \$1,000 for Mr. James Rickel, is approved.

Parks, Recreation and Natural Resources Subcommittee - John Homburg

Upon motion by Acting President Kessler, properly adopted, the expense reimbursement for members and staff for site visitations to Cooper's Rock State Forest on September 15 and 16, 2011 and for site visitations to Blackwater Falls State Park, Canaan Valley State Park, Fairfax Stone State Park and the DNR's Blackwater River Liming Station on October 16, 17 and 18, 2011, is approved.

Forest Management Review Commission - John Homburg

Upon motion by Acting President Kessler, properly adopted, the expense reimbursement for members and staff for site visitation to Cooper's Rock State Forest on September 15 and 16, 2011, is approved.

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 July 31, 2011; General Revenue Fund report for the month ended August 31, 2011; and the Unemployment Compensation Trust Fund report as of July 31, 2011. Distributed with each of the reports were an analysis and a summary of the reports.

4. **Workforce WV - Unemployment Compensation Trust Fund**

A report of the Workforce WV - Unemployment Compensation Trust Fund was distributed.

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

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending July 31, 2011.

The following reports from CHIP were distributed: A report of enrollment for August 2011 and financial statements for period ending July 31, 2011.

The following monthly PEIA reports were distributed: Financial Statements for July 2011.

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

A real estate report for August 1, 2011 through August 31, 2011, was distributed. A letter of intent to purchase property was distributed. The Department of Corrections intends to purchase the property located at 1356 Hansford Street for the negotiated price of \$1,075,000.

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

A Medicaid report for July 2011 data was distributed. Delegate Caputo requested that John Law, Assistant Secretary, DHHR, provide the Committee with a report on how much mandatory overtime is being utilized at State Hospitals and if that is a cost savings by paying overtime versus hourly employees. Delegate Caputo requested that John Law be prepared to talk to the Committee next month about employees being denied union representation when being called in to the office for disciplinary matters. Senator Hall requested a list of which hospitals that will have to pay back overpaid money from Medicaid. Acting President Kessler requested information on staffing problems at hospitals and an update on mental health case before Judge Bloom.

8. **Investment Management Board**

An Investment Management Board report dated July 31, 2011, was distributed.

9. **Workers' Compensation**

A Workers' Compensation report dated September 2011, was distributed.

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

A Board of Treasury Investments Report dated July 31, 2011, was distributed.

11. **WVU Revenue Bond Issuance**

A WVU Revenue Bond Issuance letter was distributed.

12. **Energy Saving Contract Notification**

A Energy Saving Contract Notification letter was distributed.

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*

304-347-4870

October 5, 2011

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

Lottery Commission as of August 31, 2011:

Gross profit for the months of July - August 2011 (FY 2012) was \$ 105 million.

General Revenue Fund as of September 30, 2011:

Revenue collections for the first quarter of the fiscal year 2012 were 104.29% of the estimate.

State Road Fund as of September 30, 2011:

Fund collections were at 103.34% of the yearly estimate.

Unemployment Compensation Trust as of August 31, 2011:

Regular benefits paid for the two months of July through August 2011 were \$7.2 million less than in July through August 2010. Trust fund ending balance on August 31, 2011 was \$ 121,966,907.20.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



304-347-4870

MEMORANDUM

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

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

Date: October 7, 2011

Re: Review of West Virginia Lottery Financial Information
As of August 31, 2011

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month of August 2011 (second month of fiscal year 2012) 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 \$240,749,000.00 for the end of the second month of fiscal year 2012. Table games accounted for \$13.8 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 967,000.00 of total gross receipts. Total gross receipts were \$241,458,000.00 for July - August of fiscal year 2010-2011. Gross lottery revenue has decreased by 0.29% when compared with the same two months of 2010. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July through August 2011 was \$105,249,000.00; for July - August of last fiscal year it was \$106,037,000.00. Expressed as a percentage, gross profit is 0.74% lower for the two months of fiscal year 2012 than for fiscal year 2011.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$ 162,777,000.00 has been accrued to the state of West Virginia for fiscal year 2011-2012. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$28,200,000.00
Community and Technical College	\$999,000.00
Department of Education	\$13,306,000.00
Library Commission	\$4,904,000.00
Higher Education-Central Office	\$3,572,000.00
Tourism	\$3,203,000.00
Department of Natural Resources	\$1,475,000.00
Division of Culture and History	\$2,556,000.00
Department of Education and Arts	\$801,000.00
State Building Commission	\$1,999,000.00
School Building Authority	\$3,600,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$64,615,000.00

Excess Lottery Fund

General Purpose Fund	\$40,047,000.00
Economic Development Fund	3,798,000.00
Higher Education Improvement Fund	3,000,000.00

WV Infrastructure Council Fund	-0-
Higher Education Improvement Fund	29,000,000.00
Refundable Credit	767,000.00
State Park Improvement Fund	-0-
School Building Authority	3,800,000.00
Excess Lottery Surplus	-0-
Total State Excess Lottery Revenue Fund	80,412,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	158,000.00
State Debt Reduction Fund	47,000.00
Tourism Promotion Fund	7,000.00
Total Historic Hotel	212,000.00

Veterans Instant Ticket Fund 110,000.00

Table Games State Debt Reduction Fund 6,115,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$1,707,000.00
Development Office Promo Fund	\$466,000.00
Research Challenge Fund .5%	\$621,000.00
Capitol Renovation and Improvement Fund .6875%	\$854,000.00
Parking Garage Fund .0625%	\$78,000.00
Parking Garage Fund 1%	\$500,000.00

Cultural Facilities and Cap. Resources Fund .5%	\$274,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$468,000.00
Workers Compensation Debt Reduction Fund 7%	\$7,334,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$12,302,000.00
TOTAL TRANSFERS	*\$163,766,000.00

* CASH BASIS

Total Accrued last FY 2011:	178,218,000.00
Total Cash Distributions FY 2012:	163,766,000.00
Applied to FY 2011:	163,766,000.00
Applied to FY 2012	-0-
Total Accrued for FY 2011	14,452,000.00
Accrued for FY 2012 as of August 31:	162,777,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

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FAX: 304-558-3321

Earl Ray Tomblin
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 August 31, 2011

DATE: September 20, 2011

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

Financial statements of the Lottery for the month ending August 31, 2011 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$118,822,064 for the month of August.

Transfers of lottery revenue totaling \$76,636,090 made for the month of August to the designated state agencies per House Bill 2012, 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 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of August 31, 2011 was 1,571 and 1,575 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 Earl Ray Tomblin, Governor
Charles O. Lorensen, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

WV LOTTERY FINANCIALS AUGUST 2011



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

August 31, 2011

WV LOTTERY FINANCIALS AUGUST 2011

WEST VIRGINIA LOTTERY

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

ASSETS	August 31, 2011	June 30, 2011
Current Assets:		
Cash and cash equivalents	\$ 203,894	\$ 266,196
Accounts receivable	31,942	29,783
Inventory	374	497
Other assets	<u>2,406</u>	<u>2,134</u>
Total Current Assets	<u>238,616</u>	<u>298,610</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	927	4,324
Capital assets	44,465	38,965
Less accumulated depreciation and amortization	<u>(8,584)</u>	<u>(8,544)</u>
Net Capital Assets	<u>35,881</u>	<u>30,421</u>
Total Noncurrent Assets	<u>36,808</u>	<u>34,745</u>
Total Assets	<u>\$ 275,424</u>	<u>\$ 333,355</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 175,377	\$ 178,218
Deferred L.V.L. permit fees	-	58,863
Estimated prize claims	12,957	12,011
Accounts payable	4,562	4,440
Other accrued liabilities	<u>41,604</u>	<u>40,751</u>
Total Current Liabilities	<u>234,500</u>	<u>294,283</u>
Total Liabilities	<u>234,500</u>	<u>294,283</u>
Net Assets:		
Invested in capital assets	35,881	30,421
Unrestricted	5,043	6,612
Restricted assets (see note 12)	-	<u>2,039</u>
Total Net Assets	<u>40,924</u>	<u>39,072</u>
Total Liabilities and Net Assets	<u>\$ 275,424</u>	<u>\$ 333,355</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 TWO MONTH PERIOD ENDED AUGUST 31, 2011

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2011	2010	2011	2010
Lottery revenues				
On-line games	\$ 6,704	\$ 5,984	\$ 12,771	\$ 12,126
Instant games	11,839	9,908	20,849	16,899
Racetrack video lottery	61,413	64,539	129,444	137,451
Limited video lottery	31,750	31,721	62,915	64,464
Table games	6,656	5,613	13,803	9,544
Historic resort	460	591	967	974
	<u>118,822</u>	<u>118,326</u>	<u>240,749</u>	<u>241,458</u>
Less commissions				
On-line games	466	417	888	849
Instant games	829	694	1,459	1,183
Racetrack video lottery	34,784	36,555	73,317	77,853
Limited video lottery	15,557	15,543	30,829	31,587
Table games	2,860	2,356	5,931	4,101
Historic resort	220	270	551	491
	<u>54,716</u>	<u>56,035</u>	<u>112,975</u>	<u>116,064</u>
Less on-line prizes	3,422	3,189	6,681	6,310
Less instant prizes	7,983	6,694	14,131	11,452
Less ticket costs	183	236	394	403
Less vendor fees and costs	715	575	1,319	1,192
	<u>12,303</u>	<u>10,694</u>	<u>22,525</u>	<u>19,357</u>
Gross profit	<u>51,801</u>	<u>51,597</u>	<u>105,249</u>	<u>106,037</u>
Administrative expenses				
Advertising and promotions	184	508	843	1,365
Wages and related benefits	1,049	958	2,162	1,935
Telecommunications	81	53	114	117
Contractual and professional	400	343	639	630
Rental	56	62	108	110
Depreciation and amortization	20	147	40	292
Other administrative expenses	125	134	281	286
	<u>1,915</u>	<u>2,205</u>	<u>4,187</u>	<u>4,735</u>
Other Operating Income	<u>972</u>	<u>897</u>	<u>62,960</u>	<u>1,712</u>
Operating Income	<u>50,858</u>	<u>50,289</u>	<u>164,022</u>	<u>103,014</u>
Nonoperating income (expense)				
Investment income	15	30	33	58
Capital contribution from State of WV	1,852	-	1,852	-
Distributions to municipalities and counties	(622)	(621)	(1,233)	(1,263)
Distributions - capital reinvestment	(15)	(15)	(45)	(30)
Distributions to the State of West Virginia	<u>(50,236)</u>	<u>(49,683)</u>	<u>(162,777)</u>	<u>(101,779)</u>
	<u>(49,006)</u>	<u>(50,289)</u>	<u>(162,170)</u>	<u>(103,014)</u>
Net income	<u>1,852</u>	<u>-</u>	<u>1,852</u>	<u>-</u>
Net assets, beginning of period	<u>39,072</u>	<u>36,383</u>	<u>39,072</u>	<u>36,383</u>
Net assets, end of period	<u>\$ 40,924</u>	<u>\$ 36,383</u>	<u>\$ 40,924</u>	<u>\$ 36,383</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE TWO MONTH PERIOD ENDED AUGUST 31, 2011

(In Thousands)
- Unaudited -

	2011	2010
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 242,687	\$ 188,157
Cash payments for:		
Personnel costs	(1,936)	(1,721)
Suppliers	(2,207)	(4,435)
Other operating costs	(133,795)	(92,837)
Cash provided by operating activities	<u>104,749</u>	<u>89,164</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(163,766)	(184,375)
Distributions to municipalities and counties	(1,215)	(1,266)
Distributions to racetrack from racetrack cap. reinv. fund	-	(5,932)
Cash used in noncapital financing activities	<u>(164,981)</u>	<u>(191,573)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(5,500)</u>	<u>(175)</u>
Cash flows from investing activities:		
Investment earnings received	<u>33</u>	<u>58</u>
Increase (decrease) in cash and cash equivalents	(65,699)	(102,526)
Cash and cash equivalents - beginning of period	270,520	264,710
Cash and cash equivalents - end of period	\$ <u>204,821</u>	\$ <u>162,184</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 164,022	\$ 103,014
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	40	292
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(2,159)	(55,013)
(Increase) decrease in inventory	123	139
(Increase) decrease in other assets	(272)	61
Increase (decrease) in estimated prize claims	946	32,929
Increase (decrease) in accounts payable	122	(1,047)
Increase (decrease) in deferred revenue	(58,863)	-
Increase (decrease) in other accrued liabilities	790	8,789
Cash provided by operating activities	<u>\$ 104,749</u>	<u>\$ 89,164</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; Mega Millions®, a multi-state “jackpot” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

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

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.

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

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

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

ADVERTISING AND PROMOTIONS – The Lottery expenses the costs of advertising and promotions as they are incurred.

COMPENSATED ABSENCES – The Lottery has accrued \$523,398 and \$500,740 of at June 30, 2011 and 2010, 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 16).

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. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

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

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

NOTE 3 - CASH AND CASH EQUIVALENTS

At August 31, 2011 the carrying amounts of deposits (overdraft) with financial institutions were (\$5) thousand with a bank balance (overdraft) of \$78 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	August 31, 2011	June 30, 2011
Deposits with financial institutions	\$ (5)	\$ (56)
Cash on hand at the Treasurer's Office	24,429	45,547
Investments with BTI reported as cash equivalents	180,397	225,029
	<u>\$ 204,821</u>	<u>\$ 270,520</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the month ended August 31, 2011 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At August 31, 2011
Construction in Progress	\$ 8,444	\$ 4,040	\$ -	\$ 12,484
Land	1,434	-	-	1,434
Buildings	20,174	-	-	20,174
Improvements	1,170	-	-	1,170
Equipment	7,743	1,460	-	9,203
	<u>\$ 38,965</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 44,465</u>

**Accumulated
Depreciation:**

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At August 31, 2011
Improvements	\$ 1,142	\$ -	\$ -	\$ 1,142
Equipment	7,402	40	-	7,442
	<u>\$ 8,544</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 8,584</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game, the HOT LOTTO® game, and the MEGA MILLIONS® jackpot game on behalf of participating state lotteries. MUSL is currently comprised of 33 member state lotteries, including the District of Columbia and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Hot Lotto, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit. A copy of the audit may be obtained by writing to the Multi-State Lottery Association, 1701-48th Street, Suite 210, West Des Moines, Iowa 50266-6723.

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended August 31, 2011 and year-to-date is as follows:

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,475,085	\$ 6,333,822
Hot Lotto	420,285	806,112
Mega Millions	683,722	1,439,336
Total	\$ 4,579,092	\$ 8,579,270
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,737,665	\$ 3,167,282
Hot Lotto	210,149	403,153
Mega Millions	352,132	741,344
Total	\$ 2,299,946	\$ 4,311,779

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

	<u>PowerBall</u>	<u>Hot Lotto</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	N/A

At August 31, 2011, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 123,948,311	\$ 2,386,175
Hot Lotto	7,387,159	485,948
Mega Millions	8,958,461	194,029
Total	\$ 140,293,931	\$ 3,066,152

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$14,548,743 at August 31, 2011, of which the Lottery's share was \$1,635,862.

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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

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

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is 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 .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended August 31, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	682,070	\$ 702,410	1,442,806	\$ 1,497,488
Credits (prizes) won	(612,544)	(630,949)	(1,296,166)	(1,345,798)
Promotional credits played	(8,070)	(6,551)	(17,128)	(13,514)
MWAP Contributions	(43)	(371)	(68)	(725)
Gross terminal income	61,413	64,539	129,444	137,451
Administrative costs	(2,457)	(2,581)	(5,178)	(5,497)
Net Terminal Income	58,956	61,958	124,266	131,954
Less distribution to agents	(34,784)	(36,555)	(73,317)	(77,833)
Racetrack video lottery revenues	<u>\$ 24,172</u>	<u>\$ 25,403</u>	<u>\$ 50,949</u>	<u>\$ 54,101</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):

	August 31, 2011	Year-to-Date
State Lottery Fund	\$ 17,687	\$ 37,280
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	810	1,709
Development Office Promotion Fund .375 %	221	466
Research Challenge Fund .5 %	295	621
Capitol Renovation & Improvement Fund .6875 %	405	854
Parking Garage Fund .0625 %	37	78
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	295	371
Capitol Dome & Capitol Improvements Fund .5 %	295	371
Worker's Compensation Debt Reduction Fund 7 %	4,127	8,699
Total nonoperating distributions	<u>\$ 24,172</u>	<u>\$ 50,949</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 August 31, 2011 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	
	2012	2011	2012	2011
Total credits played	\$ 373,340	\$ 375,973	\$ 739,627	\$ 760,059
Credits (prizes) won	(341,590)	(344,252)	(676,712)	(695,595)
Gross terminal income	\$ 31,750	\$ 31,721	\$ 62,915	\$ 64,464
Administrative costs	(635)	(634)	(1,258)	(1,289)
Gross Profit	31,115	31,087	61,657	63,175
Commissions	(15,557)	(15,543)	(30,829)	(31,587)
Municipalities and Counties	(622)	(621)	(1,233)	(1,263)
Limited video lottery revenues	<u>\$ 14,936</u>	<u>\$ 14,923</u>	<u>\$ 29,595</u>	<u>\$ 30,325</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 ended August 31, 2011 and year-to-date were \$19,016,346 and \$39,435,720, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table Games Privilege Tax	\$ 6,656	\$ 5,613	\$ 13,803	\$ 9,544
Interest on Table Games Fund	-	1	1	1
Administrative costs	(761)	(754)	(1,577)	(1,092)
Total Available for Distribution	5,895	4,860	12,227	8,453
Less Distributions:				
Racetrack Purse Funds	475	401	986	682
Thoroughbred & Greyhound Development Funds	380	321	788	545
Racing Association Pension Plan	160	121	331	229
Municipalities/ Counties	1,845	1,713	3,826	2,645
Total Distributions	2,860	2,556	5,931	4,101
State Debt Reduction Fund	\$ 3,035	\$ 2,304	\$ 6,296	\$ 4,352

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 July 31, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 6,233	\$ 4,010	\$ 6,233	\$ 4,010
Credits (prizes) won	(5,672)	(3,672)	(5,672)	(3,672)
Promotional credits played	(30)	(12)	(30)	(12)
Gross terminal income	531	326	531	326
Capital reinvestment	(25)	(15)	(25)	(15)
Administrative costs	(29)	(18)	(29)	(18)
Modernization Fund	(5)	-	(5)	-
Hotel commissions	(224)	(138)	(224)	(138)
Net terminal income	248	155	248	155
Historic Resort Hotel Fund	158	100	158	100
Human Resource Benefit Fund	90	55	90	55

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 ended July 31, 2011 were (\$66,833).

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	
	2012	2011	2012	2011
Table games privilege tax	\$ (23)	\$ 57	\$ (23)	\$ 57
Administrative Costs	3	(7)	3	(7)
Total Available for Distribution	(20)	50	(20)	50
Historic Resort Hotel Fund	(17)	42	(17)	42
Human Resources Benefit Fund	(3)	8	(3)	8

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs, and two and a half percent (2.5%) is allocated to the Historic Resort Modernization Fund. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
- 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	\$ 158	\$ 158
Historic Resort Table Games	(17)	(17)
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>141</u>	<u>141</u>
Municipalities/ Counties	20	20
State General Revenue Fund	90	90
State Debt Reduction Fund	27	27
State Tourism Promotion Fund	4	4
Total Distributions	<u>\$ 141</u>	<u>\$ 141</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, 2012 the State Legislature budgeted \$166,297,857 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$5,300,000 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 July 31, 2011 the Lottery made such distributions and accrued additional distributions of \$101,976,291. The Lottery is a non-appropriated state

WEST VIRGINIA LOTTERY
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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. For the month ended August 31, 2011, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$2,144,676, \$3,035,275, and \$186,361, respectively.

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>August 31, 2011</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 999
Bureau of Senior Services	9,126	28,200
Department of Education	4,306	13,306
Library Commission	1,587	4,904
Higher Education-Policy Commission	1,156	3,572
Tourism	1,036	3,203
Natural Resources	477	1,475
Division of Culture & History	827	2,556
Department of Education & Arts	259	801
Building Commission	1,000	1,999
School Building Authority	1,800	3,600
Total State Lottery Fund	\$ 22,074	\$ 64,615

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,898	\$ 3,798
Higher Education Improvement Fund	1,500	3,000
General Purpose Account	38,959	40,047
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	-
School Building Authority	1,900	3,800
Refundable Credit	767	767
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 45,024	\$ 80,412

Total Budgetary distributions: \$ 67,098 \$ 145,027

Veterans Instant Ticket Fund \$ 40 \$ 110

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 765	\$ 1,707
Development Office Promotion Fund .375%	208	466
Research Challenge Fund .5%	278	621
Capitol Renovation & Improvement Fund .6875%	382	854
Parking Garage Fund .0625 %	35	78
Parking Garage Fund 1 %	9	500
Cultural Facilities & Cap. Resources Fund .5%	274	274
Capitol Doms & Cap. Improvements Fund .5%	274	468
Workers Compensation Debt Reduction Fund 7%	3,894	7,334
Total	\$ 6,119	\$ 12,302

Table Games State Debt Reduction Fund \$ 3,259 \$ 6,115

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 90	\$ 158
State Debt Reduction Fund	27	47
Tourism Promotion Fund	4	7
Total	\$ 121	\$ 212

Total nonoperating distributions to the
State of West Virginia (cash basis) \$ 76,637 \$ 163,766

West Virginia Lottery RCC Fund Appropriation	1,852	1,852
Accrued nonoperating distributions, beginning	(203,630)	(178,218)
Accrued nonoperating distributions, end	175,377	175,377
	\$ 50,236	\$ 162,777

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended August 31, 2011 and August 31, 2010 approximated \$108,152 and \$109,615 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenue for the month ended August 31, 2011 and year-to-date were \$83,400 and \$164,799, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2012	\$ 785
2013	962
2014	986
2015	248
Total	\$ 2,981

NOTE 12 – 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. Contributions to the fund for fiscal years ending June 30, 2011 and June 30, 2010 were as follows:

	June 30, 2011	June 30, 2010
Beginning balance	\$ 8,355	\$ 69,870
Additions		
Administrative surplus contribution	-	-
Fund interest	-	93
Deductions		
Asset acquisition	(6,316)	(21,608)
Surplus of excess funds	-	(40,000)
Ending balance	\$ 2,039	\$ 8,355

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

NOTE 13 – COMMITMENTS

For the year ended June 30, 2011, the Lottery Commission has designated \$594,218 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2011 and 2010, \$4,480,629 and \$5,921,057, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Ave. S.E., Charleston, West Virginia 25304-1636.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending August 31, 2011 and year-to-date are as follows (in thousands):

	August 31, 2011	Year-to-Date
Lottery contributions	\$ 95	\$ 207
Employee contributions	29	64
Total contributions	\$ 124	\$ 271

NOTE 15 - 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 LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a privatized business entity, BrickStreet Mutual Insurance Company (BrickStreet), established January 1, 2006, and named the administrator of former state workers' compensation fund activities. BrickStreet is paid a monthly administrative fee and rated premium to provide compensations for injuries sustained in the course of employment. The monthly administrative fee for the Lottery has been set at levels consistent with prior year payments and any rate or premium increases will be established on an experience rated basis.

The Lottery participates in the BrickStreet experience rated pool, which is rate adjusted on a quarterly basis. The BrickStreet risk pool retains all risk related to the compensation of injured employees under the program in exchange for the premiums paid.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS**

-Unaudited-

NOTE 16- 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 57th 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 \$961 and \$903 per employee per month for the years ending June 30, 2012 and 2011 respectively. Through June 30, 2011 and 2010, the Lottery has paid premiums of \$294,952 and \$226,212. As of June 30, 2011 and 2010, the Lottery has recorded a liability of \$2,749,868 and \$1,484,546 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor




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

304-347-4870

Memorandum

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

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

Date: October 5, 2011

Re: Status of General Revenue Fund and State Road Fund as of
September 30, 2011

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the quarter ending September 30 of fiscal year 2011-2012. The status of the fund collections are as follows:

The net collections were ahead of the estimate for the quarter ending September 30, 2011. Total collections were \$43.7 million over the estimate.

Personal Income Tax collections were \$ 2.5 million over the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 2.8 million over the estimate as of September 30, 2011.

Severance tax collections were \$ 15 million over the estimate as of September 30, 2011.

Corporate Income and Business Franchise Tax collections were \$28 million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were \$ 5.5 million over the estimate for the end of the third month of fiscal year 2011-2012.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 500,468,579.10 as of September 30, 2011.

Balance July 1, 2011	342,320,537.63
Cash flow loan to General Revenue on July 1, 2011. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Repaid September	- 60,000,000.00 + 60,000,000.00
Senate Bill 1001 July 2011 special session WV Code 11B-2-20 transfers	150,667,825.51
Earnings	7,480,215.96
Balance September 30, 2011	500,468,579.10

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 314,240,229.70 as of September 30, 2011.

Balance July 1, 2011	316,806,577.84
Earnings	-2,566,348.14
Other transfers	
Balance September 30, 2011	314,240,229.70

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of September 30, 2011.

Balance July 1, 2011	45,019,319.21
Revenues	-0-
Balance August 31, 2011	45,019,319.21

By Source and by Month
 Monthly Revenue Estimates
 as of September 30, 2011 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	166,500,000	176,388,780	9,888,780	416,400,000	418,951,919	2,551,919
Consumer Sales Tax & Use Tax	98,000,000	101,343,885	3,343,885	301,200,000	304,095,260	2,895,260
Severance Tax	43,000,000	43,922,406	922,406	103,000,000	118,302,583	15,302,583
HB 102 - Lottery Transfers	9,131,000	9,131,000	0	49,178,000	49,178,444	444
Corp Income /Business Franchise	39,000,000	62,497,896	23,497,896	45,500,000	73,795,931	28,295,931
Tobacco Products Tax	9,490,000	8,209,363	-1,280,637	29,750,000	27,862,083	-1,887,917
Business and Occupation	9,700,000	8,620,931	-1,079,069	26,900,000	26,221,872	-678,128
Insurance Tax	0	1,095,994	1,095,994	25,900,000	27,644,998	1,744,998
Interest Income	2,000,000	32,360	-1,967,640	6,000,000	-143,748	-6,143,748
Liquor Profit Transfers	1,000,000	1,037,096	37,096	3,250,000	3,635,024	385,024
Departmental Collections	960,000	956,400	-3,600	2,860,000	3,195,644	335,644
Property Transfer Tax	770,000	810,349	40,349	2,430,000	2,199,961	-230,039
Property Tax	1,875,000	1,891,736	16,736	2,325,000	2,265,652	-59,348
Beer Tax and Licenses	690,000	681,627	-8,373	2,220,000	2,233,360	13,360
Miscellaneous Receipts	330,000	286,052	-43,948	780,000	645,483	-134,517
Business Fran Registration Fees	45,000	106,594	61,594	440,000	575,668	135,668
Miscellaneous Transfers	20,000	3,308	-16,692	290,000	528,487	238,487
Senior Tax Credit Reimbur Lot	0	0	0	200,000	766,720	566,720
Liquor License Renewal	21,000	0	-21,000	113,000	91,778	-21,222
Racing Fees	0	0	0	0	0	0
Charter Tax	0	5,733	5,733	0	21,472	21,472
Telecommunications Tax	0	1,214	1,214	0	18,335	18,335
Estate and Inheritance Tax	0	0	0	0	0	0
Video Lottery Transfers	0	114,283	114,283	0	386,472	386,472
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	382,532,000	417,137,007	34,605,007	1,018,736,000	1,062,473,399	43,737,399
	0	0	0	0	0	0
Percent of Estimates						
TOTALS	382,532,000	417,137,007	34,605,007	1,018,736,000	1,062,473,399	43,737,399
Percent of Estimates		109.05%			104.29%	
Collections this day		39,092,115				

STATE ROAD FUND FY 2011-2012
 By Source and by Month
 Monthly Revenue Estimates
 as of September 30, 2011 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	32,500,000	35,576,555	3,076,555	101,100,000	101,527,377	427,377
Privilege Tax	13,645,000	15,013,436	1,368,436	42,589,000	48,598,092	6,009,092
Licenses & Registration	6,324,000	6,135,689	-188,311	23,187,000	22,324,486	-862,514
Highway Litter Control	119,000	155,717	36,717	437,000	455,400	18,400
TOTALS	52,588,000	56,881,397	4,293,397	167,313,000	172,905,356	5,592,356

Percent of Estimates

108.16%

103.34%

Collections this day

28,757,048

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF September 1, 2011 : 439,657,133.09

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF September 1, 2011 : \$318,664,989.44

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF September 1, 2011: \$45,019,319.21

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



304-347-4870

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

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

Date: October 7, 2011

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the August 31, 2011 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

For July 1, 2011 to August 31, 2011 of fiscal year 2011-2012, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2011	\$101,837,094.21
Receipts July 1, 2011 thru June 30, 2012	\$ 84,921,255.68
Disbursements July 1, 2011 thru June 30, 2012	\$ 64,791,442.69
Balance August 31, 2011	\$ 121,966,907.20

ITEMS OF NOTE:

Regular benefits paid for July - August 2011 were \$7.2 million less than July - August 2010.

Federal emergency benefits totaled \$ 25.3 million for the July - August 2011; for July - August 2010 federal emergency benefits totaled \$ 36.6 million.

Total disbursements were \$ 24.5 million less in July - August 2011 than the preceding July - August 2010.

Receipts for July - August 2011 were \$ 14 million less than in July - August 2010. Overall ending trust fund balance was \$ 16.4 million higher on August 31, 2011 than on August 31, 2010.

West Virginia's unemployment rate for the month of August 2011 was 8 percent. National unadjusted employment rate was 9.1 percent.

Seasonally adjusted unemployment rates were 8.1 percent for West Virginia and 9.1 percent nationally.

Since August 2010 employment has increased by 3,900. Employment gains were as follows: 3,300 in educational and health services; 1,800 in trade, transportation and utilities; 2,600 in professional and business services; 700 in mining and logging; 100 in manufacturing and 500 in other services. Declines were as follows: 4,000 in government; 600 in financial activities; 500 in leisure and hospitality.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING JUNE 2010 AND JUNE 2011**

	<u>JUNE 2010</u>	<u>JULY 2010</u>	<u>AUGUST 2010</u>	<u>JUNE 2011</u>	<u>JULY 2011</u>	<u>AUGUST 2011</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$108,392,942.39</u>	<u>\$95,528,960.38</u>	<u>\$94,869,457.65</u>	<u>\$114,721,986.45</u>	<u>\$101,837,094.21</u>	<u>\$99,888,923.86</u>	<u>\$17,656,644.10</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$2,950,870.13	\$18,829,788.76	\$32,021,123.12	\$1,980,523.73	\$17,384,591.01	\$36,756,153.43	\$2,319,486.16
3. Federal Emergency Benefits (EUC08)	\$20,088,819.06	\$11,525,604.92	\$24,859,782.34	\$12,315,858.64	\$11,425,173.66	\$13,878,978.82	(\$18,854,195.20)
4. Federal Share Extended Benefits (EB)	\$463,936.85	\$56,940.66	\$4,044,943.24	\$2,383,414.20	\$1,837,503.73	\$2,248,800.96	\$1,903,898.14
5. Temp Federal Additional Comp (FAC)	\$4,148,919.00	\$2,610,961.00	\$4,181,782.00	\$2,089.64	\$1,172.96	\$436.95	(\$10,937,962.45)
6. UCFE (Federal Agencies)	\$136,731.45	\$120,956.05	\$207,850.42	\$288,276.22	\$252,811.15	\$296,657.09	\$372,206.54
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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	\$896,525.01	\$0.00	\$0.00	\$791,243.49	\$0.00	\$0.00	(\$105,281.52)
11. UCX (Military Agencies)	\$448,151.17	\$430,957.73	\$682,450.43	\$415,179.94	\$373,310.92	\$465,665.00	(\$307,403.47)
12. WV Insurance Committee-Senate Bill 246	\$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
Total Monthly Receipts	<u>\$29,133,952.67</u>	<u>\$33,575,209.12</u>	<u>\$65,997,931.55</u>	<u>\$18,176,585.86</u>	<u>\$31,274,563.43</u>	<u>\$53,646,692.25</u>	<u>(\$25,609,251.80)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$19,393,305.83	\$18,709,953.79	\$21,480,113.22	\$16,440,918.84	\$16,757,476.54	\$16,139,111.91	(\$10,245,865.55)
Federal Emergency Benefits (EUC08)	\$17,231,703.08	\$12,169,097.97	\$24,488,300.27	\$11,891,085.68	\$13,046,903.66	\$12,312,182.79	(\$16,638,929.19)
Federal Share Extended Benefits (EB)	\$451,772.27	\$121,697.71	\$4,229,090.47	\$2,156,188.19	\$1,821,306.63	\$2,296,958.44	\$1,471,892.81
Emergency Benefits (TEUC)	(\$769.12)	(\$798.54)	(\$4,819.72)	(\$598.98)	(\$200.00)	(\$1,855.17)	\$3,733.23
Temp Federal Additional Comp (FAC)	\$3,611,704.00	\$2,662,045.00	\$4,186,132.00	\$2,089.64	\$1,220.96	\$388.95	(\$10,456,181.45)
UCFE (Federal Workers) Benefits	\$128,129.10	\$119,873.52	\$189,447.02	\$201,711.60	\$209,985.23	\$220,840.93	\$195,088.12
UCX (Military Workers) Benefits	\$460,814.14	\$443,927.49	\$637,486.33	\$365,083.13	\$415,550.42	\$383,246.43	(\$378,347.98)
Reed Act Funds	\$713,612.83	\$3,366.83	\$146,865.80	\$5,000.00	\$293,418.07	\$185,230.19	(\$380,197.20)
Special Administrative Transfer**	\$7,662.55	\$5,548.08	\$14,455.47	\$0.00	\$677,072.27	\$32,604.44	\$682,010.61
Total Monthly Disbursements	<u>\$41,997,934.68</u>	<u>\$34,234,711.85</u>	<u>\$55,367,070.86</u>	<u>\$31,061,478.10</u>	<u>\$33,222,733.78</u>	<u>\$31,568,708.91</u>	<u>(\$35,746,796.60)</u>
Trust Fund Balance	<u>\$95,528,960.38</u>	<u>\$94,869,457.65</u>	<u>\$105,500,318.34</u>	<u>\$101,837,094.21</u>	<u>\$99,888,923.86</u>	<u>\$121,966,907.20</u>	<u>\$27,794,188.90</u>

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

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$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.

UC TRUST FUND PROJECTIONS - 2011

October 5, 2011

Month	Revenues	Benefits	Trust Fund Balance
Balance 12/31/2009			123,000,000
January	6,034,000	31,578,000	97,456,000
February	16,419,000	28,000,000	85,875,000
March	5,220,000	30,188,000	60,907,000
April	28,659,000	22,300,000	67,266,000
May	64,119,000	22,992,000	108,393,000
June	6,529,000	19,393,000	95,529,000
July	18,050,000	18,710,000	94,869,000
August	32,111,000	21,480,000	105,500,000
September	2,679,000	14,347,000	93,832,000
October	9,869,000	17,734,000	85,967,000
November	22,516,000	15,218,000	93,265,000
December	2,090,000	18,454,000	76,901,000
Totals	214,295,000	260,394,000	76,901,000

2011

January	9,202,000	27,024,000	59,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,029,000	12,335,000	111,660,000
October	10,984,000	14,034,000	108,610,000
November	25,060,000	12,043,525	121,626,475
December	2,326,000	14,604,000	109,348,475
Totals - 2011	238,516,000	206,068,525	109,348,475

Executive Division
112 California Avenue
Charleston, WV 25305

An agency of the Department of Commerce
An equal opportunity employer/program and auxiliary aids are available upon request to individuals with disabilities.

www.workforcewv.org



Financial Statements

July 2011

West Virginia Legislative Interims
October 2011

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND
 STATEMENT OF CHANGES IN PLAN NET ASSETS
 For the Month Ending July 31, 2011

	CURRENT YR	PRIOR YR	\$	%
ADDITIONS				
Employer Premiums:	\$283	\$301	(\$18)	(6%)
Health premiums	10,456	9,991	465	5%
Pay Go Premiums	449	541	(92)	(17%)
Annual required contributions			355	3%
Total Employer Premiums	11,188	10,833		
Member Premiums:	5,859	5,540	319	6%
Health premiums	2,131	2,038	93	5%
Pay Go Premiums	1,376	1,128	248	22%
Life Insurance Premiums			660	8%
Total Member Premiums	9,366	8,706	660	8%
Total Premium Additions	20,554	19,539	1,015	5%
Other Additions:	0	68	(68)	(100%)
Retiree Drug Subsidy	218	3,531	(2,813)	(80%)
Investment Income				
Total ADDITIONS	21,272	23,138	(1,866)	(8%)
DEDUCTIONS				
Payments to Managed Care Org.	4,271	4,097	174	4%
Life Insurance Expense	1,421	1,269	152	12%
Medical Claims Expense	6,632	5,701	931	16%
Pharmacy Claims Expense	4,893	5,495	(602)	(11%)
Administrative Service Fees (External)	104	721	(617)	(86%)
Other Operating Expenses	271	258	13	5%
TOTAL DEDUCTIONS	17,592	17,541	51	0%
NET FUND INCREASE	3,680	5,597	(1,917)	(34%)
Net Assets Held in Trust for Post Employment Benefits				
Beginning of period	0	422,636	(422,636)	(100%)
End of period	\$3,680	\$428,233	(\$424,553)	(99%)

Accrual Basis / Unaudited / Internal Use Only

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	Draft YTD July 31 POST EOM AJES 2011	Draft YTD July 31 Budget 2011 CCRC ppd 1/31/2011	Draft Actual Less CCRC ppd 1-31-11 YTD July 2011	Draft Actual Less CCRC ppd 1-31-11 YTD July 2011 Percentage
Operating Revenue				
Premiums				
Employer Premiums - State	\$ 38,172,564.00	\$ 38,040,094.00	\$ 132,470.00	0.35%
Employee Premiums - State	\$ 10,144,970.00	\$ 9,675,885.00	\$ 469,085.00	4.85%
Local Premiums	\$ 8,742,914.00	\$ 8,570,589.00	\$ 172,325.00	2.01%
Basic Life Insurance	\$ 351,171.00	\$ 463,723.00	\$ (112,552.00)	-24.27%
Other Premiums and Adjustments	\$ 144,587.25	\$ 138,590.00	\$ 5,997.25	4.33%
	-	-	-	
Total Premiums	\$ 57,556,206.25	\$ 56,888,881.00	\$ 667,325.25	1.17%
Less:				
Payments to managed care organizations	\$ (3,177,048.62)	\$ (3,236,605.00)	\$ 59,556.38	-1.84%
Life insurance premlums-basic	\$ (353,513.00)	\$ (463,723.00)	\$ 110,210.00	-23.77%
	-	-	-	
Net premium revenue	\$ 54,025,644.63	\$ 53,188,553.00	\$ 837,091.63	1.57%
Administrative fees, net of refunds	\$ 370,620.83	\$ 380,588.00	\$ (9,967.17)	-2.62%
	-	-	-	
Net operating revenue	\$ 54,396,265.46	\$ 53,569,141.00	\$ 827,124.46	1.54%
Operating Expenses				
Claims expense - medical	\$ 31,334,255.27	\$ 29,464,837.00	\$ 1,869,418.27	6.34%
Claims expense - drugs	\$ 6,804,968.26	\$ 7,448,421.00	\$ (643,452.74)	-8.64%
Administrative service fees	\$ 1,395,020.18	\$ 1,466,927.00	\$ (71,906.82)	-4.90%
Wellness and disease management	\$ 142,438.89	\$ 129,442.00	\$ 12,996.89	10.04%
Other operating expenses	\$ 452,951.89	\$ 532,788.00	\$ (79,836.11)	-14.98%
WV RHBT pay go premiums	\$ 12,587,395.00	\$ 12,587,395.00		0.00%
	-	-	-	
Total Operating Expenses	\$ 52,717,029.49	\$ 51,629,810.00	\$ 1,087,219.49	2.11%
	-	-	-	
Operating Surplus	\$ 1,679,235.97	\$ 1,939,331.00	\$ (260,095.03)	-13.41%
Nonoperating Revenues and Transfers				
Direct transfer	\$ 291,667.00	\$ 291,667.00	\$ -	0.00%
Interest and Investment Income	\$ 1,904,328.94	\$ 1,420,851.00	\$ 483,477.94	34.03%
	-	-	-	
Total nonoperating revenues and transfers	\$ 2,195,995.94	\$ 1,712,518.00	\$ 483,477.94	28.23%
	-	-	-	
Net Surplus	\$ 3,875,231.91	\$ 3,651,849.00	\$ 223,382.91	6.12%

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

DRAFT

August 31

2011 2010

(in thousands)

ASSETS

Short Term Assets

Cash and Equivalents	\$	21,639	\$	29,973
Advance Deposit with Carrier/Trustee		196,920		188,773
Receivables - Net		1,568		1,846
Prepaid Insurance		3,525		3,706
Total Short Term Assets		223,652		224,298

Long Term Assets

Investments		138,936		123,142
Total Long Term Assets		138,936		123,142

TOTAL ASSETS

		362,588		347,440
--	--	----------------	--	----------------

LIABILITIES

Short Term Liabilities

Accounts payable		1,085		1,418
Claims Payable		186		57
OPEB Liability		182		181
Agents Commissions Payable		227		1,435
Unearned Revenue		10,617		10,992
Current Estimated Claim Reserve		43,259		45,707
Total Short Term Liabilities		55,556		59,790

Long Term Liabilities

Compensated Absences		75		66
Estimated Noncurrent Claim Reserve		82,968		89,720
Total Long Term Liabilities		83,043		89,786

TOTAL LIABILITIES

		138,599		149,576
--	--	----------------	--	----------------

Prior Year Net Assets

		219,828		192,207
--	--	---------	--	---------

Current Year Earnings

		4,161		5,657
--	--	-------	--	-------

TOTAL NET ASSETS

		223,989		197,864
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TOTAL LIABILITIES AND RETAINED EARNINGS

	\$	362,588	\$	347,440
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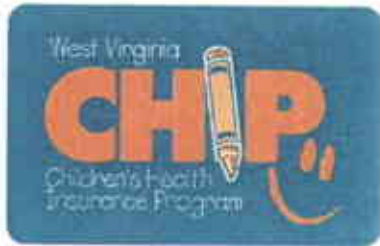
DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	August 31	
	2011	2010
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 8,782	\$ 9,018
Less - Excess Insurance	(908)	(1,011)
Total Operating Revenues	7,874	8,007
Operating Expenses		
Claims Expense	5,757	7,806
Property & MS Claims Expense	1,262	154
Personal Services	249	240
General & Administrative Expense	438	414
Total Operating Expenses	7,706	8,614
Operating Income (Loss)	168	(607)
Nonoperating Revenues		
Fees and Assessments	7	4
Investment Income	3,986	6,260
Total Nonoperating Revenues	3,993	6,264
Net Income	4,161	5,657

DRAFT - Unaudited - Management Purposes Only

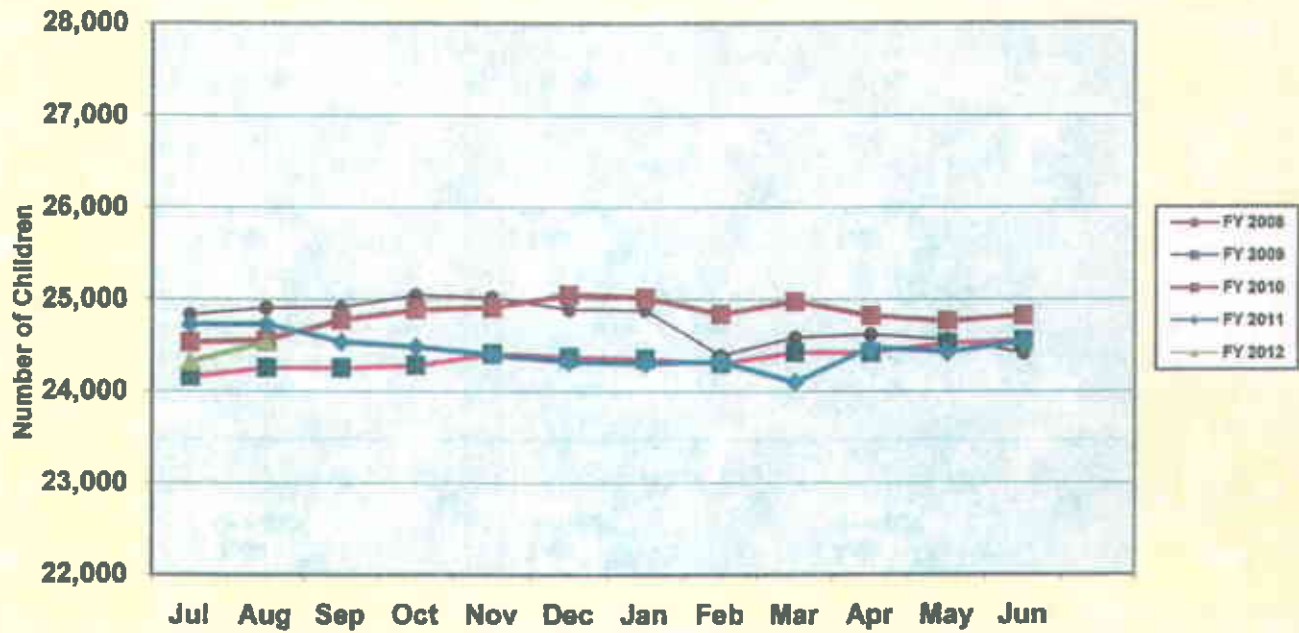


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
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**Joint Committee on
Government and Finance
Report**

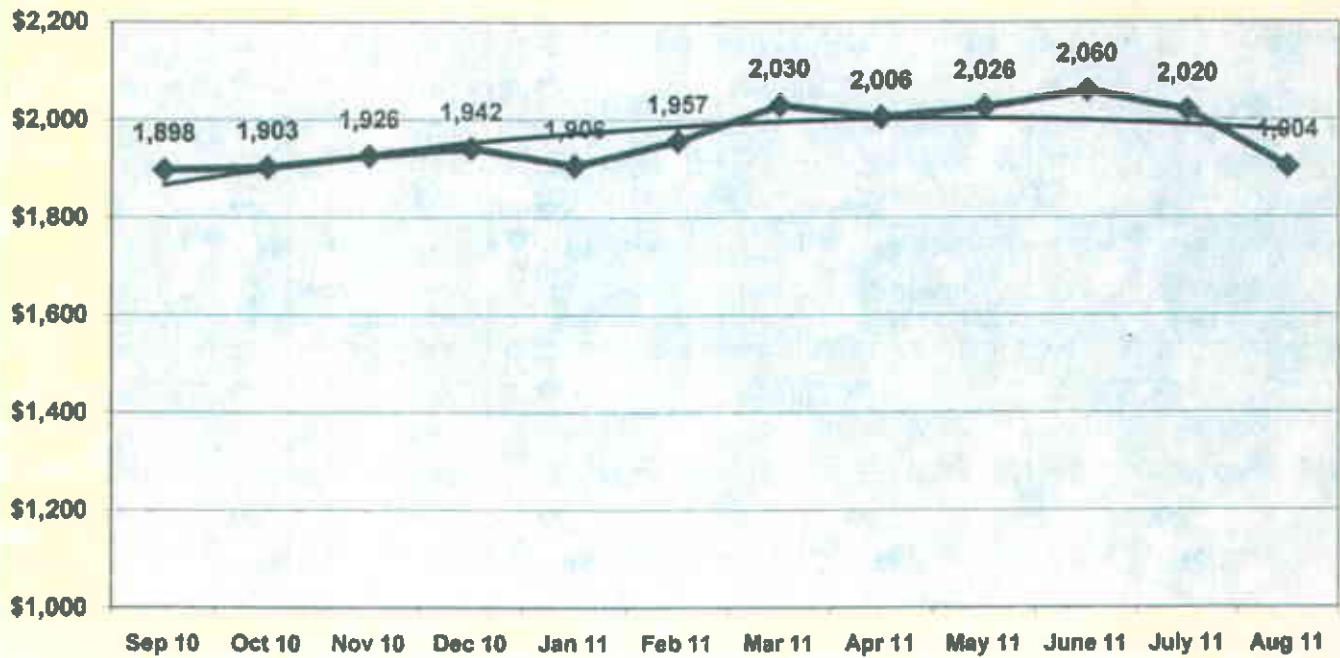
October 2011

WV CHIP Enrollment



August 31st Enrollment 24,534

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
August 2011 and 2010
(Accrual Basis)**

	August 31, 2011	August 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$15,112,180	\$13,979,054	\$1,133,126	8%
Due From Federal Government	\$3,317,225	\$3,033,055	\$284,170	9%
Due From Other Funds	\$764,509	\$627,568	\$136,941	22%
Accrued Interest Receivable	\$8,369	\$17,577	(\$9,208)	-52%
Fixed Assets, at Historical Cost	<u>\$91,367</u>	<u>\$69,738</u>	<u>\$21,630</u>	<u>31%</u>
Total Assets	<u>\$19,293,650</u>	<u>\$17,726,992</u>	<u>\$1,566,658</u>	<u>9%</u>
Liabilities:				
Due to Other Funds	\$231,734	\$103,869	\$127,865	123%
Deferred Revenue	\$1,882,679	\$3,301,518	(\$1,418,839)	-43%
Unpaid Insurance Claims Liability	<u>\$3,850,000</u>	<u>\$3,350,000</u>	<u>\$500,000</u>	<u>15%</u>
Total Liabilities	<u>\$5,964,413</u>	<u>\$6,755,387</u>	<u>(\$790,974)</u>	<u>-12%</u>
Fund Equity	<u>\$13,329,237</u>	<u>\$10,971,605</u>	<u>\$2,357,632</u>	<u>21%</u>
Total Liabilities and Fund Equity	<u>\$19,293,650</u>	<u>\$17,726,992</u>	<u>\$1,566,658</u>	<u>9%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Two Months Ending August 31, 2011 and August 31, 2010
(Modified Accrual Basis)

	August 31, 2011	August 31, 2010	Variance	
Revenues				
Federal Grants	5,498,391	5,777,337	(278,945)	-5%
State Appropriations	2,085,126	2,085,126	0	0%
Premium Revenues	100,110	37,003	63,107	171%
Investment Income:				
Investment Earnings	49,312	35,147	14,165	40%
Unrealized Gain On Investments*	(27,998)	58,877	(86,875)	100%
Total Investment Income	<u>21,314</u>	<u>94,023</u>	<u>(72,709)</u>	<u>-77%</u>
Total Revenues	<u>7,704,941</u>	<u>7,993,489</u>	<u>(288,547)</u>	<u>-4%</u>
Expenditures:				
Claims:				
Outpatient Services	2,100,557	1,624,459	476,098	29%
Physicians & Surgical	1,634,872	1,422,159	212,713	15%
Prescribed Drugs	1,428,880	1,337,699	91,181	7%
Dental	1,070,521	880,732	189,789	22%
Inpatient Hospital Services	436,010	412,046	23,964	6%
Durable & Disposable Med. Equip.	189,469	153,162	36,307	24%
Outpatient Mental Health	160,792	170,689	(9,877)	-6%
Vision	117,842	111,623	6,219	6%
Inpatient Mental Health	103,501	105,779	(2,278)	-2%
Therapy	75,082	103,496	(28,414)	-27%
Other Services	36,363	8,742	27,621	316%
Medical Transportation	34,996	88,786	(53,790)	-61%
Less: Collections**	<u>(25,658)</u>	<u>(10,728)</u>	<u>(14,928)</u>	<u>139%</u>
Total Claims	<u>7,363,229</u>	<u>6,408,624</u>	<u>954,605</u>	<u>15%</u>
General and Admin Expenses:				
Salaries and Benefits	90,017	90,837	(820)	-1%
Program Administration	290,401	505,656	(215,255)	-43%
Eligibility	44,000	71,187	(27,187)	-38%
Outreach & Health Promotion	221,229	28,586	192,641	674%
Current	65,859	26,498	39,361	149%
Total Administrative	<u>711,506</u>	<u>722,766</u>	<u>(11,260)</u>	<u>-2%</u>
Total Expenditures	<u>8,074,735</u>	<u>7,131,390</u>	<u>943,345</u>	<u>13%</u>
Excess of Revenues				
Over (Under) Expenditures	(369,794)	862,099	(1,231,893)	-143%
Fund Equity, Beginning	<u>13,699,031</u>	<u>10,109,506</u>	<u>3,589,525</u>	<u>36%</u>
Fund Equity, Ending	<u>13,329,237</u>	<u>10,971,605</u>	<u>2,357,632</u>	<u>21%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2012
 For the Two Months Ended August 31, 2011**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Aug-11</u>	<u>Actual Amt Jul-11</u>
Projected Cost	\$54,634,844	\$9,105,807	\$6,691,677	\$2,414,131	27%	\$4,552,904	\$4,278,767	\$2,412,909
Premiums	680,592	\$113,432	100,110	\$13,322	-12%	\$56,716	55,019	\$45,091
Subrogation & Rebates	<u>731,381</u>	<u>\$121,897</u>	<u>25,656</u>	<u>96,241</u>	<u>-79%</u>	<u>\$60,948</u>	<u>14,005</u>	<u>11,651</u>
Net Benefit Cost	53,222,871	\$8,870,479	\$6,565,911	\$2,304,568	26%	\$4,435,239	4,209,743	\$2,356,167
Salaries & Benefits	\$580,500	\$96,750	\$90,017	\$6,733	7%	\$48,375	\$39,909	\$50,108
Program Administration	3,116,505	\$519,418	312,247	207,171	40%	\$259,709	148,627	163,620
Eligibility	420,000	\$70,000	0	70,000	100%	\$35,000	0	0
Outreach	300,000	\$50,000	214,940	(164,940)	-330%	\$25,000	214,809	131
Current Expense	<u>160,000</u>	<u>\$26,667</u>	<u>80,350</u>	<u>(53,683)</u>	<u>-201%</u>	<u>\$13,333</u>	<u>46,478</u>	<u>33,871</u>
Total Admin Cost	\$4,577,005	\$762,834	\$697,554	\$65,280	9%	\$381,417	\$449,824	\$247,730
Total Program Cost	<u>\$57,799,876</u>	<u>\$9,633,313</u>	<u>\$7,263,465</u>	<u>\$2,369,848</u>	<u>25%</u>	<u>\$4,816,656</u>	<u>\$4,659,567</u>	<u>\$2,603,897</u>
Federal Share 80.83%	46,719,640	7,786,807	\$5,933,442	1,853,165	24%	3,893,303	3,802,673	2,130,769
State Share 19.17%	<u>11,080,236</u>	<u>1,846,706</u>	<u>\$1,330,023</u>	<u>516,683</u>	<u>28%</u>	<u>923,353</u>	<u>856,894</u>	<u>473,128</u>
Total Program Cost *	<u>\$57,799,876</u>	<u>\$9,633,313</u>	<u>\$7,263,465</u>	<u>\$2,369,848</u>	<u>25%</u>	<u>\$4,816,656</u>	<u>\$4,659,567</u>	<u>\$2,603,897</u>

* Positive percentages indicate favorable variances
 ** Budgeted Year Based on CCRC Actuary 6/30/2011 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 6/30/11 Final worksheet Net Paid Program Costs.
- 2/. Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

WVCHIP Enrollment Report

ATTACHMENT 1

September 2011

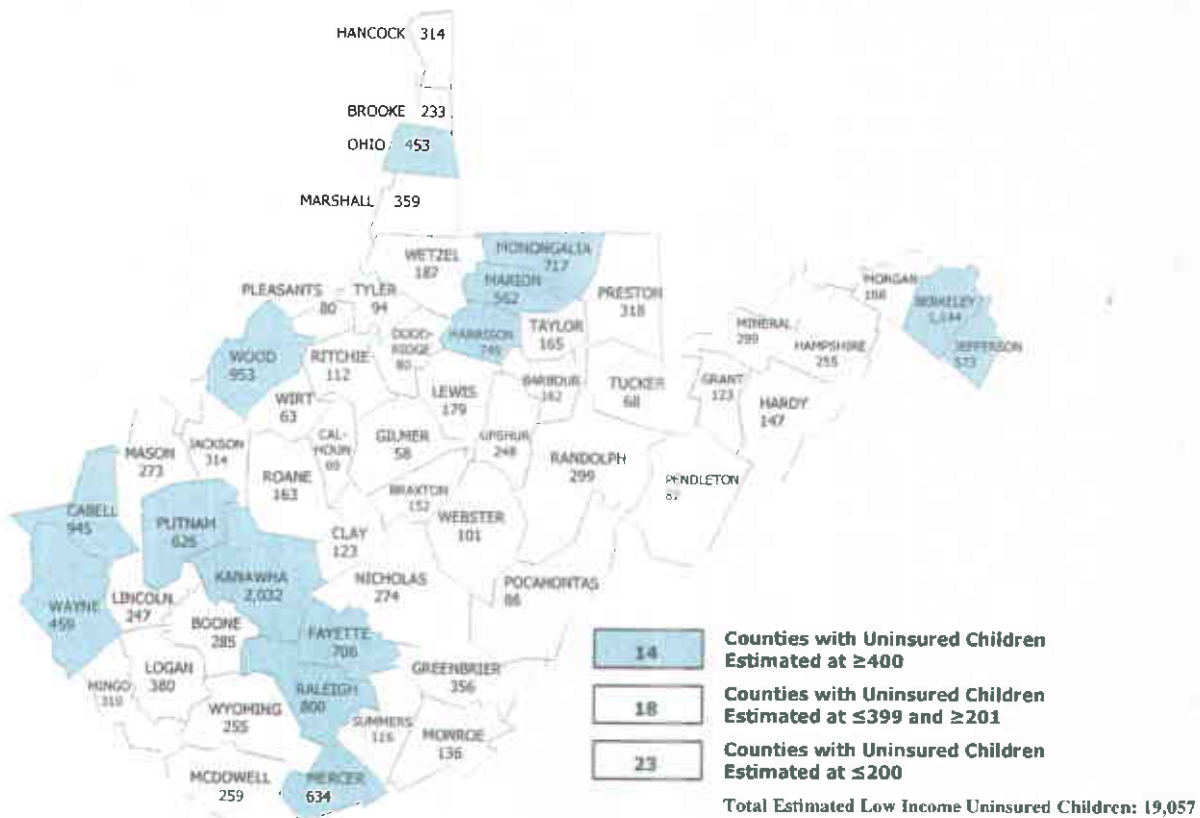
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Sep-11	Total Medicaid Enrollment Sep-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	249	1,559	1,808	55.7%	162	38
Berkeley	22,882	1,250	7,874	9,124	39.9%	1,144	2
Boone	5,706	309	2,544	2,853	50.0%	285	24
Braxton	3,044	207	1,576	1,783	58.6%	152	39
Brooke	4,658	263	1,531	1,794	38.5%	233	32
Cabell	18,900	983	8,598	9,581	50.7%	945	4
Calhoun	1,389	129	835	964	69.4%	69	52
Clay	2,454	166	1,428	1,594	64.9%	123	43
Doddridge	1,607	137	684	821	51.1%	80	50
Fayette	9,692	797	4,591	5,388	55.6%	485	12
Gilmer	1,154	76	580	656	56.9%	58	55
Grant	2,463	179	982	1,161	47.1%	123	42
Greenbrier	7,110	571	2,895	3,466	48.7%	356	17
Hampshire	5,110	324	2,179	2,503	49.0%	255	28
Hancock	6,270	396	2,512	2,908	46.4%	314	20
Hardy	2,950	166	1,193	1,359	46.1%	147	40
Harrison	14,973	951	5,721	6,672	44.6%	749	6
Jackson	6,277	412	2,808	3,220	51.3%	314	19
Jefferson	11,465	491	2,990	3,481	30.4%	573	10
Kanawha	40,647	2,354	17,014	19,368	47.6%	2,032	1
Lewis	3,577	276	1,800	2,076	58.0%	179	34
Lincoln	4,945	348	2,655	3,003	60.7%	247	31
Logan	7,610	510	3,837	4,347	57.1%	380	15
Marion	11,245	682	4,344	5,026	44.7%	562	11
Marshall	7,176	337	2,802	3,139	43.7%	359	16
Mason	5,461	282	2,728	3,010	55.1%	273	26
McDowell	5,170	321	3,119	3,440	66.5%	259	27
Mercer	12,687	1,178	6,927	8,105	63.9%	634	8
Mineral	5,973	320	2,010	2,330	39.0%	299	22
Mingo	6,204	354	3,117	3,471	55.9%	310	21
Monongalia	14,346	784	4,243	5,027	35.0%	717	7
Monroe	2,728	239	1,020	1,259	46.1%	136	41
Morgan	3,365	270	1,317	1,587	47.2%	168	35
Nicholas	5,478	372	2,620	2,992	54.6%	274	25
Ohio	9,068	490	3,065	3,555	39.2%	453	14
Pendleton	1,632	125	517	642	39.3%	82	49
Pleasants	1,593	107	551	658	41.3%	80	51
Pocahontas	1,717	164	685	849	49.4%	86	48
Preston	6,354	486	2,375	2,861	45.0%	318	18
Putnam	12,522	785	3,379	4,164	33.3%	626	9
Raleigh	15,992	1,263	7,373	8,636	54.0%	800	5
Randolph	5,971	450	2,570	3,020	50.6%	299	23
Ritchie	2,234	153	877	1,030	46.1%	112	45
Roane	3,266	302	1,611	1,913	58.6%	163	37
Summers	2,322	212	1,196	1,408	60.6%	116	44
Taylor	3,307	230	1,377	1,607	48.6%	165	36
Tucker	1,354	136	503	639	47.2%	68	53
Tyler	1,887	131	726	857	45.4%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

September 2011

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Sep-11	Total Medicaid Enrollment Sep-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	372	2,308	2,680	54.1%	248	30
Wayne	9,176	533	4,102	4,635	50.5%	459	13
Webster	2,020	148	1,203	1,351	66.9%	101	46
Wetzel	3,732	223	1,572	1,795	48.1%	187	33
Wirt	1,268	97	605	702	55.4%	63	54
Wood	19,063	1,157	8,482	9,639	50.6%	953	3
Wyoming	5,092	405	2,513	2,918	57.3%	255	29
Totals	382,490	24,652	160,223	184,875	48.3%	19,125	



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

OCTOBER 2011

Department of Administration

State Children's Health Insurance Program
UPDATE



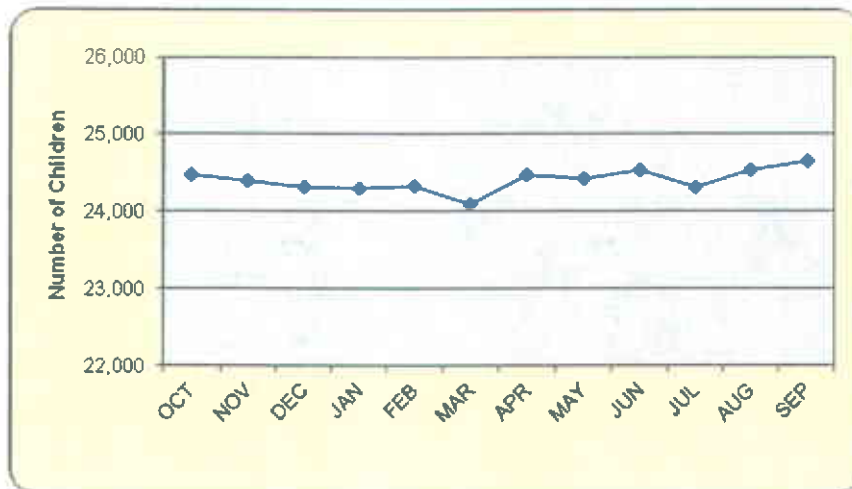
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR OCTOBER 2011

I. Enrollment on September 30, 2011: 24,652

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: October 2010 through September 2011



Enrollee Totals: July 2011 to September 2011

Month	Total	1 Year Average	Total
July	1,767	Average	1,735
August	1,762	High	1,973
September	1,943	Low	1,497

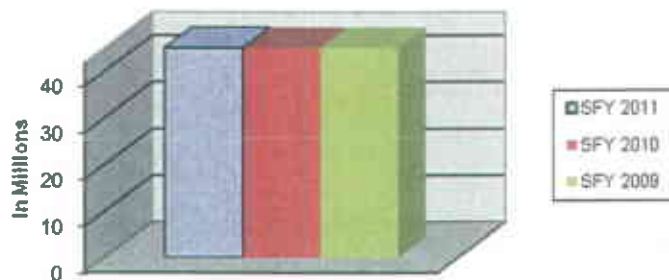
II. Financial Activity

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

The average annualized claims cost per child for the month ended August 2011 was \$1,904.

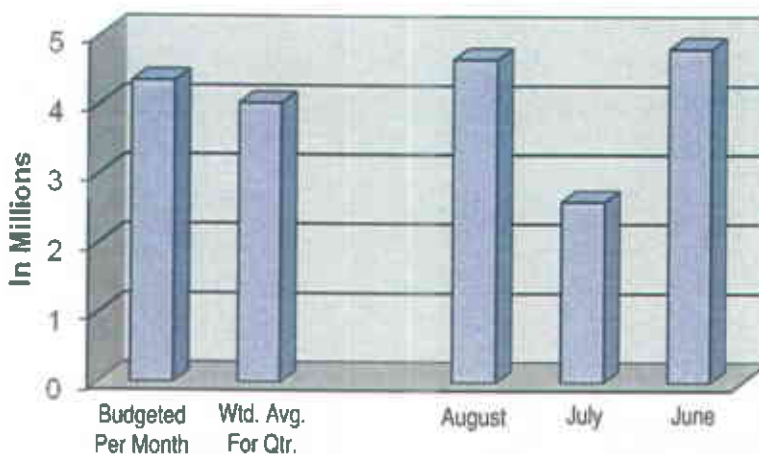
Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010

	SFY 2011	FFP% 2011	SFY 2010	FFP% 2010	SFY 2009	FFP% 2009
Federal	42,531,719	81.27	38,675,336	81.83	37,550,029	81.61
State	9,631,322	18.73	8,618,874	18.17	8,417,193	18.39
Total Costs	52,163,041	100.00	47,294,210	100.00	45,967,222	100.00



Monthly Budgeted and Current 3 Month Period: June 2011 – August 2011

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			August 2011	July 2011	June 2011
Federal	3,518,080	3,290,937	3,802,673	2,130,769	3,939,368
State	830,055	734,914	856,894	473,128	874,720
Total	4,348,135	4,025,851	4,659,567	2,603,897	4,814,088



III. Other Highlights

- ◆ Between July 1 and the end of September, over 300 children have been found eligible for the expanded CHIP Premium with 157 enrolled.
- ◆ A State Plan Amendment (SPA) was submitted on September 21, 2011, to make changes in reimbursement methodology for Federally Qualified Health Centers (FQHC's) and Rural Health Centers (RHC's) in accordance with requirements set forth in Section 503 of the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009. The 90th day for this SPA is December 20, 2011.

WVCHIP Enrollment Report

ATTACHMENT 1

September 2011

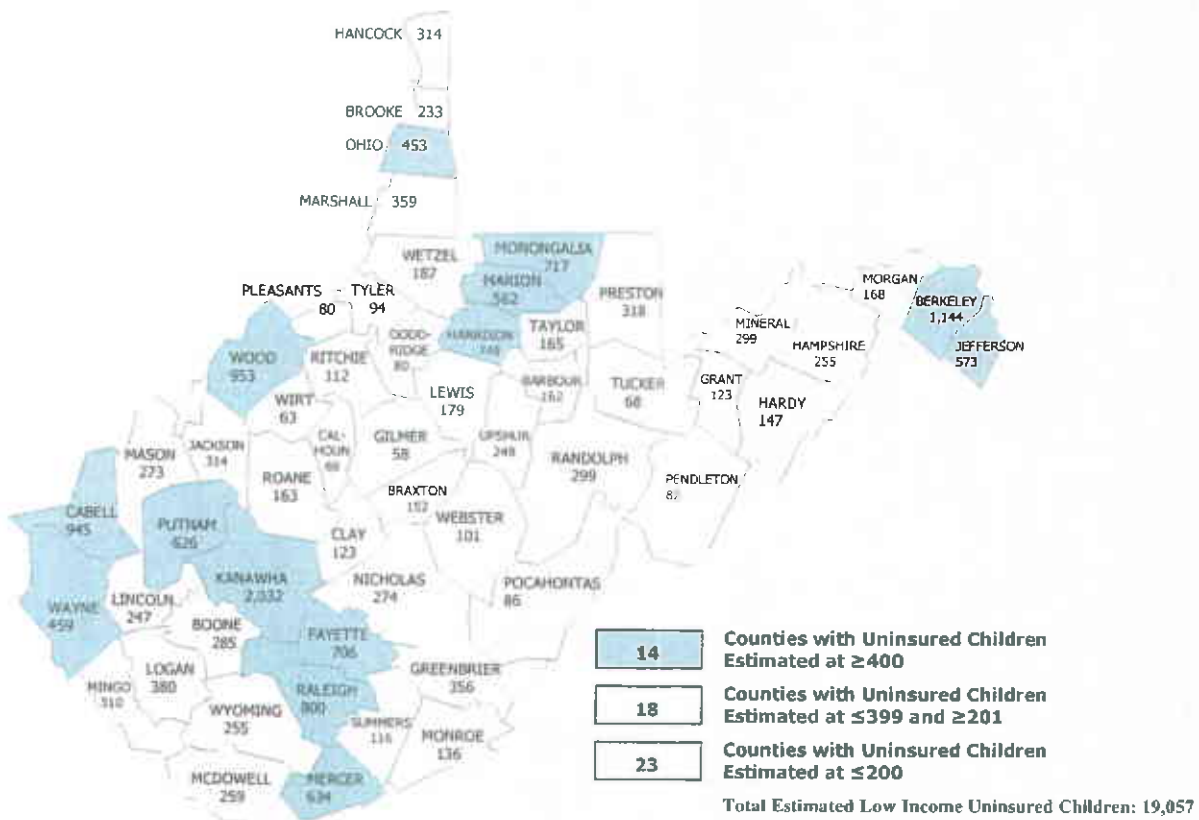
County	County Pop.	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2009	2009
	2005 Est. (0-18 Yrs)	Enrollment Sep-11	Enrollment Sep-11	CHIP/Medicaid Enrollment	Enrollment % of Population	Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	249	1,559	1,808	55.7%	162	38
Berkeley	22,882	1,250	7,874	9,124	39.9%	1,144	2
Boone	5,706	309	2,544	2,853	50.0%	285	24
Braxton	3,044	207	1,576	1,783	58.6%	152	39
Brooke	4,658	263	1,531	1,794	38.5%	233	32
Cabell	18,900	983	8,598	9,581	50.7%	945	4
Calhoun	1,389	129	835	964	69.4%	69	52
Clay	2,454	166	1,428	1,594	64.9%	123	43
Doddridge	1,607	137	684	821	51.1%	80	50
Fayette	9,692	797	4,591	5,388	55.6%	485	12
Gilmer	1,154	76	580	656	56.9%	58	55
Grant	2,463	179	982	1,161	47.1%	123	42
Greenbrier	7,110	571	2,895	3,466	48.7%	356	17
Hampshire	5,110	324	2,179	2,503	49.0%	255	28
Hancock	6,270	396	2,512	2,908	46.4%	314	20
Hardy	2,950	166	1,193	1,359	46.1%	147	40
Harrison	14,973	951	5,721	6,672	44.6%	749	6
Jackson	6,277	412	2,808	3,220	51.3%	314	19
Jefferson	11,465	491	2,990	3,481	30.4%	573	10
Kanawha	40,647	2,354	17,014	19,368	47.6%	2,032	1
Lewis	3,577	276	1,800	2,076	58.0%	179	34
Lincoln	4,945	348	2,655	3,003	60.7%	247	31
Logan	7,610	510	3,837	4,347	57.1%	380	15
Marion	11,245	682	4,344	5,026	44.7%	562	11
Marshall	7,176	337	2,802	3,139	43.7%	359	16
Mason	5,461	282	2,728	3,010	55.1%	273	26
McDowell	5,170	321	3,119	3,440	66.5%	259	27
Mercer	12,687	1,178	6,927	8,105	63.9%	634	8
Mineral	5,973	320	2,010	2,330	39.0%	299	22
Mingo	6,204	354	3,117	3,471	55.9%	310	21
Monongalia	14,346	784	4,243	5,027	35.0%	717	7
Monroe	2,728	239	1,020	1,259	46.1%	136	41
Morgan	3,365	270	1,317	1,587	47.2%	168	35
Nicholas	5,478	372	2,620	2,992	54.6%	274	25
Ohio	9,068	490	3,065	3,555	39.2%	453	14
Pendleton	1,632	125	517	642	39.3%	82	49
Pleasants	1,593	107	551	658	41.3%	80	51
Pocahontas	1,717	164	685	849	49.4%	86	48
Preston	6,354	486	2,375	2,861	45.0%	318	18
Putnam	12,522	785	3,379	4,164	33.3%	626	9
Raleigh	15,992	1,263	7,373	8,636	54.0%	800	5
Randolph	5,971	450	2,570	3,020	50.6%	299	23
Ritchie	2,234	153	877	1,030	46.1%	112	45
Roane	3,266	302	1,611	1,913	58.6%	163	37
Summers	2,322	212	1,196	1,408	60.6%	116	44
Taylor	3,307	230	1,377	1,607	48.6%	165	36
Tucker	1,354	136	503	639	47.2%	68	53
Tyler	1,887	131	726	857	45.4%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

September 2011

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Sep-11	Total Medicaid Enrollment Sep-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	372	2,308	2,680	54.1%	248	30
Wayne	9,176	533	4,102	4,635	50.5%	459	13
Webster	2,020	148	1,203	1,351	66.9%	101	46
Wetzel	3,732	223	1,572	1,795	48.1%	187	33
Wirt	1,268	97	605	702	55.4%	63	54
Wood	19,063	1,157	8,482	9,639	50.6%	953	3
Wyoming	5,092	405	2,513	2,918	57.3%	255	29
Totals	382,490	24,652	160,223	184,875	48.3%	19,125	



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.

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes In Fund Balances
For the Two Months Ending August 31, 2011 and August 31, 2010
(Modified Accrual Basis)

	August 31, 2011	August 31, 2010	Variance	
Revenues				
Federal Grants	5,498,391	5,777,337	(278,945)	-5%
State Appropriations	2,085,126	2,085,126	0	0%
Premium Revenues	100,110	37,003	63,107	171%
Investment Income:				
Investment Earnings	49,312	35,147	14,165	40%
Unrealized Gain On Investments*	(27,998)	58,877	(86,875)	100%
Total Investment Income	<u>21,314</u>	<u>94,023</u>	<u>(72,709)</u>	<u>-77%</u>
Total Revenues	<u>7,704,941</u>	<u>7,993,489</u>	<u>(288,547)</u>	<u>-4%</u>
Expenditures:				
Claims:				
Outpatient Services	2,100,557	1,624,459	476,098	29%
Physicians & Surgical	1,634,872	1,422,159	212,713	15%
Prescribed Drugs	1,428,880	1,337,699	91,181	7%
Dental	1,070,521	880,732	189,789	22%
Inpatient Hospital Services	436,010	412,046	23,964	6%
Durable & Disposable Med. Equip.	189,469	153,162	36,307	24%
Outpatient Mental Health	160,792	170,669	(9,877)	-6%
Vision	117,842	111,623	6,219	6%
Inpatient Mental Health	103,501	105,779	(2,278)	-2%
Therapy	75,082	103,496	(28,414)	-27%
Other Services	36,363	8,742	27,621	316%
Medical Transportation	34,996	88,786	(53,790)	-61%
Less: Collections**	<u>(25,656)</u>	<u>(10,728)</u>	<u>(14,928)</u>	<u>139%</u>
Total Claims	<u>7,363,229</u>	<u>6,408,624</u>	<u>954,605</u>	<u>15%</u>
General and Admin Expenses:				
Salaries and Benefits	90,017	90,837	(820)	-1%
Program Administration	290,401	505,656	(215,255)	-43%
Eligibility	44,000	71,187	(27,187)	-38%
Outreach & Health Promotion	221,229	28,588	192,641	674%
Current	<u>65,859</u>	<u>26,498</u>	<u>39,361</u>	<u>149%</u>
Total Administrative	<u>711,506</u>	<u>722,766</u>	<u>(11,260)</u>	<u>-2%</u>
Total Expenditures	<u>8,074,735</u>	<u>7,131,390</u>	<u>943,345</u>	<u>13%</u>
Excess of Revenues				
Over (Under) Expenditures	(369,794)	862,099	(1,231,893)	-143%
Fund Equity, Beginning	<u>13,699,031</u>	<u>10,109,506</u>	<u>3,589,525</u>	<u>36%</u>
Fund Equity, Ending	<u>13,329,237</u>	<u>10,971,605</u>	<u>2,357,632</u>	<u>21%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
August 2011 and 2010
(Accrual Basis)**

	August 31, 2011	August 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$15,112,180	\$13,979,054	\$1,133,126	8%
Due From Federal Government	\$3,317,225	\$3,033,055	\$284,170	9%
Due From Other Funds	\$764,509	\$627,568	\$136,941	22%
Accrued Interest Receivable	\$8,369	\$17,577	(\$9,208)	-52%
Fixed Assets, at Historical Cost	<u>\$91,367</u>	<u>\$69,738</u>	<u>\$21,630</u>	<u>31%</u>
Total Assets	<u>\$19,293,650</u>	<u>\$17,726,992</u>	<u>\$1,566,658</u>	<u>9%</u>
Liabilities:				
Due to Other Funds	\$231,734	\$103,869	\$127,865	123%
Deferred Revenue	\$1,882,679	\$3,301,518	(\$1,418,839)	-43%
Unpaid Insurance Claims Liability	<u>\$3,850,000</u>	<u>\$3,350,000</u>	<u>\$500,000</u>	<u>15%</u>
Total Liabilities	<u>\$5,964,413</u>	<u>\$6,755,387</u>	<u>(\$790,974)</u>	<u>-12%</u>
Fund Equity	<u>\$13,329,237</u>	<u>\$10,971,605</u>	<u>\$2,357,632</u>	<u>21%</u>
Total Liabilities and Fund Equity	<u>\$19,293,650</u>	<u>\$17,726,992</u>	<u>\$1,566,658</u>	<u>9%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended August 31, 2011
(Accrual Basis)**

Investment Account

Funds Invested	\$14,036,902
Interest Earned	<u>8,387</u>
Total	<u>\$14,045,289</u>

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report
For the period of September 1, 2011 through September 30, 2011

NEW CONTRACT OF LEASE – DOA OWNED

HUMAN RESOURCE DEVELOPMENT FOUNDATION, INC.

HRD-003 New Contract of Lease for 2 years consisting of 244 square feet of office space at the annual per square foot rate of \$13.00, annual cost \$3,171.96, full service, in the City of Huntington, Cabell County, West Virginia.

WV PCS ALLIANCE, L.C., d/b/a INTELLOS

NTE-001 New Contract of Lease for 25 years consisting of tower/monitoring space at the annual cost of \$16,800.00, Monongalia County, West Virginia.

NEW CONTRACT OF LEASE

AUDITOR'S OFFICE

SAO-010 New Contract of Lease for 3 years consisting of 4,350 square feet of office space at the annual per square foot rate of \$9.66, annual cost \$42,000.00, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING

MHS-034 New Contract of Lease for 16 months consisting of 1,826 square feet of office space at the annual per square foot rate of \$21.44, annual cost \$39,149.40, full service, in the City of South Charleston, Kanawha County, West Virginia.

WEST VIRGINIA DEPARTMENT OF AGRICULTURE

AGR-052 New Contract of Lease for 5 years consisting of 1,819 square feet of office space at the annual per square foot rate of \$12.25, annual cost \$22,282.80, full service, in the City of Oak Hill, Fayette County, West Virginia.

STRAIGHT RENEWAL

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 per square foot rate of \$6.57, annual cost \$39,234.48, water/sewer, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF FORESTRY

FOR-062 Renewal for 1 year consisting of 550 square feet of office space at the current annual per square foot rate of \$4.58, annual cost \$2,520.00, in the City of Webster Springs, Webster County, West Virginia.

STRAIGHT RENEWAL CONTINUED

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

OES-015 Renewal for 1 year consisting of 4,000 square feet of office space at the current annual per square foot rate of \$4.89, annual cost \$19,560.00, in the City of Big Chimney, Kanawha County, West Virginia.

PUBLIC EMPLOYEES GRIEVANCE BOARD

EGB-011 Renewal for 1 year consisting of unlimited use of hearing room and waiting room between the hours of 9 AM and 5 PM, annual cost \$6,000.00, full service, in the City of Beckley, Raleigh County, West Virginia.

OFFICE OF ECONOMIC OPPORTUNITY – GOVERNOR’S OFFICE

GCC-007 Renewal on a month-to-month basis consisting of 300 square feet of office space at the current annual per square foot rate of \$16.00, annual cost \$4,800.00, full service, in the City of New Martinsville, Marshall County, West Virginia.

RENEWAL WITH INCREASE IN RENT

BOARD OF PHYSICAL THERAPY

PTB-005 Renewal for 2 years consisting of 802 square feet of office space with an increase in the annual per square foot rate from \$12.95 to \$13.21, annual cost \$10,594.44, full service, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF FORESTRY

FOR-066 Renewal for 2 years consisting of 364 square feet of office space with an increase in the annual per square foot rate from \$6.59 to \$7.41, annual cost \$2,700.00, full service, in the City of Harrisville, Ritchie County, West Virginia.

WEST VIRGINIA BOARD OF PHARMACY

PHA-003 Renewal for 4 months consisting of 2,350 square feet of office space with an increase in the annual per square foot rate from \$16.34 to \$17.87, annual cost \$42,000.00, full service, in the City of Charleston, Kanawha County, West Virginia.

ADDITION OF SQUARE FOOTAGE – DOA OWNED

DIVISION OF HIGHWAYS

HWY-001 Addition of 137 square feet for a total of 204,831 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$1,945,894.56, full service, in the City of Charleston, Kanawha County, West Virginia.

ADDITION OF SQUARE FOOTAGE

DIVISION OF MOTOR VEHICLES

DMV-055 Addition of use of asphalt lot to be used for motorcycle licensing test course at no additional cost, annual cost \$60,040.00, in the City of Parkersburg, Wood County, West Virginia.

DECREASE OF SQUARE FOOTAGE – DOA OWNED

DEPARTMENT OF ADMINISTRATION - OFFICE OF TECHNOLOGY

F&A-034 Decrease in square footage by 137 square feet for a total of 22,203 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$210,928.50, full service, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 September 1 - 30, 2011

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Human Resources Development Foundation, Inc.	HRD-003	Cabell	244	13.00	3,172
2	WV PCS Alliance, L.C., d/b/a INTELOS	NTE-001	Monongalia	0	0.00	16,800
3	Auditor's Office	SAO-010	Kanawha	4,350	9.66	42,000
4	Division of Miners' Health, Safety and Training	MHS-034	Kanawha	1,826	21.44	39,149
5	West Virginia Department of Agriculture	AGR-052	Fayette	1,819	12.25	22,283
6	Department of Health and Human Resources	HHR-201	Kanawha	5,972	6.57	39,236
7	Division of Forestry	FOR-062	Webster	550	4.58	2,519
8	Div. of Homeland Security and Emergency Management	OES-015	Kanawha	4,000	4.89	19,560
9	Public Employees Grievance Board	EGB-011	Raleigh	0	0.00	6,000
10	Office of Economic Opportunity - Governor's Office	GCC-007	Marshall	300	16.00	4,800
11	Board of Physical Therapy	PTB-005	Kanawha	802	13.21	10,594
12	Division of Forestry	FOR-066	Ritchie	364	7.41	2,697
13	West Virginia Board of Pharmacy	PHA-003	Kanawha	2,350	17.87	41,995
14	Division of Highways	HWY-001	Kanawha	204,831	9.50	1,945,895
15	Division of Motor Vehicles	DMV-055	Wood	0	0.00	60,040
16	Department of Administration-Office of Technology	F&A-034	Kanawha	22,203	9.50	210,929
					145.88	
				Total Rentable Square Feet	<u>249,611</u>	
				Average Annual Rental Rate	<u>9.12</u>	
				Total Annual Rent		<u>2,467,668</u>

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
REAL ESTATE DIVISION
1409 Greenbrier Street
Charleston, West Virginia 25311

Earl Ray Tomblin
Governor

Robert W. Ferguson, Jr.
Cabinet Secretary

Charles D. Lawrence, Jr.
Executive Director

October 5, 2011

Joint Committee on Government and Finance
1900 Kanawha Boulevard East
Capitol Complex, Building 1-E132
Charleston, WV 25305

In accordance with WV Code § 5-6-4a., this letter is to notify the Joint Committee on Government and Finance of the intention of the Department of Administration (DOA) to purchase real property in excess of One Million Dollars.

The Department of Administration intends to purchase the property located at 7 Players Club Drive, in Charleston. The acquisition of this property will allow the relocation and consolidation of the offices of Miner's Health Safety and Training and the Division of Forestry.

The negotiated price for the property is \$2,000,000 (Two Million Dollars). The property is currently owned by Seven Players Club Drive LLC and listed by RealCorp Inc.

We are happy to answer any questions you may have on this matter.

Sincerely,


Charles D. Lawrence
Executive Director

LEGISLATIVE

OCT - 6 2011

MANAGER

Joint Committee on Government and Finance

October 2011

Department of Health and Human Resources

MEDICAID REPORT

August 2011 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

	MONTH OF AUGUST 2011					
	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 08/31/11	ESTIMATED Current Month Ended 08/31/11	ACTUALS Year to Date Thru 08/31/11	PROJECTED 09/01/11 Thru 06/30/12
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,043,833	176,928,067	15,081,446	17,035,921	27,398,575	149,529,492
Inpatient Hospital - DSH	54,602,728	55,616,400	13,450,402	13,904,089	13,450,402	42,165,998
Inpatient Hospital - Supplemental Payments	150,374,918	79,066,286	-	-	5,301,925	73,764,361
Inpatient Hospital - GME Payments	5,178,062	5,128,800	1,306,720	1,282,200	1,306,720	3,822,080
Mental Health Facilities	82,205,443	83,604,219	7,329,550	8,087,615	13,027,504	70,576,716
Mental Health Facilities - DSH Adjustment Payments	18,870,766	18,866,400	4,721,705	4,716,600	4,721,705	14,144,695
Nursing Facility Services - Regular Payments	497,490,876	533,935,963	43,256,801	44,518,200	84,829,230	449,106,733
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	62,315,850	68,807,100	1,667,608	5,733,925	6,978,025	61,829,075
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	120,938,365	129,796,223	9,712,531	12,527,271	17,248,408	112,547,815
Physicians Services - Supplemental Payments	28,779,948	30,575,400	-	-	6,559,375	24,016,025
Outpatient Hospital Services - Regular Payments	104,867,944	107,096,383	9,333,106	10,317,252	16,608,669	90,587,714
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	355,934,526	368,792,906	29,648,126	35,952,710	56,186,755	312,606,151
Drug Rebate Offset - National Agreement	(178,030,580)	(156,989,600)	(4,071,099)	(3,476,837)	(50,676,161)	(106,313,439)
Drug Rebate Offset - State Sidebar Agreement	(18,264,735)	(20,042,600)	(477,783)	(422,358)	(2,158,574)	(17,884,026)
Dental Services	65,110,306	61,522,537	4,930,471	5,935,789	8,543,926	52,978,611
Other Practitioners Services - Regular Payments	11,297,560	13,106,060	997,439	1,333,548	1,867,587	11,238,473
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	5,014,428	5,507,120	540,319	546,308	936,493	4,570,627
Lab & Radiological Services	23,034,934	23,867,397	1,987,195	2,338,775	3,589,310	20,278,087
Home Health Services	44,244,071	45,150,371	4,968,177	4,396,529	8,409,526	36,740,845
Hysterectomies/Sterilizations	202,721	221,100	14,215	21,260	28,285	192,815
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,393,791	1,692,037	112,880	163,558	200,965	1,491,072
Rural Health Clinic Services	7,938,113	9,400,347	603,366	915,423	1,116,010	8,284,337
Medicare Health Insurance Payments - Part A Premiums	17,589,540	19,087,800	2,688,626	3,181,300	4,129,923	14,957,877
Medicare Health Insurance Payments - Part B Premiums	86,800,107	101,265,000	15,761,189	16,877,500	23,309,177	77,955,823
120% - 134% Of Poverty	6,412,164	7,018,300	586,347	674,837	1,160,000	5,858,300
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	7,200,103	7,611,400	506,008	731,865	998,128	6,613,272

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

	MONTH OF AUGUST 2011					
	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 08/31/11	ESTIMATED Current Month Ended 08/31/11	ACTUALS Year to Date Thru 08/31/11	PROJECTED 09/01/11 Thru 06/30/12
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	331,340,463	332,146,800	27,221,818	27,678,900	54,576,627	277,570,173
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	430,840	474,700	37,417	45,644	78,637	396,063
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	22,935	-	-	-	-	-
Home & Community-Based Services (MR/DD)	250,190,675	291,985,942	17,667,506	26,230,980	37,794,881	254,191,061
Home & Community-Based Services (Aged/Disabled)	105,384,910	157,141,155	11,992,595	11,082,710	20,834,858	136,306,297
Home & Community-Based Services (Traumatic Brain Injury)	-	2,600,925	-	250,089	-	2,600,925
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	43,271,225	54,253,584	3,768,611	4,522,077	7,437,816	46,815,748
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,683,372	4,102,733	348,889	398,385	554,604	3,548,129
Primary Care Case Management Services	311,397	362,800	24,531	34,885	48,279	314,521
Hospice Benefits	23,031,071	23,968,000	1,838,115	2,304,615	3,795,147	20,172,853
Emergency Services Undocumented Aliens	250,549	252,200	25,052	24,250	59,731	192,469
Federally Qualified Health Center	17,062,376	18,053,125	1,460,220	1,754,317	2,542,936	15,510,189
Non-Emergency Medical Transportation	22,848,997	23,329,348	2,357,290	2,245,683	4,114,574	19,214,774
Physical Therapy	1,950,648	1,993,133	183,913	191,933	337,929	1,655,204
Occupational Therapy	259,371	223,033	37,928	21,760	67,428	155,605
Services for Speech, Hearing & Language	322,095	261,388	78,048	25,500	120,775	140,623
Prosthetic Devices, Dentures, Eyeglasses	1,750,474	1,982,028	160,341	191,817	296,933	1,685,095
Diagnostic Screening & Preventive Services	506,980	555,348	43,835	53,519	78,532	476,816
Nurse Mid-Wife	241,124	280,900	25,169	27,010	41,506	239,394
Emergency Hospital Services	1,340,493	5,903,671	(1,231)	567,808	(6,594)	5,910,285
Critical Access Hospitals	31,130,998	33,377,270	2,590,778	3,213,404	4,683,659	28,693,611
Nurse Practitioner Services	1,296,506	1,242,745	116,986	119,913	211,459	1,031,286
School Based Services	55,049,683	66,000,436	5,648,114	6,350,596	13,395,009	52,605,427
Rehabilitative Services (Non-School Based)	76,039,609	88,073,374	7,394,316	8,019,952	14,969,514	73,103,860
Private Duty Nursing	4,856,304	5,087,998	412,383	512,538	796,497	4,291,501
Other Care Services	20,936,984	22,969,227	1,956,519	2,209,659	3,640,733	19,328,494
Less: Recoupments	-	-	(237,926)	-	(314,785)	314,785
NET EXPENDITURES:	2,719,053,859	2,913,253,269	249,806,562	285,371,234	425,128,573	2,488,124,696

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2012

MONTH OF AUGUST 2011

	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2011	SFY2012	Current Month Ended 08/31/11	Current Month Ended 08/31/11	Year to Date Thru 08/31/11	09/01/11 Thru 06/30/12
Collections: Third Party Liability (line 9A on CMS-64)	(9,341,740)	-	-	-	-	-
Collections: Probate (line 9B on CMS-64)	(81,809)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(396)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(7,250,803)	-	-	-	-	-
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,702,379,111	2,913,253,269	249,806,562	285,371,234	425,128,573	2,488,124,696
Plus: Medicaid Part D Expenditures	18,156,398	33,719,754	5,111,224	2,809,979	7,404,406	28,315,348
Plus: State Only Medicaid Expenditures	4,750,829	4,580,645	305,550	454,641	604,744	3,975,902
Plus: Money Follow the Person Expenditures	-	3,964,312	-	381,184	-	3,964,312
TOTAL MEDICAID EXPENDITURES	\$2,725,286,336	\$2,955,517,980	\$255,223,336	289,017,038	\$433,137,723	\$2,522,380,258
Plus: Reimbursables ⁽¹⁾	5,304,734	5,832,222	560,558	559,166	1,013,582	4,818,641
TOTAL EXPENDITURES	\$2,730,591,069	\$2,961,350,203	\$255,783,894	\$289,576,204	\$434,151,304	\$2,527,198,899

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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2012

2 Months Actuals 10 Months Remaining

MONTH OF AUGUST 2011

REVENUE SOURCES

Beg. Bal. (5084/1020 prior mth)

MATCHING FUNDS

General Revenue (0403/189)

MRDD Waiver (0403/466)

Rural Hospitals Under 150 Beds (0403/940)

Tertiary Funding (0403/547)

Traumatic Brain Injury (0403/835)

Title XIX Waiver for Seniors (0403-533)

Lottery Waiver (Less 550,000) (5405/539)

Lottery Transfer (5405/871)

Trust Fund Appropriation (5185/189)

Provider Tax (5090/189)

Certified Match

Reimbursables - Amount Reimbursed

Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015

CMS - 64 Adjustments

TOTAL MATCHING FUNDS

FEDERAL FUNDS

TOTAL REVENUE SOURCES

TOTAL EXPENDITURES:

Provider Payments

TOTAL

	ACTUALS SFY2011	ACTUALS Current Month Ended 8/31/11	ACTUALS Year-To-Date Thru 8/31/11	PROJECTED 9/1/2011 Thru 6/30/12	TOTAL SFY2012
Beg. Bal. (5084/1020 prior mth)	\$ 213,890,990	\$ 183,890,439	\$ 210,933,113	\$ -	\$ 210,933,113
MATCHING FUNDS					
General Revenue (0403/189)	222,471,412	8,805,389	17,810,778	200,859,820	218,470,598
MRDD Waiver (0403/466)	-	5,916,899	11,833,798	76,919,685	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	432,666	2,163,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	1,059,334	5,296,666	6,356,000
Traumatic Brain Injury (0403/835)	-	66,667	133,334	666,666	800,000
Title XIX Waiver for Seniors (0403-533)	-	639,167	1,278,334	10,809,166	12,087,500
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	8,000,000	8,000,000	23,272,578	31,272,578
Lottery Transfer (5405/871)	16,670,000	2,200,000	2,200,000	6,470,000	8,670,000
Trust Fund Appropriation (5185/189)	-	-	-	30,556,594	30,556,594
Provider Tax (5090/189)	152,750,473	21,480,000	27,600,000	134,682,760	162,282,760
Certified Match	16,726,042	2,259,841	5,006,661	19,747,197	24,752,858
Reimbursables - Amount Reimbursed	3,688,478	1,506,742	1,920,789	3,911,433	5,832,222
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	712,458	72,891	141,048	(141,048)	-
CMS - 64 Adjustments	898,977	-	-	-	-
TOTAL MATCHING FUNDS	\$ 755,086,891	\$ 235,384,034	\$ 288,148,855	\$ 515,214,851	\$ 803,383,706
FEDERAL FUNDS	\$ 2,191,395,795	\$ 188,414,533	\$ 314,063,560	\$ 1,814,082,576	\$ 2,128,146,136
TOTAL REVENUE SOURCES	\$ 2,946,482,686	\$ 423,798,567	\$ 602,212,415	\$ 2,329,297,427	\$ 2,931,509,842
TOTAL EXPENDITURES:					
Provider Payments	\$ 2,730,591,089	\$ 255,783,894	\$ 434,151,304	\$ 2,527,198,898	\$ 2,961,350,203
TOTAL	\$ 215,891,617	\$ 168,014,673	\$ 168,061,111		\$ (29,840,381)

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Monthly Performance Report

August 31, 2011



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of August 31, 2011

	6/30/2011		8/31/2011		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	12,849,850	100.0	12,565,353	100.0							
Pension Assets	10,191,097	79.3	9,794,864	77.9							
Public Employees' Retirement System	4,359,025	33.8	4,186,557	33.3	-3.6	-4.3	-3.6	12.8	5.1	4.1	6.1
Teachers' Retirement System	5,010,212	38.9	4,790,096	38.1	-3.6	-4.3	-3.6	12.7	4.6	3.5	5.8
Teachers' Employers Cont. Collection A/C	-	0.0	28,923	0.2	0.0	0.0	0.0	0.1	0.3		
EMS Retirement System	31,963	0.3	31,330	0.2	-3.6	-4.3	-3.6	12.9	5.2		
Public Safety Retirement System	482,005	3.8	459,720	3.7	-3.6	-4.3	-3.6	13.0	5.2	4.1	6.2
Judges' Retirement System	124,587	1.0	120,472	1.0	-3.6	-4.3	-3.6	12.8	5.1	4.0	6.0
State Police Retirement System	70,756	0.6	69,075	0.5	-3.6	-4.2	-3.6	12.7	5.2	4.1	6.0
Deputy Sheriffs' Retirement System	112,488	0.9	108,620	0.9	-3.6	-4.3	-3.6	12.8	5.2	4.1	6.1
Municipal Police & Firefighter Retirement System	61	0.0	71	0.0	0.0	0.0	0.0	0.1			
Insurance Assets	1,968,581	15.3	1,932,660	15.4							
Workers' Compensation Old Fund	933,073	7.3	914,299	7.3	-1.4	-1.1	-0.8	6.2	4.5	4.0	
Workers' Comp. Self-Insured Guaranty Risk Pool	9,627	0.1	9,716	0.1	-1.7	-1.6	-1.1	5.0	1.9	3.0	
Workers' Comp. Uninsured Employers Fund	8,911	0.1	8,806	0.1		-1.7	-1.2	3.5	1.4		
Pneumoconiosis	281,558	1.9	256,876	2.0	-1.7	-1.6	-1.1	7.9	5.5	4.5	
Board of Risk & Insurance Mgmt.	140,522	1.1	138,936	1.1				7.9	7.1	5.4	
Public Employees' Insurance Agency	175,171	1.4	175,635	1.4	-0.8	0.0	0.3	7.0	6.0	4.8	
WV Retiree Health Benefit Trust Fund	437,457	3.4	426,071	3.4	-2.8			6.5	8.3		
AccessWV	2,262	0.0	2,321	0.0	0.3	2.8	2.6	14.1			
Endowment Assets	690,172	5.4	837,829	6.7							
Wildlife Fund	40,380	0.3	38,985	0.3	-3.7	-4.3	-3.6	12.7	5.1	4.1	6.4
Prepaid Tuition Trust	84,791	0.7	78,115	0.6	-2.9	-3.9	-3.2	12.9	6.4	4.8	6.5
Revenue Shortfall Reserve Fund	242,748	1.9	400,302			3.0	2.8	6.7	2.9	2.6	
Revenue Shortfall Reserve Fund - Part B	315,738	2.4	314,240	2.5	-1.4	-0.8	-0.5	9.5	3.2	2.9	
WV DEP Trust	6,515	0.1	6,187	0.1	-4.5	-5.7	-5.0				

West Virginia Investment Management Board
 Composite Asset Allocation & Performance Net of Fees
 As of August 31, 2011

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	12,570,458	100.00							
Total Equity Composite	5,156,497	41.02	-7.25	-10.11	-8.98	16.95	2.88	2.27	5.56
<i>Total Equity Policy Index</i>			<u>-7.27</u>	<u>-10.42</u>	<u>-8.95</u>	<u>15.03</u>	<u>0.27</u>	<u>0.63</u>	<u>4.84</u>
Excess Return			0.02	0.31	-0.03	1.92	2.61	1.64	0.72
US Equity Composite	2,595,025	20.64	-5.94	-9.82	-8.48	21.17	1.27	1.34	4.26
<i>Russell 3000 Index</i>			<u>-6.00</u>	<u>-9.80</u>	<u>-8.15</u>	<u>19.30</u>	<u>0.84</u>	<u>1.14</u>	<u>3.36</u>
Excess Return			0.06	-0.02	-0.33	1.87	0.43	0.20	0.90
Large Cap Composite	1,947,697	15.49	-5.14	-8.76	-7.33	19.67	0.71	0.90	2.63
<i>S&P 500 Index</i>			<u>-5.43</u>	<u>-8.90</u>	<u>-7.36</u>	<u>18.50</u>	<u>0.54</u>	<u>0.78</u>	<u>2.70</u>
Excess Return			0.29	0.14	0.03	1.17	0.17	0.12	-0.07
Non-Large Cap Composite	647,328	5.15	-8.29	-12.84	-11.75	27.75	4.06	3.35	7.41
<i>Russell 2500 Index</i>			<u>-8.19</u>	<u>-13.63</u>	<u>-11.68</u>	<u>22.16</u>	<u>2.58</u>	<u>2.76</u>	<u>6.82</u>
Excess Return			-0.10	0.79	-0.07	5.59	1.48	0.59	0.59
International Equity Composite	2,561,472	20.38	-8.53	-10.42	-9.48	12.98	4.18	3.80	8.07
<i>MSCI AC World ex US Index</i>			<u>-8.55</u>	<u>-11.05</u>	<u>-9.77</u>	<u>10.80</u>	<u>-0.52</u>	<u>1.24</u>	<u>7.33</u>
Excess Return			0.02	0.63	0.29	2.18	4.70	2.56	0.74
Fixed Income Composite	3,610,600	28.73	-0.19	0.56	0.89	4.93	7.46	5.73	6.02
<i>Fixed Income Policy</i>			<u>1.01</u>	<u>2.25</u>	<u>2.59</u>	<u>4.81</u>	<u>7.39</u>	<u>6.67</u>	<u>5.77</u>
Excess Return			-1.20	-1.69	-1.70	0.12	0.07	-0.94	0.25
Core Fixed Income	1,246,513	9.92	1.23	2.87	2.97	5.79			
<i>Barclays Capital Aggregate</i>			<u>1.46</u>	<u>2.77</u>	<u>3.07</u>	<u>4.62</u>			
Excess Return			-0.23	0.10	-0.10	1.17			
Total Return Fixed Income	2,364,087	18.81	-0.92	-0.62	-0.18	4.47	8.03	6.05	6.60
<i>Barclays Capital US Universal</i>			<u>1.01</u>	<u>2.25</u>	<u>2.59</u>	<u>4.81</u>	<u>7.39</u>	<u>6.53</u>	<u>5.93</u>
Excess Return			-1.93	-2.87	-2.77	-0.34	0.64	-0.48	0.67
TIPS Composite	935,416	7.44	0.82	5.60	4.76	10.60			
<i>Barclays Capital U.S. TIPS</i>			<u>0.82</u>	<u>5.61</u>	<u>4.76</u>	<u>10.80</u>			
Excess Return			0.00	-0.01	0.00	-0.20			
TRS Annuity	104,629	0.83	0.37	1.12	0.75	4.49			
Cash Composite	333,545	2.65	0.01	0.01	0.01	0.13	0.35	2.00	2.17
<i>Citigroup 90 Day T-Bill + 15 bps</i>			<u>0.03</u>	<u>0.06</u>	<u>0.04</u>	<u>0.30</u>	<u>0.47</u>	<u>1.98</u>	<u>2.21</u>
Excess Return			-0.02	-0.05	-0.03	-0.17	-0.12	0.02	-0.04
Private Equity Composite	1,082,373	8.61	0.97	5.91	5.69	16.09	4.55		
Real Estate Composite	293,347	2.33	-0.92	0.59	0.04	11.89	0.78		
Hedge Funds Composite	1,054,051	8.39	-1.46	-2.09	-1.18	5.18	3.63		
<i>LIBOR + 400 bps</i>			<u>0.36</u>	<u>1.06</u>	<u>0.71</u>	<u>4.29</u>	<u>4.69</u>		
Excess Return			-1.82	-3.15	-1.89	0.89	-1.06		

West Virginia Investment Management Board
 Participant Plans Allocation vs. Targets
 As of August 31, 2011

	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 %

Pension Assets

Public Employees' Retirement System	23.8	25.0	23.5	25.0	29.0	27.0	11.0	10.0	3.0	3.0	9.1	10.0	0.6	0.0
Teachers' Retirement System	23.9	25.0	23.7	25.0	29.5	27.0	11.1	10.0	3.0	3.0	8.7	10.0	0.1	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	24.1	25.0	22.7	25.0	28.4	27.0	10.9	10.0	2.9	3.0	10.0	10.0	1.0	0.0
Public Safety Retirement System	23.8	25.0	23.6	25.0	28.5	27.0	11.0	10.0	3.0	3.0	9.2	10.0	0.8	0.0
Judges' Retirement System	23.6	25.0	23.4	25.0	28.8	27.0	10.9	10.0	2.9	3.0	9.4	10.0	1.0	0.0
State Police Retirement System	24.0	25.0	22.6	25.0	28.5	27.0	10.9	10.0	2.9	3.0	1	10.0	1.1	0.0
Deputy Sheriffs' Retirement System	24.0	25.0	23.3	25.0	28.6	27.0	11.0	10.0	3.0	3.0	9.6	10.0	0.5	0.0
Municipal Police & Firefighter Retirement Systems	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

Insurance Assets

Workers' Compensation Old Fund	9.3	10.0	9.3	10.0	72.9	70.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.2	10.0	9.1	10.0	56.4	55.0	0.0	0.0	0.0	0.0	19.3	20.0	6.0	5.0
Workers' Comp. Uninsured Employers Fund	9.3	10.0	9.4	10.0	56.4	55.0	0.0	0.0	0.0	0.0	19.9	20.0	5.0	5.0
Pneumoconiosis	9.3	10.0	9.2	10.0	57.1	55.0	0.0	0.0	0.0	0.0	19.6	20.0	4.8	5.0
Board of Risk & Insurance Mgmt.	9.2	10.0	9.0	10.0	56.7	55.0	0.0	0.0	0.0	0.0	19.9	20.0	5.2	5.0
Public Employees' Insurance Agency	4.6	5.0	4.5	5.0	76.5	75.0	0.0	0.0	0.0	0.0	9.5	10.0	4.9	5.0
WV Retiree Health Benefit Trust Fund	16.5	17.5	16.4	17.5			0.0	0.0	0.0	0.0	19.2	20.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Endowment Assets

Wildlife Fund	24.3	25.0	23.4	25.0	28.7	27.0	11.0	10.0	3.0	3.0	9.6	10.0	0.0	0.0
Prepaid Tuition Trust	32.0	35.8	17.4	19.2	49.3	45.0	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	62.4	100.0	0.0	0.0	0.0	0.0	0.0	0.0	37.6	0.0
Revenue Shortfall Reserve Fund - Part B	9.2	10.0	9.0	10.0	81.8	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	34.6	35.0	27.1	30.0	36.1	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Statutory Limitations

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of August 31, 2011

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 management fees. Returns shorter than one year are unannualized.



Status Report: **Workers' Compensation**

Joint Committee on Government & Finance

October 2011

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

With the passage of S.B. 1004 in January 2005, significant changes were made to workers' compensation insurance in West Virginia. The State administered monopolistic fund effectively ended when a new domestic mutual insurance company, "BrickStreet", was formed to issue workers' compensation insurance on a going forward basis. BrickStreet began writing new workers' compensation insurance liabilities effective January 2006. (They also retained the workers' compensation insurance premium and incurred liability starting in July 2005.) The West Virginia workers' compensation insurance market was later opened to competition beginning in July 2008.

At the time when the domestic mutual insurance company was formed in order to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State administered monopolistic fund. Subsequent to privatization, this legacy liability was retained by the State of West Virginia in what is now known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. Apart from those sections which specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report concerns the workers' compensation legacy liability of the State of West Virginia, i.e. the Old Fund.

Although belonging to the State of West Virginia, the administration of the Old Fund was initially placed via statute with BrickStreet. By January 2008, however, BrickStreet relinquished the administration of the Old Fund back to the State to be managed by the West Virginia Offices of the Insurance Commissioner. The West Virginia Offices of the Insurance Commissioner contracted with three Third Party Administrators (TPA's: Sedgwick Claims Management Services, Wells Fargo Disability Management, and American Mining Insurance Company) to ensure timely claim payments and proper claims management with the ultimate goal of claim resolution.

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Offices of the Insurance Commissioner.

Definitions:

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

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

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

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

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

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

Inactive FBL Claim: an FBL claim for which an award had been sought, but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Some variance in the number of reported “inactive” claims has occurred in the past due to one TPA holding active reserves on “inactive” claims. This has subsequently been rectified. Denied Old Fund FBL claims are closed administratively after 6 months, as the TPA’s bill for claims management services monthly on an open claims basis.

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

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

Non-FBL: claim for benefits other than a Federal Black Lung award, i.e. all other claim types.

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

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

Partial Award: claim for which benefits are being paid, but no official award has been made.

Payment Agreement: individual legal agreements that were made in order to settle a particular payment issue on a specific claim. These are different than your "standard" claim types, such as PTD or TPD. They identify a sub-set of claims that are not settled in the same philosophy that is practiced today. This normally references a situation in which a PT was granted years ago and the "onset" date was in litigation. A compromise was reached and a settlement was executed to the agreed up "onset" date. Although a settlement was executed, it was only applicable to an issue, not to the entire claim, so monthly payments continue to pay on these claims.

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

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

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

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

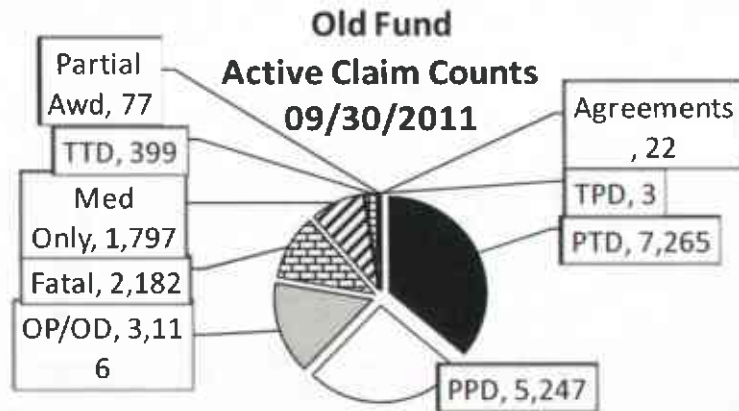
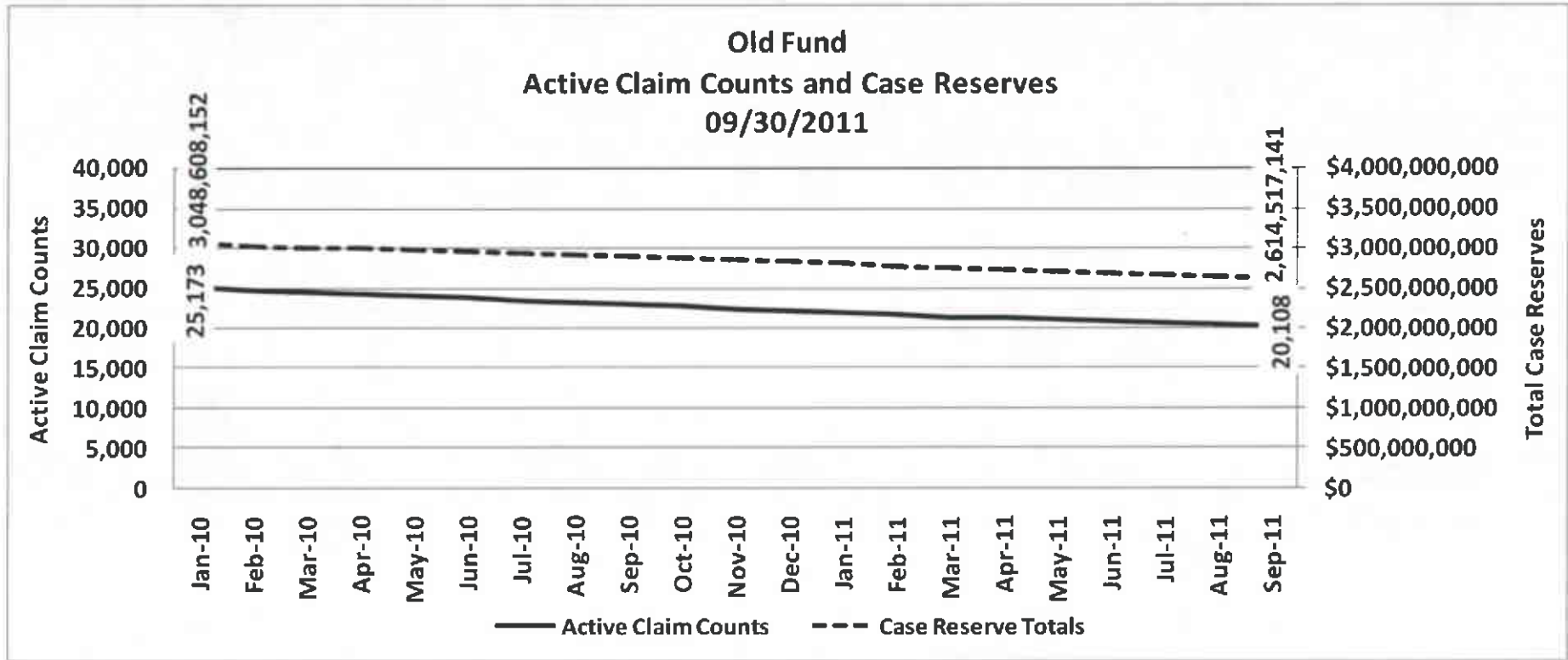
Self-Insured Guaranty Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

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

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

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



Agreements – a legal agreement to settle a payment issue

Fatal – worker died due to injury or illness

Med Only – payment of medical benefits without wage replacement

OP/OD - Occupational Pneumoconiosis or Occupational Disease

Partial Awd – benefits being paid without official awards

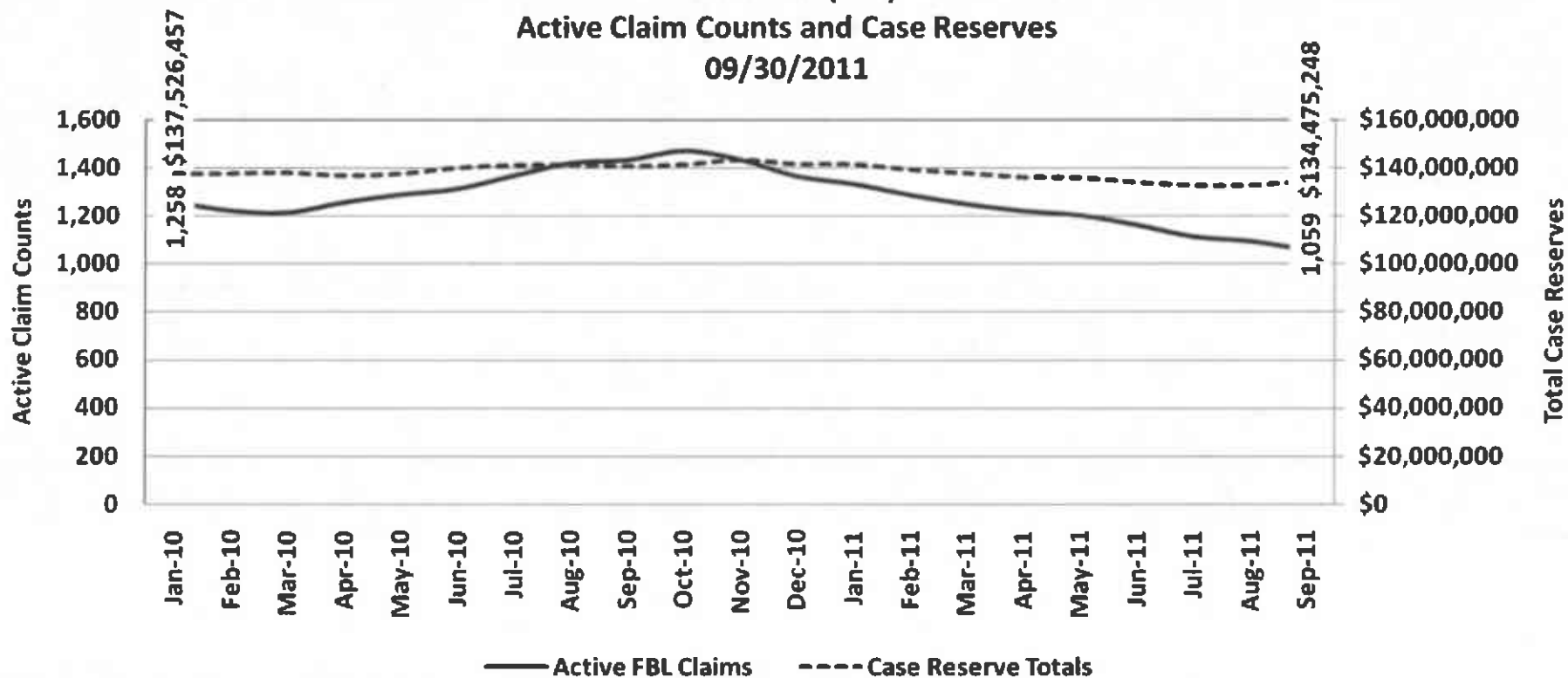
PPD - Permanent Partial Disability; unlikely to improve with treatment

PTD - Permanent Total Disability; unable to engage in employment

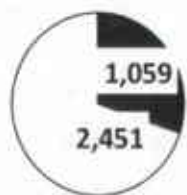
TPD - Temporary Partial Disability released to work with restrictions

TTD - Temporary Total Disability; unable to engage in employment

**CWP Fund (FBL)
Active Claim Counts and Case Reserves
09/30/2011**



**CWP Fund (FBL)
Active and Inactive Claims
09/30/2011**



■ Active □ Inactive

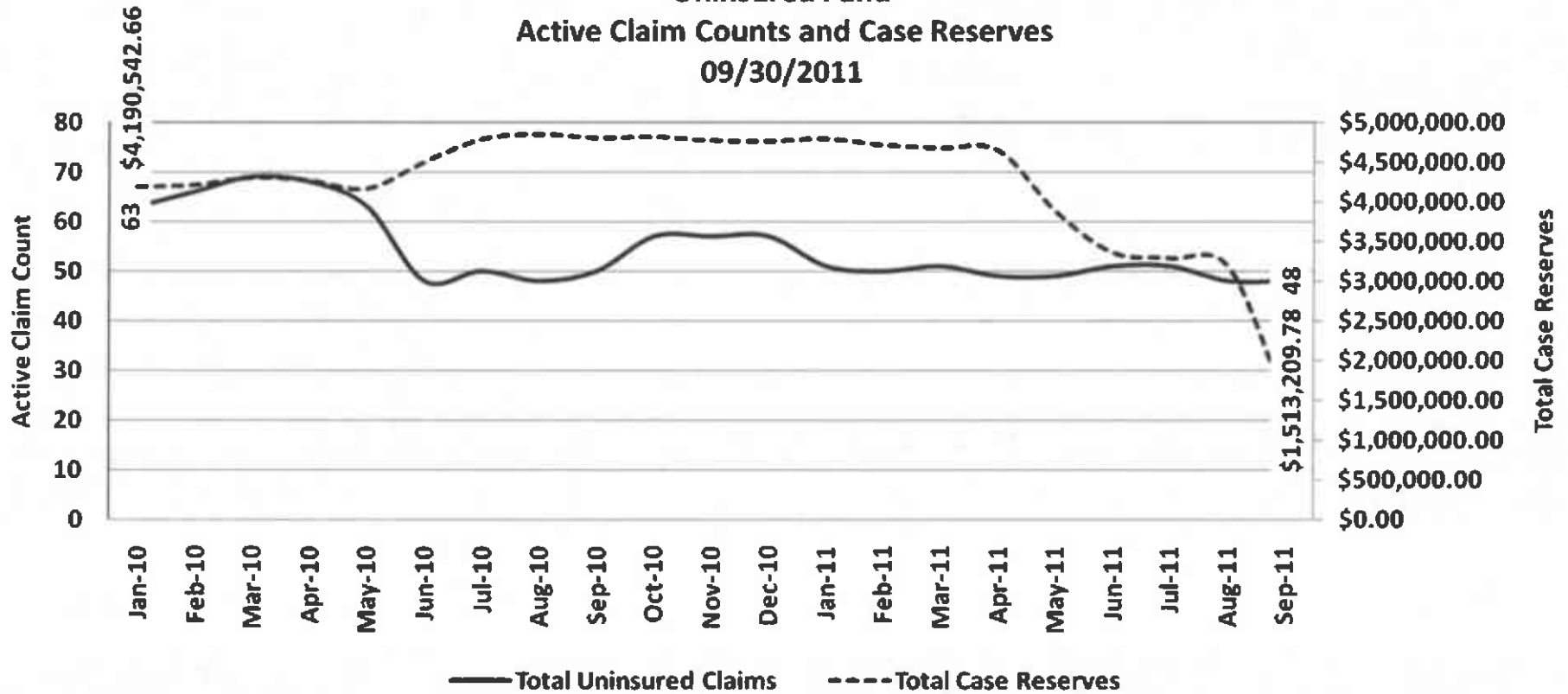
Active – Benefits being paid to claimant/beneficiary

CWP Fund - Coal Worker's Pneumoconiosis; miners/beneficiaries disabled or deceased

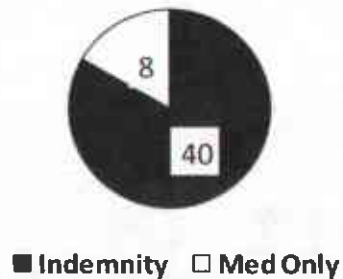
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive – claim for which an award was sought, but not afforded. Federal statutes permit an appeal, so claim may be reopened

**Uninsured Fund
Active Claim Counts and Case Reserves
09/30/2011**



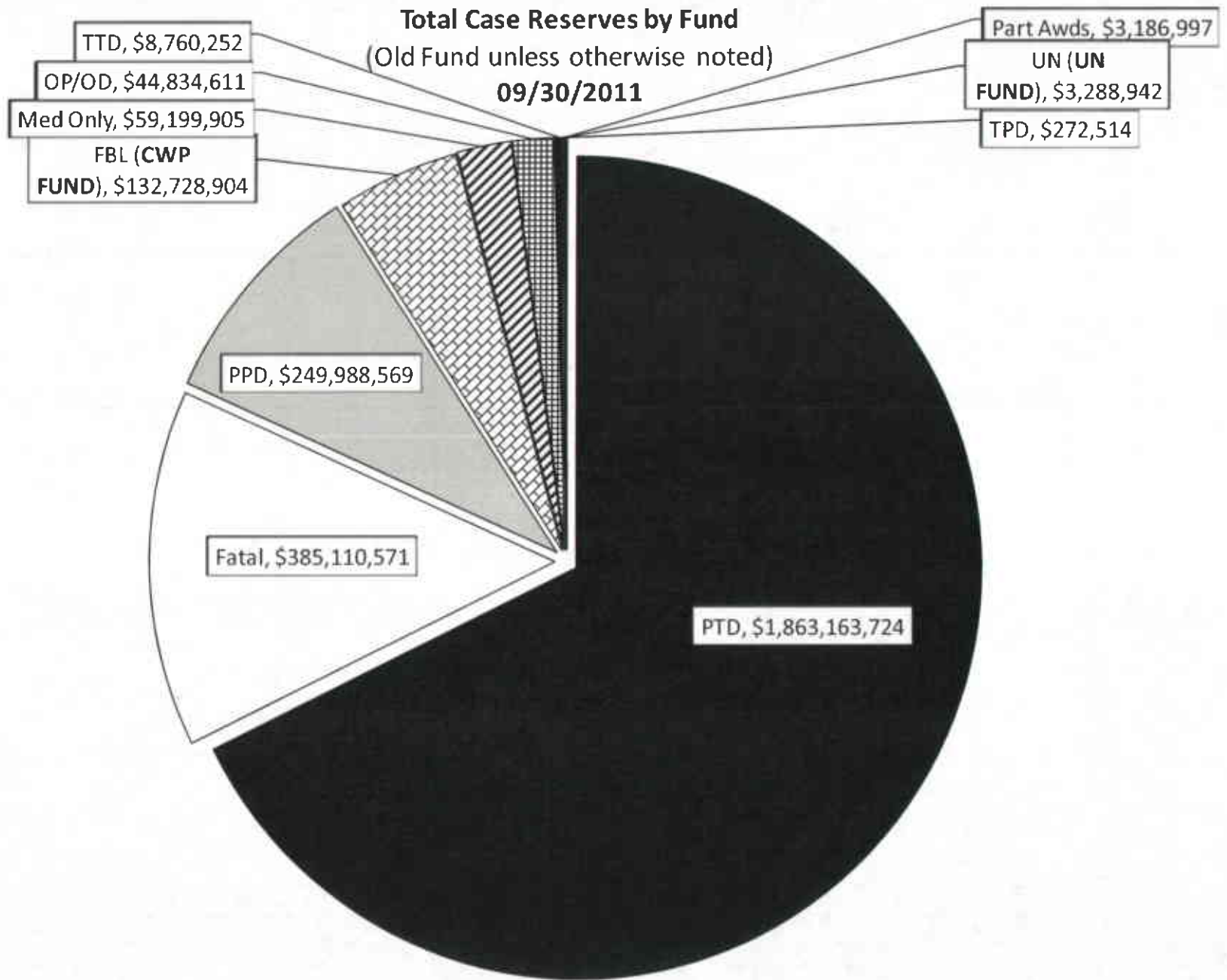
**Uninsured Fund
Active Claim Counts
09/30/2011**



Indemnity – statutory wage replacement and medical benefits awarded

Med Only –payment of medical benefits without wage replacement

Uninsured (Employer's) Fund - (UEF) established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF.



OLD FUND CASH STATEMENT

September 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	943,172,539	888,535,954	54,636,585	888,535,954	795,869,972	734,195,514
Revenues						
Personal Income Tax	-	-	-	95,400,000	95,400,000	95,400,000
Severance Tax	22,788,115	22,025,208	762,907	93,112,747	91,573,307	125,672,963
Debt Reduction Surcharge	7,186,309	8,857,456	(1,671,146)	41,096,360	39,594,122	40,115,329
Self-Insured Debt Reduction Surcharge	2,048,300	1,777,733	270,567	8,058,590	6,562,051	6,568,235
Video Lottery	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	147,817	2,399,978	(2,252,161)	3,120,389	1,783,840	2,945,070
Other Income - Return of Unclaimed Property	44,160	1,077	43,083	191,860	95,620	39,392
Operating Revenues	43,214,701	46,061,452	(2,846,751)	251,979,946	246,008,940	281,740,989
Surplus Note Principal Payments	-	-	-	-	43,500,000	145,000,000
Investment / Interest Earnings (Losses)	(10,660,824)	23,095,895	(33,756,719)	88,270,887	102,218,697	(94,861,549)
Total Revenues	32,553,877	69,157,347	(36,603,469)	340,250,833	391,727,637	331,879,440
Expenditures						
Claims Benefits Paid:						
Medical	9,371,214	12,127,841	(2,756,627)	41,972,430	55,134,618	49,512,377
Permanent Total Disability	32,450,414	35,131,918	(2,681,503)	136,800,060	152,789,051	150,152,910
Permanent Partial Disability	605,151	763,081	(157,929)	2,513,255	4,890,326	8,171,852
Temporary Disability	75,843	117,290	(41,447)	384,571	1,322,403	2,033,710
Fatals	7,239,636	7,514,947	(275,311)	29,994,599	34,822,223	32,537,625
104 weeks death benefit	1,669,209	1,527,745	141,464	6,321,554	6,394,618	6,615,381
Settlements	12,826,183	15,764,770	(2,938,586)	50,628,569	24,145,535	3,219,641
Loss Adjustment Expenses	523,464	1,397,144	(873,680)	4,514,323	3,794,198	2,047,418
Total	64,761,114	74,344,735	(9,583,621)	273,129,360	283,292,971	254,290,916
Less: Claims credits and overpayments	2,747,747	2,134,198	613,549	7,666,404	4,327,847	2,612,892
Total Benefits Paid	62,013,367	72,210,537	(10,197,170)	265,462,956	278,965,124	251,678,024
Administrative Expenses	2,791,170	4,869,605	(2,078,436)	20,151,292	20,096,532	20,473,309
Total Expenditures	64,804,537	77,080,142	(12,275,606)	285,614,248	299,061,656	272,151,333
Closing Transfer from Private Carrier Fund						1,946,351
Excess (Deficiency) of Revenues over Expenditures	(32,250,660)	(7,922,796)	(24,327,864)	54,636,585	92,665,981	61,674,458
				54,636,585	92,665,982	61,674,458
Cash Ending Balances	910,921,879	880,613,158	30,308,721	943,172,539	888,535,954	795,869,972

Note: The purpose of the report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of the Old Fund cash, IMB and BTI Investment accounts and any deposits in transit from the Debt Reduction Fund. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS' PNEUMOCONIOSIS FUND

September 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	262,926,105	244,074,613	18,851,492	244,074,613	221,866,212	261,695,430
Revenues						
Investment Earnings (Losses)	(4,259,502)	5,580,564	(9,840,066)	29,283,335	32,224,147	(28,434,390)
Other Income - Return of Unclaimed Property	-	-	-	-	898	132
Total Revenues	(4,259,502)	5,580,564	(9,840,066)	29,283,335	32,225,045	(28,434,258)
Expenditures						
Payment of Claims	2,793,821	2,481,727	312,094	10,415,160	9,978,121	11,395,319
Contractual / Professional	10,459	13,391	(2,932)	16,683	38,524	(359)
Total Expenditures	2,804,280	2,495,118	309,162	10,431,843	10,016,645	11,394,960
Excess (Deficiency) of Revenues over Expenditures	(7,063,782)	3,085,446	(10,149,228)	18,851,492	22,208,400	(39,829,218)
Cash Ending Balances	255,862,323	247,160,059	8,702,264	262,926,105	244,074,613	221,866,212

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

SELF-INSURED GUARANTY RISK POOL

September 30, 2011

		Three Year History for years ended:					
	YTD FY2012	YTD FY2011	Change	FY2011	FY2010	FY2009	
Cash Beginning Balances	9,744,809	8,112,918	1,631,891	8,112,918	6,969,307	5,177,977	
Revenues							
Guaranty Risk Pool Assessments	236,936	331,688	(94,752)	1,119,674	1,283,687	1,767,189	
Investment Earnings (Losses)	(158,934)	2,896	(161,830)	592,165	9,237	68,517	
Total Revenues	78,002	334,584	(256,582)	1,711,839	1,292,924	1,835,706	
Expenditures							
Payment of Claims	5,696	11,273	(5,577)	28,707	104,821	44,376	
Contractual / Professional	43,538	6,459	37,079	51,241	44,492	-	
Total Expenditures	49,234	17,732	31,502	79,948	149,313	44,376	
Excess (Deficiency) of Revenues over Expenditures	28,768	316,852	(288,084)	1,631,891	1,143,611	1,791,330	
Cash Ending Balances	9,773,577	8,429,770	1,343,807	9,744,809	8,112,918	6,969,307	

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
September 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	205,705	173,041	32,664	173,041	-	-
Revenues						
Security Risk Pool Assessments	-	31,272	(31,272)	115,569	173,041	-
Total Revenues	<u>-</u>	<u>31,272</u>	<u>(31,272)</u>	<u>115,569</u>	<u>173,041</u>	<u>-</u>
Expenditures						
Payment of Claims	1,528	73,516	(71,988)	-	-	-
Contractual / Professional	-	9,255	(9,255)	9,255	-	-
Total Expenditures	<u>1,528</u>	<u>82,771</u>	<u>(81,243)</u>	<u>82,904</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,528)</u>	<u>(51,499)</u>	<u>49,971</u>	<u>32,664</u>	<u>173,041</u>	<u>-</u>
Cash Ending Balances	<u>204,177</u>	<u>121,542</u>	<u>82,635</u>	<u>205,705</u>	<u>173,041</u>	<u>-</u>

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS' FUND

September 30, 2011

Three Year History for years ended:

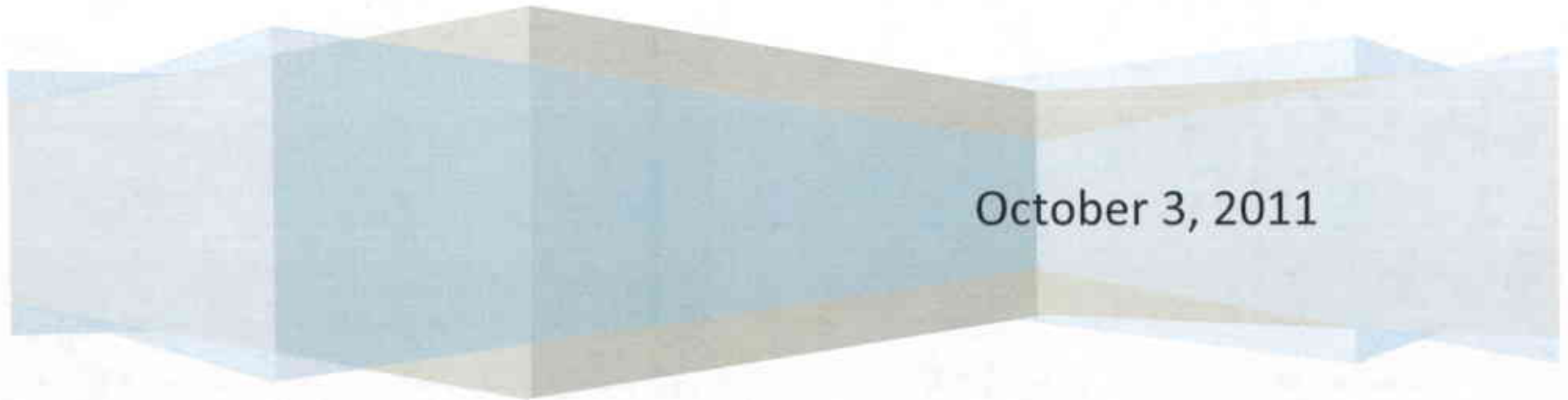
	YTD FY2012	YTD FY2011	Change	FY2011	FY2010	FY2009
Cash Beginning Balances	9,086,330	8,905,444	180,886	8,905,444	8,588,268	8,164,225
Revenues						
Fines and Penalties	271,971	227,102	44,868	939,626	892,806	977,167
Investment Earnings (Losses)	(150,619)	3,149	(153,768)	474,728	10,923	100,907
Total Revenues	121,351	230,251	(108,900)	1,414,354	903,729	1,078,074
Expenditures						
Payment of Claims	136,891	133,213	3,678	1,224,982	577,819	654,031
Contractual/Professional	1,261	1,394	(133)	8,486	8,734	-
Total Expenditures	138,152	134,607	3,545	1,233,468	586,553	654,031
Excess (Deficiency) of Revenues over Expenditures	(16,801)	95,644	(112,445)	180,886	317,176	424,043
Cash Ending Balances	9,069,530	9,001,088	68,441	9,086,330	8,905,444	8,588,268

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

West Virginia Offices of the Insurance Commissioner

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

Rebecca A. Roush, Chief Administrative Law Judge

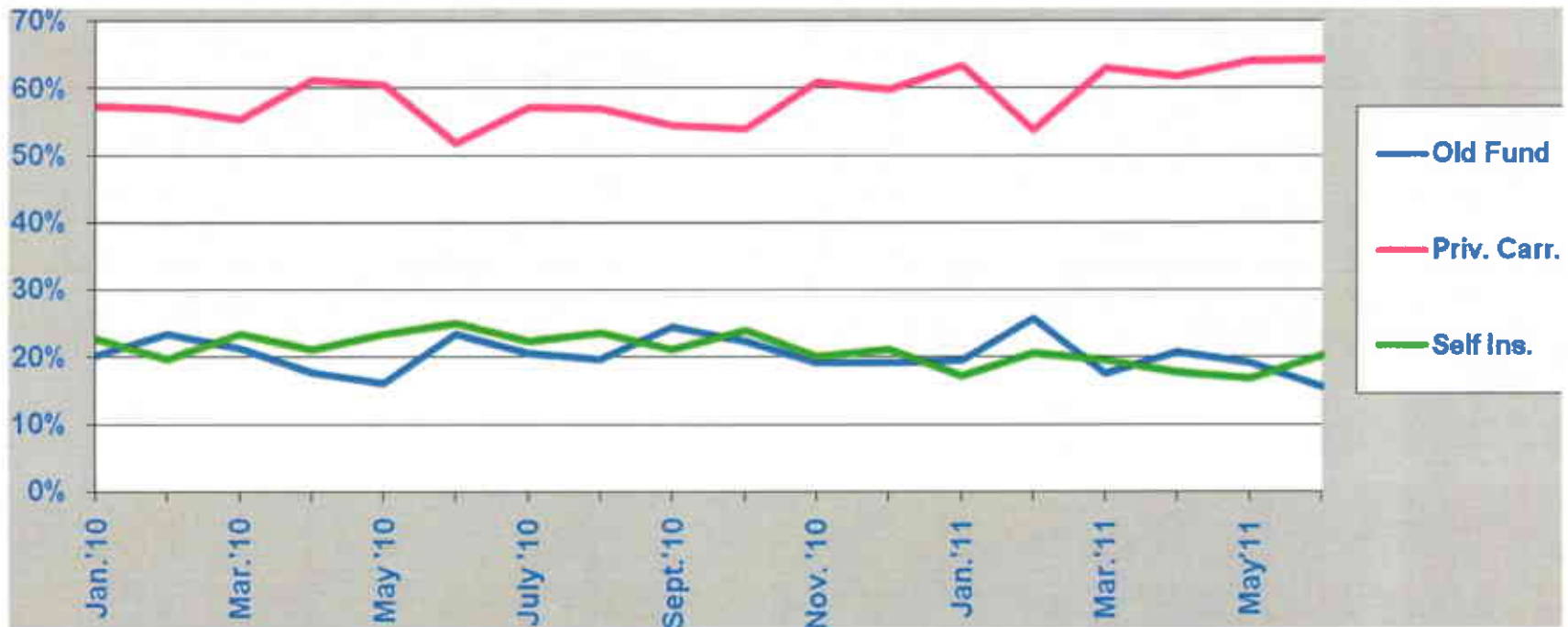


Statistical Analysis

A. Protests Acknowledged: 2010 Sept. 2011
 5052 353 3825

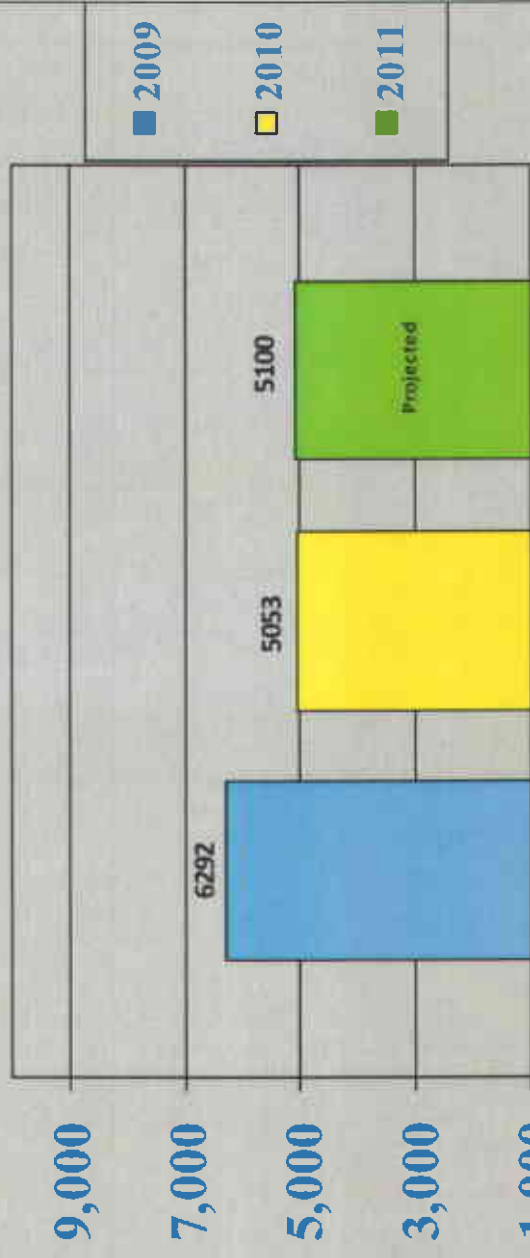
Fund Involved:

FUND	2010	% of protests	Sept.'11 2011	% of protests	2011	% of protests
Old Fund	1045	20.68%	73	20.68%	713	18.64%
Private Carrier	2885	57.11%	217	61.47%	2386	62.38%
Self-Insured	1122	22.21%	63	17.85%	726	18.98%
Subtotal	5052		403		3825	
Temporary	997		97		837	
Total	6049		514		4662	



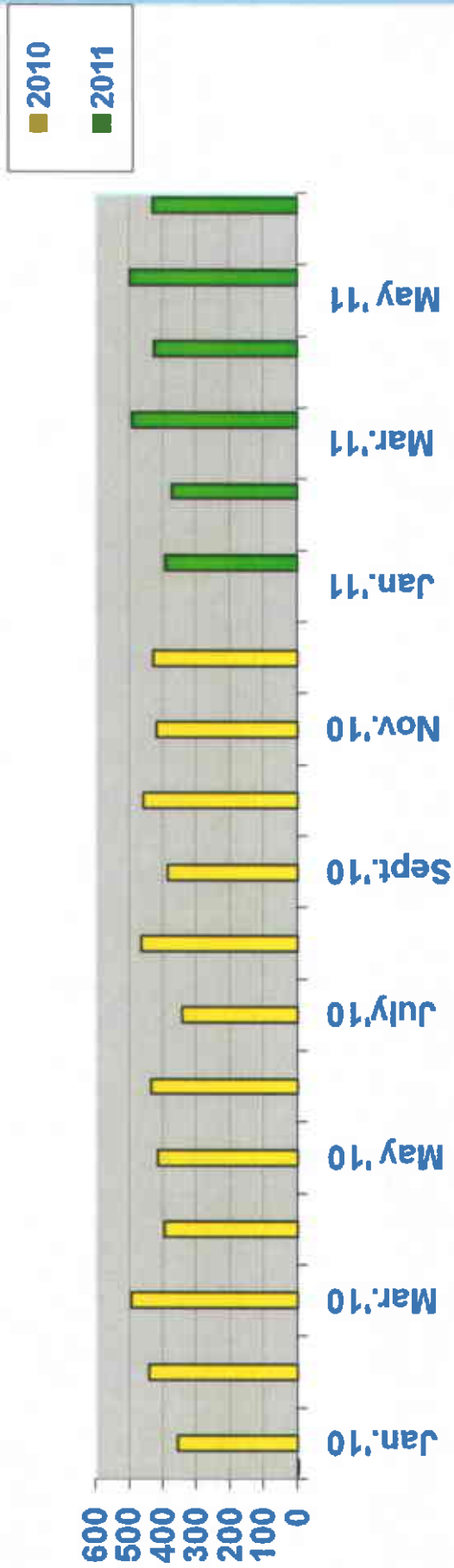
Protests Acknowledged by Carrier Type

PROTESTS PER CALENDAR YEAR



Protests Including Projection for 2011

PROTESTS BY MONTH



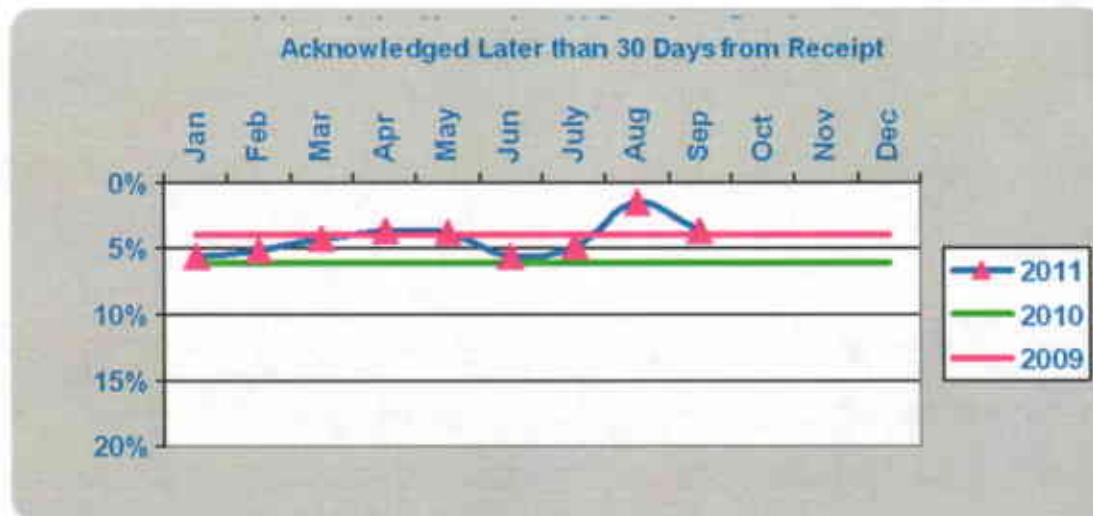
Protests Acknowledged by Month

B. Issues Resolved: 2010 Sept. 2011
 5327 477 3852

C. Pending Caseload Report

PENDING END OF SEPT. 2011	3537
PENDING 1 MONTH BEFORE	3670
PENDING 2 MONTHS BEFORE	3718
PENDING 3 MONTHS BEFORE	3691
PENDING 6 MONTHS BEFORE	3593
PENDING 12 MONTHS BEFORE	3579

D. **Acknowledgment Timeliness:** 2010 Sept. YTD
 Protest Ackn. >30 days 6.1% 3.7% 4.4%
 Protest Ackn. 24-30 days 1.7% 0.6% 2.5%
 Protest Ackn. 11-23 days 23.2% 30.0% 29.0%
 Protest Ackn. <11 days 68.9% 65.7% 64.1%



Sept. '11

2011

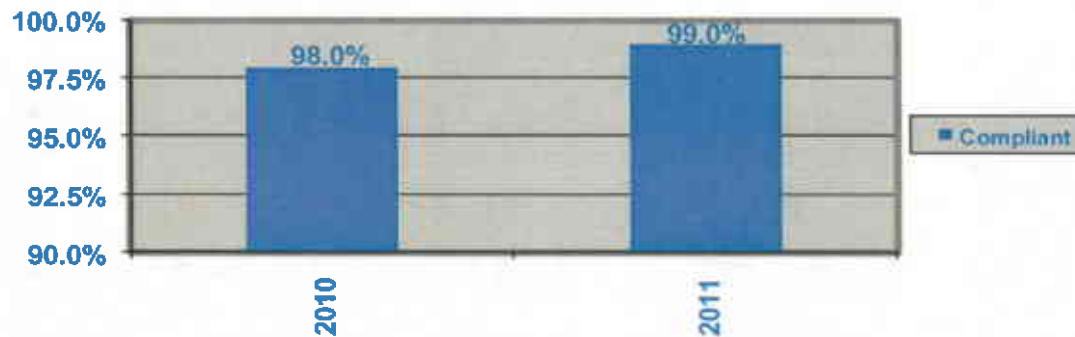
E. Protests Resolved:

1. Protests decided:	333	2595
2. Withdrawals:	62	622
3. "No Evidence" Dismissals:	51	457

F. Final Decision Timeliness

	<u>2010</u>	<u>Sept. '11</u>	<u>2011</u>
1. <30 days:	45.4%	36.1%	43.8%
2. 30-60 days:	34.2%	63.6%	47.9%
3. 60-90 days:	18.4%	0.3%	7.3%
4. +90 days:	2.0%	0.0%	1.0%

Decision Within Rule's Time Limits



G. Time Standard Compliance

<u>2010</u>	<u>Sept.</u>	<u>2011</u>
88.2%	93.1%	91.6%

Monday, October 03, 2011

Time Standard Compliance

Report Dates: From 9/1/2011 thru 9/30/2011

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	27	25	92.6%	2	7.4%
OPBD	5	5	100%	0	0%
TRMT/EQUIP CL	64	58	90.6%	6	9.4%
TTD	19	18	94.7%	1	5.3%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
DEP BEN FATAL	2	1	50%	1	50%
IEB DETERMINATION	1	1	100%	0	0%
OP NON-MED	1	1	100%	0	0%
PPD	50	50	100%	0	0%
REHABILITATION	1	1	100%	0	0%
REOPENING	16	13	81.3%	3	18.8%
SPECIAL CATEGORY	2	2	100%	0	0%
Total	189	176	93.1%	13	6.9%

Monday, October 03, 2011

Final Decision Compliance

Report Dates: From 9/1/2011 thru 9/30/2011

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	79	26	32.9%	52	65.8%	1	1.3%	0	0.0%
DEP BEN FATAL	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
IEB DETERMINATION	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
PTD ENTITLEMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
SPECIAL CATEGORY	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	121	49	40.5%	72	59.5%	0	0.0%	0	0.0%
APPLICATION THRESHOLD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
BENEFIT OVERPAYMENT	3	0	0.0%	3	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OPBD	10	5	50.0%	5	50.0%	0	0.0%	0	0.0%
PPD	52	22	42.3%	30	57.7%	0	0.0%	0	0.0%
REHABILITATION	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
REOPENING	27	9	33.3%	18	66.7%	0	0.0%	0	0.0%
TTD	34	6	17.6%	28	82.4%	0	0.0%	0	0.0%
Totals	338	122	36.1%	215	63.6%	1	0.3%	0	0.0%

Monday, October 03, 2011

Motion Resolution Compliance

Report Dates: From 9/1/2011 thru 9/30/2011

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	1	1	100%	0	0%
BENEFIT RATE	3	3	100%	0	0%
DEP BEN FATAL	14	14	100%	0	0%
FAILURE TO ACT 30 DAY	1	1	100%	0	0%
IEB DETERMINATION	5	5	100%	0	0%
OP NON-MED	3	3	100%	0	0%
PTD ENTITLEMENT	7	7	100%	0	0%
PTD ONSET DATE	5	5	100%	0	0%
REHABILITATION	2	2	100%	0	0%
REOPENING	49	49	100%	0	0%
SPECIAL CATEGORY	1	1	100%	0	0%
TRMT/EQUIP CL	225	219	97.3%	6	2.7%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
COMPENSABILITY	206	197	95.6%	9	4.4%
FAILURE TO ACT 15 DAY	1	1	100%	0	0%
OPBD	53	51	96.2%	2	3.8%
PPD	151	150	99.3%	1	0.7%
TEMP	1	1	100%	0	0%
TTD	103	102	99%	1	1%
Total	832	813	97.7%	19	2.3%

* Action Date < Motion Date

** Action Date > Motion Date

Monday, October 03, 2011

Acknowledgement Goal

Report Dates: From 9/1/2011 thru 9/30/2011

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CFA - CL APP.THRESHOLD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
BENEFIT OVERPAYMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBO - CL BEN. OVERPAYMENT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
COMPENSABILITY	Total: 66	2	3.0%	0	0.0%	21	31.8%	43	65.2%
CCS - CL SEC.CONDITION	18	1	5.6%	0	0.0%	2	11.1%	15	83.3%
CHC - CL COMPENSABILITY	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIS - CL SI SEC.CONDITION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPI - CL SI REJECT CLAIM	5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CPJ - CL REJECT CLAIM	34	1	2.9%	0	0.0%	12	35.3%	21	61.8%
CQR - CL SI REJ OCCDISEASE	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CRZ - CL REJ OCC DISEASE	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
DEP BEN FATAL	Total: 6	0	0.0%	0	0.0%	4	66.7%	2	33.3%
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	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
FAILURE TO ACT 10 DAY	Total: 7	0	0.0%	0	0.0%	6	85.7%	1	14.3%
C5N - CL FTA NOT COVERED	7	0	0.0%	0	0.0%	6	85.7%	1	14.3%
FAILURE TO ACT 15 DAY	Total: 3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
C01 - CL FTA INJ COMPENSAB	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
C03 - CL FTA TREATMENT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 1	1	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%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
IEB DETERMINATION	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CEB - CL IEB DETERMINATION	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
OPBD	Total: 17	0	0.0%	0	0.0%	5	29.4%	12	70.6%
CAO - CL ADD BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CBF - CL % BOARD FINDING	7	0	0.0%	0	0.0%	1	14.3%	6	85.7%
CSF - CL% SI BOARD FINDING	5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CSO - CL SI AD.BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF - EM % BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
ESF - EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PPD	Total: 82	3	3.7%	0	0.0%	29	35.4%	50	61.0%
CAA - CL ADDL % AWARD D/G	12	0	0.0%	0	0.0%	4	33.3%	8	66.7%
CAD - CL % AWARD DENY/GRNT	54	2	3.7%	0	0.0%	18	33.3%	34	63.0%
CIG - CL SI %AWARD DNY/GNT	16	1	6.3%	0	0.0%	7	43.8%	8	50.0%
REOPENING	Total: 18	0	0.0%	0	0.0%	8	44.4%	10	55.6%
CIY - CL SI DY/GNT R/O TTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CJV - CL DNY/GRNT R/O PPD	7	0	0.0%	0	0.0%	4	57.1%	3	42.9%
CRD - CL DENY/GRNT R/O TTD	9	0	0.0%	0	0.0%	3	33.3%	6	66.7%
TRMT/EQUIP CL	Total: 112	6	5.4%	1	0.9%	24	21.4%	81	72.3%
C1Y - CL SI TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBX - CL TRMT DENY	88	5	5.7%	1	1.1%	16	18.2%	66	75.0%
CSX - CL SI TRMT DENY	21	1	4.8%	0	0.0%	8	38.1%	12	57.1%
CYY - CL TRMT GRANT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
TTD	Total: 37	0	0.0%	0	0.0%	8	21.6%	29	78.4%
CCC - CL CLOSING THE CLAIM	27	0	0.0%	0	0.0%	5	18.5%	22	81.5%
CIC - CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CJS - CL TTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CPX - CL INITIAL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
Totals: Claims 321	353	13	3.7%	2	0.6%	106	30.0%	232	65.7%

Monday, October 03, 2011

Resolution of Issues

Report Dates: Decision Date From 9/1/2011 thru 9/30/2011

Time Standard	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
BENEFIT OVERPAYMENT	2	2	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	3	1	33.3	0	0	0	0	2	66.7	0	0	0	0	0	0	0	0
REHABILITATION	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	153	42	27.5	72	47.1	21	13.7	14	9.2	3	2	0	0	1	0.7	0	0
COMPENSABILITY	90	36	40	35	38.9	4	4.4	7	7.8	5	5.6	2	2.2	1	1.1	0	0
DEP BEN FATAL	3	0	0	3	100	0	0	0	0	0	0	0	0	0	0	0	0
IEB DETERMINATION	3	2	66.7	1	33.3	0	0	0	0	0	0	0	0	0	0	0	0
OP NON-MED	2	0	0	0	0	1	50	1	50	0	0	0	0	0	0	0	0
OPBD	27	1	3.7	9	33.3	1	3.7	16	59.3	0	0	0	0	0	0	0	0
PPD	102	18	17.6	28	27.5	17	16.7	36	35.3	3	2.9	0	0	0	0	0	0
REOPENING	29	7	24.1	20	69	0	0	0	0	0	0	2	6.9	0	0	0	0
TTD	58	11	19	21	36.2	7	12.1	17	29.3	1	1.7	0	0	1	1.7	0	0
Totals	477	121	25.4	192	40.3	51	10.7	94	19.7	12	2.5	4	0.8	3	0.6	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 9/30/11	71
Petitions denied on face:	22
Petitions denied by ALJ Decision:	30
Petitions granted:	10
Petitions withdrawn through settlement:	3
Petitions currently pending:	6

Failure to Timely Act Process

Petitions filed 9/1/05 through 9/30/11

Filed:	275
Denied/dismissed:	114
Withdrawn:	12
Reports to OIC:	130
Pending	19

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7	12	8	11	10	15	15	112
2011	10	16	11	15	21	16	11	13	9				122

Pro Se Claimant Information as of September 30, 2011

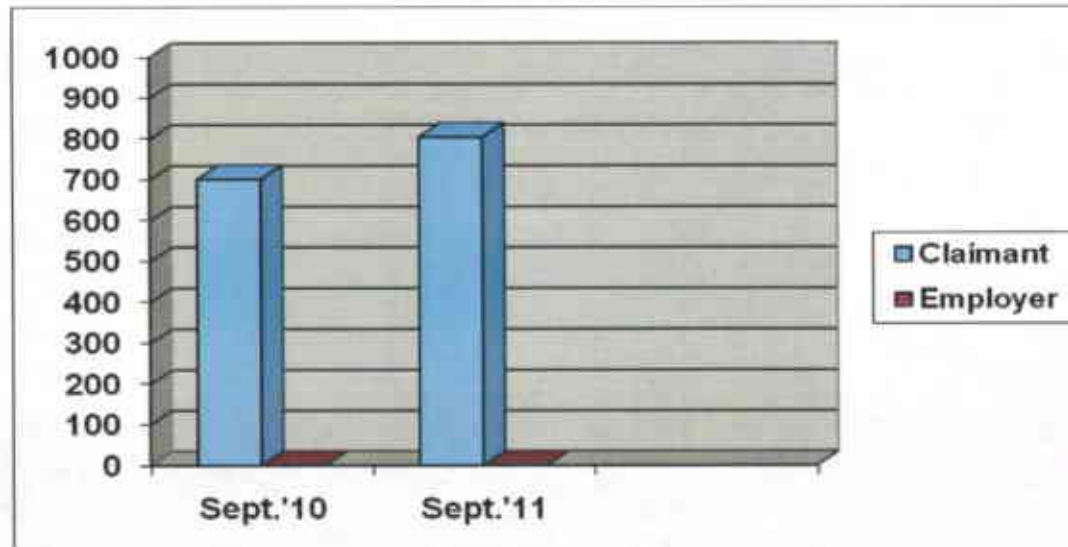
Pending Protests Involving Pro Se Claimants: 588

Pending Claims Involving Pro Se claimants: 523

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Sept.'11	% Protests	Month Sept.'10	% Protests
Claimant Employer	805	22.76%	702	19.61%
Total	805		702	

Pending Treatment Issues



Workers' Compensation Board of Review

MEMORANDUM

To: Mike Riley, Acting Commissioner
Bill Dean, Chairman
Kent Hartsog, Vice Chairman
Dan Marshall
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Jim Dissen

From: Rita Hedrick-Helmick, Chairperson

Date: October 5, 2011

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's September 2011 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

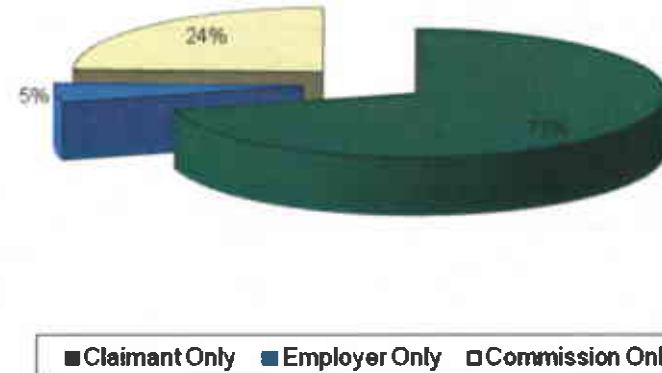
Please do not hesitate to contact me in the event of any questions.

Appeals Received From September 1, 2011 Thru September 30, 2011

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

Appellant	Count
Claimant Only	29
Employer Only	2
Commission Only	10
Old Fund Total	41

Old Fund Appeals by Appellant



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

Appellant	Count
Claimant Only	47
Employer Only	29
Claimant and Employer	2
Privately Insured Total	78
Total Appeals	119

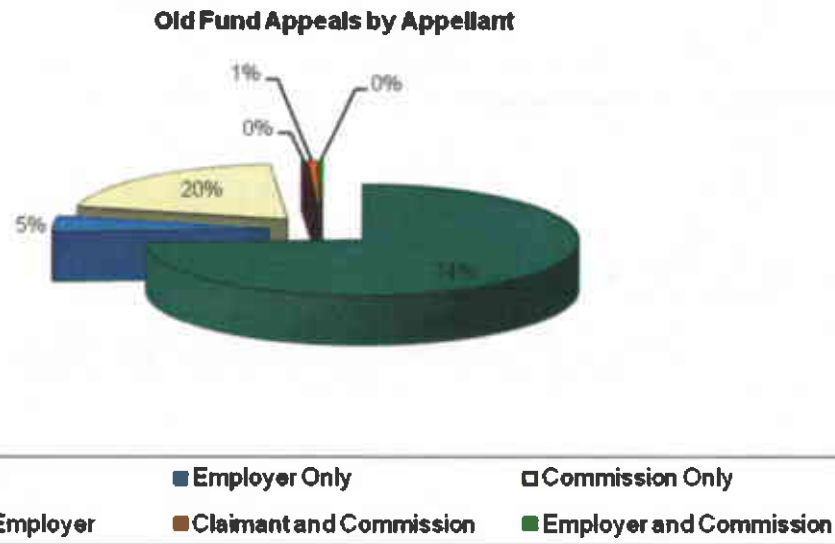
Privately Insured Appeals by Appellant



Yearly Appeals Received From January 1, 2011 Thru September 30, 2011

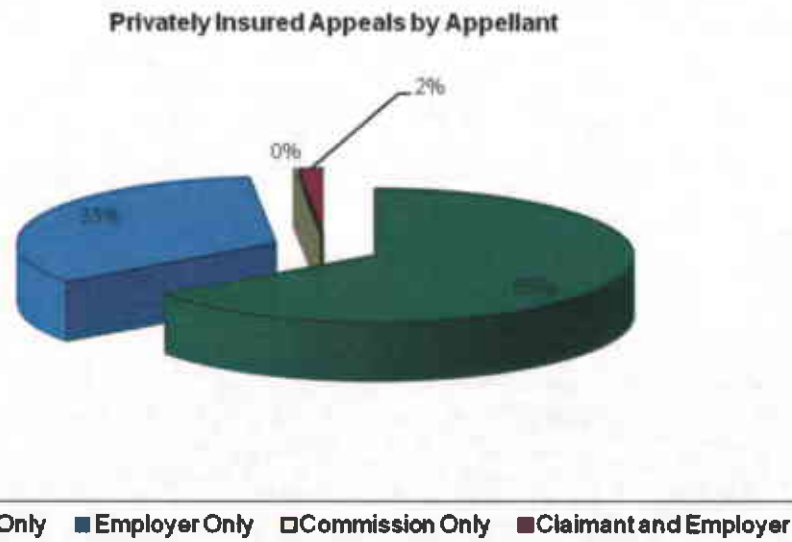
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	227
Employer Only	14
Commission Only	61
Claimant and Employer	1
Claimant and Commission	2
Employer and Commission	1
Old Fund Total	306



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

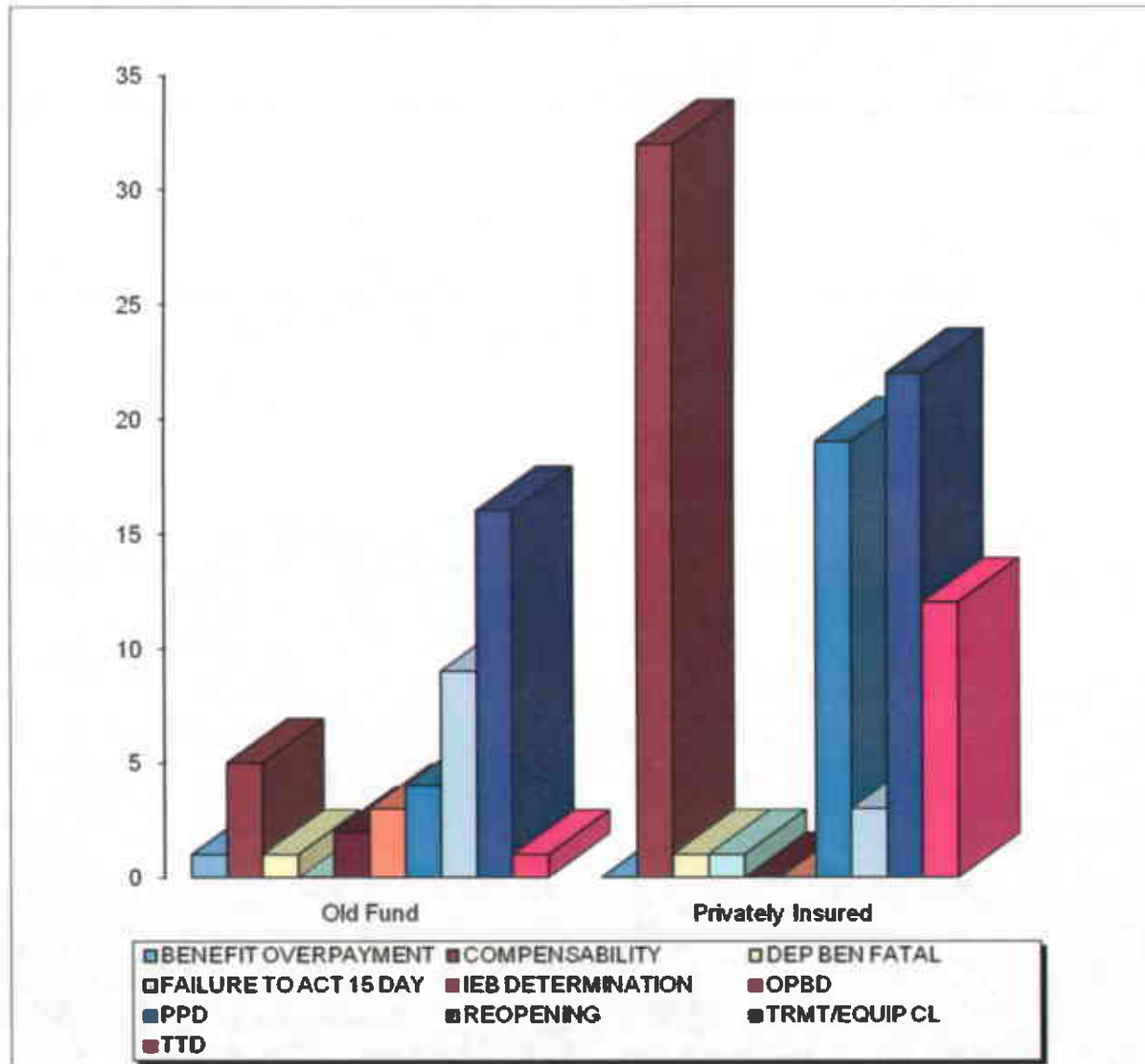
Appellant	Count
Claimant Only	433
Employer Only	222
Commission Only	1
Claimant and Employer	10
Privately Insured Total	666
Total Appeals	972



Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From September 1, 2011 Thru September 30, 2011

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT					
OVERPAYMENT	1	1	100.0	0	0.0
COMPENSABILITY	37	5	13.5	32	86.5
DEP BEN FATAL	2	1	50.0	1	50.0
FAILURE TO ACT 15 DAY	1	0	0.0	1	100.0
IEB DETERMINATION	2	2	100.0	0	0.0
OPBD	3	3	100.0	0	0.0
PPD	23	4	17.4	19	82.6
REOPENING	12	9	75.0	3	25.0
TRMT/EQUIP CL	38	16	42.1	22	57.9
TTD	13	1	7.7	12	92.3
Totals	132	42	31.8	90	68.2

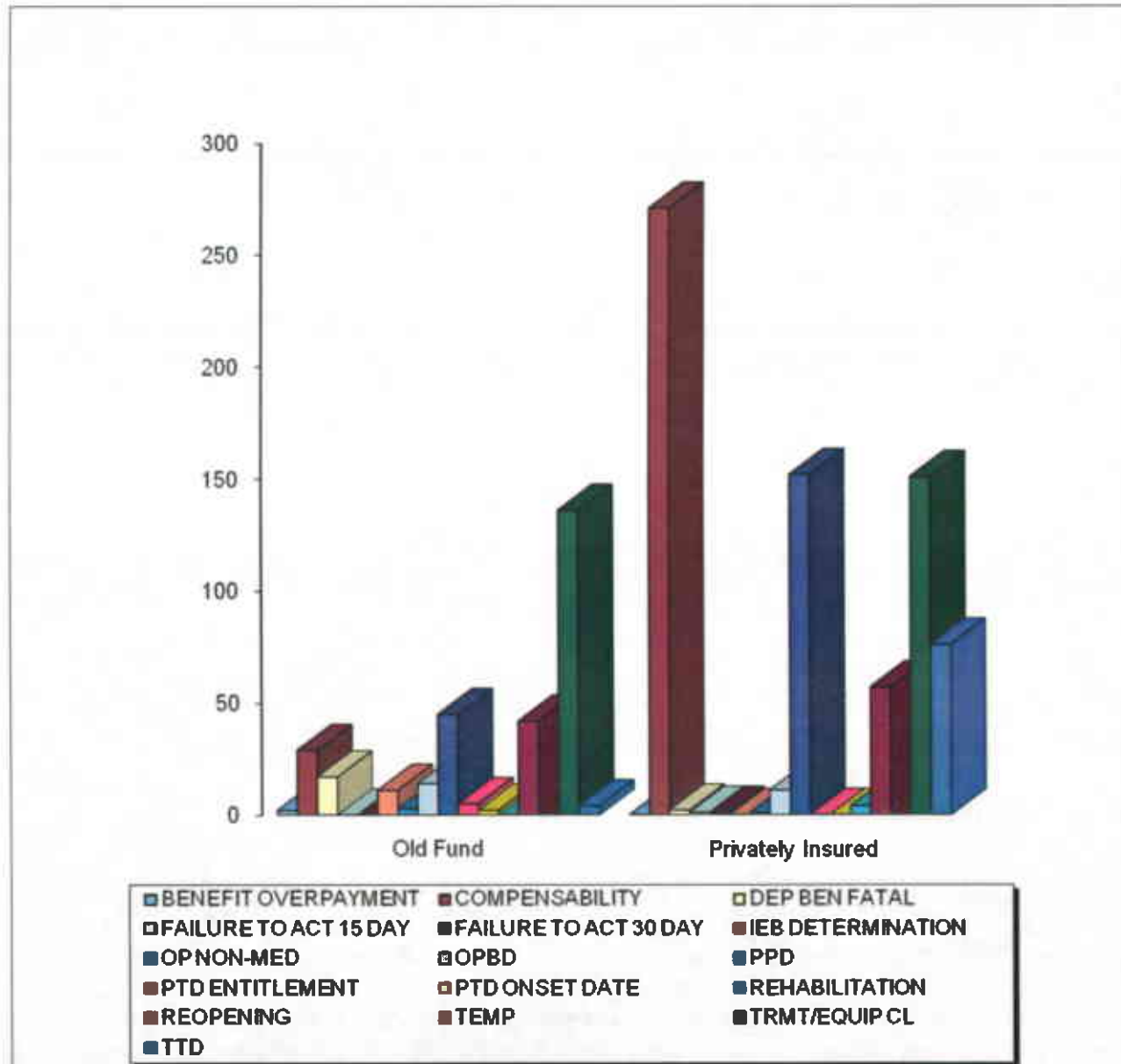
Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From September 1, 2011 Thru September 30, 2011



Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From January 1, 2011 Thru September 30, 2011

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT OVERPAYMENT	2	2	100.0	0	0.0
COMPENSABILITY	300	29	9.7	271	90.3
DEP BEN FATAL	19	17	89.5	2	10.5
FAILURE TO ACT 15 DAY	1	0	0.0	1	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	1	100.0
IEB DETERMINATION	11	11	100.0	0	0.0
OP NON-MED	4	3	75.0	1	25.0
OPBD	25	14	56.0	11	44.0
PPD	197	45	22.8	152	77.2
PTD ENTITLEMENT	5	5	100.0	0	0.0
PTD ONSET DATE	2	2	100.0	0	0.0
REHABILITATION	4	0	0.0	4	100.0
REOPENING	99	42	42.4	57	57.6
TEMP	1	1	100.0	0	0.0
TRMT/EQUIP CL	287	136	47.4	151	52.6
TTD	80	4	5.0	76	95.0
Totals	1038	311	30.0	727	70.0

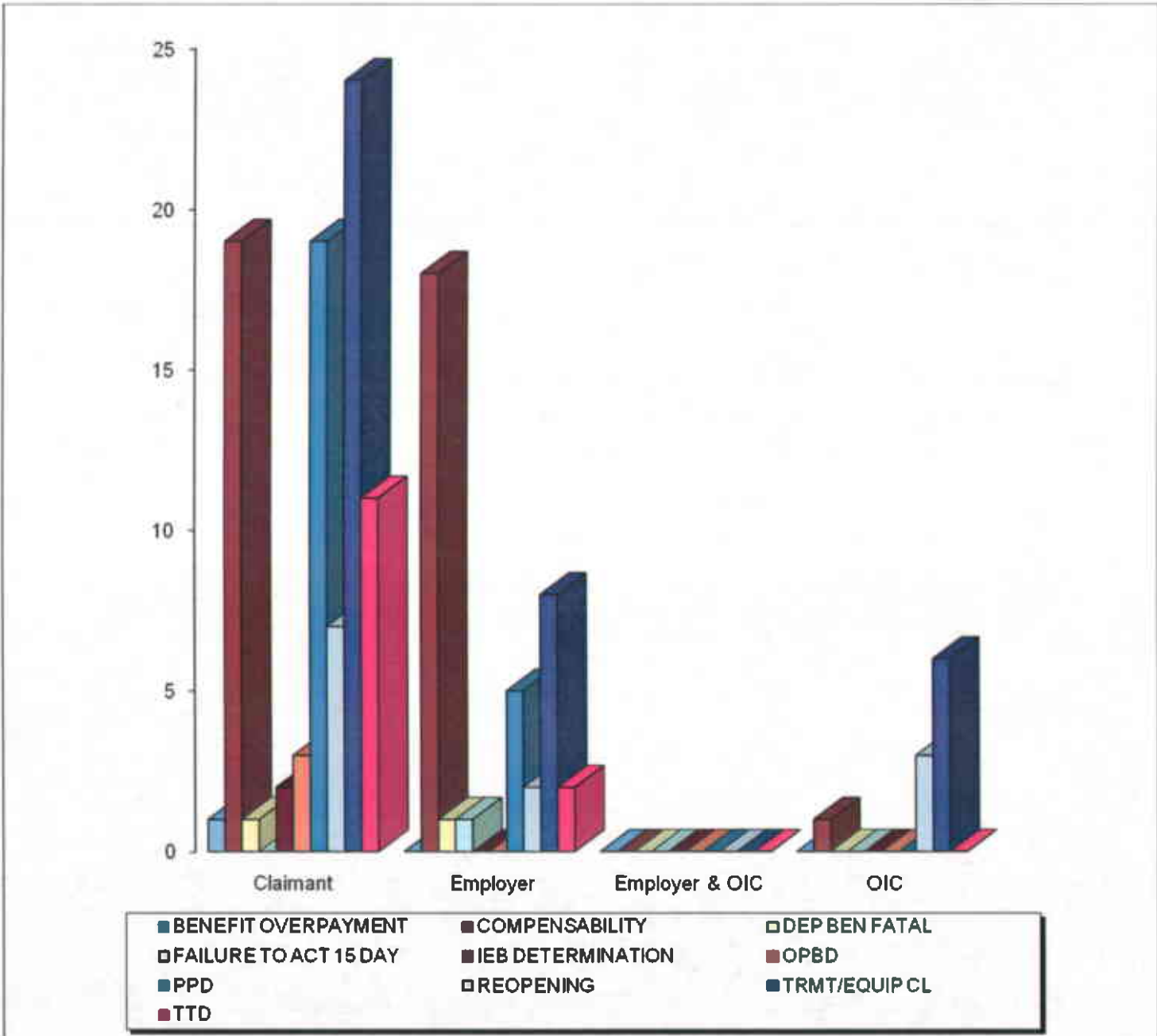
Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From January 1, 2011 Thru September 30, 2011



Appeals Received By Issue
From September 1, 2011 Thru September 30, 2011

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
BENEFIT									
OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	38	19	50.0	18	47.4	0	0.0	1	2.6
DEP BEN FATAL	2	1	50.0	1	50.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	1	100.0	0	0.0	0	0.0
IEB DETERMINATION	2	2	100.0	0	0.0	0	0.0	0	0.0
OPBD	3	3	100.0	0	0.0	0	0.0	0	0.0
PPD	24	19	79.2	5	20.8	0	0.0	0	0.0
REOPENING	12	7	58.3	2	16.7	0	0.0	3	25.0
TRMT/EQUIP CL	38	24	63.2	8	21.1	0	0.0	6	15.8
TTD	13	11	84.6	2	15.4	0	0.0	0	0.0
Totals	134	87	64.9	37	27.6	0	0.0	10	7.5

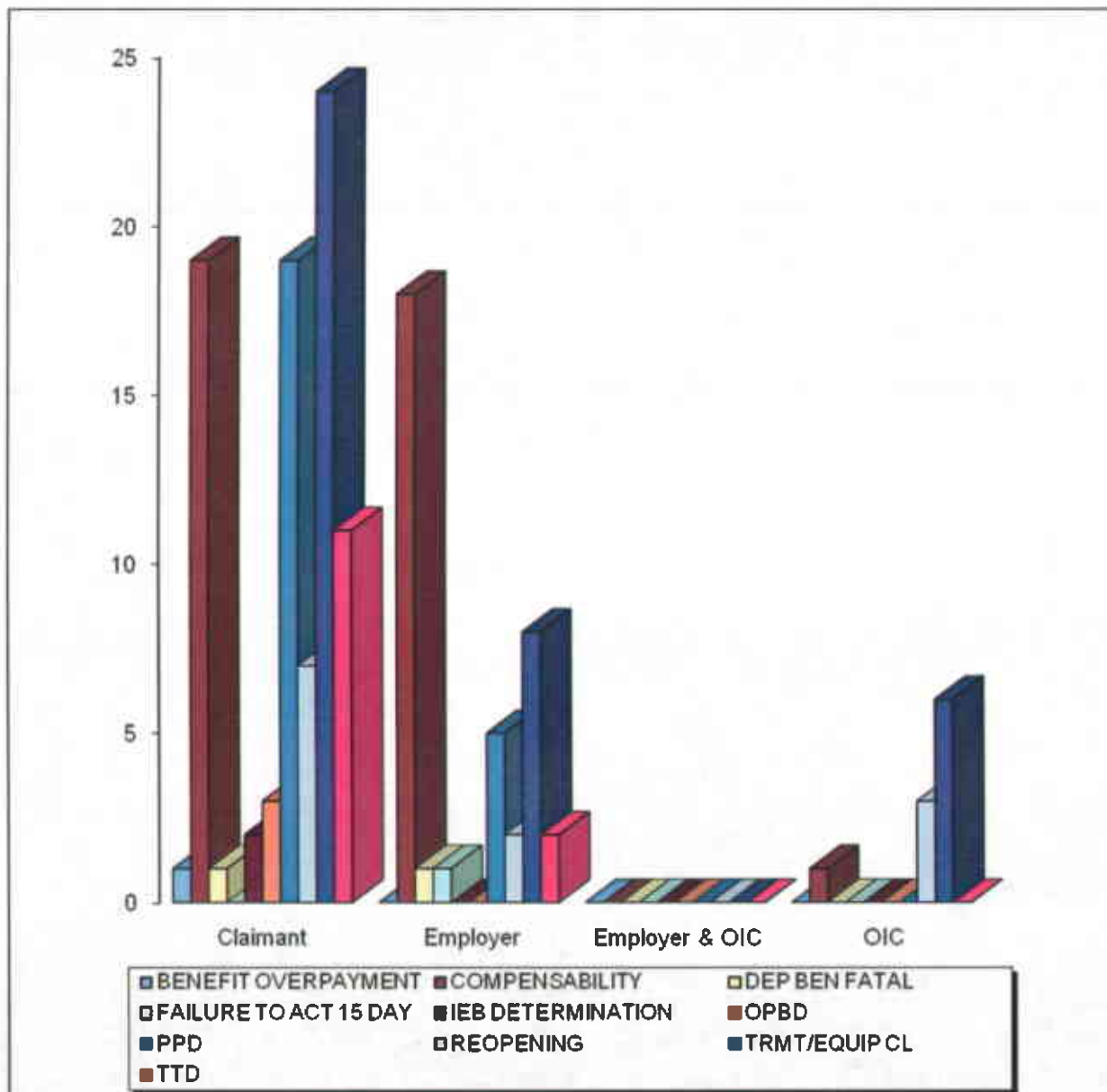
Appeals Received By Issue
 From September 1, 2011 Thru September 30, 2011



Appeals Received By Issue
From September 1, 2011 Thru September 30, 2011

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
BENEFIT									
OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	38	19	50.0	18	47.4	0	0.0	1	2.6
DEP BEN FATAL	2	1	50.0	1	50.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	1	100.0	0	0.0	0	0.0
IEB DETERMINATION	2	2	100.0	0	0.0	0	0.0	0	0.0
OPBD	3	3	100.0	0	0.0	0	0.0	0	0.0
PPD	24	19	79.2	5	20.8	0	0.0	0	0.0
REOPENING	12	7	58.3	2	16.7	0	0.0	3	25.0
TRMT/EQUIP CL	38	24	63.2	8	21.1	0	0.0	6	15.8
TTD	13	11	84.6	2	15.4	0	0.0	0	0.0
Totals	134	87	64.9	37	27.6	0	0.0	10	7.5

Appeals Received By Issue
 From September 1, 2011 Thru September 30, 2011



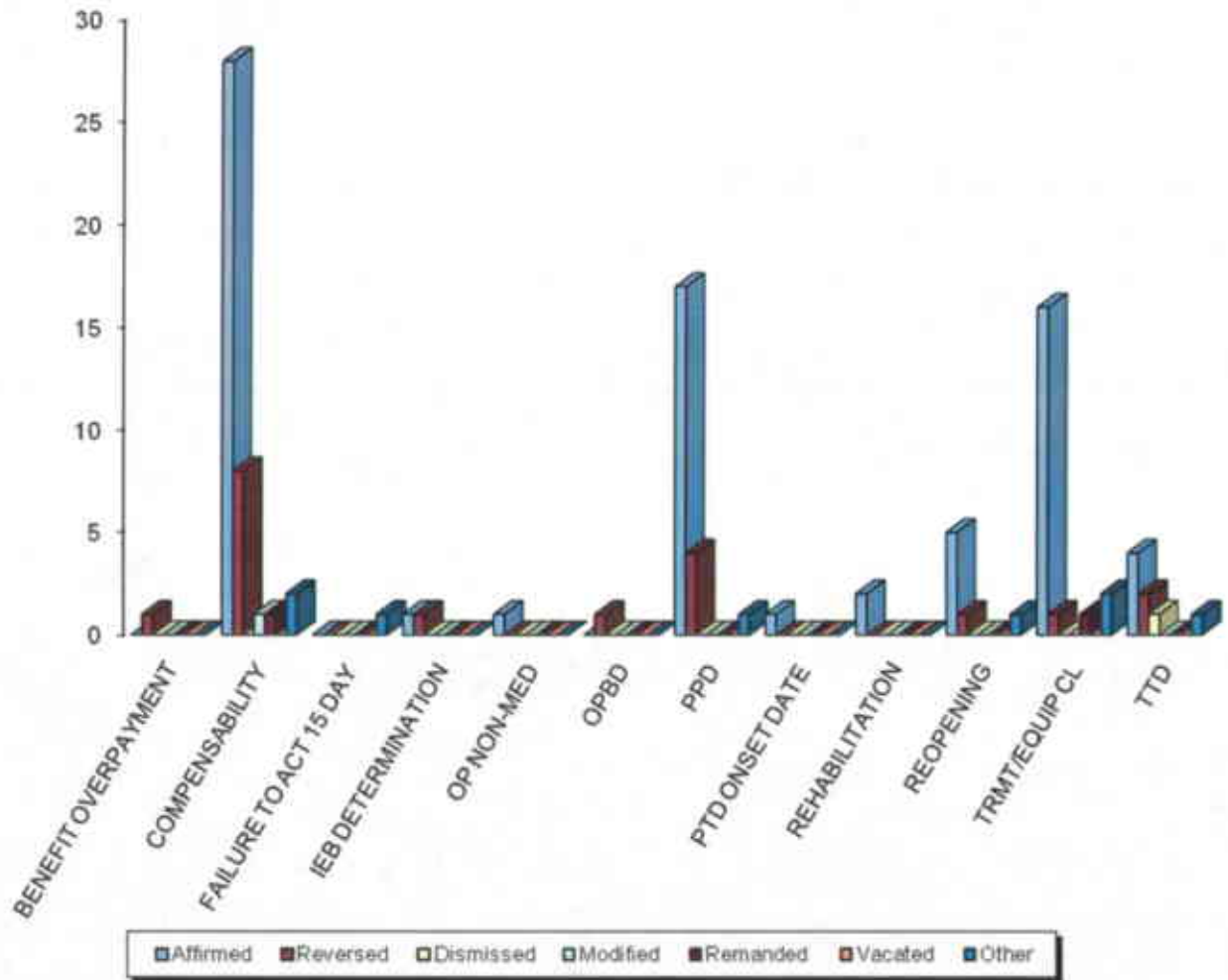
**WORKER COMPENSATION BOARD OF REVIEW
FOR SEPTEMBER 2011**

Appealed By	BOR Disposition	Disposition		Total %	Year to Date	Year to Date	
		Count	Disp %			Disp %	Total %
CLAIMANT	AFFIRMED	54	78.3%	53.5%	522	89.8%	62.4%
	DISMISSED	5	7.2%	5.0%	18	3.1%	2.2%
	MODIFY				4	0.7%	0.5%
	REMAND	1	1.4%	1.0%	8	1.4%	1.0%
	REVERSE	9	13.0%	8.9%	28	4.8%	3.3%
	VACATE				1	0.2%	0.1%
	Total Dispositions	69			581		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	1.0%	2	50.0%	0.2%
	DISMISSED				1	25.0%	0.1%
	MODIFY				1	25.0%	0.1%
	Total Dispositions	1			4		
EMPLOYER	AFFIRMED	15	55.6%	14.9%	131	66.2%	15.7%
	DISMISSED	3	11.1%	3.0%	9	4.5%	1.1%
	MODIFY	1	3.7%	1.0%	7	3.5%	0.8%
	REMAND	1	3.7%	1.0%	5	2.5%	0.6%
	REVERSE	7	25.9%	6.9%	46	23.2%	5.5%
	Total Dispositions	27			198		
DIVISION/OIC	AFFIRMED	2	50.0%	2.0%	28	51.9%	3.3%
	MODIFY				2	3.7%	0.2%
	REMAND				2	3.7%	0.2%
	REVERSE	2	50.0%	2.0%	22	40.7%	2.6%
	Total Dispositions	4			54		
Grand Totals		101			837		

Dispositions By Issues
BOR Orders Mailed From September 1, 2011 Thru September 30, 2011

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
BENEFIT OVERPAYMENT	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	40	28	70.0	8	20.0	0	0.0	1	2.5	1	2.5	0	0.0	2	5.0
FAILURE TO ACT 15 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
IEB DETERMINATION	2	1	50.0	1	50.0	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	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	22	17	77.3	4	18.2	0	0.0	0	0.0	0	0.0	0	0.0	1	4.5
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	7	5	71.4	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0	1	14.3
TRMT/EQUIP CL	20	16	80.0	1	5.0	0	0.0	0	0.0	1	5.0	0	0.0	2	10.0
TTD	8	4	50.0	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0	1	12.5
Totals	106	75	70.8	19	17.9	1	0.9	1	0.9	2	1.9	0	0.0	8	7.5

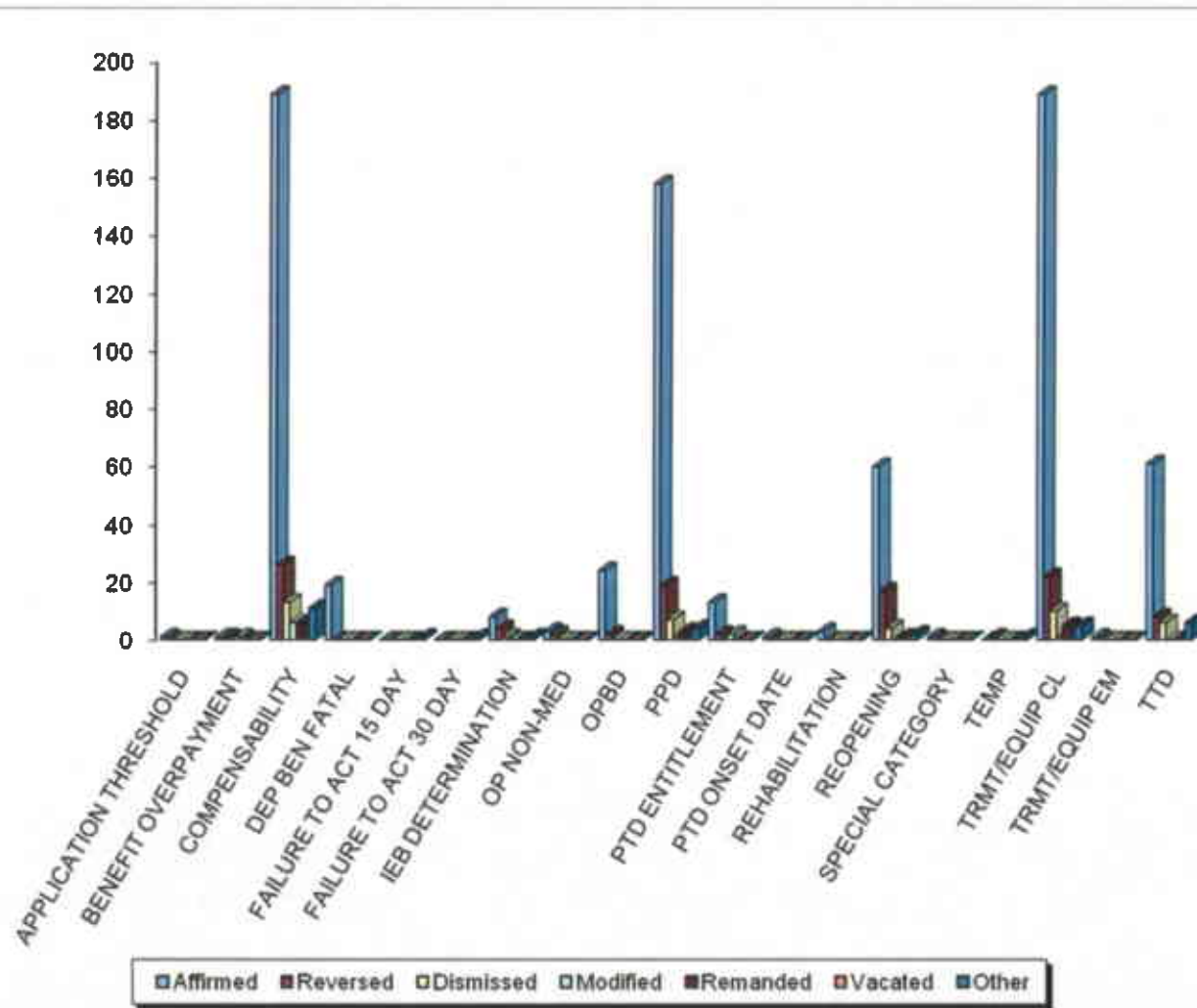
Dispositions By Issues
 BOR Orders Mailed From September 1, 2011 Thru September 30, 2011



Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2011 Thru September 30, 2011

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	3	1	33.3	1	33.3	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
COMPENSABILITY	252	189	75.0	26	10.3	13	5.2	6	2.4	6	2.4	1	0.4	11	4.4
DEP BEN FATAL	19	19	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
IEB DETERMINATION	14	8	57.1	4	28.6	1	7.1	0	0.0	0	0.0	0	0.0	1	7.1
OP NON-MED	5	3	60.0	2	40.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	26	24	92.3	2	7.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	192	158	82.3	19	9.9	7	3.6	1	0.5	3	1.6	0	0.0	4	2.1
PTD ENTITLEMENT	17	13	76.5	2	11.8	0	0.0	2	11.8	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	84	60	71.4	17	20.2	4	4.8	0	0.0	1	1.2	0	0.0	2	2.4
SPECIAL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	2	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0
TRMT/EQUIP CL	232	189	81.5	22	9.5	10	4.3	1	0.4	5	2.2	0	0.0	5	2.2
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	81	61	75.3	8	9.9	6	7.4	0	0.0	0	0.0	0	0.0	6	7.4
Totals	936	732	78.2	104	11.1	41	4.4	11	1.2	15	1.6	1	0.1	32	3.4

Yearly Dispositions By Issues
 BOR Orders Mailed From January 1, 2011 Thru September 30, 2011



**WV Offices of the Insurance Commissioner
Workers' Compensation - Revenue Recovery
August 2011**

COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 9,961.17
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 89,610.63
Receipts - Payment Agreements	\$ 12,582.22
	667
# of active accounts uninsured (cumulative)	\$ 2,644,494.92
\$ of active accounts uninsured (cumulative)	1,887
Telephone contacts	10
Walk-ins	

LIENS	
Liens sent to county clerks for recordation	63
Liens sent to county clerks for release	30
Intent to lien letters sent to employer/owner/officer/member	34

Uninsured Policies Resolved	246
All Cash Receipts from WC accounts	\$ 112,154.02

INJUNCTIONS	
Affidavits for injunction submitted to legal	4
Hearings attended	2
# of injunction complaints filed	2
# of injunctions granted	1
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	10
Agreements set up	9
Total # of agreements on system (cumulative)	69
Intent to void letters mailed	4
Agreements voided	0

MISCELLANEOUS	
Terminations Processed	45
Rule 11 Letters Mailed	246
Rule 11 hearings	1

BOARD OF TREASURY INVESTMENTS

LEGISLATIVE

CALENDAR NOTES

CD Auction
October 12, 2011

Board Meeting
October 27, 2011

OPERATING REPORT

SEP 27 2011

AUGUST 31, 2011

MANAGER

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

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CFP

Chief Financial
Officer

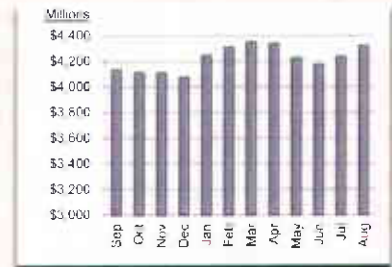
Kara K. Hughes,
CPA, MBA

Total Net Assets Under Management

\$4,319,492,000

Last Month
\$4,223,504,000

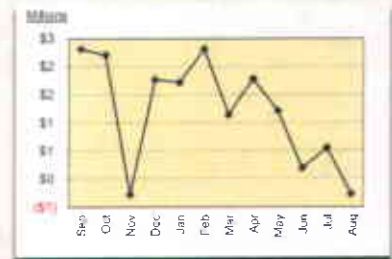
Beginning of Fiscal Year
\$4,172,779,000



Net Assets for the Past 12 Months

Total Net Income & Gains

Fiscal Year
\$277,000



Net Income for the Past 12 Months

Money Market Pools

As of August 31, 2011

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.0936%	.0974%	.0943%	40 Days	\$3.3 Billion
WV Gov't Money Market	.0492%	.0552%	.0655%	39 Days	\$330.7 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

AUGUST 2011

Investors Flee From Risk as Global Markets Plunge

Economic Conditions

Global stock markets plunged in early August culminating in a mid-month decline for the S&P 500 of more than 16% off the high reached earlier in the year. As stocks sold off across the board, credit spreads widened, and most commodity prices declined. Driving the flight from risky assets was: 1) the political spectacle around raising the US debt ceiling culminating in a last minute compromise, soon followed by the downgrading of government debt from AAA to AA+ by Standard and Poor's; 2) increasing evidence of slowing global economic growth and the specter of a "double dip" recession in the US; and, 3) the accelerating European peripheral debt crisis which threatened to engulf Italy and Spain. As volatility spiked, investors piled into Treasuries and gold as safe havens. The yield on 10-year Treasuries fell below 2.00% before ending the month at 2.23% (down from 2.77% at the start of August), while gold set new records during the month, approaching \$1,900/oz., before settling at \$1,814/oz. to close the month.

Bond Markets

Most investment grade bond portfolios saw positive returns during August. US government bonds rose more than 2%, while their high quality corporate brethren increased nearly 0.5%. Below investment grade, or high yield portfolios, suffered declines in excess of 3% during the month as the equity market volatility spilled over into the riskiest segment of the bond markets. Once again short duration instruments provided investors with negligible returns during the month as evidenced by 3-month Treasury Bills generating a 0.00% return.

Equity Markets

Equity investors saw significant portfolio value declines during August. Blue chip stocks, as measured by the S&P 500 Index and the Dow Jones Industrial Average, declined 5.43% and 4.36%, respectively. Small cap stocks fared even worse as they gave up more than 6% in value during the month. International stocks fared worse than their US counterparts with the MSCI EAFE Index declining more than 9%.

Market Conditions Update

Markets have resumed their downward trend in September, reminding us that this is no time for complacency. Significant risks remain in the global economic environment. While our base case assumption is of continued slow economic growth in the US, the possibility of a recession is significantly higher than several months ago. US fiscal policy remains uncertain with many elements of the budget-cutting deal to be worked out later in the year. And perhaps most importantly, the continued sell-off in European markets highlights that there are likely further complications from the peripheral European debt crisis including potential changes to the structure of the Euro block. As a result, we do not believe that we have seen the end of volatility in 2011.

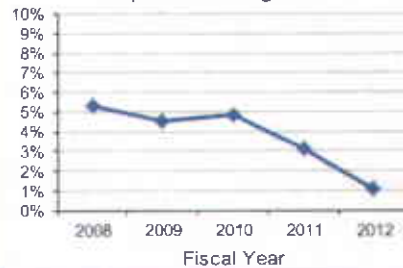
West Virginia Board of Treasury Investments Financial Highlights as of August 31, 2011

WV Short Term Bond Pool

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

<u>September 1 - August 31</u>	<u>Return</u>	<u>Net Assets At August 31 (In Millions)</u>
2011	1.1%	\$ 473.6
2010	3.1%	\$ 459.4
2009	4.8%	\$ 342.3
2008	4.5%	\$ 359.2
2007	5.3%	\$ 233.0

**WV Short Term Bond Pool
Rates of Return
Past 12 Months
September 1 - August 31**



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

Summary of Value and Earnings (In Thousands)

<u>Pool</u>	<u>Net Asset Value</u>	<u>August Net Income (Loss)</u>	<u>Fiscal YTD Net Income</u>
WV Money Market	\$ 3,288,858	\$ 259	\$ 516
WV Gov't Money Market	330,671	18	33
WV Short Term Bond	473,639	(828)	(771)
WV Bank	60,068	12	24
Loss Amortization *	-	11	13
Loans	131,671	120	241
Reserve	18,977	6	13
Participant Accounts	15,608	129	208
	<u>\$ 4,319,492</u>	<u>(\$273)</u>	<u>\$ 277</u>

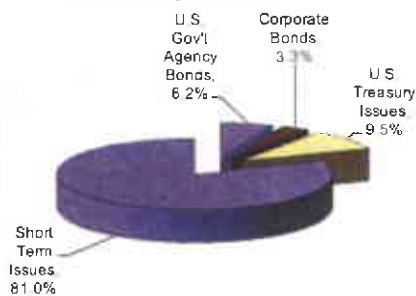
Percent of Total Net Asset Value



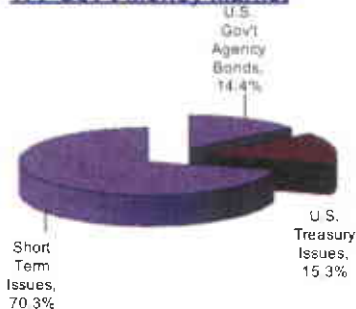
* Closed in August 2011

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

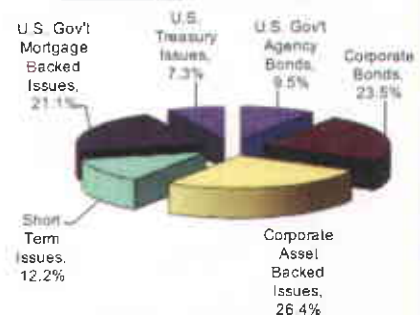
WV Money Market



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

AUGUST 31, 2011

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>
Assets						
Investments:						
At amortized cost	\$ 3,356,696	\$ 330,475		\$ 60,016	\$ 150,522	\$ 12,477
At fair value	-	-	\$ 472,896	-	-	3,034
Cash	-	-	-	-	-	-
Other assets	1,385	221	1,066	53	129	97
Total assets	<u>3,358,081</u>	<u>330,696</u>	<u>473,962</u>	<u>60,069</u>	<u>150,651</u>	<u>15,608</u>
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	69,223	25	323	1	3	-
Total liabilities	<u>69,223</u>	<u>25</u>	<u>323</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net Assets	<u>\$ 3,288,858</u>	<u>\$ 330,671</u>	<u>\$ 473,639</u>	<u>\$ 60,068</u>	<u>\$ 150,648</u>	<u>\$ 15,608</u>
Investment income						
Interest and dividends	\$ 467	\$ 81	\$ 448	\$ 13	\$ 129	\$ 35
Net accretion (amortization)	(58)	(47)	(158)	-	299	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>409</u>	<u>34</u>	<u>290</u>	<u>13</u>	<u>428</u>	<u>22</u>
Expenses						
Fees	150	16	43	1	3	-
Total expenses	<u>150</u>	<u>16</u>	<u>43</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net investment income	<u>259</u>	<u>18</u>	<u>247</u>	<u>12</u>	<u>425</u>	<u>22</u>
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(1,075)	-	(288)	107
Net gain (loss) from investments	<u>-</u>	<u>-</u>	<u>(1,075)</u>	<u>-</u>	<u>(288)</u>	<u>107</u>
Net increase (decrease) in net assets from operations	<u>259</u>	<u>18</u>	<u>(828)</u>	<u>12</u>	<u>137</u>	<u>129</u>
Distributions to participants	<u>259</u>	<u>18</u>	<u>247</u>	<u>12</u>	<u>126</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	1,130,022	72,402	10,214	12	902	17
Redemptions and withdrawals	892,429	31,317	13,414	-	189,057	430
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	<u>237,593</u>	<u>41,085</u>	<u>(3,200)</u>	<u>12</u>	<u>(188,155)</u>	<u>(413)</u>
Increase (decrease) in net assets	237,593	41,085	(4,275)	12	(188,144)	(284)
Net assets at beginning of period	3,051,265	289,586	477,914	60,056	338,792	15,892
Net assets at end of period	<u>\$ 3,288,858</u>	<u>\$ 330,671</u>	<u>\$ 473,639</u>	<u>\$ 60,068</u>	<u>\$ 150,648</u>	<u>\$ 15,608</u>