

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

July 13, 2011

June 15, 2011

1:00 - 2:00 p.m.

Joint Committee on Government and Finance

Senate

Kessler, Chair
Palumbo
Plymale
Prezioso
Unger
Facemyer
Hall

House

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

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by Acting President Kessler, properly adopted, the minutes of the May 17, 2011, meeting were approved.

2. Committee Reports/Requests:

Upon motion by Acting President Kessler, properly adopted, the appointment of a Select Committee, between the House and Senate with five members from each body, to study Marcellus Shale Issues during the interim session was authorized.

Upon motion by Acting President Kessler, properly adopted, the Committee approved the expense reimbursement for Parks, Recreation and Natural Resources Subcommittee site visitations to Little Beaver State Park, Pipestem Resort State Park, Bluestone Lake State Park and Camp Creek State Park on July 25, 26 and 27, 2011.

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 April 30, 2011; General Revenue Fund report for the month ended May 31, 2011; and the Unemployment Compensation Trust Fund report as of April 30, 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. Russell Fry, Acting Executive Director said there is \$108 million in trust fund and prediction is to finish the year at about \$122 million.

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

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending April 30, 2011.

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

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for April 2011.

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

A real estate report for May 1, 2011 through May 31, 2011, was distributed.

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

A Medicaid report for April 2011 data was distributed.

8. **Investment Management Board**

An Investment Management Board report dated April 30, 2011, was distributed.

9. **Workers' Compensation**

A Workers' Compensation report dated June 15, 2011, was distributed. At the request of Speaker Thompson, Insurance Commissioner Cline agreed to provide the Committee with the most current projected date for the payoff of the unfunded liability of the old fund as soon as that information was available.

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

A Board of Treasury Investments Report dated April 30, 2011, was distributed.

11. **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

July 6, 2011

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

Lottery Commission as of May 31, 2011 :

Gross profit for the months of July 2010 - May 2011 (FY 2011) was \$ 564.9 million, which is an increase of 2.06% over the same period in FY 2010.

General Revenue Fund as of June 30, 2011, end of Fiscal Year 2011:

Revenue collections for the end of the fiscal year 2011 were \$322 million over the yearly estimate, with severance tax, personal income tax and corporate net income tax performing well ahead of the estimate.

State Road Fund as of June 30, 2011, end of Fiscal Year 2011:

Fund collections were \$37 million over the year to date estimate.

Unemployment Compensation Trust as of May 31, 2011:

Regular benefits paid for fiscal year 2011 were \$ 101.5 million less than in July - May of fiscal year 2010. Trust fund ending balance on May 30, 2011 was \$114.7 million.*

* Note: On March 18, 2011, the legislature passed Senate Bill 219, which enables the Governor to make a loan from the Revenue Center Construction Fund to the Unemployment Compensation Trust in an amount not to exceed \$ 20 million whenever the projected balance in the Unemployment Trust will be less than \$ 20 million at any time in the next thirty days. The loan does not bear interest and must be repaid in one hundred and eighty days. This loan provision expires after September 1, 2011.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



, 304-347-4870

MEMORANDUM

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

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

Date: July 7, 2011

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the months of July - May of the 2010-2011 fiscal year from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 1,284,111,000.00 for July - May of fiscal year 2011. Table games accounted for \$61.8 million of this total. Historic Resort Hotel video lottery and table games accounted for \$5.9 million of total gross receipts. These gross receipts were \$1,249,020,000.00 for July - May of the preceding fiscal year, 2009-2010. Gross lottery revenue has increased by 2.81% from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - May 2011 was

Lottery

Joint Committee on Government and Finance

Lottery continued

\$564,958,000.00; for July - May of last fiscal year it was \$553,574,000.00. Expressed as a percentage, gross profit is 2.06% higher for fiscal year 2011 than for fiscal year 2010.

Operating Income:

Operating income was \$ 540,462,000.00 for July - May 2011. For the preceding July - May it was \$ 539,533,000.00. This was a increase of 0.17%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$523,728,000.00 for July - May 2011 (FY 2011).

Operating Transfers to the State of West Virginia:

A total of \$ 523,728,000.00 has been accrued to the state of West Virginia for fiscal year 2010-2011. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 63,731,000.00
Community and Technical College	\$5,000,000.00
Department of Education	\$ 30,275,000.00
Library Commission	\$ 10,726,000.00
Higher Education-Central Office	\$ 11,112,000.00
Tourism	\$ 7,273,000.00
Department of Natural Resources	\$ 3,317,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 5,600,000.00
Department of Education and Arts	\$ 1,087,000.00
State Building Commission	\$ 7,998,000.00
School Building Authority	\$ 17,998,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$164,117,000.00

Excess Lottery Fund

General Purpose Fund	\$ 65,000,000.00
Economic Development Fund	\$ 19,000,000.00
Excess Lottery Surplus	\$ 62,900,000.00
Education Improvement Fund	\$ 15,000,000.00
WV Infrastructure Council Fund	\$ 40,000,000.00
Higher Education Improvement Fund	\$ 29,000,000.00
Refundable Credit	\$ 9,085,000.00
State Park Improvement Fund	5,000,000.00
School Building Authority	19,000,000.00
WV Racing Commission	2,000,000.00
Dept of Education	71,683,000.00
TOTAL EXCESS LOTTERY FUND	\$337,668,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	1,607,000.00
State Debt Reduction Fund	477,000.00
Tourism Promotion Fund	75,000.00
Total Historic Hotel	2,159,000.00

Lottery

Lottery continued

Veterans Instant Ticket Fund 663,000.00

Table Games State Debt Reduction Fund 26,641,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$8,358,000.00
Development Office Promo Fund	\$2,279,000.00
Research Challenge Fund .5%	\$3,039,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,179,000.00
Parking Garage Fund .0625%	\$380,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$4,078,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$35,313,000.00
TOTAL TRANSFERS	*\$566,561,000.00

* CASH BASIS

Total Accrued last FY 2010:	241,039,000.00
Total Cash Distributions FY 2011:	566,561,000.00
Applied to FY 2010:	241,039,000.00
Total Applied to FY 2011	325,522,000.00
Total Accrued for FY 2010	0
Accrued for FY 2011 as of May 31:	198,206,000.00

Lottery



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Earl Ray Tomblin
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director

John Myers for John Musgrave

RE: Monthly Report on Lottery Operations
Month Ending May 31, 2011

DATE: June 18, 2011

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

Financial statements of the Lottery for the month ending May 31, 2011 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$118,225,325 for the month of May.

Transfers of lottery revenue totaling \$38,043,843 made for the month of May to the designated state agencies per Senate Bill 213, 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 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of May 31, 2011 was 1,582 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

www.wvlottery.com

WV LOTTERY FINANCIALS MAY 2011



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

May 31, 2011

WEST VIRGINIA LOTTERY

TABLE OF CONTENTS

	Page
BALANCE SHEETS	3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 23

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ELEVEN MONTH PERIOD ENDED MAY 31, 2011**

(In Thousands)
-Unaudited-

	2011	2010
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,295,633	\$ 1,251,090
Cash payments for:		
Personnel costs	(9,620)	(8,720)
Suppliers	(16,799)	(12,727)
Other operating costs	(709,032)	(695,663)
Cash provided by operating activities	<u>560,182</u>	<u>533,980</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(566,561)	(473,646)
Distributions to municipalities and counties	(7,162)	(7,131)
Distributions to racetrack from racetrack cap. reinv. fund	(14,696)	(15,822)
Cash used in noncapital financing activities	<u>(588,419)</u>	<u>(496,599)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(4,699)</u>	<u>(275)</u>
Cash flows from investing activities:		
Investment earnings received	<u>280</u>	<u>355</u>
Cash provided by investing activities	<u>280</u>	<u>355</u>
Increase (decrease) in cash and cash equivalents	(32,656)	37,461
Cash and cash equivalents - beginning of period	<u>264,710</u>	<u>295,225</u>
Cash and cash equivalents - end of period	<u>\$ 232,054</u>	<u>\$ 332,686</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 540,462	\$ 539,533
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,484	1,698
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(19,277)	(8,695)
(Increase) decrease in inventory	(92)	(65)
(Increase) decrease in other assets	213	246
Increase (decrease) in estimated prize claims	768	(174)
Increase (decrease) in accounts payable	607	615
Increase (decrease) in deferred revenue	26,987	-
Increase (decrease) in other accrued liabilities	9,030	822
Cash provided by operating activities	<u>\$ 560,182</u>	<u>\$ 533,980</u>

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

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

ASSETS	May 31, 2011	June 30, 2010
Current Assets:		
Cash and cash equivalents	\$ 226,448	\$ 256,355
Accounts receivable	46,263	26,986
Inventory	775	683
Other assets	2,060	2,273
Total Current Assets	<u>275,546</u>	<u>286,297</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	5,606	8,355
Capital assets	35,342	39,524
Less accumulated depreciation and amortization	<u>(8,778)</u>	<u>(16,175)</u>
Net Capital Assets	<u>26,564</u>	<u>23,349</u>
Total Noncurrent Assets	<u>32,170</u>	<u>31,704</u>
Total Assets	<u>\$ 307,716</u>	<u>\$ 318,001</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 198,206	\$ 241,039
Deferred LVL permit fees	26,987	-
Estimated prize claims	13,896	13,128
Accounts payable	3,657	3,050
Other accrued liabilities	28,587	24,401
Total Current Liabilities	<u>271,333</u>	<u>281,618</u>
Total Liabilities	<u>271,333</u>	<u>281,618</u>
Net Assets:		
Invested in capital assets	26,564	23,349
Unrestricted	4,518	4,679
Restricted assets (see note 12)	5,301	8,355
Total Net Assets	<u>36,383</u>	<u>36,383</u>
Total Liabilities and Net Assets	<u>\$ 307,716</u>	<u>\$ 318,001</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 ELEVEN MONTH PERIOD ENDED MAY 31, 2011
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2011	2010	2011	2010
Lottery revenues				
On-line games	\$ 6,369	\$ 7,630	\$ 72,094	\$ 77,097
Instant games	9,392	8,373	107,254	88,383
Racetrack video lottery	61,954	67,488	670,167	687,599
Limited video lottery	33,216	33,944	366,722	365,423
Table games	6,519	2,681	61,891	29,064
Historic resort	576	201	5,983	1,454
	<u>118,226</u>	<u>120,317</u>	<u>1,284,111</u>	<u>1,249,020</u>
Less commissions				
On-line games	446	534	5,047	5,397
Instant games	671	586	7,508	6,186
Racetrack video lottery	32,238	35,079	375,740	385,483
Limited video lottery	16,276	16,632	179,694	179,057
Table games	2,801	1,054	26,597	11,427
Historic resort	270	95	2,996	747
	<u>52,702</u>	<u>53,980</u>	<u>597,582</u>	<u>588,297</u>
Less on-line prizes	3,017	3,899	37,333	38,465
Less instant prizes	6,691	5,700	74,561	60,036
Less ticket costs	172	115	2,005	1,344
Less vendor fees and costs	630	976	7,672	7,304
	<u>10,510</u>	<u>10,690</u>	<u>121,571</u>	<u>107,149</u>
Gross profit	<u>53,014</u>	<u>53,647</u>	<u>564,958</u>	<u>553,374</u>
Administrative expenses				
Advertising and promotions	1,248	216	9,527	6,493
Wages and related benefits	979	907	10,779	9,972
Telecommunications	58	52	596	603
Contractual and professional	390	363	4,062	4,439
Rental	51	57	594	640
Depreciation and amortization	17	145	1,484	1,698
Other administrative expenses	156	62	1,266	960
	<u>2,899</u>	<u>1,802</u>	<u>28,308</u>	<u>24,805</u>
Other Operating Income	<u>248</u>	<u>4,602</u>	<u>3,812</u>	<u>10,764</u>
Operating Income	<u>52,363</u>	<u>58,447</u>	<u>540,462</u>	<u>539,533</u>
Nonoperating income (expense)				
Investment income	19	47	280	355
Distributions to municipalities and counties	(651)	(665)	(7,188)	(7,162)
Distributions -capital reinvestment	(1,802)	(1,961)	(9,826)	(10,020)
Distributions to the State of West Virginia	(49,929)	(55,858)	(523,728)	(522,622)
	<u>(52,363)</u>	<u>(58,437)</u>	<u>(540,462)</u>	<u>(539,449)</u>
Net income	<u>-</u>	<u>10</u>	<u>-</u>	<u>84</u>
Net assets, beginning of period	<u>36,383</u>	<u>83,262</u>	<u>36,383</u>	<u>83,188</u>
Net assets, end of period	<u>\$ 36,383</u>	<u>\$ 83,272</u>	<u>\$ 36,383</u>	<u>\$ 83,272</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.

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. 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 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 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. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing 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), and licensed historic resort hotels as defined by WV Code. Each licensee 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 licensee 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 \$500,740 and \$467,815 of at June 30, 2010 and 2009, 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).

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DEFERRED REVENUES – Deferred revenue consists of limited video lottery permit fees collected in the current year and paid by licensees for the right to be permitted for the 10 year period beginning July 1, 2011.

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.

NOTE 3 - CASH AND CASH EQUIVALENTS

At May 31, 2011 the carrying amounts of deposits (overdraft) with financial institutions were \$(15) thousand with a bank balance (overdraft) of \$(98) 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):

	May 31, 2011	June 30, 2010
Deposits with financial institutions	\$ (98)	\$ (60)
Cash on hand at the Treasurer's Office	42,916	40,006
Investments with BTI reported as-cash equivalents	189,236	224,764
	<u>\$ 232,054</u>	<u>\$ 264,710</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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 - CAPITAL ASSETS

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

Capital Assets:

	Historical Cost At June 30, 2010	Additions	Deletions	Historical Cost At May 31, 2011
Construction in Progress	\$ -	\$ 4,570	\$ -	\$ 4,570
Buildings	20,174	-	-	20,174
Land	1,434	-	-	1,434
Improvements	1,170	-	-	1,170
Equipment	16,746	129	(8,881)	7,994
	<u>\$ 39,524</u>	<u>\$ 4,699</u>	<u>\$ (8,881)</u>	<u>\$ 35,342</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2010	Additions	Deletions	Historical Cost At May 31, 2011
Improvements	\$ 1,131	\$ 11	\$ -	\$ 1,142
Equipment	15,044	1,473	(8,881)	7,636
	<u>\$ 16,175</u>	<u>\$ 1,484</u>	<u>\$ (8,881)</u>	<u>\$ 8,778</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game, 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 May 31, 2011 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,157,135	\$ 32,996,965
Hot Lotto	408,279	5,456,156
Mega Millions	685,491	10,224,133
Total	\$ 4,250,905	\$ 48,677,254
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,470,747	\$ 16,404,163
Hot Lotto	195,562	2,720,015
Mega Millions	367,726	5,360,810
Total	\$ 2,034,035	\$ 24,484,988

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:

	<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 May 31, 2011, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 121,472,333	\$ 2,386,175
Hot Lotto	7,437,921	489,370
Mega Millions	7,925,975	169,034
Total	\$ 136,836,429	\$ 3,044,579

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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

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 \$14,463,105 at May 31, 2011, of which the Lottery's share was \$1,667,210.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 10 titled "Nonoperating Distributions to the State of West Virginia."

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

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

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

After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended May 31, 2011 and fiscal year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 704,589	\$ 757,519	\$ 7,383,732	\$ 7,525,883
Credits (prizes) won	(632,887)	(681,463)	(6,631,652)	(6,776,863)
Promotional credits played	(9,578)	(8,231)	(78,878)	(57,950)
MWAP Contributions	(170)	(337)	(3,035)	(3,471)
Gross terminal income	61,954	67,488	670,167	687,599
Administrative costs	(687)	(502)	(16,933)	(17,063)
Net Terminal Income	61,267	66,986	653,234	670,536
Less distribution to agents	(32,238)	(35,079)	(375,740)	(385,483)
Racetrack video lottery revenues	<u>\$ 29,029</u>	<u>\$ 31,907</u>	<u>\$ 277,494</u>	<u>\$ 285,053</u>

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

	May 31, 2011	Year-to-Date
State Lottery Fund	\$ 5,086	\$ 124,139
State Excess Lottery Revenue Fund	19,948	107,897
Capital Reinvestment Fund	1,786	9,642
Tourism Promotion Fund 1.375%	759	8,531
Development Office Promotion Fund .375 %	207	2,326
Research Challenge Fund .5 %	276	3,102
Capitol Renovation & Improvement Fund .6875 %	380	4,265
Parking Garage Fund .0625 %	35	388
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	552	4,204
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 29,029</u>	<u>\$ 277,494</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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

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

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 385,524	\$ 397,423	\$ 4,308,283	\$ 4,289,838
Credits (prizes) won	(352,308)	(363,479)	(3,941,561)	(3,924,415)
Gross terminal income	\$ 33,216	\$ 33,944	\$ 366,722	\$ 365,423
Administrative costs	(664)	(679)	(7,334)	(7,308)
Gross Profit	32,552	33,265	359,388	358,115
Commissions	(16,276)	(16,632)	(179,694)	(179,057)
Municipalities and Counties	(651)	(665)	(7,188)	(7,162)
Limited video lottery revenues	<u>\$ 15,625</u>	<u>\$ 15,968</u>	<u>\$ 172,506</u>	<u>\$ 171,896</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 May 31, 2011 and fiscal year-to-date were \$18,624,709 and \$176,830,722, 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:

	<u>Current Month</u>		<u>Year-to-Date</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Table Games Privilege Tax	\$ 6,519	\$ 2,681	\$ 61,891	\$ 29,064
Interest on Table Games Fund	-	-	6	2
Administrative costs	(745)	(229)	(7,073)	(2,491)
Total Available for Distribution	5,774	2,452	54,824	26,575
<u>Less Distributions:</u>				
Racetrack Purse Funds	466	191	4,421	2,076
Thoroughbred & Greyhound Development Funds	372	153	3,536	1,661
Racing Association Pension Plan	156	74	1,486	797
Municipalities/ Counties	1,807	636	17,154	6,893
Total Distributions	2,801	1,054	26,597	11,427
State Debt Reduction Fund	\$ 2,973	\$ 1,398	\$ 28,227	\$ 15,148

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

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 4,663	\$ 1,084	\$ 47,118	\$ 9,819
Credits (prizes) won	(4,303)	(963)	(42,937)	(8,807)
Promotional credits played	(29)	(6)	(264)	(13)
Gross terminal income	331	115	3,917	999
Capital reinvestment	(16)	(5)	(184)	(47)
Administrative costs	(18)	(6)	(211)	(54)
Hotel commissions	(140)	(49)	(1,657)	(423)
Net terminal income	157	55	1,865	475
Historic Resort Hotel Fund	101	35	1,199	305
Human Resource Benefit Fund	56	20	666	170

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 ended May 31, 2011 and fiscal year-to-date were \$700,570 and \$5,905,053, respectively.

The following table shows the month and fiscal 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	
	2011	2010	2011	2010
Table games privilege tax	\$ 245	\$ 86	\$ 2,067	\$ 456
Administrative Costs	(31)	(11)	(266)	(59)
Total Available for Distribution	214	75	1,801	397
Historic Resort Hotel Fund	179	63	1,506	332
Human Resource Benefit Fund	35	12	295	65

Historic Resort Hotel Fund

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

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):

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 101	\$ 1,199
Historic Resort Table Games	179	1,506
Interest on Historic Resort Hotel Fund	-	
Historic Resort Hotel Fund Net Income	280	2,705
Municipalities/ Counties	39	379
State General Revenue Fund	179	1,731
State Debt Reduction Fund	53	514
State Tourism Promotion Fund	9	81
Total Distributions	<u>\$ 280</u>	<u>\$ 2,705</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, 2011 the State Legislature budgeted \$166,121,854 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 \$4,800,000 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 May 31, 2011 the Lottery made such distributions and accrued additional distributions of \$44,507,831. The Lottery is a non-appropriated state.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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 May 31, 2011, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$731,377, \$2,972,816, and \$240,662, 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>May 31, 2011</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ -	\$ 5,000
Bureau of Senior Services	-	63,731
Department of Education	-	30,275
Library Commission	-	10,726
Higher Education-Policy Commission	-	11,112
Tourism	-	7,273
Natural Resources	-	3,317
Division of Culture & History	-	5,600
Department of Education & Arts	-	1,087
Building Commission	-	7,998
School Building Authority	-	17,998
Total State Lottery Fund	\$ -	\$ 164,117

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ -	\$ 19,000
Higher Education Improvement Fund . .	-	15,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	5,000
School Building Authority	-	19,000
Refundable Credit	1,276	9,085
WV Racing Commission	-	2,000
Department of Education	31,533	71,683
Excess Lottery Surplus	-	62,900
West Va. Infrastructure Council	-	40,000
Total State Excess Lottery Revenue Fund	\$ 32,809	\$ 337,668
Total Budgetary distributions:	\$ 32,809	\$ 501,785
Veterans Instant Ticket Fund	\$ 31	\$ 663

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 687	\$ 8,358
Development Office Promotion Fund .375%	187	2,279
Research Challenge Fund .5%	249	3,039
Capitol Renovation & Improvement Fund .6875%	343	4,179
Parking Garage Fund .0625 %	31	380
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	499	4,078
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,996	\$ 35,313

Table Games State Debt Reduction Fund

	\$ 2,932	\$ 26,641
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 205	\$ 1,607
State Debt Reduction Fund	61	477
Tourism Promotion Fund	9	75
Total	\$ 275	\$ 2,159

**Total nonoperating distributions to the
State of West Virginia (cash basis)**

	\$ 38,043	\$ 566,561
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Accrued nonoperating distributions, beginning

	(186,320)	(241,039)
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Accrued nonoperating distributions, end

	198,206	198,206
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	\$ 49,929	\$ 523,728
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WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 fiscal year-to-date ended May 31, 2011 and May 31, 2010 approximated \$594,096 and \$639,569 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended May 31, 2011 and year-to-date were \$84,400 and \$952,892, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2011	\$ 77
2012	939
2013	962
2014	986
2015	248
Total	\$ 3,212

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, 2010 and June 30, 2009 were as follows:

	June 30, 2010	June 30, 2009
Beginning balance	\$ 69,870	\$ 58,487
Additions		
Enabling legislation additions		10,817
Interest earned on restricted net assets	93	566
Deductions		
Asset acquisition	(21,608)	
Surplus of excess funds	(40,000)	
Ending balance	\$ 8,355	\$ 69,870

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 - COMMITMENTS

For the year ended June 30, 2010, the Lottery Commission has designated \$3,031,185 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2010 and 2009, \$5,921,057 and \$12,817,601, 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 12.5% 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 May 31, 2011 and fiscal year-to-date are as follows (in thousands):

	May 31, 2011	Year-to-Date
Lottery contributions	\$ 78	\$ 934
Employee contributions	28	309
Total contributions	\$ 106	\$ 1,243

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 \$903 and \$901 per employee per month for the years ending June 30, 2011 and 2010 respectively. Through June 30, 2010 and 2009, the Lottery has paid premiums of \$226,212 and \$185,563. As of June 30, 2010 and 2009, the Lottery has recorded a liability of \$1,484,546 and \$251,867 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. *EC*
Director Budget Division
Legislative Auditor's Office

Date: July 5, 2011

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

We have reviewed the cash revenue flows of the West Virginia general revenue fund for fiscal year 2010-2011. The status of the fund collections are as follows:

The net collections were ahead of the estimate for the fiscal year ending June 30, 2011. Total collections were \$322 million over the estimate.

Personal Income Tax collections were \$ 102 million over the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 23 million over the estimate for the end of the fiscal year.

Severance tax collections were \$ 89 million over the estimate as of June 30, 2011.

Corporate Income and Business Franchise Tax collections were \$93

Joint Committee on Government and Finance

million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were \$ 37 million over the estimate at the end of the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ 342,320,537.63 as of June 30, 2011.

Balance July 1, 2010	276,949,590.37
Cash flow loan to General Revenue on July 1, 2010. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; repaid in September. Repaid September 2010.	- 56,000,000.00 + 56,000,000.00
Revenues (Surplus previous fiscal year)	51,314,324.75
Earnings	14,056,622,51
Balance June 30, 2011	342,320,537.63

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 316,806,577.84 as of June 30, 2011.

Balance July 1, 2010	279,073,099.52
Earnings	36,296,038.32
Statutory Transfer Medical Malpractice Premiums	1,437,330.00
Balance June 30, 2011	316,806,577.84

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

Balance July 1, 2010	45,019,319.21
Revenues	-0-
Balance June 30, 2011	45,019,319.21

Monthly Revenue Estimates

as of June 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	134,200,000	160,160,133	25,960,133	1,491,000,000	1,593,168,829	102,168,829
Consumer Sales Tax & Use Tax	84,800,000	84,731,185	-68,815	1,125,000,000	1,148,243,766	23,243,766
Severance Tax	21,030,000	34,246,269	13,216,269	351,080,000	440,874,576	89,794,576
Corp Income /Business Franchise	45,100,000	54,967,502	9,867,502	209,500,000	302,977,776	93,477,776
HB 102 - Lottery Transfers	0	0	0	127,900,000	127,900,000	0
Business and Occupation	15,000,000	13,003,502	-1,996,498	127,000,000	127,591,014	591,014
Tobacco Products Tax	9,630,000	10,187,049	557,049	112,000,000	110,760,444	-1,239,556
Insurance Tax	100,000	720,853	620,853	103,500,000	107,202,349	3,702,349
Interest Income	1,600,000	592,490	-1,007,510	16,000,000	12,042,699	-3,957,301
Departmental Collections	1,040,000	1,087,319	47,319	14,500,000	15,839,617	1,339,617
Liquor Profit Transfers	1,000,000	2,805,152	1,805,152	13,000,000	15,200,485	2,200,485
Miscellaneous Receipts	680,000	333,847	-346,153	10,500,000	11,924,420	1,424,420
Senior Tax Credit Reimbur Lot	800,000	468,293	-331,707	10,000,000	9,553,377	-446,623
Beer Tax and Licenses	1,100,000	1,025,619	-74,381	8,500,000	8,478,815	-21,185
Property Transfer Tax	710,000	644,147	-65,854	8,000,000	8,107,846	107,846
Property Tax	90,000	108,783	18,783	6,100,000	6,016,025	-83,975
Liquor License Renewal	40,000	21,054	-18,946	6,000,000	14,611,331	8,611,331
Business Franchise Fees	730,000	1,149,157	419,157	1,400,000	2,239,181	839,181
Miscellaneous Transfers	20,000	0	-20,000	700,000	331,589	-368,411
Racing Fees	0	0	0	0	20,810	20,810
Charter Tax	0	9,461	9,461	0	150,963	150,963
Telecommunications Tax	0	7,713	7,713	0	22,520	22,520
Estate and Inheritance Tax	0	-3,734	-3,734	0	-93	-93
Video Lottery Transfers	0	184,800	184,800	0	527,770	527,770
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	317,670,000	366,450,595	48,780,595	3,741,680,000	4,063,786,110	322,106,110
Minus Cash Flow Transfer	0	0	0	0		
Percent of Estimates		115.36%			108.61%	
TOTALS	317,670,000	366,450,595	48,780,595	3,741,680,000	4,063,786,110	322,106,110
Percent of Estimates		115.36%			108.61%	
Collections this day		9,146,283				

Prepared by Legislative Auditor's Office, Budget Division

Monthly Revenue Estimates
as of June 30, 2011 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	31,400,000	33,406,645	2,006,645	380,000,000	397,748,645	17,748,645
Privilege Tax	14,556,000	16,087,226	1,531,226	155,492,000	172,452,587	16,960,587
Licenses & Registration	15,183,000	16,318,359	1,135,359	88,995,000	91,194,564	2,199,564
Highway Litter Control	290,000	261,670	-28,330	1,699,000	1,911,762	212,762
TOTALS	61,429,000	66,073,900	4,644,900	626,186,000	663,307,559	37,121,559
Percent of Estimates		107.56%			105.93%	
Collections this day		27,747,590				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF June 1, 2011 : \$341,112,598.12

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF June 1, 2011 : \$316,278,813.21

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

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



304-347-4870

To: Honorable 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: July 7, 2011

Re: West Virginia Unemployment Compensation Trust Fund

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

For July 1, 2010 to May 31, 2011 of fiscal year 2010-2011, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2010	\$95,528,960.38
Receipts July 1, 2010 thru June 30, 2011	\$449,479,176.73
Disbursements July 1, 2010 thru June 30, 2011	\$430,286,150.66
Balance May 31, 2011 *	\$114,721,986.45

ITEMS OF NOTE:

Regular benefits paid for July - May 2011 were \$101.5 million less than July - May 2010.

Federal emergency benefits totaled \$ 164.9 million for the July - May 2011; for July - May 2010 federal emergency benefits totaled \$ 186.2 million.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 136.1 million less in July - May 2011 than the preceding July - May 2010.

Receipts for July - May 2011 were \$ 32 million less than in July - May 2010. Overall ending trust fund balance was \$ 6.3 million higher on May 31, 2011 than on May 31, 2010.

West Virginia's unemployment rate for the month of May 2011 was 8.6 percent. National unadjusted employment rate was 8.7 percent.

Seasonally adjusted unemployment rates were 8.6 percent for West Virginia and 9.1 percent nationally.

Since May 2010 employment has increased by 1,700. Employment gains were as follows: 2,500 in educational and health services; 2,300 in mining and logging; 2,000 in professional and business services; 1,000 in trade, transportation and utilities; 300 in manufacturing; 300 in information; and 200 in leisure and hospitality. Declines were as follows: 1,100 in construction; 5,600 in government; 100 in other services; and 100 in financial activities.

*** Note: On March 18, 2011, the legislature passed Senate Bill 219, which enables the Governor to make a loan from the Revenue Center Construction Fund to the Unemployment Compensation Trust in an amount not to exceed \$ 20 million whenever the projected balance in the Unemployment Trust will be less than \$ 20 million at any time in the next thirty days. The loan does not bear interest and must be repaid in one hundred and eighty days. This loan provision expires after September 1, 2011.**

Unemployment

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

	MARCH 2010	APRIL 2010	MAY 2010	MARCH 2011	APRIL 2011	MAY 2011	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$85,916,762.90</u>	<u>\$80,906,605.30</u>	<u>\$87,265,942.68</u>	<u>\$55,890,604.42</u>	<u>\$38,898,460.49</u>	<u>\$49,106,436.23</u>	<u>(\$70,193,809.65)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$1,403,368.11	\$28,474,801.89	\$67,859,288.93	\$2,221,106.42	\$27,773,758.71	\$83,176,228.67	\$15,432,634.77
3. Federal Emergency Benefits (EUC08)	\$26,060,716.96	\$20,074,609.12	\$18,522,930.92	\$14,239,098.38	\$12,225,429.86	\$13,816,032.80	(\$24,378,695.96)
4. Federal Share Extended Benefits (EB)	\$332,375.99	\$136,535.15	\$476,753.03	\$3,311,664.08	\$2,315,626.16	\$2,148,241.46	\$6,829,867.53
5. Temp Federal Additional Comp (FAC)	\$5,661,837.00	\$4,047,768.00	\$3,734,687.00	\$5,671.69	\$5,083.25	\$1,995.90	(\$13,431,541.16)
6. UCFE (Federal Agencies)	\$227,720.89	\$149,390.37	\$113,611.99	\$333,308.44	\$292,739.31	\$284,162.30	\$419,476.80
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	\$1,055,895.47	\$0.00	\$0.00	\$654,826.97	\$0.00	\$0.00	(\$401,068.50)
11. UCX (Military Agencies)	\$372,296.95	\$347,475.60	\$368,442.22	\$457,816.17	\$422,297.10	\$482,807.37	\$274,705.87
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$35,114,211.37</u>	<u>\$53,230,580.13</u>	<u>\$91,075,714.09</u>	<u>\$21,223,492.15</u>	<u>\$43,034,934.39</u>	<u>\$99,907,458.40</u>	<u>(\$15,254,620.65)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$30,188,246.04	\$22,299,814.07	\$22,991,873.05	\$21,185,340.03	\$17,361,715.79	\$16,967,694.13	(\$19,964,983.21)
Federal Emergency Benefits (EUC08)	\$23,463,540.84	\$19,847,608.18	\$21,464,745.92	\$13,414,775.08	\$12,189,987.89	\$14,257,641.78	(\$24,913,490.19)
Federal Share Extended Benefits (EB)	\$326,900.77	\$150,249.15	\$472,940.61	\$2,905,088.57	\$2,287,823.01	\$2,396,777.24	\$6,639,598.29
Emergency Benefits (TEUC)	(\$360.00)	(\$180.00)	(\$190.00)	(\$1,228.07)	(\$1,383.45)	(\$474.02)	(\$2,355.54)
Temp Federal Additional Comp (FAC)	\$5,154,555.00	\$4,002,170.00	\$4,287,027.00	\$5,461.69	\$4,920.25	\$1,970.90	(\$13,431,399.16)
UCFE (Federal Workers) Benefits	\$250,157.66	\$152,381.95	\$127,677.91	\$281,050.78	\$246,273.12	\$219,563.07	\$216,769.45
UCX (Military Workers) Benefits	\$406,485.09	\$417,890.26	\$509,118.66	\$387,684.35	\$385,683.93	\$433,492.14	(\$126,633.58)
Reed Act Funds	\$328,395.86	\$0.00	\$85,623.07	\$0.00	\$226,000.00	\$15,242.94	(\$172,775.99)
Special Administrative Transfer**	\$8,547.71	\$1,409.24	\$9,988.07	\$37,363.65	\$125,938.11	\$0.00	\$145,346.74
Total Monthly Disbursements	<u>\$60,124,468.87</u>	<u>\$46,871,142.85</u>	<u>\$49,948,714.28</u>	<u>\$38,215,536.08</u>	<u>\$32,826,958.65</u>	<u>\$34,291,908.18</u>	<u>(\$51,609,923.19)</u>
Trust Fund Balance	<u>\$80,906,605.30</u>	<u>67,265,942.58</u>	<u>\$108,392,942.38</u>	<u>\$38,898,460.49</u>	<u>\$49,108,438.23</u>	<u>\$114,721,986.45</u>	<u>(\$33,838,507.11)</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

July 6, 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	2,027,000	16,576,000	100,172,000
July	20,407,000	14,567,000	106,012,000
August	36,304,000	16,724,000	125,592,000
September	3,028,000	11,170,000	117,450,000
October	11,157,000	13,807,000	114,800,000
November	25,456,000	11,848,000	128,408,000
December	2,362,000	14,368,000	116,402,000
Totals - 2011	242,277,000	202,776,000	116,402,000

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



Monthly Management Report Total Claims February 2011

*West Virginia Legislative Interims
April 2011*

STATE OF WV - RETIREE HEALTH BENEFITS TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Eleven Months Ending May 31, 2011

	[\$ 0 0 0 ' s]		PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
	ACTUAL	BUDGET			\$	%	\$	%
ADDITIONS								
Employer Premiums:								
Health premiums	\$3,084	\$3,308	\$2,879		(\$224)	(7%)	\$165	6%
Pay Go Premiums	111,089	110,512	95,035		577	1%	13,450	16%
Annual required contributions	1,930	1,432	1,752		488	35%	222	13%
Total Employer Premiums	116,103	115,252	100,241		851	1%	15,882	10%
Member Premiums:								
Health premiums	61,686	62,321	57,371		(725)	(1%)	4,225	7%
Pay Go Premiums	22,889	22,562	19,566		327	1%	3,123	16%
Life Insurance Premiums	12,925	12,932	10,244		(8)	0%	2,381	23%
Total Member Premiums	97,260	97,866	87,481		(606)	(1%)	9,779	11%
Total Premium Additions	213,763	213,118	187,722		245	0%	25,641	14%
Other Additions:								
Retiree Drug Subsidy	920	535	865		415	78%	65	7%
Investment Income	45,028	27,664	26,922		10,363	66%	13,106	71%
TOTAL ADDITIONS	260,342	241,317	215,530		19,025	8%	44,812	21%
DEDUCTIONS:								
Payments to Managed Care Only	40,871	45,648	99,293		4,777	10%	58,422	59%
Life Insurance Expense	12,920	12,072	10,479		52	0%	(2,441)	(23%)
Medical Claims Expense	56,712	56,195	57,022		(537)	(1%)	310	1%
Pharmacy Claims Expense	88,450	88,163	22,549		(337)	0%	(65,591)	(292%)
Administrative Service Fees (External)	8,180	7,874	1,960		(216)	(3%)	(6,230)	(318%)
Other Operating Expenses	2,952	3,009	3,538		57	2%	587	17%
Bad Debt Expense	(1,021)	0	0		1,024	0%	1,024	0%
TOTAL DEDUCTIONS	208,871	213,941	194,842		4,670	2%	(14,229)	(7%)
NET FUND INCREASE	51,271	27,376	20,688		23,895	87%	30,583	148%
Net Assets Held in Trust for Post-Employment Benefits								
Beginning of period	422,638	422,638	297,414		0	0%	25,222	6%
End of period	\$473,907	\$450,012	\$418,102		\$23,895	5%	\$55,805	13%

West Virginia Public Employees Insurance Agency
 For the Ten Months Ending April 30, 2011
 (Dollars in Thousands)

	(\$ 0 0 's)		PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
	ACTUAL	BUDGET			\$	%	\$	%
OPERATING REVENUE								
PREMIUM REVENUE								
Health Insurance - State Gov. - Employees	\$299,618	\$296,295	\$300,137		\$3,323	1%	(\$319)	(0%)
Health Insurance - State Gov. - Employees	76,588	75,310	74,585		1,278	2%	2,023	3%
Health Insurance - Local Gov. - All	67,303	60,350	70,117		6,953	12%	(2,816)	(4%)
Life Insurance	4,426	4,904	4,689		(449)	(9%)	(232)	(5%)
Other Premium Revenue	1,467	1,364	1,440		3	0%	(72)	(5%)
TOTAL PREMIUM REVENUE	449,330	438,223	450,948		11,107	3%	(1,618)	(0%)
PREMIUM REVENUE DEDUCTIONS								
Payments to Managed Care Org.	(30,528)	(32,126)	(46,058)		1,598	(5%)	15,530	(34%)
Life Insurance Expense	(4,854)	(4,904)	(4,689)		450	(9%)	235	(5%)
NET PREMIUM REVENUE	414,348	401,193	400,201		13,155	3%	14,347	4%
Administrative Fees, Net of Refunds	3,065	2,899	3,010		66	2%	47	1%
NET OPERATING REVENUE	418,313	405,092	404,119		13,221	3%	14,194	4%
OPERATING EXPENSES								
Claims Expense - Medical	289,884	300,060	268,016		10,196	3%	(21,848)	(8%)
Claims Expense - Drugs	96,651	97,922	85,375		1,271	1%	(11,276)	(13%)
Administrative Service Fees	13,894	14,408	13,917		514	4%	43	0%
Welfare and Disease Management	1,344	1,776	1,657		426	24%	313	19%
Other Operating Expenses	5,334	5,223	6,551		(111)	(2%)	1,217	19%
TOTAL OPERATING EXPENSES	407,087	419,383	375,536		12,296	3%	(31,551)	(8%)
OPERATING SURPLUS	11,226	(14,291)	28,583		25,517	(179%)	(17,357)	(61%)
NON-OPERATING REVENUES								
Direct Transfer	2,917	2,917				0%	2,917	0%
Interest and Investment Income	14,244	11,392	18,157		2,752	24%	(4,013)	(22%)
TOTAL NON-OPERATING REVENUES	17,061	14,309	18,157		2,752	19%	(1,096)	(6%)
CHANGE IN NET ASSETS	\$28,287	\$18	\$46,740		\$28,269	157,050%	(\$18,453)	(39%)
Total Net Assets, Beginning of Period	173,604	173,604	109,232			0%	64,372	59%
TOTAL NET ASSETS, END OF PERIOD	\$201,891	\$173,622	\$155,972		\$28,269	16%	\$45,919	29%

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

DRAFT

	May 31	
	2011	2010
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 18,776	\$ 25,307
Advance Deposit with Carrier/Trustee	193,334	186,122
Receivables - Net	1,108	1,158
Prepaid Insurance	545	521
Total Short Term Assets	213,763	213,108
Long Term Assets		
Investments	141,352	120,185
Total Long Term Assets	141,352	120,185
TOTAL ASSETS	355,115	333,293
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,184	1,356
Claims Payable	174	133
OPEB Liability	181	-
Agents Commissions Payable	1,183	1,153
Unearned Revenue	5,022	5,645
Current Estimated Claim Reserve	44,898	42,204
Total Short Term Liabilities	52,642	50,491
Long Term Liabilities		
Compensated Absences	66	58
Estimated Noncurrent Claim Reserve	88,949	103,618
Total Long Term Liabilities	89,015	103,676
TOTAL LIABILITIES	141,657	154,167
Prior Year Net Assets	192,207	150,958
Current Year Earnings	21,251	28,168
TOTAL NET ASSETS	213,458	179,126
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 355,115	\$ 333,293

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	2011	May 31	2010
	(in thousands)		
Operating Revenues			
Premium Revenues	\$ 48,517	\$	53,517
Less - Excess Insurance	(5,568)		(5,737)
Total Operating Revenues	42,949		47,780
Operating Expenses			
Claims Expense	33,871		32,619
Property & MS Claims Expense	4,084		5,941
Personal Services	1,257		1,168
General & Administrative Expense	2,413		2,306
Total Operating Expenses	41,625		42,034
Operating Income	1,324		5,746
Nonoperating Revenues			
Fees and Assessments	30		30
Investment Income	19,897		22,392
Total Nonoperating Revenues	19,927		22,422
Net Income	21,251		28,168

DRAFT - Unaudited - Management Purposes Only

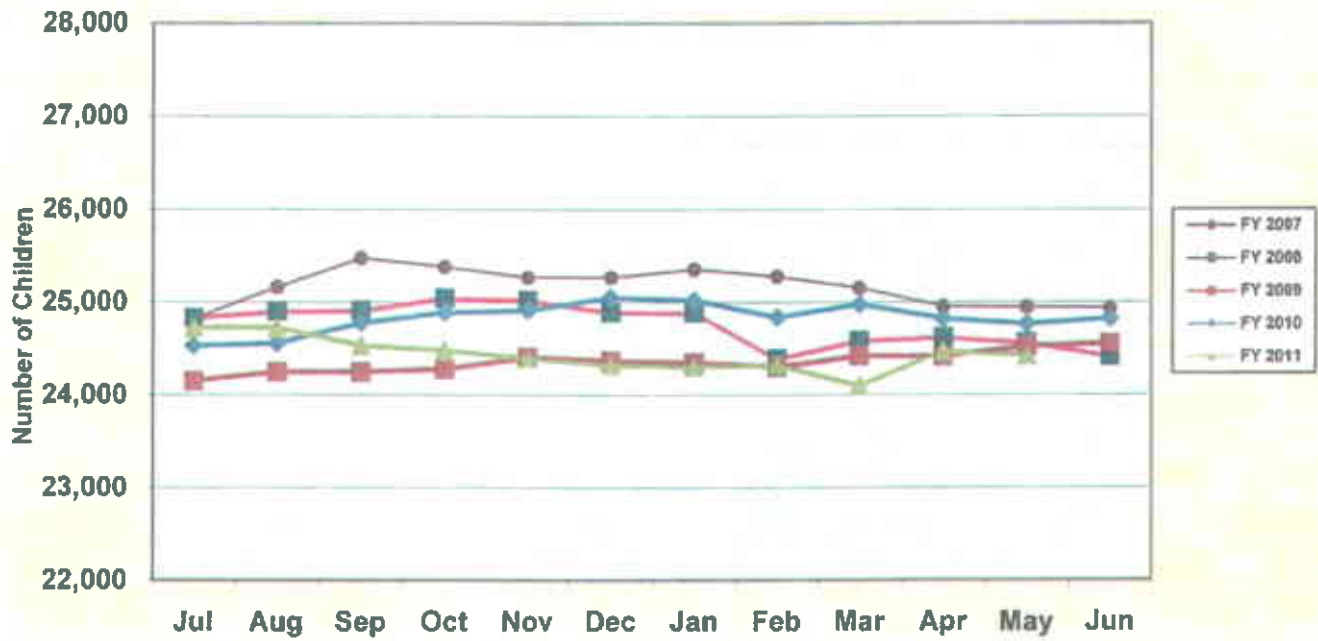


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

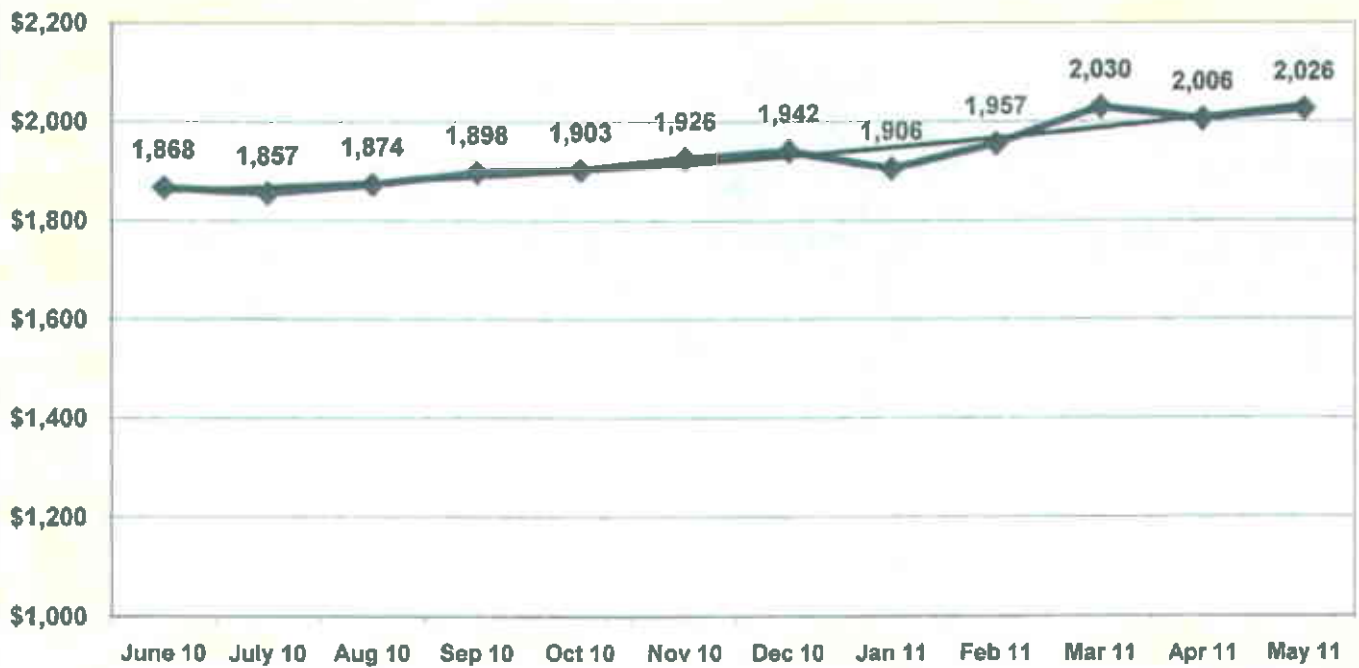
July 2011

WV CHIP Enrollment



May 31st Enrollment 24,424

Annualized Health Care Expenditures (Cost per Child)



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

	May 31, 2011	May 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$13,113,048	\$13,718,212	(\$605,164)	-4%
Due From Federal Government	\$5,951,121	\$3,524,257	\$2,426,864	69%
Due From Other Funds	\$909,389	\$796,851	\$112,538	14%
Accrued Interest Receivable	\$10,300	\$19,423	(\$9,123)	-47%
Fixed Assets, at Historical Cost	<u>\$62,804</u>	<u>\$69,738</u>	<u>(\$6,934)</u>	<u>-10%</u>
Total Assets	<u>\$20,046,661</u>	<u>\$18,128,481</u>	<u>\$1,918,180</u>	<u>11%</u>
Liabilities:				
Due to Other Funds	\$355,252	\$355,529	(\$277)	0%
Deferred Revenue	\$3,101,628	\$2,909,198	\$192,430	7%
Unpaid Insurance Claims Liability	<u>\$4,500,000</u>	<u>\$4,030,000</u>	<u>\$470,000</u>	<u>12%</u>
Total Liabilities	<u>\$7,956,881</u>	<u>\$7,294,727</u>	<u>\$662,154</u>	<u>9%</u>
Fund Equity	<u>\$12,089,781</u>	<u>\$10,833,754</u>	<u>\$1,256,027</u>	<u>12%</u>
Total Liabilities and Fund Equity	<u>\$20,046,661</u>	<u>\$18,128,481</u>	<u>\$1,918,180</u>	<u>11%</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 Eleven Months Ending May 31, 2011 and May 31, 2010
(Modified Accrual Basis)

	May 31, 2011	May 31, 2010	Variance	
Revenues				
Federal Grants	39,248,836	36,024,470	3,224,366	9%
State Appropriations	10,425,628	10,599,637	(174,009)	-2%
Premium Revenues	430,419	306,879	123,540	40%
Investment Income:				
Investment Earnings	244,035	125,416	118,619	95%
Unrealized Gain On Investments*	192,604	83,900	108,704	100%
Total Investment Income	<u>436,639</u>	<u>209,316</u>	<u>227,323</u>	<u>109%</u>
Total Revenues	<u>50,541,523</u>	<u>47,140,302</u>	<u>3,401,221</u>	<u>7%</u>
Expenditures:				
Claims:				
Outpatient Services	11,797,400	11,335,334	462,066	4%
Physicians & Surgical	9,500,690	9,110,195	390,495	4%
Prescribed Drugs	8,958,531	8,162,318	796,213	10%
Dental	6,255,146	4,794,127	1,461,019	30%
Inpatient Hospital Services	3,844,151	3,209,800	634,351	20%
Outpatient Mental Health	1,368,202	1,211,651	156,551	13%
Durable & Disposable Med. Equip.	1,127,809	1,164,072	(36,263)	-3%
Inpatient Mental Health	819,181	761,727	57,454	8%
Vision	773,606	678,993	94,613	14%
Therapy	521,104	444,724	76,380	17%
Medical Transportation	361,034	290,500	70,534	24%
Other Services	166,037	98,796	67,241	68%
Less: Collections**	<u>(650,300)</u>	<u>(466,643)</u>	<u>(183,657)</u>	<u>39%</u>
Total Claims	<u>44,842,591</u>	<u>40,795,594</u>	<u>4,046,997</u>	<u>10%</u>
General and Admin Expenses:				
Salaries and Benefits	449,752	453,201	(3,449)	-1%
Program Administration	2,148,312	2,328,696	(180,384)	-8%
Eligibility	378,688	359,430	19,258	5%
Outreach & Health Promotion	578,568	283,032	295,536	104%
Current	<u>163,337</u>	<u>131,308</u>	<u>32,029</u>	<u>24%</u>
Total Administrative	<u>3,718,657</u>	<u>3,555,667</u>	<u>162,990</u>	<u>5%</u>
Total Expenditures	<u>48,561,248</u>	<u>44,351,261</u>	<u>4,209,987</u>	<u>9%</u>
Excess of Revenues				
Over (Under) Expenditures	1,980,275	2,789,041	(808,766)	-29%
Fund Equity, Beginning	<u>10,109,506</u>	<u>8,254,028</u>	<u>1,855,478</u>	<u>22%</u>
Fund Equity, Ending	<u>12,089,781</u>	<u>11,043,069</u>	<u>1,046,712</u>	<u>9%</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 2011
 For the Eleven Months Ended May 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>May-11</u>	<u>Actual Amt Apr-11</u>	<u>Actual Amt Mar-11</u>
Projected Cost	\$48,263,300	\$44,241,358	\$44,767,485	(\$526,127)	-1%	\$4,021,942	\$4,259,846	\$3,946,567	\$5,796,540
Premiums	350,000	\$320,833	430,419	(\$109,585)	34%	\$29,167	45,101	37,046	48,273
Subrogation & Rebates	543,140	\$497,878	707,047	(209,169)	42%	45,262	20,256	54,182	235,877
Net Benefit Cost	47,370,160	43,422,647	\$43,630,019	(\$207,372)	0%	\$3,947,513	4,194,490	3,855,339	5,512,390
Salaries & Benefits	\$580,500	\$532,125	\$449,751	\$82,374	15%	\$47,675	\$38,792	\$41,956	\$38,355
Program Administration	3,346,959	\$3,068,046	2,256,136	811,910	26%	252,913	16,338	160,039	302,152
Eligibility	420,000	\$385,000	315,459	69,541	18%	35,000	0	0	155,825
Outreach	300,000	\$275,000	549,085	(274,085)	-100%	25,000	2,426	221,857	21,901
Current Expense	160,000	\$146,667	148,504	(1,837)	-1%	13,333	11,194	25,477	22,426
Total Admin Cost	\$4,807,459	\$4,406,837	\$3,718,935	\$687,902	16%	\$373,922	\$68,750	\$449,329	\$540,659
Total Program Cost	\$52,177,619	\$47,829,484	\$47,348,954	\$480,530	1%	\$4,321,435	\$4,263,240	\$4,304,668	\$6,053,049
Federal Share 81.27%	42,216,962	\$38,698,882	\$38,592,351	106,531	0%	3,536,230	3,488,609	3,522,509	4,919,313
State Share 18.73%	9,960,657	\$9,130,602	\$8,756,603	373,999	4%	785,205	774,631	782,158	1,133,736
Total Program Cost **	\$52,177,619	\$47,829,484	\$47,348,954	\$480,530	1%	\$4,321,435	\$4,263,240	\$4,304,668	\$6,053,049

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2010 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 Scenerio dated 6/30/10 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2010 is 81.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

WVCHIP Enrollment Report

ATTACHMENT 1

June 2011

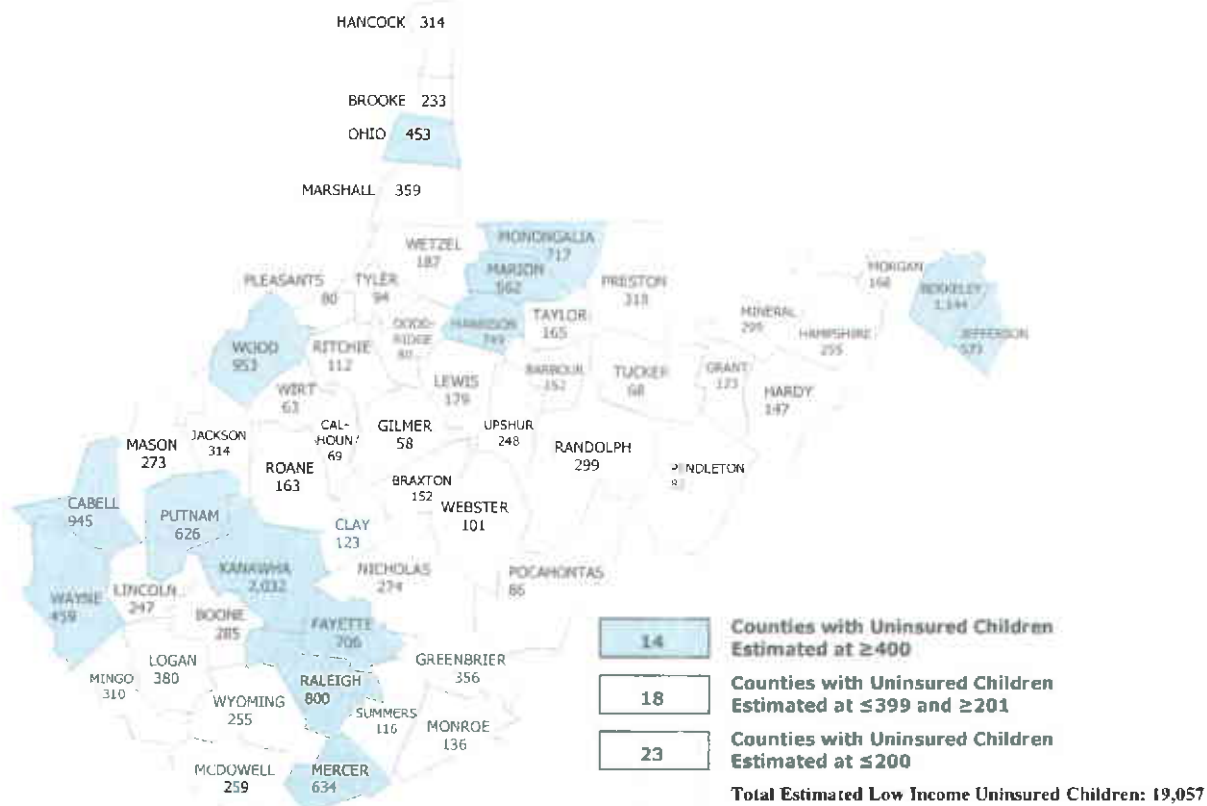
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-11	Total Medicaid Enrollment Jun-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	251	1,574	1,825	56.2%	162	38
Berkeley	22,882	1,260	7,840	9,100	39.8%	1,144	2
Boone	5,706	313	2,623	2,936	51.5%	285	24
Braxton	3,044	216	1,574	1,790	58.8%	152	39
Brooke	4,658	282	1,512	1,794	38.5%	233	32
Cabell	18,900	1,006	8,440	9,446	50.0%	945	4
Calhoun	1,389	117	851	968	69.7%	69	52
Clay	2,454	175	1,424	1,599	65.1%	123	43
Doddridge	1,607	132	695	827	51.5%	80	50
Fayette	9,692	804	4,608	5,412	55.8%	485	12
Gilmer	1,154	81	592	673	58.3%	58	55
Grant	2,463	167	993	1,160	47.1%	123	42
Greenbrier	7,110	572	2,918	3,490	49.1%	356	17
Hampshire	5,110	314	2,192	2,506	49.0%	255	28
Hancock	6,270	377	2,475	2,852	45.5%	314	20
Hardy	2,950	165	1,262	1,427	48.4%	147	40
Harrison	14,973	929	5,825	6,754	45.1%	749	6
Jackson	6,277	433	2,866	3,299	52.6%	314	19
Jefferson	11,465	470	3,079	3,549	31.0%	573	10
Kanawha	40,647	2,319	17,019	19,338	47.6%	2,032	1
Lewis	3,577	279	1,811	2,090	58.4%	179	34
Lincoln	4,945	360	2,694	3,054	61.8%	247	31
Logan	7,610	525	3,835	4,360	57.3%	380	15
Marion	11,245	682	4,443	5,125	45.6%	562	11
Marshall	7,176	327	2,833	3,160	44.0%	359	16
Mason	5,461	273	2,751	3,024	55.4%	273	26
McDowell	5,170	328	3,162	3,490	67.5%	259	27
Mercer	12,687	1,152	6,833	7,985	62.9%	634	8
Mineral	5,973	313	2,010	2,323	38.9%	299	22
Mingo	6,204	352	3,115	3,467	55.9%	310	21
Monongalia	14,346	769	4,295	5,064	35.3%	717	7
Monroe	2,728	235	1,022	1,257	46.1%	136	41
Morgan	3,365	268	1,320	1,588	47.2%	168	35
Nicholas	5,478	376	2,669	3,045	55.6%	274	25
Ohio	9,068	471	3,074	3,545	39.1%	453	14
Pendleton	1,632	118	531	649	39.8%	82	49
Pleasants	1,593	106	559	665	41.7%	80	51
Pocahontas	1,717	158	688	846	49.3%	86	48
Preston	6,354	518	2,355	2,873	45.2%	318	18
Putnam	12,522	721	3,491	4,212	33.6%	626	9
Raleigh	15,992	1,277	7,380	8,657	54.1%	800	5
Randolph	5,971	449	2,582	3,031	50.8%	299	23
Ritchie	2,234	150	905	1,055	47.2%	112	45
Roane	3,266	300	1,670	1,970	60.3%	163	37
Summers	2,322	213	1,205	1,418	61.1%	116	44
Taylor	3,307	226	1,378	1,604	48.5%	165	36
Tucker	1,354	119	517	636	47.0%	68	53
Tyler	1,887	132	733	865	45.8%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

June 2011

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-11	Total Medicaid Enrollment Jun-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	388	2,308	2,696	54.4%	248	30
Wayne	9,176	544	4,122	4,666	50.9%	459	13
Webster	2,020	156	1,188	1,344	66.5%	101	46
Wetzel	3,732	229	1,592	1,821	48.8%	187	33
Wirt	1,268	103	589	692	54.6%	63	54
Wood	19,063	1,148	8,544	9,692	50.8%	953	3
Wyoming	5,092	392	2,558	2,950	57.9%	255	29
Totals	382,490	24,540	161,124	185,664	48.5%	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

JULY 2011

Department of Administration

State Children's Health Insurance Program
UPDATE



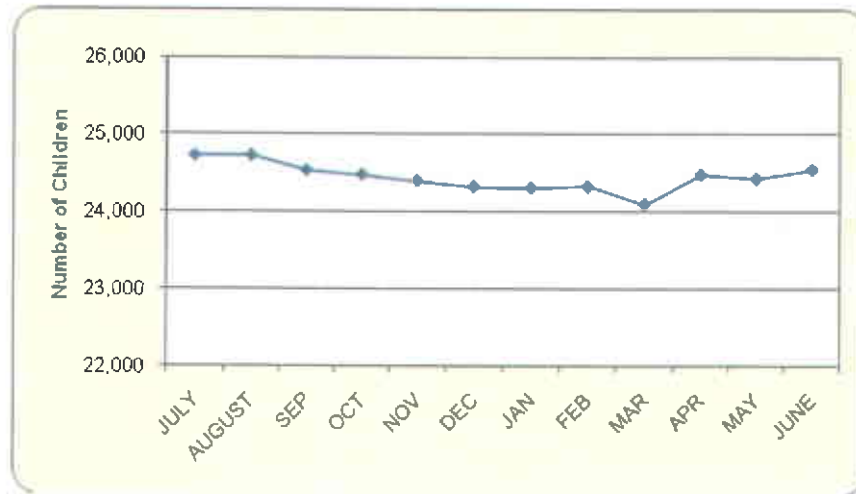
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JULY 2011

I. Enrollment on June 2011: 24,540

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: July 2010 through June 2011



Enrollee Totals: April 2011 to June 2011

Month	Total	1 Year Average	Total
April	1,659	High	2,023
May	1,504	Low	1,465
June	1,465		

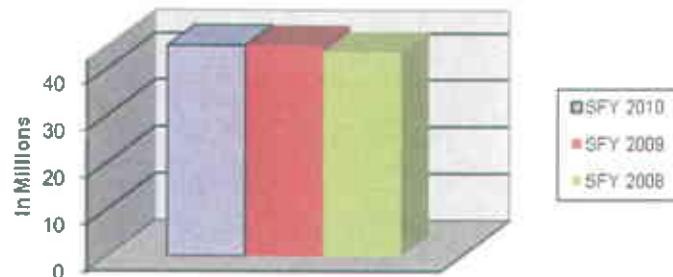
II. Financial Activity

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

The average annualized claims cost per child for the month ended May 2011 was \$2,026.

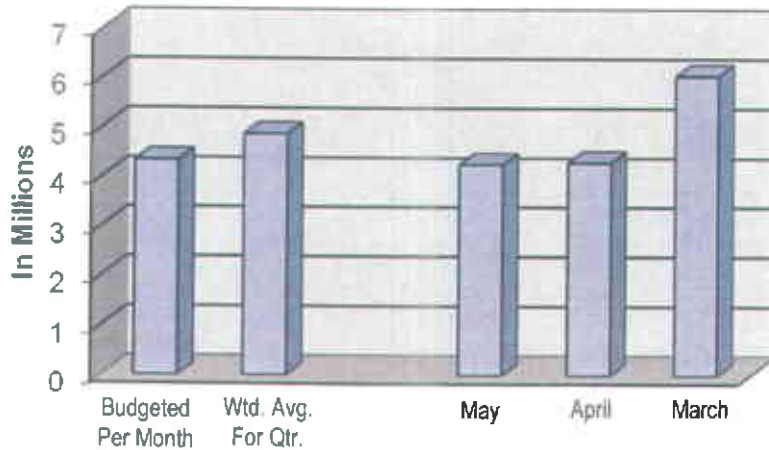
Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010

	SFY 2010	FFP% 2010	SFY 2009	FFP% 2009	SFY 2008	FFP% 2008
Federal	38,675,336	81.83	37,550,029	81.61	35,626,232	81.98
State	8,618,874	18.17	8,417,193	18.39	7,947,861	18.02
Total Costs	47,294,210	100.00	45,967,222	100.00	43,574,093	100.00



Monthly Budgeted and Current 3 Month Period: March 2011 – May 2011

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			May 2011	April 2011	March 2011
Federal	3,518,080	3,976,810	3,488,609	3,522,509	4,919,313
State	830,055	896,842	774,631	782,158	1,133,736
Total	4,348,135	4,873,652	4,263,240	4,304,667	6,053,049



III. Other Highlights

- ◆ The Centers on Medicare and Medicaid (CMS) approved on June 22, 2011, the 10th Amendment to the West Virginia Children’s Health Insurance Program’s (WVCHIP) State Plan Amendment (SPA) for expansion of WVCHIP to 300% FPL as well as to make certain changes to services necessary for CHIPRA compliance. The new income guidelines of 300% FPL went into effect on July 1, 2011.
- ◆ WVCHIP is a sponsor for the 2011 West Virginia DanceDanceRevolution Tournament. The State Championship will be held at the Embassy Suites in Charleston on July 26, 2011.

WVCHIP Enrollment Report

ATTACHMENT 1

June 2011

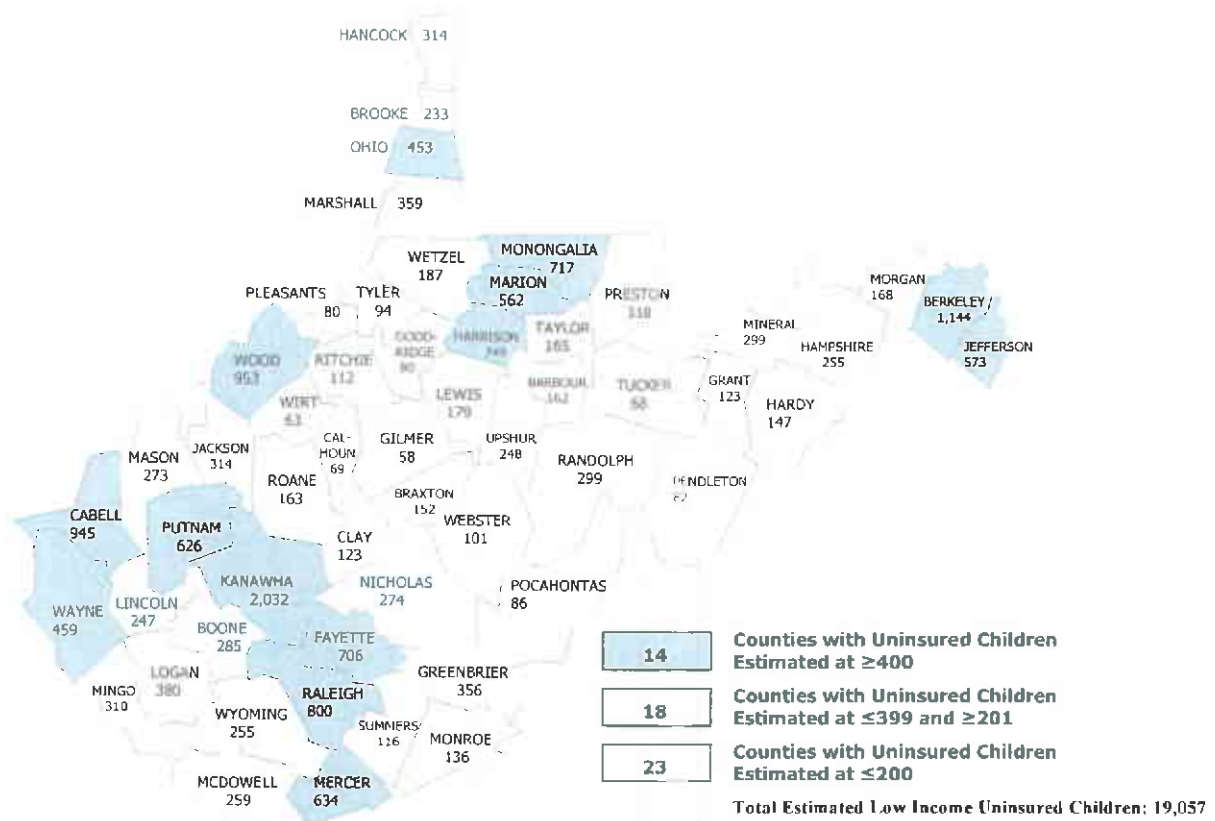
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-11	Total Medicaid Enrollment Jun-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	251	1,574	1,825	56.2%	162	38
Berkeley	22,882	1,260	7,840	9,100	39.8%	1,144	2
Boone	5,706	313	2,623	2,936	51.5%	285	24
Braxton	3,044	216	1,574	1,790	58.8%	152	39
Brooke	4,658	282	1,512	1,794	38.5%	233	32
Cabell	18,900	1,006	8,440	9,446	50.0%	945	4
Calhoun	1,389	117	851	968	69.7%	69	52
Clay	2,454	175	1,424	1,599	65.1%	123	43
Doddridge	1,607	132	695	827	51.5%	80	50
Fayette	9,692	804	4,608	5,412	55.8%	485	12
Gilmer	1,154	81	592	673	58.3%	58	55
Grant	2,463	167	993	1,160	47.1%	123	42
Greenbrier	7,110	572	2,918	3,490	49.1%	356	17
Hampshire	5,110	314	2,192	2,506	49.0%	255	28
Hancock	6,270	377	2,475	2,852	45.5%	314	20
Hardy	2,950	165	1,262	1,427	48.4%	147	40
Harrison	14,973	929	5,825	6,754	45.1%	749	6
Jackson	6,277	433	2,866	3,299	52.6%	314	19
Jefferson	11,465	470	3,079	3,549	31.0%	573	10
Kanawha	40,647	2,319	17,019	19,338	47.6%	2,032	1
Lewis	3,577	279	1,811	2,090	58.4%	179	34
Lincoln	4,945	360	2,694	3,054	61.8%	247	31
Logan	7,610	525	3,835	4,360	57.3%	380	15
Marion	11,245	682	4,443	5,125	45.6%	562	11
Marshall	7,176	327	2,833	3,160	44.0%	359	16
Mason	5,461	273	2,751	3,024	55.4%	273	26
McDowell	5,170	328	3,162	3,490	67.5%	259	27
Mercer	12,687	1,152	6,833	7,985	62.9%	634	8
Mineral	5,973	313	2,010	2,323	38.9%	299	22
Mingo	6,204	352	3,115	3,467	55.9%	310	21
Monongalia	14,346	769	4,295	5,064	35.3%	717	7
Monroe	2,728	235	1,022	1,257	46.1%	136	41
Morgan	3,365	268	1,320	1,588	47.2%	168	35
Nicholas	5,478	376	2,669	3,045	55.6%	274	25
Ohio	9,068	471	3,074	3,545	39.1%	453	14
Pendleton	1,632	118	531	649	39.8%	82	49
Pleasants	1,593	106	559	665	41.7%	80	51
Pocahontas	1,717	158	688	846	49.3%	86	48
Preston	6,354	518	2,355	2,873	45.2%	318	18
Putnam	12,522	721	3,491	4,212	33.6%	626	9
Raleigh	15,992	1,277	7,380	8,657	54.1%	800	5
Randolph	5,971	449	2,582	3,031	50.8%	299	23
Ritchie	2,234	150	905	1,055	47.2%	112	45
Roane	3,266	300	1,670	1,970	60.3%	163	37
Summers	2,322	213	1,205	1,418	61.1%	116	44
Taylor	3,307	226	1,378	1,604	48.5%	165	36
Tucker	1,354	119	517	636	47.0%	68	53
Tyler	1,887	132	733	865	45.8%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

June 2011

County	County Pop 2005 Est (0-18 Yrs)	Total CHIP Enrollment Jun-11	Total Medicaid Enrollment Jun-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	388	2,308	2,696	54.4%	248	30
Wayne	9,176	544	4,122	4,666	50.9%	459	13
Webster	2,020	156	1,188	1,344	66.5%	101	46
Wetzel	3,732	229	1,592	1,821	48.8%	187	33
Wirt	1,268	103	589	692	54.6%	63	54
Wood	19,063	1,148	8,544	9,692	50.8%	953	3
Wyoming	5,092	392	2,558	2,950	57.9%	255	29
Totals	382,490	24,540	161,124	185,664	48.5%	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 Balance Sheet
May 2011 and 2010
(Accrual Basis)**

	May 31, 2011	May 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$13,113,048	\$13,718,212	(\$605,164)	-4%
Due From Federal Government	\$5,951,121	\$3,524,257	\$2,426,864	69%
Due From Other Funds	\$909,389	\$796,851	\$112,538	14%
Accrued Interest Receivable	\$10,300	\$19,423	(\$9,123)	-47%
Fixed Assets, at Historical Cost	<u>\$62,804</u>	<u>\$69,738</u>	<u>(\$6,934)</u>	<u>-10%</u>
Total Assets	<u>\$20,046,661</u>	<u>\$18,128,481</u>	<u>\$1,918,180</u>	<u>11%</u>
Liabilities:				
Due to Other Funds	\$355,252	\$355,529	(\$277)	0%
Deferred Revenue	\$3,101,628	\$2,909,198	\$192,430	7%
Unpaid Insurance Claims Liability	<u>\$4,500,000</u>	<u>\$4,030,000</u>	<u>\$470,000</u>	<u>12%</u>
Total Liabilities	<u>\$7,956,881</u>	<u>\$7,294,727</u>	<u>\$662,154</u>	<u>9%</u>
Fund Equity	<u>\$12,089,781</u>	<u>\$10,833,754</u>	<u>\$1,256,027</u>	<u>12%</u>
Total Liabilities and Fund Equity	<u>\$20,046,661</u>	<u>\$18,128,481</u>	<u>\$1,918,180</u>	<u>11%</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 Eleven Months Ending May 31, 2011 and May 31, 2010
(Modified Accrual Basis)

	May 31, 2011	May 31, 2010	Variance	
Revenues				
Federal Grants	39,248,836	36,024,470	3,224,366	9%
State Appropriations	10,425,628	10,599,637	(174,009)	-2%
Premium Revenues	430,419	306,879	123,540	40%
Investment Income:				
Investment Earnings	244,035	125,416	118,619	95%
Unrealized Gain On Investments*	192,604	83,900	108,704	100%
Total Investment Income	<u>436,639</u>	<u>209,316</u>	<u>227,323</u>	<u>109%</u>
Total Revenues	<u>50,541,523</u>	<u>47,140,302</u>	<u>3,401,221</u>	<u>7%</u>
Expenditures:				
Claims:				
Outpatient Services	11,797,400	11,335,334	462,066	4%
Physicians & Surgical	9,500,690	9,110,195	390,495	4%
Prescribed Drugs	8,958,531	8,162,318	796,213	10%
Dental	6,255,146	4,794,127	1,461,019	30%
Inpatient Hospital Services	3,844,151	3,209,800	634,351	20%
Outpatient Mental Health	1,368,202	1,211,651	156,551	13%
Durable & Disposable Med. Equip.	1,127,809	1,164,072	(36,263)	-3%
Inpatient Mental Health	819,181	761,727	57,454	8%
Vision	773,606	678,993	94,613	14%
Therapy	521,104	444,724	76,380	17%
Medical Transportation	361,034	290,500	70,534	24%
Other Services	166,037	98,796	67,241	68%
Less: Collections**	<u>(650,300)</u>	<u>(466,643)</u>	<u>(183,657)</u>	<u>39%</u>
Total Claims	<u>44,842,591</u>	<u>40,795,594</u>	<u>4,046,997</u>	<u>10%</u>
General and Admin Expenses:				
Salaries and Benefits	449,752	453,201	(3,449)	-1%
Program Administration	2,148,312	2,328,696	(180,384)	-8%
Eligibility	378,688	359,430	19,258	5%
Outreach & Health Promotion	578,568	283,032	295,536	104%
Current	<u>163,337</u>	<u>131,308</u>	<u>32,029</u>	<u>24%</u>
Total Administrative	<u>3,718,657</u>	<u>3,555,667</u>	<u>162,990</u>	<u>5%</u>
Total Expenditures	<u>48,561,248</u>	<u>44,351,261</u>	<u>4,209,987</u>	<u>9%</u>
Excess of Revenues				
Over (Under) Expenditures	1,980,275	2,789,041	(808,766)	-29%
Fund Equity, Beginning	<u>10,109,506</u>	<u>8,254,028</u>	<u>1,855,478</u>	<u>22%</u>
Fund Equity, Ending	<u>12,089,781</u>	<u>11,043,069</u>	<u>1,046,712</u>	<u>9%</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

Investment Account

Funds Invested	\$12,830,645
Interest Earned	<u>9,482</u>
Total	<u>\$12,840,127</u>

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

NEW CONTRACT OF LEASE

DIVISION OF REHABILITATION SERVICES

DRS-112 New Contract of Lease for 5 years consisting of 8,820 square feet of office space at the annual per square foot rate of \$14.75, annual cost \$130,095.00, full service, in the City of Beckley, Raleigh County, West Virginia.

WEST VIRGINIA DEPARTMENT OF AGRICULTURE

AGR-051 New Contract of Lease for 5 years consisting of 650 square feet of office space at the annual per square foot rate of \$9.69, annual cost \$6,300.00, full service minus electric and janitorial, in the City of Parkersburg, Wood County.

WORKFORCE WEST VIRGINIA

WWV-029 New Contract of Lease for 5 years consisting of 5,610 square feet of office space at the annual per square foot rate of \$14.75, annual cost \$82,746.00, full service, in the City of Beckley, Raleigh County, West Virginia.

WWV-030 New Contract of Lease for 7 years consisting of 4,500 square feet of office space at the annual per square foot rate of \$11.60, annual cost \$52,200.00, full service, in the City of Warwood, Ohio County, West Virginia.

OFFICE OF ECONOMIC OPPORTUNITY – GOVERNOR'S OFFICE

GCC-010 New Contract of Lease for 5 years consisting of 3,684 square feet of office space at the annual per square foot rate of \$6.00, annual cost \$22,104.00, full service, in the City of Ghent, Raleigh County, West Virginia.

GCC-009 New Contract of Lease for 1 year consisting of 4,452 square feet of office space at the annual per square foot rate of \$4.72, annual cost \$21,000.00, full service, in the City of Bluefield, Mercer County, West Virginia.

STRAIGHT RENEWAL

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-167 Renewal for 2 years consisting of 100 square feet of storage space at the current annual per square foot rate of \$4.80, annual cost \$480.00, in the City of Morgantown, Monongalia County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-180 Renewal for 3 years consisting of 14,703 square feet of office space at the current annual per square foot rate of \$8.52, annual cost \$125,269.56, janitorial and snow removal, in the City of Flatwoods, Braxton County, West Virginia.

STRAIGHT RENEWAL CONTINUED

DIVISION OF REHABILITATION SERVICES

DRS-074 Renewal for 1 year consisting of 2,000 square feet of office space at the current annual per square foot rate of \$8.50, annual cost \$17,000.00, full service, in the City of Weston, Lewis County, West Virginia.

DRS-052 Renewal for 1 month consisting of 1,800 square feet of office space at the current annual per square foot rate of \$8.00, annual cost \$14,400.00, in the City of Keyser, Mineral County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-050 Renewal for 2 years consisting of 1,136 square feet of office space at the current annual per square foot rate of \$6.34, annual cost \$7,200.00, sewage only, in the City of Grantsville, Calhoun County, West Virginia.

PSA-010 Renewal for 1 year consisting of 1,272 square feet of office space at the current annual per square foot rate of \$2.84, annual cost \$3,600.00, in the City of Richwood, Nicholas County, West Virginia.

ADJUTANT GENERAL'S OFFICE

ADG-015 Renewal for 1 year consisting of 224 square feet of office space at the current annual per square foot rate of \$13.39, annual cost \$3,000.00, full service minus janitorial, in the City of Huntington, Cabell County, West Virginia.

ADG-014 Renewal for 1 year consisting of 143 square feet of office space at the current annual per square foot rate of \$6.29, annual cost \$900.00, full service, in the City of Institute, Kanawha County, West Virginia.

DIVISION OF TOURISM

TOR-008 Renewal for 1 year consisting of 3,000 square feet of office space at the current annual per square foot rate of \$9.00, annual cost \$27,000.00, full service, in the City of Lewisburg, Greenbrier County, West Virginia.

STRAIGHT RENEWAL-DOA OWNED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-147 Renewal for 1 year consisting of 19,850 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$188,574.96, full service, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-131 Renewal for 1 year consisting of 36,270 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$344,565.00, full service, in the City of South Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ADMINISTRATION - OFFICE OF TECHNOLOGY

F&A-035 Renewal for 1 year consisting of 1,119 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$10,620.00, full service, in the City of Charleston, Kanawha County, West Virginia.

F&A-034 Renewal for 1 year consisting of 22,340 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$212,229.96, full service, in the City of Charleston, Kanawha County, West Virginia.

F&A-030 Renewal for 1 year consisting of 5,015 square feet of office space at the current annual per square foot rate of \$10.00, annual cost \$50,150.04, full service, in the City of Charleston, Kanawha County, West Virginia.

F&A-029 Renewal for 1 year consisting of 2,490 square feet of storage space at the current annual per square foot rate of \$9.50, annual cost \$23,655.00, full service, in the City of Charleston, Kanawha County, West Virginia.

OFFICES OF THE INSURANCE COMMISSIONER

INS-021 Renewal for 1 year consisting of 613 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$7,968.96, full service, in the City of Huntington, Cabell County, West Virginia.

DIVISION OF HIGHWAYS

HWY-001 Renewal for 1 year consisting of 204,694 square feet of office space at the current annual per square foot rate of \$9.50, annual cost \$1,944,593.00, full service, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL/INCREASE IN RENT

DIVISION OF REHABILITATION SERVICES

DRS-053 Renewal for 2 years consisting of 8,000 square feet of office space with an increase in the annual per square foot rate from \$9.71 to \$10.29, annual cost \$82,320.00, full service, in the City of Wheeling, Ohio County, West Virginia.

OFFICES OF THE INSURANCE COMMISSIONER

INS-018 Renewal for 5 years consisting of 1,294 square feet of office space with an increase in the annual per square foot rate from \$12.90 to \$13.80, annual cost \$17,857.20, full service, in the City of Wheeling, Ohio County, West Virginia.

WEST VIRGINIA ACCOUNTANCY BOARD

ACC-004 Renewal for 3 years consisting of 6,500 square feet of office space with an increase in the annual per square foot rate from \$5.08 to \$5.53, annual cost \$36,000.00, in the City of Charleston, Kanawha County, West Virginia.

CANCELLATION

DIVISION OF TOURISM

TOR-007 Lease cancellation consisting of 1,750 square feet of office space at the current annual per square foot rate of \$15.00, annual cost \$26,250.00, full service in the City of Tridelpia, Ohio County, West Virginia.

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Rehabilitation Services	DRS-112	Raleigh	8,820	14.75	130,095
2	WV Department of Agriculture	AGR-051	Wood	650	9.69	6,299
3	WORKFORCE West Virginia	WWV-030	Ohio	4,500	11.60	52,200
4	WORKFORCE West Virginia	WWV-029	Raleigh	5,610	14.75	82,748
5	Office of Economic Opportunity - Governor's Office	GCC-010	Raleigh	3,684	6.00	22,104
6	Office of Economic Opportunity - Governor's Office	GCC-009	Mercer	4,452	4.72	21,000
7	Department of Health and Human Resources	HHR-180	Braxton	14,703	8.52	125,270
8	Department of Environmental Protection	DEP-167	Monongalia	100	4.80	480
9	Division of Rehabilitation Services	DRS-074	Lewis	2,000	8.50	17,000
10	Division of Rehabilitation Services	DRS-052	Mineral	1,800	8.00	14,400
11	West Virginia State Police	PSA-050	Calhoun	1,136	6.34	7,202
12	West Virginia State Police	PSA-010	Nicholas	1,272	2.84	3,600
13	Adjutant General's Office	ADG-015	Cabell	224	13.39	3,000
14	Adjutant General's Office	ADG-014	Kanawha	143	6.29	900
15	Division of Tourism	TOR-008	Greenbrier	3,000	9.00	27,000
16	Department of Health and Human Resources	HHR-147	Kanawha	19,850	9.50	188,575
17	Division of Natural Resources	NAT-131	Kanawha	36,270	9.50	344,565
18	DOA - Office of Technology	F&A-035	Kanawha	1,119	9.50	10,620
19	DOA - Office of Technology	F&A-034	Kanawha	22,340	9.50	212,230
20	DOA - Office of Technology	F&A-030	Kanawha	5,015	10.00	50,150
21	DOA - Office of Technology	F&A-029	Kanawha	2,490	9.50	23,655
22	Offices of the Insurance Commissioner	INS-021	Cabell	613	13.00	7,969
23	Division of Highways	HWY-001	Kanawha	204,694	9.50	1,944,593
24	Division of Rehabilitation Services	DRS-053	Ohio	8,000	10.29	82,320
25	Offices of the Insurance Commissioner	INS-018	Ohio	1,294	13.80	17,857
26	West Virginia Accountancy Board	ACC-004	Kanawha	6,500	5.53	36,000
27	Division of Tourism	TOR-007	Ohio	1,750	15.00	26,250

253.81

Total Rentable Square Feet 362,029

Average Annual Rental Rate

9.40

Total Annual Rent

3,458,081

Joint Committee on Government and Finance

July 2011

Department of Health and Human Resources

MEDICAID REPORT

May 2011 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2011

	MONTH OF MAY 2011		ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2010	SFY2011	Current Month 05/31/11	SFY2011	Current Month 05/31/11	Current Month 05/31/11	Year To-Date Thru 05/31/11	06/01/11 Thru 06/30/11
EXPENDITURES:								
Inpatient Hospital - Reg. Payments	204,310,562	168,827,456	12,839,884		12,284,650		146,428,069	18,399,387
Inpatient Hospital - DSH	54,852,962	54,818,400	13,611,378		13,704,600		54,602,728	215,872
Inpatient Hospital - Supplemental Payments	34,034,919	134,060,573	303,361		-		128,464,236	4,688,315
Inpatient Hospital - GME Payments	4,618,343	4,807,200	1,306,714		1,201,800		5,178,062	(370,662)
Mental Health Facilities	70,573,546	72,945,200	8,062,614		5,828,696		74,257,634	(1,312,434)
Mental Health Facilities - DSH Adjustment Payments	16,887,045	18,888,800	4,720,665		4,721,700		16,870,788	18,034
Nursing Facility Services - Regular Payments	473,726,322	487,878,618	40,122,678		41,117,617		494,306,193	43,373,425
Nursing Facility Services - Supplemental Payments	-	-	-		-		-	-
Intermediate Care Facilities - Public Providers	-	-	-		-		-	-
Intermediate Care Facilities - Private Providers	63,010,181	69,762,500	5,890,950		5,613,542		67,140,164	12,622,348
Intermediate Care Facilities - Supplemental Payments	-	-	-		-		-	-
Physicians Services - Regular Payments	123,410,078	120,938,383	9,167,108		8,800,438		109,893,669	10,952,494
Physicians Services - Supplemental Payments ***	41,046,663	38,978,300	-		-		28,779,948	10,188,352
Outpatient Hospital Services - Regular Payments	94,162,911	93,718,038	8,092,402		6,673,146		94,330,064	(614,026)
Outpatient Hospital Services - Supplemental Payments	-	-	-		-		-	-
Prescribed Drugs	331,868,990	353,056,332	27,930,930		27,505,862		320,993,694	32,662,638
Drug Rebate Offset - National Agreement	(147,827,304)	(143,274,400)	(716,665)		(1,718,900)		(174,262,213)	31,017,813
Drug Rebate Offset - State Schedule Agreement	(21,769,229)	(25,384,200)	(984,480)		(304,541)		(18,671,176)	(6,813,022)
Dental Services	48,303,517	30,288,031	5,046,788		2,310,981		60,147,884	(26,861,933)
Other Practitioners Services - Regular Payments	11,885,027	12,806,481	999,348		1,000,642		10,166,590	2,639,691
Other Practitioners Services - Supplemental Payments ***	-	-	-		-		-	-
Clinic Services	9,282,998	4,360,681	338,691		337,508		4,422,700	(62,039)
Lab & Radiological Services	13,240,742	11,670,236	1,630,318		914,029		20,764,969	(8,634,733)
Home Health Services	36,552,721	37,658,821	3,809,011		2,809,239		39,472,565	(1,513,744)
Hysterectomies/Sterilizations	224,669	269,862	11,748		20,108		178,360	90,602
Pregnancy Terminations	-	-	-		-		-	-
EPSTD Services	1,732,368	2,129,995	96,248		162,135		1,262,173	843,422
Rural Health Clinic Services	8,319,048	7,337,074	623,114		541,656		7,213,265	123,808
Medicare Health Insurance Payments - Part A Premiums	17,241,146	16,323,800	1,432,631		-		16,198,127	2,167,473
Medicare Health Insurance Payments - Part B Premiums	76,342,310	83,414,100	7,540,577		-		79,218,360	4,197,740
120% - 134% Of Poverty	5,286,770	-	638,148		-		5,693,623	(5,653,523)
135% - 173% Of Poverty	-	-	-		-		-	-
Coinurance And Deductibles	7,148,850	8,110,300	560,788		623,889		6,488,339	1,621,961
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	330,652,405	417,684,801	31,428,188		37,260,421		303,846,878	114,238,122
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-		-		-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	440,070	461,500	-		35,500		356,978	104,522
Medicaid Health Insurance Payments: Coinsurance	-	-	-		-		-	-
Medicaid Health Insurance Payments: Other	-	-	-		-		22,939	(22,935)
Home & Community-Based Services (MR/DD)	245,353,151	272,425,167	19,799,400		20,668,783		226,799,810	45,625,357
Home & Community-Based Services (Aged/Disabled)	62,386,637	109,519,267	9,510,606		8,424,561		65,196,069	14,323,186
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-		-		-	-
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-		-		-	-
Community Supported Living Services	-	-	-		-		-	-
Programs Of All-Inclusive Care Elderly	-	-	-		-		-	-
Personal Care Services - Regular Payments	41,252,681	43,764,529	3,627,629		3,374,908		39,334,369	4,430,139
Personal Care Services - SDS 1915(j)	-	-	-		-		-	-
Targeted Case Management Services - Com. Case Management	-	-	-		-		-	-
Targeted Case Management Services - State Wide	3,849,231	4,266,443	280,118		327,248		3,368,374	943,068
Primary Care Case Management Services	401,643	543,100	24,318		41,777		287,084	256,036
Hospice Benefits	17,828,513	16,010,009	2,074,612		1,212,520		20,574,287	(4,564,262)
Emergency Services Undocumented Aliens	189,722	230,700	8,506		17,748		216,528	12,174
Federally Qualified Health Center	18,187,657	18,548,542	1,271,494		1,470,096		16,482,439	4,066,103
Non-Emergency Medical Transportation	9,410,142	6,606,638	2,388,639		433,046		21,025,668	(15,418,770)
Physical Therapy	1,684,062	1,864,150	189,179		138,874		1,741,441	122,715
Occupational Therapy	200,012	187,631	29,010		13,662		227,380	(39,726)
Services for Speech, Hearing & Language	281,219	300,101	46,544		22,368		275,124	24,677
Prosthetic Devices, Dentures, Eyeglasses	1,871,774	1,892,499	121,674		140,265		1,591,350	331,149
Diagnostic Screening & Preventive Services	373,801	360,118	39,744		27,060		464,269	(68,180)
Nurse Mid-Wife	336,875	435,890	20,050		33,185		220,196	215,694
Emergency Hospital Services	9,299,934	9,130,131	1,098		869,360		1,348,354	7,781,777
Critical Access Hospitals	26,262,188	25,626,567	2,262,693		1,875,896		28,110,117	(2,483,549)

WI DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2011

MONTH OF MAY 2011

	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	BFY2010	SFY2011	Current Month 05/31/11	Current Month 05/31/11	Year To-Date Thru 05/31/11	06/01/11 Thru 06/30/11
Nurse Practitioner Services	1,087,388	1,025,670	102,068	74,872	1,105,839	(140,160)
School Based Services	51,825,805	49,285,728	4,618,682	3,792,269	61,112,850	(1,847,131)
Rehabilitative Services (Non-School Based)	74,168,298	75,742,323	6,837,788	5,017,548	67,919,284	7,823,029
Private Duty Nursing	3,291,947	2,903,048	336,423	212,067	4,332,453	(1,448,805)
Other Care Services	33,718,524	19,864,624	1,570,626	1,450,413	19,048,235	818,359
Less: Recoupments	-	-	(35,285)	-	(112,088)	112,088
NET EXPENDITURES:	2,542,009,800	2,754,227,102	238,819,048	221,377,431	2,458,552,101	265,675,001
Collections: Third Party Liability (line 8A on CMS-84)	(8,100,072)	-	-	-	(7,877,332)	7,877,332
Collections: Probate (line 8B on CMS-84)	(150,018)	-	-	-	(93,381)	83,381
Collections: Identified through Fraud & Abuse Effort (line 8C on CMS-84)	(1,584)	-	-	-	(398)	398
Collections: Other (line 8D on CMS-84)	(3,703,845)	-	-	-	(8,588,548)	6,988,548
NET EXPENDITURES and CMS-84 ADJUSTMENTS:	2,530,054,281	2,754,227,102	238,819,048	221,377,431	2,444,232,448	309,974,859
Plus: Medicaid Part D Expenditures	23,838,817	29,883,823	2,038,508	1,772,560	15,878,312	9,889,311
Plus: State Only Medicaid Expenditures ***	6,078,436	4,629,803	389,743	338,799	4,297,065	332,838
TOTAL MEDICAID EXPENDITURES	2,560,069,534	\$2,784,720,328	\$242,247,300	\$223,488,789	\$2,464,427,824	\$320,202,505
Plus: Reimbursables (1)	5,579,988	6,129,005	488,319	459,883	4,780,301	1,348,704
TOTAL EXPENDITURES	\$2,565,649,522	\$2,790,849,333	\$242,735,619	\$223,948,740	\$2,469,208,125	\$321,641,209

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



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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2011

11 Months Actuals 1 Months Remaining

MONTH OF MAY 2011	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2010	Current Month Ended 5/31/11	Year-To-Date Thru 5/31/11	6/1/2011 Thru 6/30/11	SFY2011
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	118,583,948	211,168,915	\$213,690,990		\$213,690,990
MATCHING FUNDS					
General Revenue (0403/189)	252,345,204	30,864,658	195,606,753	30,864,659	226,471,412
MRDD Waiver (0403/466)	-	9,652,883	78,100,800	9,652,883	87,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	0	2,596,000	0	2,596,000
Tertiary Funding (0403/547)	6,356,000	0	6,356,000	0	6,356,000
Title XIX Waiver for Seniors (0403-533)	-	825,000	6,675,000	825,000	7,500,000
Lottery Waiver (Less 550,000) (5405/539)	25,772,578	0	23,272,578	8,000,000	31,272,578
Lottery Transfer (5405/871)	8,670,000	0	16,670,000	-8,000,000	8,670,000
Trust Fund Appropriation (5185/189)	-	0	0	30,556,594	30,556,594
Provider Tax (5090/189)	162,659,512	17,320,166	127,134,545	25,720,351	152,854,895
Certified Match	13,731,424	1,561,589	15,253,611	1,218,103	16,471,714
Reimbursables - Amount Reimbursed	6,195,782	71,609	3,527,987	2,601,017	6,129,005
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	(446,371)	75,253	645,025	(845,025)	0
CMS - 64 Adjustments	69,986		849,016	-849,016	0
TOTAL MATCHING FUNDS	673,887,546	\$271,540,073	\$690,378,105	\$99,944,566	\$790,322,671
FEDERAL FUNDS	2,108,528,674	175,922,967	1,987,214,535	\$248,292,559	\$2,235,507,093
TOTAL REVENUE SOURCES	2,782,416,220	\$447,463,040	\$2,677,592,640	\$348,237,125	\$3,025,829,764
TOTAL EXPENDITURES:					
Provider Payments	2,565,649,502	\$242,705,619	\$2,469,208,125	\$321,641,208	\$2,790,849,333
TOTAL	216,766,718	\$204,757,421	\$208,384,515		\$234,980,431

Note: FMAP (83.05% applicable July - Dec. 2010) (80.05% applicable Jan. 2011 - Mar. 2011) (78.05% applicable Apr. 2011 - Jun. 2011)



West Virginia Investment Management Board

Monthly Performance Report

May 31, 2011

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 Bush Street, Suite 2000
San Francisco, CA 94104
(415) 362-3484

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

	6/30/2010		5/31/2011		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	10,658,972	100.0	12,806,460	100.0							
Pension Assets	8,456,704	79.4	10,131,803	79.1							
Public Employees' Retirement System	3,682,115	34.5	4,401,256	34.3	-0.5	3.2	21.6	20.7	4.5	5.5	6.3
Teachers' Retirement System	4,099,339	38.5	4,854,945	37.8	-0.5	3.2	21.4	20.2	3.6	4.9	6.0
Teachers' Employers Cont. Collection A/C	355	0.0	46,112	0.4	0.0	0.0	0.1	0.1	0.5		
EMS Retirement System	23,345	0.2	31,931	0.3	-0.5	3.2	21.7	20.4	4.6		
Public Safety Retirement System	404,446	3.8	487,899	3.8			21.8	20.7	4.4	5.5	6.5
Judges' Retirement System	102,814	1.0	125,775	1.0	-0.5	3.2	21.5	20.4	4.4	5.4	6.3
State Police Retirement System	52,739	0.5	70,667	0.6	-0.5	3.2	21.3	20.2	4.5	5.5	6.3
Deputy Sheriffs' Retirement System	91,548	0.9	113,162	0.9	-0.5	3.2	21.5	20.4	4.5	5.5	6.3
Municipal Police & Firefighter Retirement System	3	0.0	56	0.0	0.0	0.0	0.1	0.1			
Insurance Assets	1,632,789	15.3	1,983,057	15.5							
Workers' Compensation Old Fund	888,780	8.3	941,091	7.3	0.1	2.3	9.7	10.2	3.4	4.8	
Workers' Comp. Self-Insured Guaranty Risk Pool	8,066	0.1	9,664	0.1	-0.1	2.2	6.8	6.8	2.7	3.6	
Workers' Comp. Uninsured Employers Fund	8,852	0.1	9,112	0.1	-0.1	2.2	5.2	5.3	2.2	3.3	
Pneumoconiosis	244,191	2.3	263,683	2.1	-0.1	2.2	12.1	12.2	4.8	5.5	
Board of Risk & Insurance Mgmt.	120,331	1.1	141,215	1.1	-0.1	2.2	12.2	12.4	6.3	6.5	
Public Employees' Insurance Agency	131,127	1.2	175,680	1.4	0.3	2.2	9.5	9.8	4.8	5.5	
WV Retiree Health Benefit Trust Fund	229,477	2.2	440,354	3.4	-0.5	2.5	12.7	13.9	8.7		
AccessWV	1,965	0.0	2,258	0.0	0.5	2.9	14.9	14.4			
Endowment Assets	569,479	5.3	691,600	5.4							
Wildlife Fund	34,874	0.3	40,636	0.3	-0.5	3.2	21.5	20.4	4.1	5.5	6.0
Prepaid Tuition Trust	77,283	0.7	85,423	0.7	-0.2	3.0	20.6	19.2	5.2	6.2	6.8
Revenue Shortfall Reserve Fund	178,632	1.7	242,169	1.9	0.5	3.0	5.8	6.9	-0.6		
Revenue Shortfall Reserve Fund - Part B	278,690	2.6	316,807	2.4	0.2	2.6	13.2	13.0	0.9		
WV DEP Trust	-	0.0	6,585	0.1	0.0						

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

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	12,810,657	100.00								
Total Equity Composite	5,723,974	44.68	-1.85	3.54	34.76	31.07	2.63	4.80	6.01	
<i>Total Equity Policy Index</i>			-1.96	2.07	33.52	28.85	-0.18	3.32	5.10	
Excess Return			0.31	1.47	1.24	2.22	2.81	1.48	0.91	
US Equity Composite	2,884,633	22.52	-0.94	3.68	37.26	29.86	2.05	3.75	4.61	
<i>Russell 3000 Index</i>			-1.14	2.26	34.79	27.04	1.67	3.76	3.43	
Excess Return			0.20	1.42	2.47	2.82	0.38	-0.01	1.18	
Large Cap Composite	2,129,417	16.62	-0.86	2.85	34.07	27.04	1.04	3.31	2.53	
<i>S&P 500 Index</i>			-1.13	1.84	32.91	25.95	0.91	3.32	2.64	
Excess Return			0.27	1.01	1.16	1.09	0.13	-0.01	-0.11	
Non-Large Cap Composite	755,216	5.90	-1.18	5.99	49.22	40.18	6.26	6.06	8.76	
<i>Russell 2500 Index</i>			-1.20	3.96	42.42	32.25	5.93	5.68	7.79	
Excess Return			0.02	2.03	6.80	7.93	0.33	0.38	0.97	
International Equity Composite	2,839,341	22.16	-2.37	3.40	32.31	32.08	2.80	6.50	8.75	
<i>MSCI AC World ex US Index</i>			-2.77	1.86	32.14	30.48	-2.24	4.41	7.66	
Excess Return			0.40	1.54	0.17	1.60	5.04	2.09	1.09	
Fixed Income Composite	3,478,253	27.15	0.72	2.05	6.75	7.99	6.56	6.39	6.45	
<i>Fixed Income Policy</i>			1.24	2.67	5.13	6.76	6.75	6.85	5.93	
Excess Return			-0.52	-0.62	1.62	1.23	-0.19	-0.46	0.52	
Core Fixed Income	1,172,813	9.15	1.15	2.52	5.37	6.94				
<i>Barclays Capital Aggregate</i>			1.31	2.65	4.21	5.84				
Excess Return			-0.16	-0.13	1.16	1.10				
Total Return Fixed Income	2,305,440	18.00	0.51	1.81	7.41	8.34	7.50	7.01	7.21	
<i>Barclays Capital US Universal</i>			1.24	2.67	5.13	6.76	6.75	6.71	6.06	
Excess Return			-0.73	-0.86	2.28	1.58	0.75	0.30	1.15	
TIPS Composite	889,691	6.94	0.27	3.86	6.66	8.18				
<i>Barclays Capital U S TIPS</i>			0.31	3.87	6.88	8.40				
Excess Return			-0.04	-0.01	-0.22	-0.22				
TRS Annuity	103,475	0.81	0.37	1.11	4.12	4.49				
Cash Composite	296,611	2.32	0.00	0.02	0.15	0.16	0.54	2.27	2.27	
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.09	0.28	0.31	0.63	2.23	2.30	
Excess Return			-0.02	-0.07	-0.13	-0.15	-0.09	0.04	-0.03	
Private Equity Composite	969,138	7.57	1.92	6.50	16.75	17.96	2.63			
Real Estate Composite	235,743	1.84	0.69	3.84	13.43	14.90	-2.63			
Hedge Funds Composite	1,113,772	8.69	-0.34	0.78	8.84	8.37				

West Virginia Investment Management Board
 Participant Plans Allocation vs. Targets
 As of May 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	25.9	25.0	25.3	25.0	27.3	27.0	9.6	10.0	2.3	3.0	9.2	10.0	0.4	0.0
Teachers' Retirement System	25.5	25.0	25.3	25.0	26.5	27.0	9.6	10.0	2.3	3.0	9.2	10.0	1.6	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	25.5	25.0	25.0	25.0	26.3	27.0	9.2	10.0	2.4	3.0	8.9	10.0	0.7	0.0
Public Safety Retirement System	24.3	25.0	24.0	25.0	25.8	27.0	9.5	10.0	2.2	3.0	9.3	10.0	4.9	0.0
Judges' Retirement System	25.0	25.0	25.1	25.0	27.3	27.0	9.6	10.0	2.3	3.0	9.5	10.0	0.2	0.0
State Police Retirement System	25.9	25.0	24.7	25.0	27.4	27.0	9.0	10.0	2.3	3.0	9.4	10.0	1.3	0.0
Deputy Sheriffs' Retirement System	25.8	25.0	25.0	25.0	27.3	27.0	9.5	10.0	2.3	3.0	9.7	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	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	10.1	10.0	10.8	10.0	69.1	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.1	10.0	10.0	10.0	55.2	55.0	0.0	0.0	0.0	0.0	18.7	20.0	8.0	5.0
Workers' Comp. Uninsured Employers Fund	10.7	10.0	10.6	10.0	58.3	55.0	0.0	0.0	0.0	0.0	20.4	20.0	0.0	5.0
Pneumoconiosis	10.2	10.0	10.2	10.0	55.4	55.0	0.0	0.0	0.0	0.0	19.7	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.2	10.0	10.1	10.0	56.1	55.0	0.0	0.0	0.0	0.0	18.7	20.0	4.9	5.0
Public Employees' Insurance Agency	5.1	5.0	5.1	5.0	75.2	75.0	0.0	0.0	0.0	0.0	9.8	10.0	4.8	5.0
WV Retiree Health Benefit Trust Fund	17.8	17.5	18.2	17.5	44.7	45.0	0.0	0.0	0.0	0.0	19.3	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	25.2	25.0	25.2	25.0	27.5	27.0	9.9	10.0	2.4	3.0	9.7	10.0	0.1	0.0
Prepaid Tuition Trust	33.9	35.8	18.3	19.2	46.7	45.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0
Revenue Shortfall Reserve Fund	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
Revenue Shortfall Reserve Fund - Part B	10.1	10.0	10.1	10.0	79.4	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
WV DEP Trust	0.0	35.0	0.0	30.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	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 May 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

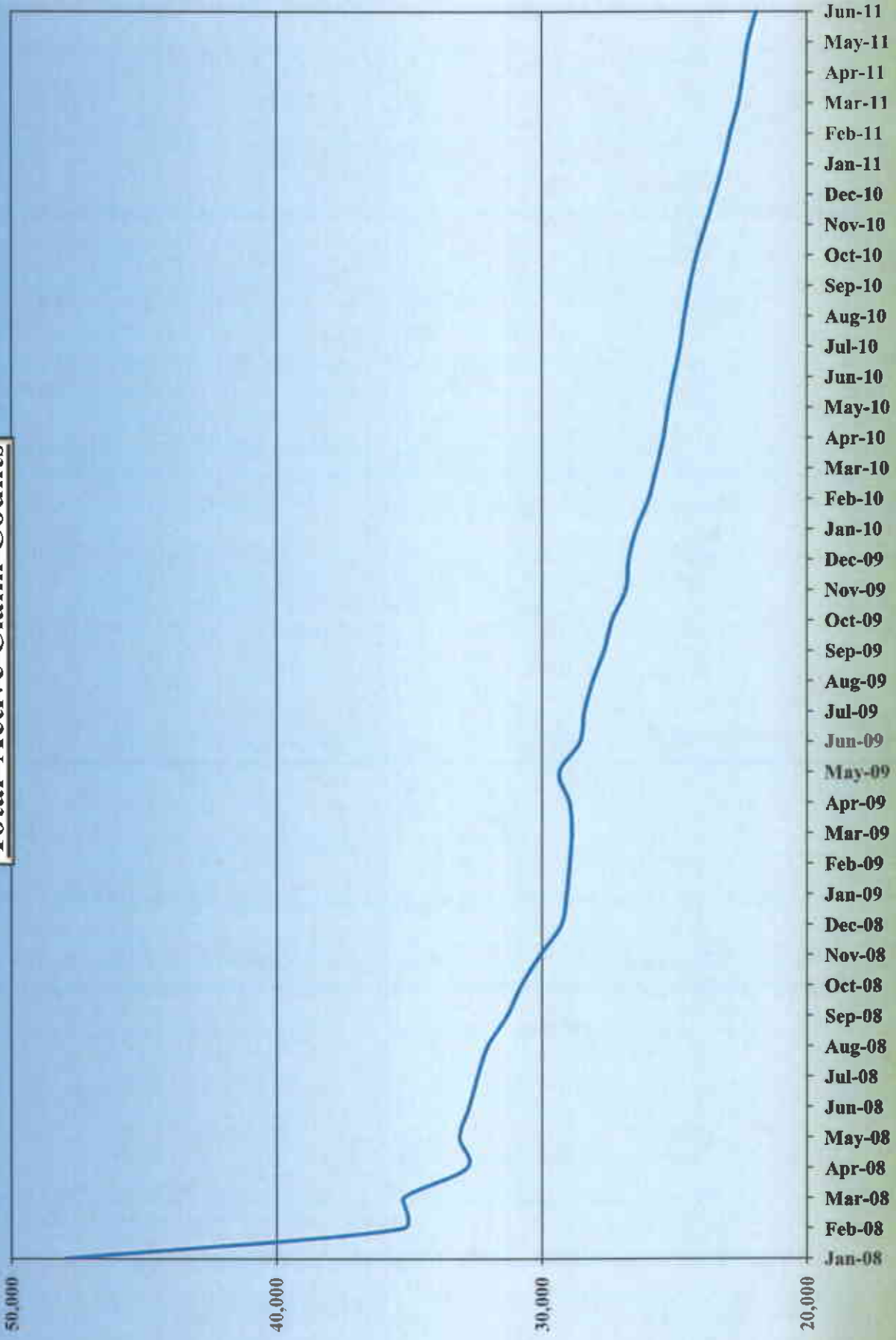
Joint Committee on
Government & Finance

07/13/2011

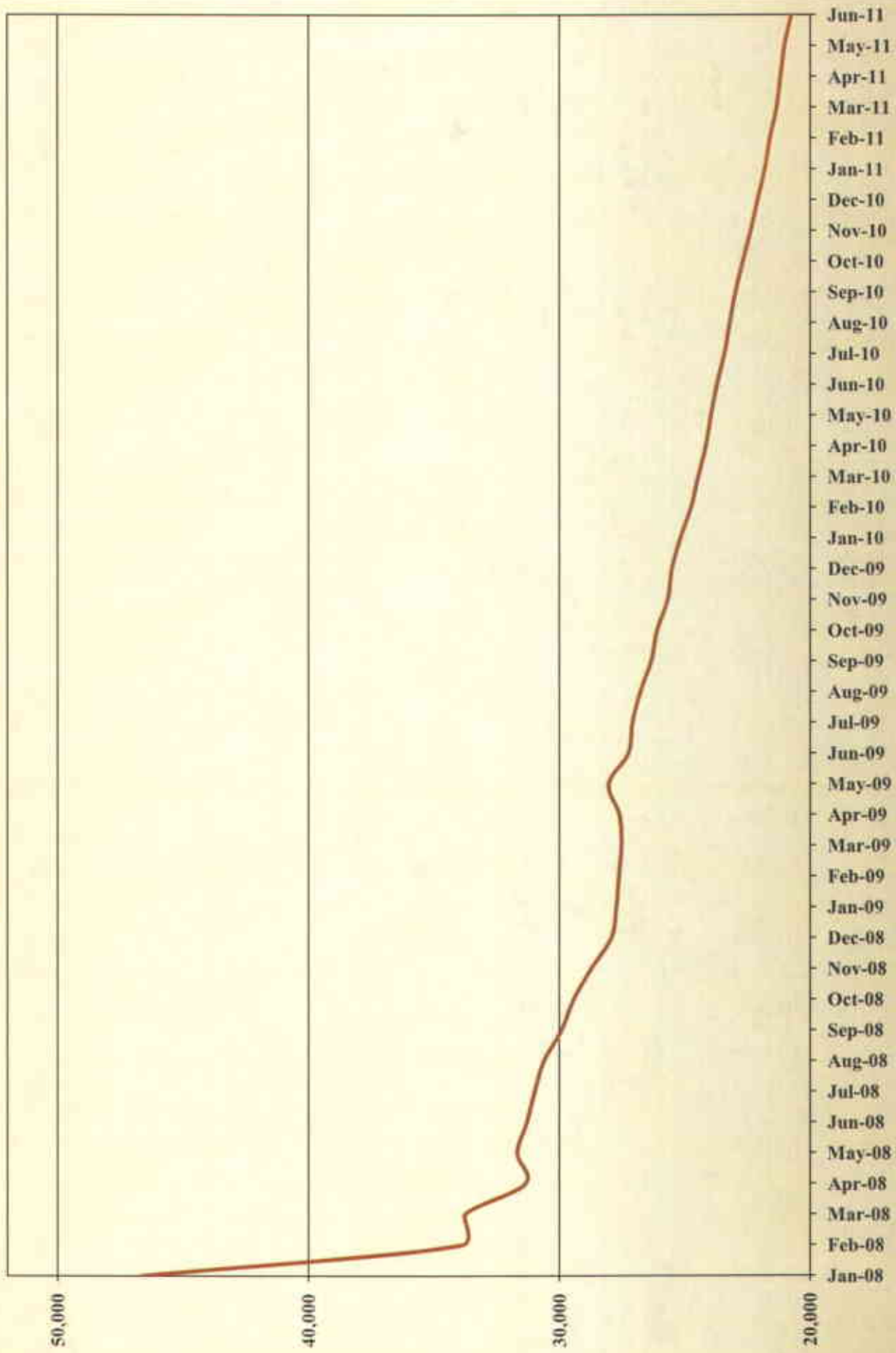
Provided by the West Virginia Offices of the Insurance Commissioner



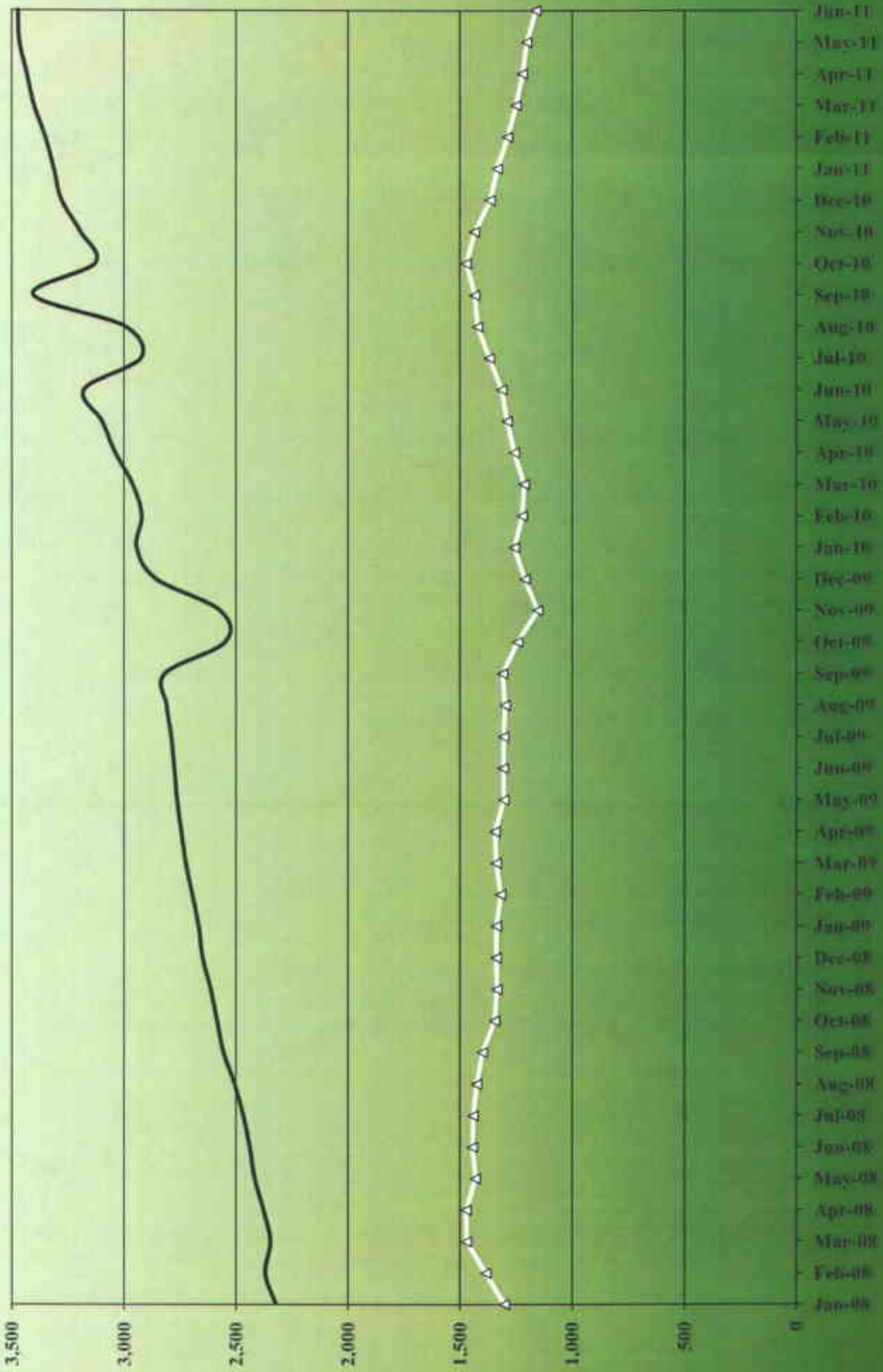
Total Active Claim Counts



Non-FBL Active Claim Counts



Active and Total (+ inactive) FBL Claim Counts



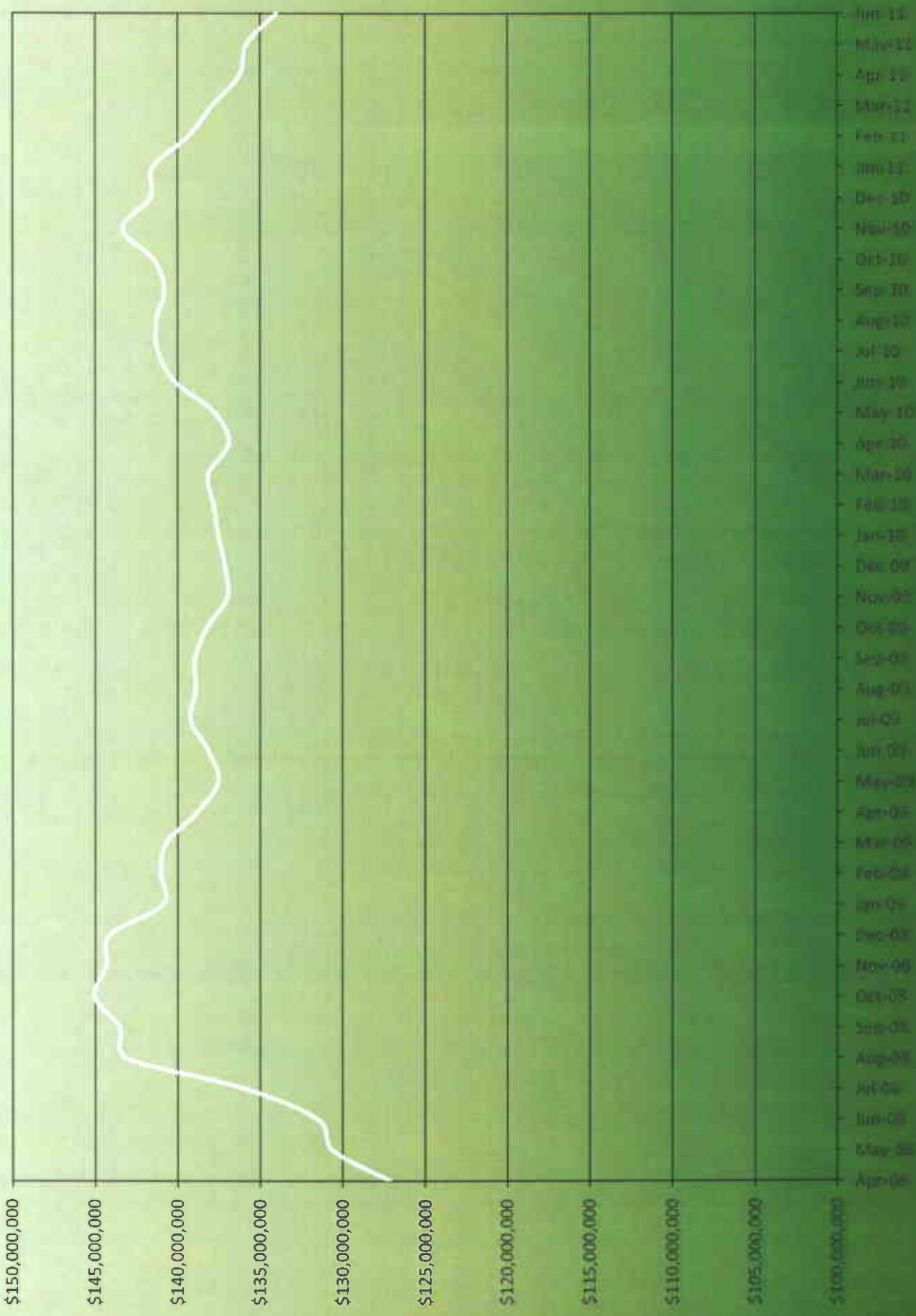
Jun-11
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Total Case Reserves



FBL Case Reserves



6/30/2011					Prior Month	
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
Total Non-FBL Reserves	\$2,267,512,474	\$225,178,322	\$187,854,676	\$2,680,545,471	\$2,701,376,714	-0.8%
Non-FBL Claims						
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
Med Only	1,480	2	301	1,783	1,774	0.5%
PTD	6,598	522	296	7,416	7,487	-1.0%
PPD	4,232	932	546	5,710	5,897	-3.3%
TTD	347	0	19	366	365	0.3%
TPD	1	0	0	1	1	0.0%
Payment Agreements	0	17	9	26	28	-7.7%
Fatal	1,548	504	171	2,223	2,214	0.4%
Partial Awd	11	87	0	98	96	2.0%
OP/OD	3,129	1,899*	747*	3,129	3,164	-1.1%
Total Non-FBL Claims	17,346	2,064	1,342	20,752	21,026	-1.3%
Total FBL Reserves						
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
	\$0	\$29,894,871	\$104,124,362	\$134,019,233	\$135,829,938	-1.4%
FBL Claims						
	Sedgwick	Wells Fargo	American Mining	Totals	Prior Month Total	
	0	124	1,039	1,163	1,203	-3.4%
FBL						
					Inactive	All Total
					2,309	3,472

*Counted within above claim counts

WEST VIRGINIA
OFFICES OF THE INSURANCE COMMISSIONER
SCHEDULE OF NET ASSETS
Workers' Compensation Old Fund – Debt Reduction
(In Thousands)
FY2011

	June 30, 2010	June 30, 2011	Change
Assets:			
Cash and Cash Equivalents	892,466	943,173	50,707
Receivables, Net:	<u>20,659</u>	<u>20,659</u>	<u>-</u>
Total Assets	<u><u>913,125</u></u>	<u><u>963,832</u></u>	<u><u>50,707</u></u>
Liabilities:			
Estimated Liability for Unpaid Claims	2,022,700	1,864,791	(157,909)
Other Liabilities	<u>1,453</u>	<u>1,453</u>	<u>-</u>
Total Liabilities	<u><u>2,024,153</u></u>	<u><u>1,866,244</u></u>	<u><u>(157,909)</u></u>
Net Assets:			
Unrestricted	<u>(1,111,028)</u>	<u>(902,412)</u>	<u>208,616</u>
Total Net Assets	<u><u>(1,111,028)</u></u>	<u><u>(902,412)</u></u>	<u><u>208,616</u></u>

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

Old Fund Liability Estimate

FY2011

	June
Undiscounted Beginning Reserve Amount	2,944,296,368
Claim Payments	21,944,580
Undiscounted Ending Reserve Amount	2,922,351,788
Estimated Ending Reserve Amount - Discounted at 5%	1,864,790,738

Note:

The discounted estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month. Claims payments were **\$21,944,580** for June 2011

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. This calculation has been prepared in order to provide an interim estimate on the status of the deficit.

Old Fund/Debt Reduction FY2011

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY2011	YTD FY2010	Change
Revenues							
Personal Income Tax	-	31,800,000	31,800,000	31,800,000	95,400,000	95,400,000	-
Severance Tax	22,025,208	21,155,013	23,444,915	26,487,611	93,112,747	91,573,307	1,539,440
Debt Reduction Surcharge	8,857,456	11,815,510	9,634,132	10,789,262	41,096,360	39,192,646	1,903,714
Self-Insured Debt Reduction Surcharge	1,777,733	2,039,664	2,175,440	2,065,753	8,058,590	6,963,527	1,095,064
Video Lottery	11,000,000	-	-	-	11,000,000	11,000,000	-
Employer Premium	2,399,978	513,011	106,000	101,401	3,120,389	1,783,840	1,336,550
Other Income - Return of Unclaimed Property	1,077	14,410	1,669	174,704	191,860	95,620	96,240
Total Revenues	46,061,452	67,337,607	67,162,156	71,418,731	251,979,946	246,008,940	5,971,007
Surplus Note Principal Payments	-	-	-	-	-	43,500,000	(43,500,000)
Investment / Interest Earnings (Losses)	23,095,895	17,526,185	26,435,441	21,213,365	88,270,887	102,218,637	(13,947,750)
Expenditures							
Claims Benefits Paid:							
Medical	12,127,841	10,142,490	9,632,505	10,069,593	41,972,430	55,134,618	(13,162,188)
Permanent Total Disability	35,131,918	34,255,956	33,633,273	33,778,913	136,800,060	152,789,051	(15,988,991)
Permanent Partial Disability	763,081	691,264	538,730	520,181	2,513,255	4,890,326	(2,377,071)
Temporary Disability	117,290	144,226	68,772	54,283	384,571	1,322,403	(937,832)
Fatal	7,514,947	7,524,300	7,573,034	7,382,318	29,994,599	34,822,223	(4,827,624)
104 weeks death benefit	1,527,745	1,557,300	1,524,359	1,712,149	6,321,554	6,394,618	(73,064)
Settlement Agreements	15,764,770	11,532,935	11,723,076	11,607,789	50,628,569	24,145,535	26,483,034
Loss Adjustment Expenses	1,397,144	1,768,476	663,312	685,391	4,514,323	3,794,198	720,125
Total	74,344,735	67,616,948	65,357,061	65,810,616	273,129,360	283,292,971	(10,163,611)
Less: Claims credits and overpayments	2,134,198	1,463,734	2,581,788	1,486,684	7,666,404	4,327,847	3,338,557
Total Benefits Paid	72,210,537	66,153,214	62,775,273	64,323,932	265,462,956	278,965,124	(13,502,168)
Administrative Expenses	4,869,605	4,403,832	5,885,142	4,992,714	20,151,292	20,096,532	54,760
Total Expenditures	77,080,143	70,557,046	68,660,414	69,316,646	285,614,248	299,061,656	(13,447,407)
Excess (Deficiency) of Revenues over Expenditures	(7,922,796)	14,306,747	24,937,184	23,315,450	54,636,585	92,665,921	(38,029,336)
Cash Beginning Balances	888,535,954	880,613,158	894,919,905	919,857,088	888,535,954		
Cash Ending Balances	880,613,158	894,919,905	919,857,088	943,172,539	943,172,539		

Old Fund / Debt Reduction 1st Quarter FY2011

	July 2010	August 2010	September 2010	Quarterly Total
Revenues				
Personal Income Tax	-	-	-	-
Severance Tax	5,116,779.70	9,026,745.37	7,881,682.99	22,025,208.06
Debt Reduction Surcharge	8,769,528.72	95,819.00	(7,891.97)	8,857,455.75
Self-Insured Debt Reduction Surcharge	1,401,614.89	70,788.17	305,330.02	1,777,733.08
Video Lottery	3,885,341.88	4,046,095.90	3,068,562.22	11,000,000.00
Employer Premium	113,955.91	92,719.43	2,193,302.56	2,399,977.90
Other Income - Return of Unclaimed Property	-	1,076.78	-	1,076.78
Total Revenues	19,287,221.10	13,333,244.65	13,440,985.82	46,061,451.57
Investment / Interest Earnings (Losses)	4,527,112.81	14,544,793.42	4,023,988.78	23,095,895.01
Expenditures				
Claims Benefits Paid:				
Medical	4,632,087.97	3,534,601.88	3,961,151.53	12,127,841.38
Permanent Total Disability	11,551,635.68	12,114,184.95	11,466,096.92	35,131,917.55
Permanent Partial Disability	254,935.24	261,275.59	246,869.72	763,080.55
Temporary Disability	23,670.59	43,483.66	50,135.47	117,289.72
Fatals	2,519,576.31	2,556,640.44	2,438,730.74	7,514,947.49
104 weeks death benefit	528,883.58	505,925.05	492,936.68	1,527,745.31
Settlement Agreements	4,669,443.34	5,872,763.97	5,222,562.36	15,764,769.67
Loss Adjustment Expenses	450,587.51	591,991.44	354,564.79	1,397,143.74
Total	24,630,820.22	25,480,866.98	24,233,048.21	74,344,735.41
Less: Claims credits and overpayments	580,796.53	405,519.49	1,147,882.04	2,134,198.06
Total Benefits Paid	24,050,023.69	25,075,347.49	23,085,166.17	72,210,537.35
Administrative Expenses	1,584,348.85	1,641,948.52	1,643,307.81	4,869,605.18
Total Expenditures	25,634,372.54	26,717,296.01	24,728,473.98	77,080,142.53
Excess (Deficiency) of Revenues over Expenditures	(1,820,038.63)	1,160,742.06	(7,263,499.38)	(7,922,795.95)
Cash Beginning Balance	888,535,953.68	886,715,915.05	887,876,657.11	888,535,953.68
Cash Ending Balances	886,715,915.05	887,876,657.11	880,613,157.73	880,613,157.73

Old Fund / Debt Reduction 2nd Quarter FY2011

	October 2010	November 2010	December 2010	Quarterly Total
Revenues				
Personal Income Tax	10,600,000.00	10,600,000.00	10,600,000.00	31,800,000.00
Severance Tax	5,257,237.26	9,203,108.57	6,694,667.04	21,155,012.87
Debt Reduction Surcharge	11,575,261.93	218,697.00	21,551.40	11,815,510.33
Self-Insured Debt Reduction Surcharge	697,594.09	807,291.74	534,777.89	2,039,663.72
Video Lottery	-	-	-	-
Employer Premium	131,814.41	54,999.79	326,196.39	513,010.59
Other Income - Return of Unclaimed Property	7,146.74	7,263.22	-	14,409.96
Total Revenues	28,269,054.43	20,891,360.32	18,177,192.72	67,337,607.47
Investment / Interest Earnings (Losses)	14,629,093.72	8,795,713.94	(5,898,622.34)	17,526,185.32
Expenditures				
Claims Benefits Paid:				
Medical	2,774,670.79	3,865,156.97	3,502,662.72	10,142,490.48
Permanent Total Disability	11,287,336.33	11,675,033.77	11,293,586.00	34,255,956.10
Permanent Partial Disability	212,195.95	273,352.08	205,715.83	691,263.86
Temporary Disability	71,290.19	14,909.86	58,025.96	144,226.01
Fatafs	2,582,247.99	2,446,806.13	2,495,246.14	7,524,300.26
104 weeks death benefit	474,007.71	591,712.96	491,579.63	1,557,300.30
Settlement Agreements	4,123,973.72	4,904,920.69	2,504,040.19	11,532,934.60
Loss Adjustment Expenses	285,391.62	444,788.07	1,038,296.52	1,768,476.21
Total	21,811,114.30	24,216,680.53	21,589,152.99	67,616,947.82
Less: Claims credits and overpayments	441,879.05	762,373.32	259,481.54	1,463,733.91
Total Benefits Paid	21,369,235.25	23,454,307.21	21,329,671.45	66,153,213.91
Administrative Expenses	1,024,837.36	2,043,574.24	1,335,420.13	4,403,831.73
Total Expenditures	22,394,072.61	25,497,881.45	22,665,091.58	70,557,045.64
Excess (Deficiency) of Revenues over Expenditures	20,504,075.54	4,189,192.81	(10,386,521.20)	14,306,747.15
Cash Beginning Balance	880,613,157.73	901,117,233.27	905,306,426.08	880,613,157.73
Cash Ending Balances	901,117,233.27	905,306,426.08	894,919,904.88	894,919,904.88

Old Fund / Debt Reduction 3rd Quarter FY2011

	January 2011	February 2011	March 2011	Quarterly Total
Revenues				
Personal Income Tax	10,600,000.00	10,600,000.00	10,600,000.00	31,800,000.00
Severance Tax	9,625,645.07	7,539,162.01	6,280,108.02	23,444,915.10
Debt Reduction Surcharge	-	6,082,978.00	3,551,154.00	9,634,132.00
Self-Insured Debt Reduction Surcharge	716,917.40	1,239,971.42	218,551.53	2,175,440.35
Video Lottery	-	-	-	-
Employer Premium	21,496.83	33,283.26	51,219.45	105,999.54
Other Income - Return of Unclaimed Property	-	270.17	1,399.17	1,669.34
Total Revenues	20,964,059.30	25,495,664.86	20,702,432.17	67,162,156.33
Investment / Interest Earnings (Losses)	11,280,235.04	5,899,964.54	9,255,241.83	26,435,441.41
Expenditures				
Claims Benefits Paid:				
Medical	2,579,381.99	3,207,895.37	3,845,227.26	9,632,504.62
Permanent Total Disability	11,012,762.70	11,494,753.82	11,125,756.45	33,633,272.97
Permanent Partial Disability	185,924.01	169,757.39	183,048.34	538,729.74
Temporary Disability	14,237.07	16,641.28	37,894.02	68,772.37
Fatales	2,668,111.47	2,467,770.50	2,437,152.12	7,573,034.09
104 weeks death benefit	482,610.39	498,305.38	543,443.29	1,524,359.06
Settlement Agreements	3,433,926.58	4,435,658.25	3,853,491.44	11,723,076.27
Loss Adjustment Expenses	256,359.57	193,585.13	213,367.00	663,311.70
Total	20,633,313.78	22,484,367.12	22,239,379.92	65,357,060.82
Less: Claims credits and overpayments	678,591.27	1,165,849.38	737,347.64	2,581,788.29
Total Benefits Paid	19,954,722.51	21,318,517.74	21,502,032.28	62,775,272.53
Administrative Expenses	1,040,433.57	2,253,336.91	2,591,371.18	5,885,141.66
Total Expenditures	20,995,156.08	23,571,854.65	24,093,403.46	68,660,414.19
Excess (Deficiency) of Revenues over Expenditures	11,249,138.26	7,823,774.75	5,864,270.54	24,937,183.55
Cash Beginning Balance	894,919,904.88	906,169,043.14	913,992,817.89	894,919,904.88
Cash Ending Balances	906,169,043.14	913,992,817.89	919,857,088.43	919,857,088.43

Old Fund / Debt Reduction 4th Quarter FY2011

	April 2011	May 2011	June 2011	Quarterly Total
Revenues				
Personal Income Tax	10,600,000.00	10,600,000.00	10,600,000.00	31,800,000.00
Severance Tax	7,531,339.91	10,387,173.74	8,569,097.06	26,487,610.71
Debt Reduction Surcharge	10,416,543.00	99,789.00	272,930.00	10,789,262.00
Self-Insured Debt Reduction Surcharge	716,096.51	877,901.86	471,754.60	2,065,752.97
Video Lottery	-	-	-	-
Employer Premium	53,118.48	27,410.83	20,871.84	101,401.15
Other Income - Return of Unclaimed Property	-	173,581.00	1,123.14	174,704.14
Total Revenues	29,317,097.90	22,165,856.43	19,935,776.64	71,418,730.97
Investment / Interest Earnings (Losses)	4,758,803.17	15,929,117.85	525,444.23	21,213,365.25
Expenditures				
Claims Benefits Paid:				
Medical	3,007,536.72	3,222,958.34	3,839,098.14	10,069,593.20
Permanent Total Disability	11,412,770.94	11,484,324.30	10,881,817.77	33,778,913.01
Permanent Partial Disability	186,167.87	182,043.87	151,969.04	520,180.78
Temporary Disability	20,635.65	21,418.38	12,228.55	54,282.58
Fatals	2,414,215.18	2,452,422.79	2,515,679.67	7,382,317.64
104 weeks death benefit	524,879.46	590,085.18	597,184.42	1,712,149.06
Settlement Agreements	3,155,409.02	4,239,136.90	4,213,242.94	11,607,788.86
Loss Adjustment Expenses	224,973.48	137,904.49	322,512.95	685,390.92
Total	20,946,588.32	22,330,294.25	22,533,733.48	65,810,616.05
Less: Claims credits and overpayments	591,359.50	306,171.01	589,153.09	1,486,683.60
Total Benefits Paid	20,355,228.82	22,024,123.24	21,944,580.39	64,323,932.45
Administrative Expenses	1,785,914.89	1,595,041.70	1,611,756.93	4,992,713.52
Total Expenditures	22,141,143.71	23,619,164.94	23,556,337.32	69,316,645.97
Excess (Deficiency) of Revenues over Expenditures	11,934,757.36	14,475,809.34	(3,095,116.45)	23,315,450.25
Cash Beginning Balance	919,857,088.43	931,791,845.79	946,267,655.13	919,857,088.43
Cash Ending Balances	931,791,845.79	946,267,655.13	943,172,538.68	943,172,538.68

COAL WORKERS PNEUMOCONIOSIS FUND

Quarterly Summary

FY2011

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues							
Investment Earnings (Losses)	5,580,564	8,928,033	9,118,790	5,655,947	29,283,335	32,224,147	(2,940,812)
Other Income - Return of Unclaimed Property	-	-	-	-	-	898	(898)
Total Revenues	5,580,564	8,928,033	9,118,790	5,655,947	29,283,335	32,225,046	(2,941,711)
Expenditures							
Payment of Claims	2,481,727	2,672,708	2,737,944	2,522,782	10,415,160	9,978,121	437,040
Contractual / Professional	13,391	3,291	-	-	16,682	38,524	(21,842)
Total Expenditures	2,495,118	2,675,999	2,737,944	2,522,782	10,431,842	10,016,645	415,198
Excess (Deficiency) of Revenues over Expenditures	3,085,446	6,252,035	6,380,847	3,133,165	18,851,492	22,208,401	(3,356,908)
Cash Beginning Balances	244,074,613	247,160,059	253,412,093	259,792,940	244,074,613		
Cash Ending Balances	247,160,059	253,412,093	259,792,940	262,926,105	262,926,105		

SELF-INSURED GUARANTY FUND
Quarterly Summary
FY2011

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues							
Guaranty Risk Pool Assessments	331,688	253,473	320,295	214,217	1,119,674	1,456,727	(337,053)
Investment Earnings (Losses)	2,896	77,691	310,379	201,200	592,165	9,237	582,928
Total Revenues	334,584	331,164	630,674	415,417	1,711,839	1,465,964	245,875
Expenditures							
Payment of Claims	11,273	5,603	5,763	6,068	28,707	104,821	(76,114)
Contractual / Professional	6,459	12,364	13,786	18,633	51,241	44,493	6,749
Total Expenditures	17,732	17,967	19,548	24,701	79,948	149,313	(69,365)
Excess (Deficiency) of Revenues over Expenditures	316,852	313,197	611,126	390,716	1,631,891	1,316,651	315,240
Cash Beginning Balances	8,112,918	8,429,770	8,742,967	9,354,093	8,112,918		
Cash Ending Balances	8,429,770	8,742,967	9,354,093	9,744,809	9,744,809		

SELF-INSURED SECURITY FUND
Quarterly Summary
FY2011

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2011
Revenues					
Security Risk Pool Assessments	31,272	70,372	13,924	-	115,569
Total Revenues	31,272	70,372	13,924	-	115,569
Expenditures					
Payment of Claims	-	64	-	69	133
Claim Payment Reimbursement to Old Fund	73,516	-	-	-	73,516
Contractual / Professional	9,255	-	-	-	9,255
Total Expenditures	82,771	64	-	69	82,904
Excess (Deficiency) of Revenues over Expenditures	(51,499)	70,308	13,924	(69)	32,664
Cash Beginning Balances	173,041	121,542	191,849	205,774	173,041
Cash Ending Balances	121,542	191,849	205,774	205,705	205,705

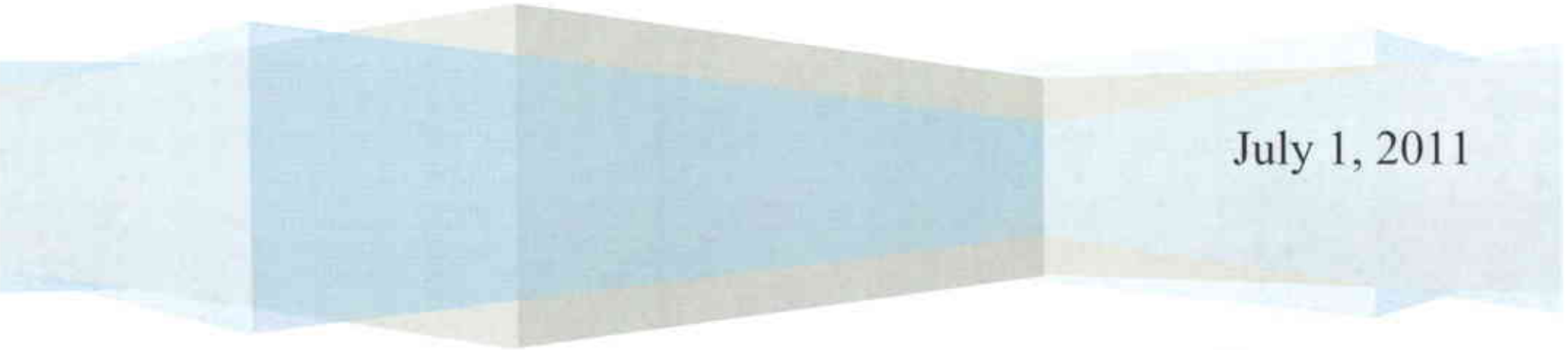
**UNINSURED FUND
Quarterly Summary
FY2011**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues							
Fines and Penalties	227,102	194,357	205,533	312,634	939,626	892,806	46,819
Investment Earnings (Losses)	3,149	(51,023)	319,533	203,069	474,728	10,923	463,805
Total Revenues	230,251	143,334	525,066	515,703	1,414,354	903,729	510,625
Expenditures							
Payment of Claims	133,213	168,679	104,159	818,931	1,224,981	577,819	647,163
Contractual/Professional	1,394	7,092	-	-	8,486	8,735	(249)
Total Expenditures	134,607	175,771	104,159	818,931	1,233,467	586,554	646,914
Excess (Deficiency) of Revenues over Expenditures	95,644	(32,437)	420,907	(303,228)	180,887	317,176	(136,289)
Cash Beginning Balances	8,905,444	9,001,088	8,968,651	9,389,558	8,905,444		
Cash Ending Balances	9,001,088	8,968,651	9,389,558	9,086,330	9,086,330		

West Virginia Workers' Compensation

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

Rebecca A. Roush, Chief Administrative Law Judge



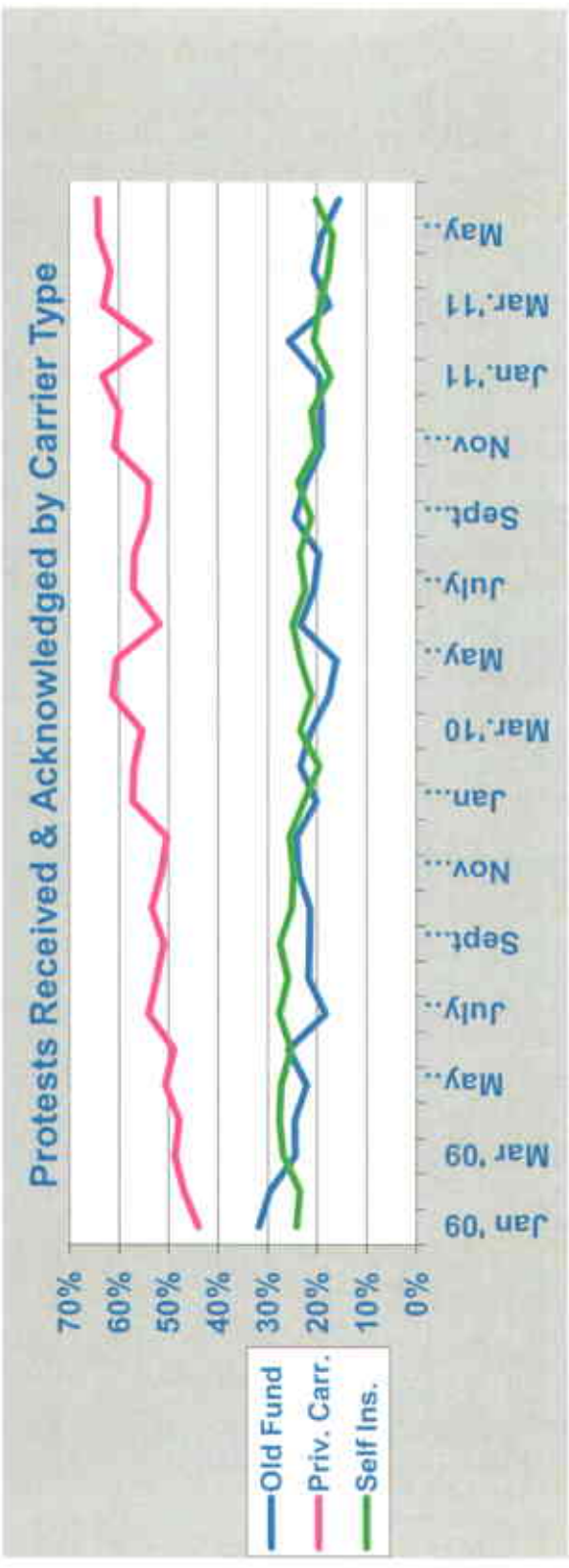
July 1, 2011

Statistical Analysis

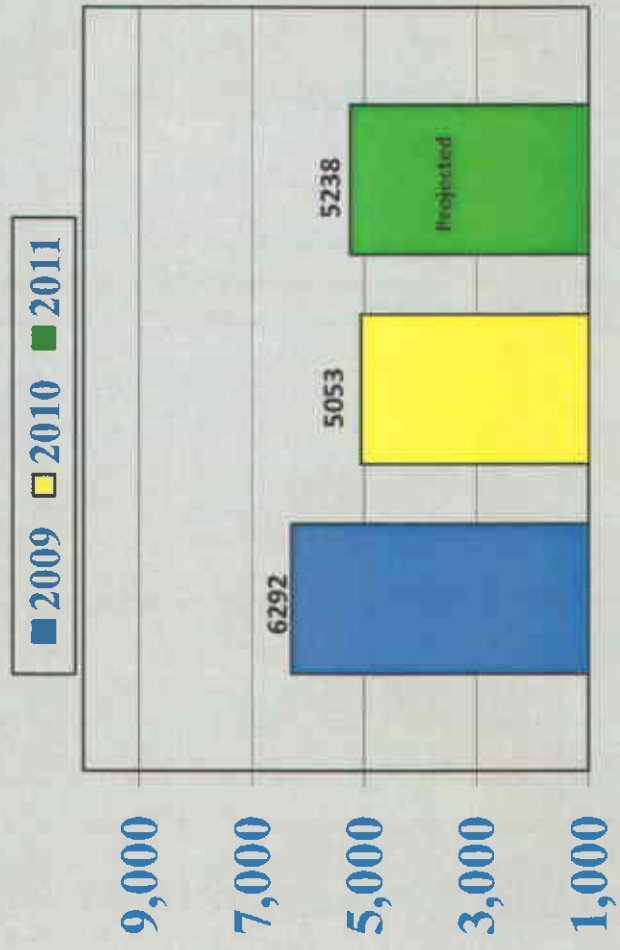
A. Protests Acknowledged: 2010 June 2011
 5052 431 2619

Fund Involved:

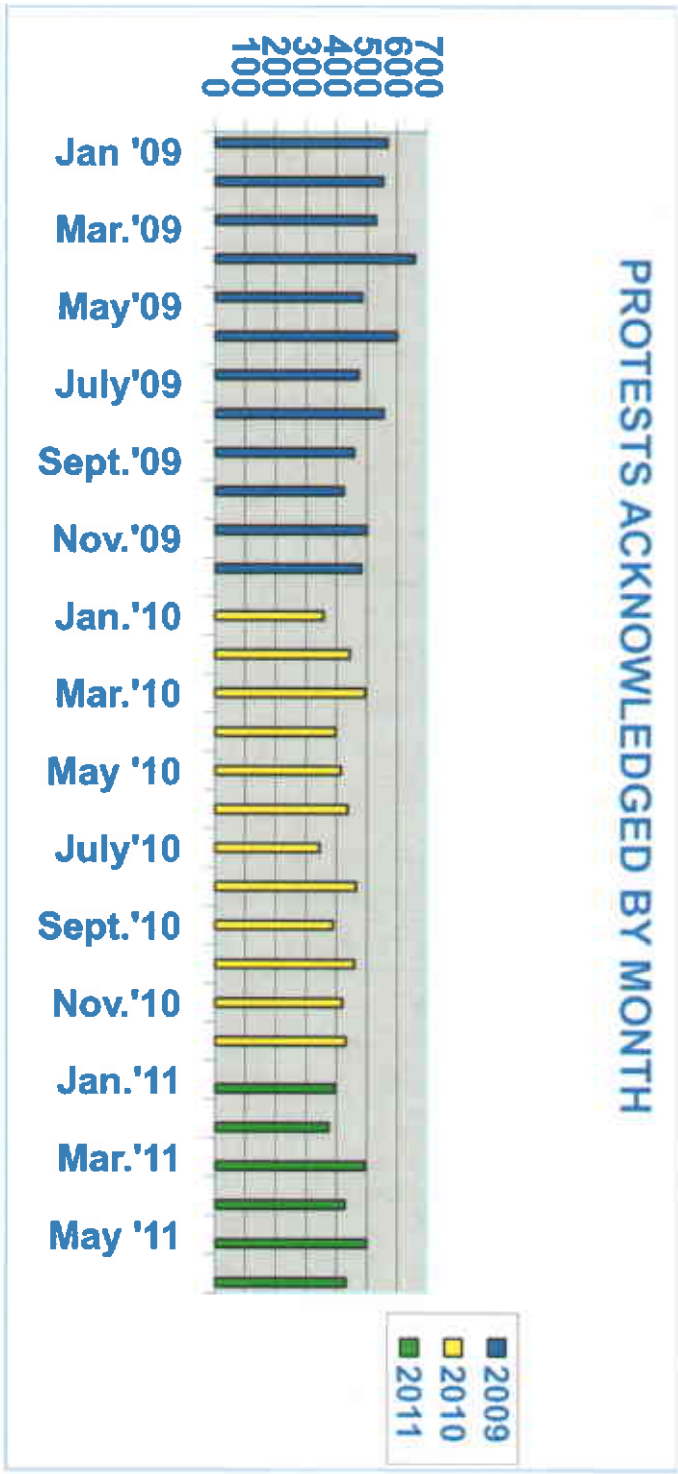
FUND	2010	% of protests	June 2011	% of protests	2011	% of protests
Old Fund	1045	20.68%	67	15.54%	511	19.51%
Private Carrier	2885	57.11%	277	64.27%	1639	62.58%
Self-Insured	1122	22.21%	87	20.19%	469	17.91%
Subtotal	5052		431		2619	
Temporary	997		90		629	
Total	6049		521		3248	



PROTESTS PER CALENDAR YEAR



PROTESTS ACKNOWLEDGED BY MONTH



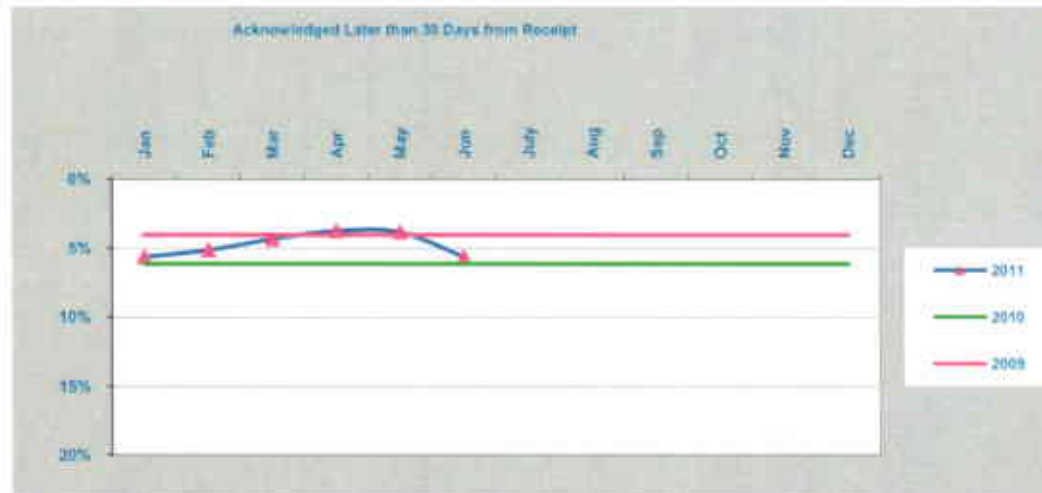
B. **Issues Resolved:** 2010 June 2011
 5327 419 2508

C. **Pending Caseload Report**

PENDING END OF June, 2011	3691
PENDING 1 MONTH BEFORE	3689
PENDING 2 MONTHS BEFORE	3593
PENDING 3 MONTHS BEFORE	3593
PENDING 6 MONTHS BEFORE	3654
PENDING 12 MONTHS BEFORE	3719

D. **Acknowledgment Timeliness:**

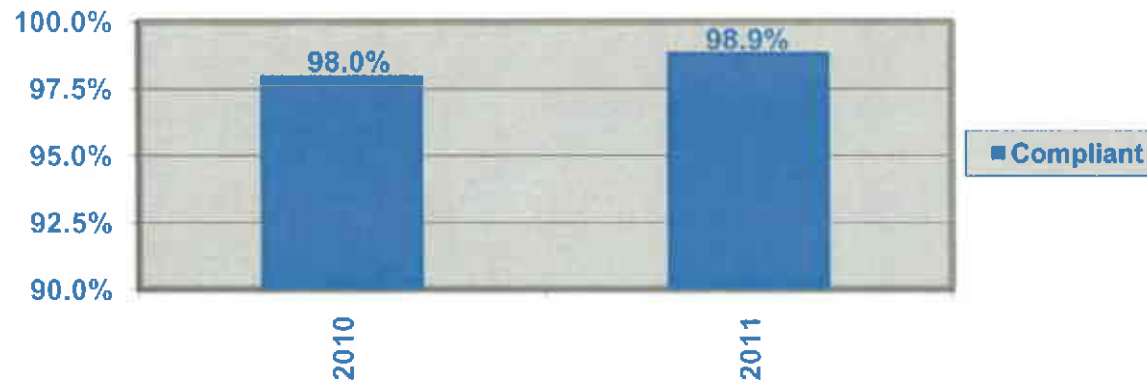
	<u>2010</u>	<u>June</u>	<u>YTD</u>
1. Protest Ackn. >30 days	6.1%	5.6%	4.7%
2. Protest Ackn. 24-30 days	1.7%	1.6%	3.2%
3. Protest Ackn. 11-23 days	23.2%	27.1%	31.7%
4. Protest Ackn. <11 days	68.9%	65.7%	60.4%



		<u>June '11</u>	<u>2011</u>
E. Protests Resolved:			
	1. Protests decided:	264	1678
	2. Withdrawals:	71	429
	3. "No Evidence" Dismissals:	64	307

F. Final Decision Timeliness		<u>2010</u>	<u>June '11</u>	<u>2011</u>
	1. <30 days:	45.4%	36.1%	48.1%
	2. 30-60 days:	34.2%	51.1%	44.1%
	3. 60-90 days:	18.4%	10.2%	6.8%
	4. +90 days:	2.0%	2.6%	1.1%

Decision Within Rule's Time Limits



G. Time Standard Compliance	<u>2010</u>	<u>June</u>	<u>2011</u>
	88.2%	90.2%	91.1%

Friday, July 01, 2011

Time Standard Compliance

Report Dates: From 6/1/2011 thru 6/30/2011

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
OPBD	6	5	83.3%	1	16.7%
SPECIAL CATEGORY	1	0	0%	1	100%
TRMT/EQUIP CL	64	59	92.2%	5	7.8%
TTD	13	11	84.6%	2	15.4%
COMPENSABILITY	23	22	95.7%	1	4.3%
DEP BEN FATAL	2	1	50%	1	50%
IEB DETERMINATION	1	1	100%	0	0%
PPD	47	47	100%	0	0%
PTD ENTITLEMENT	1	0	0%	1	100%
PTD ONSET DATE	1	0	0%	1	100%
REOPENING	5	2	40%	3	60%
Total	164	148	90.2%	16	9.8%

Final Decision Compliance

Report Dates: From 6/1/2011 thru 6/30/2011

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
BENEFIT RATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
COMPENSABILITY	56	19	33.9%	30	53.6%	6	10.7%	1	1.8%
PPD	49	13	26.5%	24	49.0%	10	20.4%	2	4.1%
TTD	26	4	15.4%	19	73.1%	2	7.7%	1	3.8%
DEP BEN FATAL	3	2	66.7%	0	0.0%	1	33.3%	0	0.0%
FAILURE TO ACT 15 DAY	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OP NON-MED	3	0	0.0%	2	66.7%	1	33.3%	0	0.0%
OPBD	10	8	80.0%	1	10.0%	1	10.0%	0	0.0%
PTD ENTITLEMENT	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
PTD ONSET DATE	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
REOPENING	15	4	26.7%	8	53.3%	2	13.3%	1	6.7%
TRMT/EQUIP CL	94	42	44.7%	47	50.0%	4	4.3%	1	1.1%
Totals	266	96	36.1%	136	51.1%	27	10.2%	7	2.6%

Motion Resolution Compliance

Report Dates: From 6/1/2011 thru 6/30/2011

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	3	3	100%	0	0%
COMPENSABILITY	228	224	98.2%	4	1.8%
DEP BEN FATAL	15	15	100%	0	0%
IEB DETERMINATION	7	7	100%	0	0%
OP NON-MED	2	2	100%	0	0%
PPD	166	163	98.2%	3	1.8%
PTD ENTITLEMENT	5	5	100%	0	0%
REOPENING	28	28	100%	0	0%
TRMT/EQUIP CL	232	231	99.6%	1	0.4%
TTD	108	105	97.2%	3	2.8%
APPLICATION THRESHOLD	2	2	100%	0	0%
OPBD	59	59	100%	0	0%
REHABILITATION	1	1	100%	0	0%
TEMP	1	1	100%	0	0%
Total	857	846	98.7%	11	1.3%

* Action Date < Motion Date

** Action Date > Motion Date

Friday, July 01, 2011

Acknowledgement Goal

Report Dates: From 6/1/2011 thru 6/30/2011

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%
CZA - CL SI 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: 87	12	13.8%	2	2.3%	33	37.9%	40	46.0%
C8A - CL OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS - CL SEC.CONDITION	8	0	0.0%	0	0.0%	2	25.0%	6	75.0%
CHC - CL COMPENSABILITY	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIM - CL SI COMPENSABLE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIS - CL SI SEC.CONDITION	6	0	0.0%	1	16.7%	0	0.0%	5	83.3%
CPI - CL SI REJECT CLAIM	14	1	7.1%	0	0.0%	8	57.1%	5	35.7%
CPJ - CL REJECT CLAIM	43	8	18.6%	1	2.3%	18	41.9%	16	37.2%
CQR - CL SI REJ OCCDISEASE	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CRZ - CL REJ OCC DISEASE	8	3	37.5%	0	0.0%	2	25.0%	3	37.5%
DEP BEN FATAL	Total: 6	0	0.0%	2	33.3%	4	66.7%	0	0.0%
CDF - CL DENY/GRNT DTH BEN	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
CIF - CL SI DY/GNT DTH BEN	3	0	0.0%	1	33.3%	2	66.7%	0	0.0%
EIF - EM SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
FAILURE TO ACT 10 DAY	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C5N - CL FTA NOT COVERED	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 15 DAY	Total: 2	1	50.0%	0	0.0%	1	50.0%	0	0.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
C01 - CL FTA INJ COMPENSAB	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C03 - CL FTA TREATMENT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
C7E - CL FTA CPLY OJ/BR/SC	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
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%
OP NON-MED	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIR - CL SI NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
OPBD	Total: 15	0	0.0%	1	6.7%	5	33.3%	9	60.0%
CAO - CL ADD BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBF - CL % BOARD FINDING	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CSF - CL% SI BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CSO - CL SI AD BRD FINDING	2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
EAO - EM ADD BOARD 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%	2	100.0%	0	0.0%
PPD	Total: 97	3	3.1%	0	0.0%	31	32.0%	63	64.9%
CAA - CL ADDL % AWARD D/G	9	1	11.1%	0	0.0%	2	22.2%	6	66.7%
CAD - CL % AWARD DENY/GRNT	73	2	2.7%	0	0.0%	25	34.2%	46	63.0%
CIE - CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG - CL SI %AWARD DNY/GNT	14	0	0.0%	0	0.0%	4	28.6%	10	71.4%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKC - CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CPV - CL DY/GRNT REHAB PLN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CTP - CL GRNT/DNY TP REHAB	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
REOPENING	Total: 18	1	5.6%	0	0.0%	2	11.1%	15	83.3%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CIQ - CL SI DY/GNT R/O PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIY - CL SI DY/GNT R/O TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CJV - CL DNY/GRNT R/O PPD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	11	1	9.1%	0	0.0%	2	18.2%	8	72.7%
SPECIAL CATEGORY	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CNW - CL SPL CATEGORY	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
TRMT/EQUIP CL	Total: 134	5	3.7%	2	1.5%	24	17.9%	103	76.9%
C1Y - CL SI TRMT GRANT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CBX - CL TRMT DENY	99	4	4.0%	2	2.0%	19	19.2%	74	74.7%
CSX - CL SI TRMT DENY	27	1	3.7%	0	0.0%	2	7.4%	24	88.9%
CYY - CL TRMT GRANT	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
E8E - EM OIC TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
TTD	Total: 57	1	1.8%	0	0.0%	16	28.1%	40	70.2%
CCC - CL CLOSING THE CLAIM	44	1	2.3%	0	0.0%	13	29.5%	30	68.2%
CIC - CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJS - CL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CPX - CL INITIAL TTD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
E8J - EM OIC TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals: Claims 363	431	24	5.6%	7	1.6%	117	27.1%	283	65.7%

Resolution of Issues

Report Dates: Decision Date from 6/1/2011 thru 6/30/2011

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
PTD ENTITLEMENT BENEFIT	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
OVERPAYMENT	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
BENEFIT RATE	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	77	20	26	33	42.9	8	10.4	13	16.9	2	2.6	1	1.3	0	0	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	1	33.3	0	0	1	33.3	1	33.3	0	0	0	0	0	0	0	0
OP NON-MED	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
OPBD	17	1	5.9	9	52.9	1	5.9	6	35.3	0	0	0	0	0	0	0	0
PPD	113	17	15	31	27.4	29	25.7	35	31	0	0	0	0	1	0.9	0	0
PTD ONSET DATE	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	21	4	19	10	47.6	4	19	2	9.5	1	4.8	0	0	0	0	0	0
SPECIAL CATEGORY	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0
TRMT/EQUIP CL	126	25	19.8	63	50	12	9.5	19	15.1	4	3.2	0	0	3	2.4	0	0
TTD	51	6	11.8	18	35.3	8	15.7	17	33.3	2	3.9	0	0	0	0	0	0
Totals	419	77	18.4	170	40.6	64	15.3	94	22.4	9	2.1	1	0.2	4	1	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 6/30/2011	64
Petitions denied on face:	20
Petitions denied by ALJ Decision:	28
Petitions granted:	8
Petitions withdrawn through settlement:	3
Petitions currently pending:	5

Failure to Timely Act Process

Petitions filed 9/1/05 through 6/30/2011	
Filed:	258
Denied/dismissed:	104
Withdrawn:	11
Reports to OIC:	122
Pending	21

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							89

Pro Se Claimant Information as of June 30, 2011

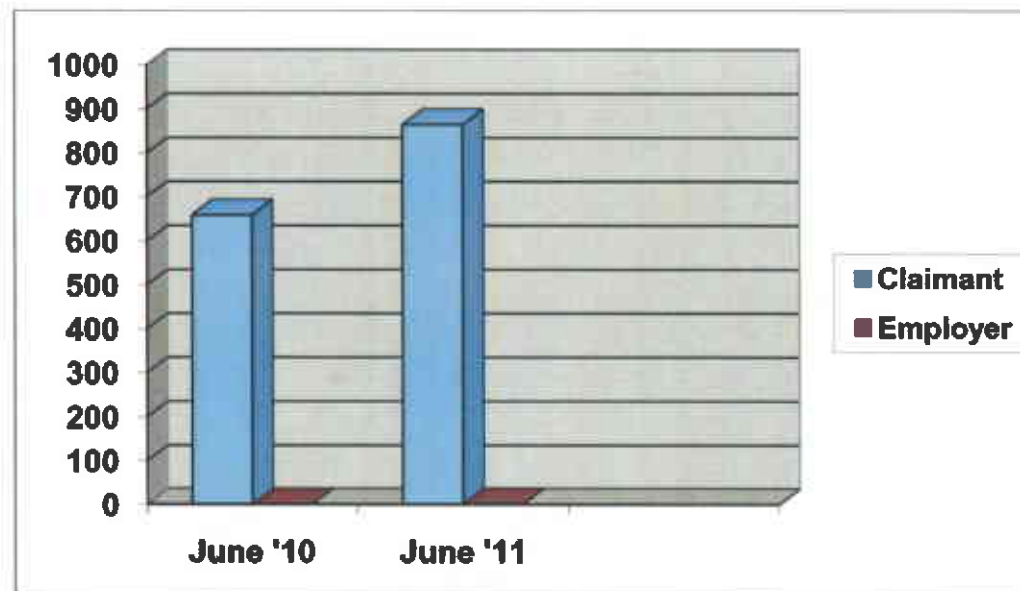
Pending Protests Involving Pro Se Claimants: 617

Pending Claims Involving Pro Se claimants: 541

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month June '11	% Protests	Month June '10	% Protests
Claimant	865	23.44%	659	17.72%
Employer	2	0.02%	0	0.00%
Total	867		659	

Pending Treatment Issues



Earl Ray Tomblin
Governor

W. Jack Stevens
Member

James D. Gray
Member

Rita Hedrick-Helmick
Chairperson

Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page.
an equal opportunity/affirmative action employer

MEMORANDUM

To: 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: July 5, 2011

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's June 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:

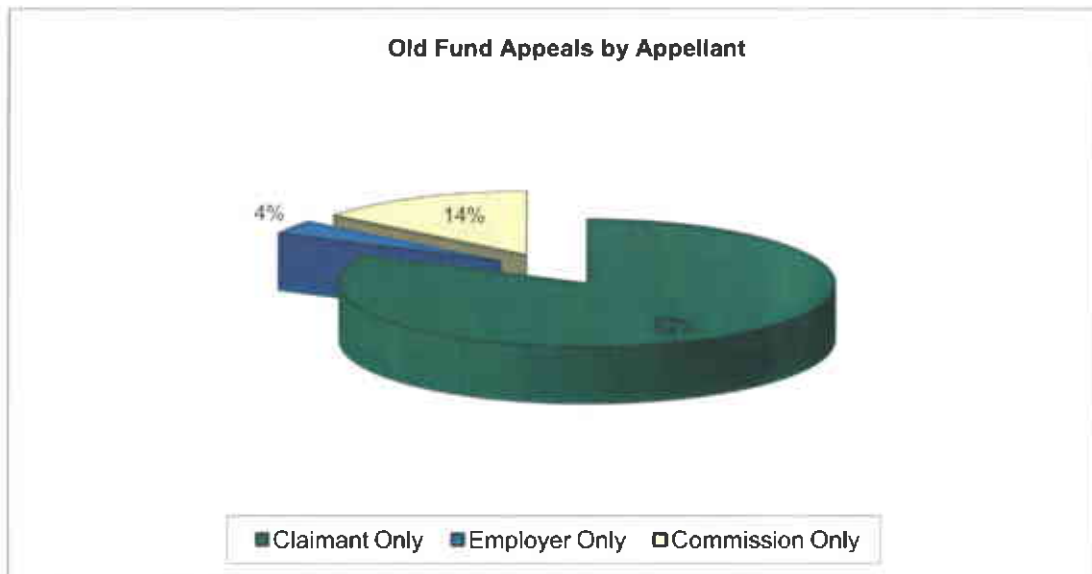
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by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

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

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

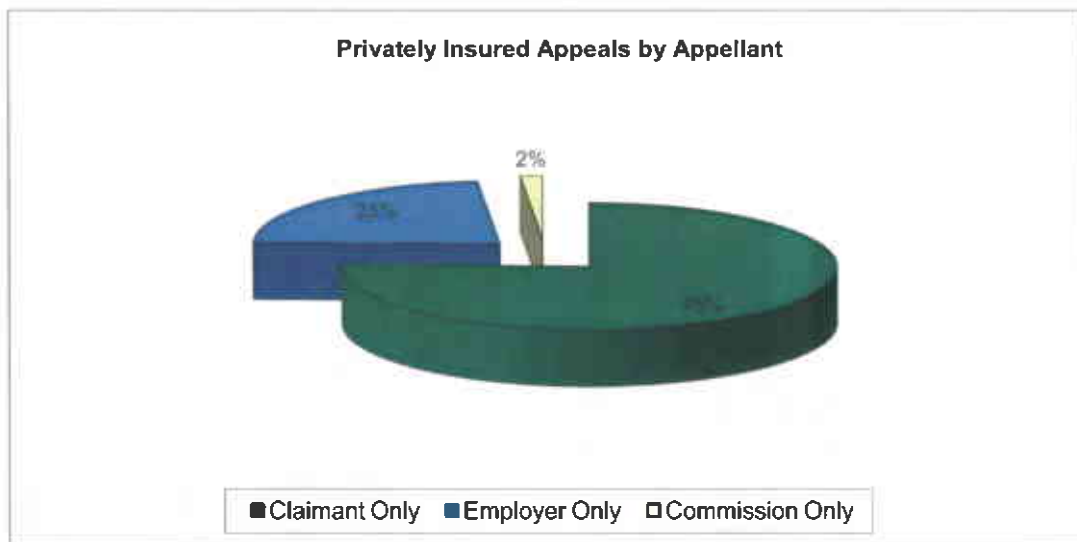
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	23
Employer Only	1
Commission Only	4
Old Fund Total	28



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

Appellant	Count
Claimant Only	52
Employer Only	16
Commission Only	1
Privately Insured Total	69
Total Appeals	97

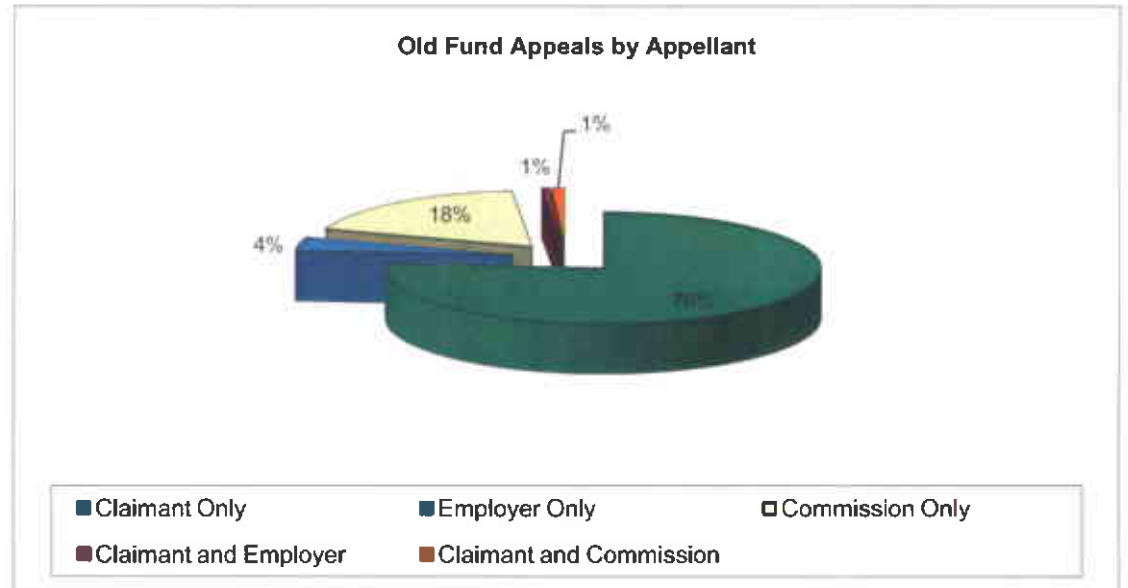


Appeals counted more than once:

**Yearly Appeals Received
From January 1, 2011 Thru June 30, 2011**

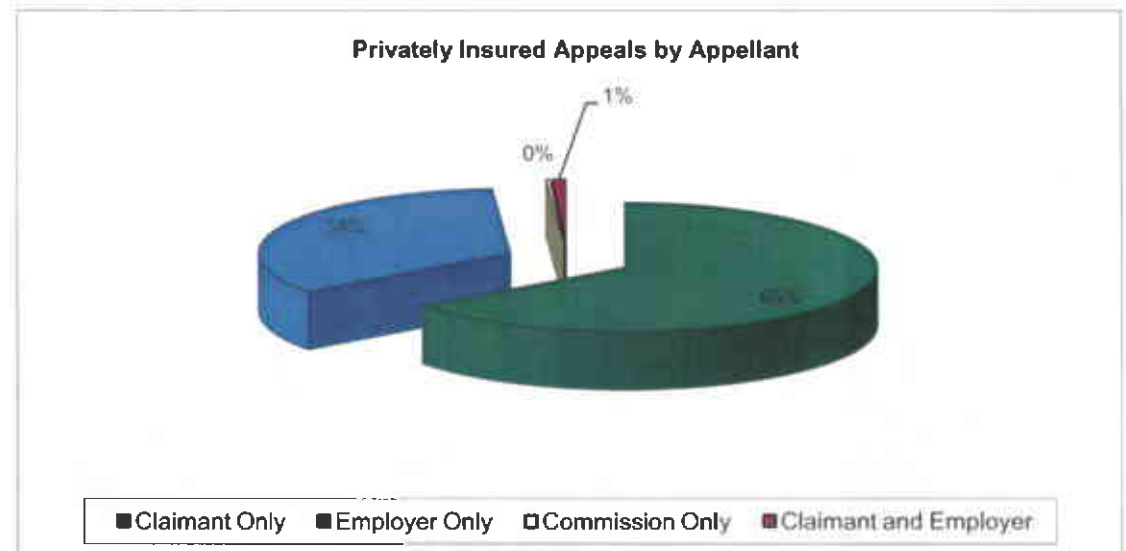
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	153
Employer Only	8
Commission Only	37
Claimant and Employer	1
Claimant and Commission	2
Old Fund Total	201



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

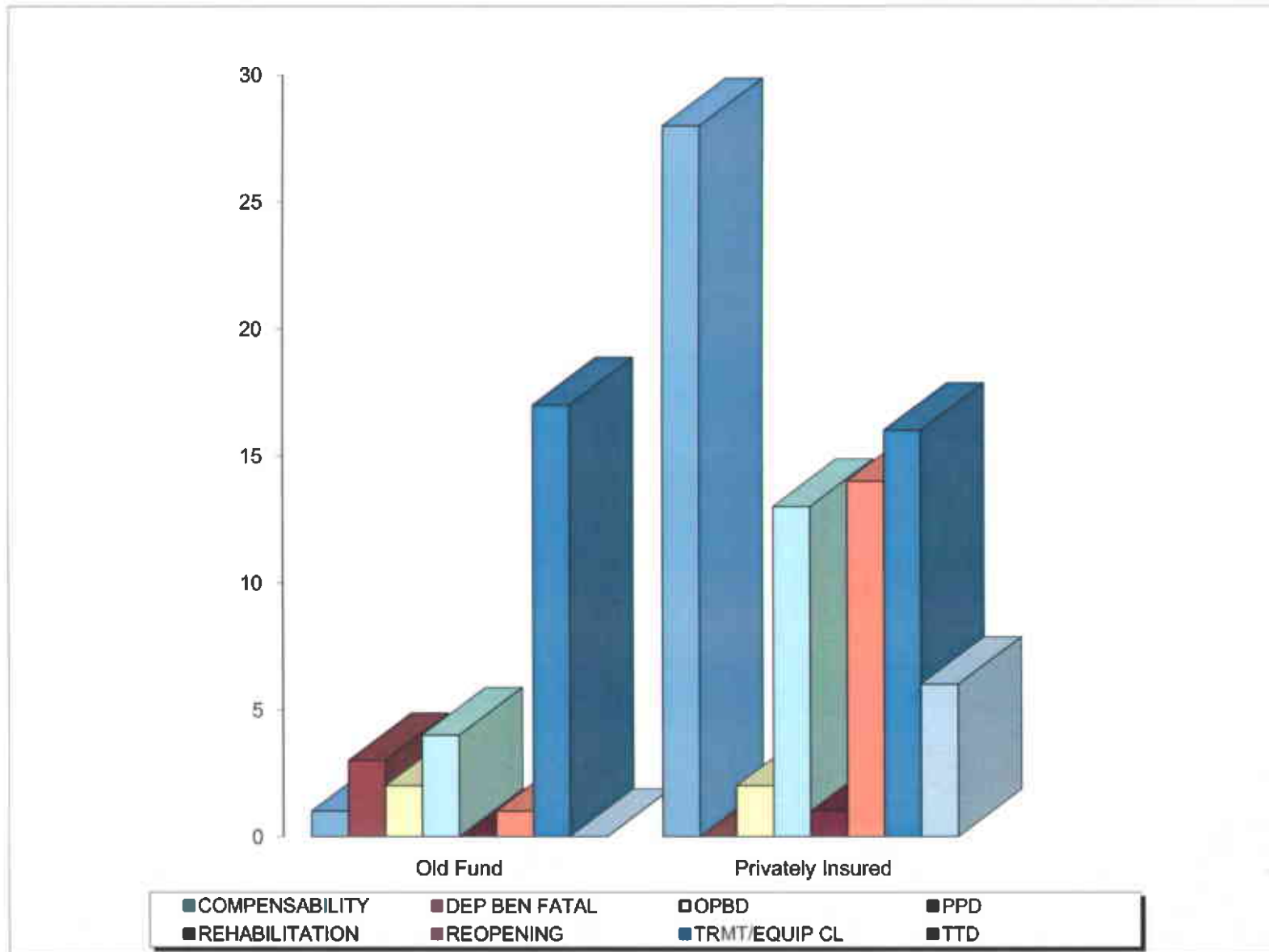
Appellant	Count
Claimant Only	283
Employer Only	149
Commission Only	1
Claimant and Employer	4
Privately Insured Total	437
Total Appeals	638



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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
COMPENSABILITY	29	1	3.4	28	96.6
DEP BEN FATAL	3	3	100.0	0	0.0
OPBD	4	2	50.0	2	50.0
PPD	17	4	23.5	13	76.5
REHABILITATION	1	0	0.0	1	100.0
REOPENING	15	1	6.7	14	93.3
TRMT/EQUIP CL	33	17	51.5	16	48.5
TTD	6	0	0.0	6	100.0
Totals	108	28	25.9	80	74.1

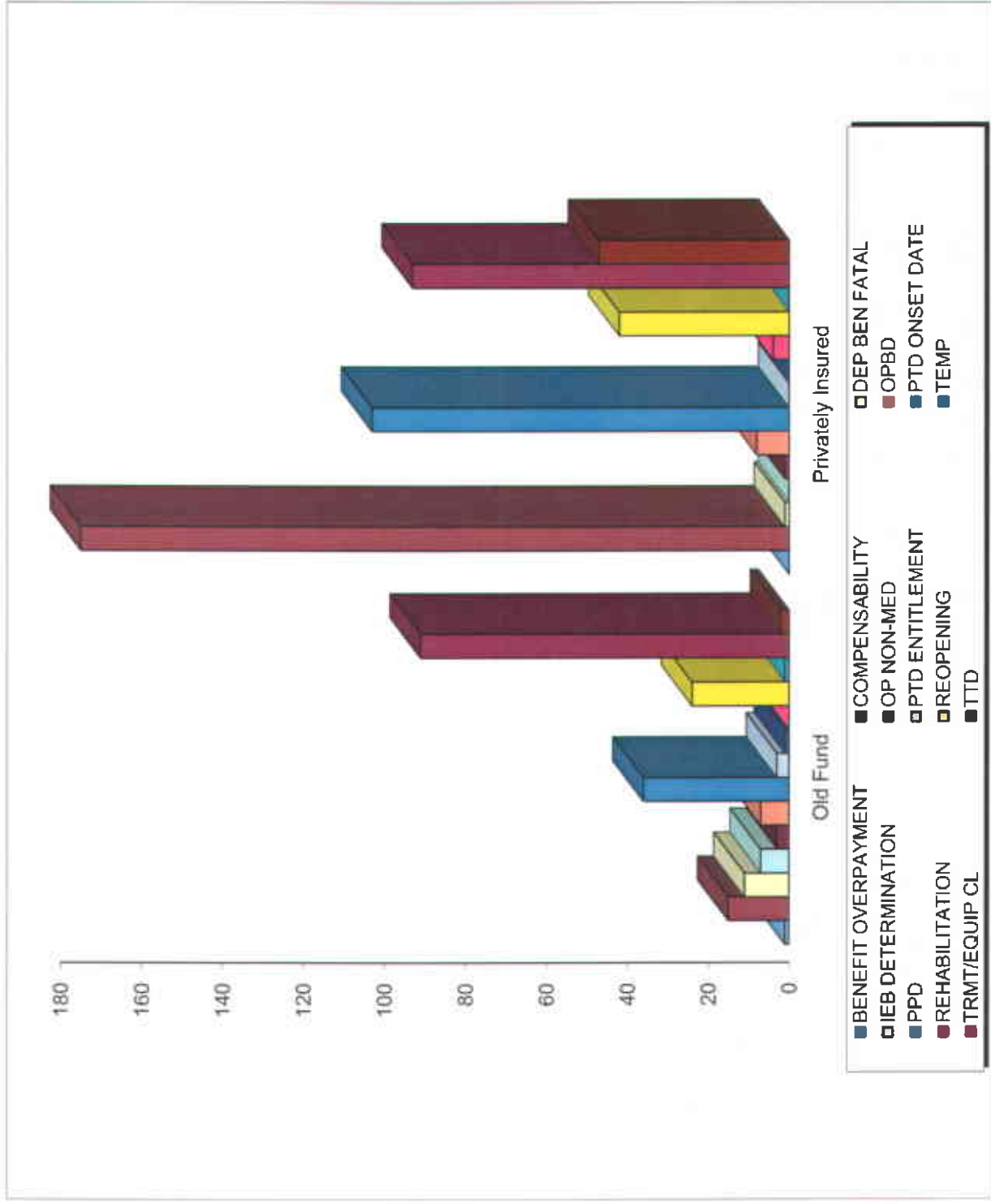
Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
From June 1, 2011 Thru June 30, 2011



Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-2-2005) VS Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2011 Thru June 30, 2011

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT					
OVERPAYMENT	1	1	100.0	0	0.0
COMPENSABILITY	190	15	7.9	175	92.1
DEP BEN FATAL	12	11	91.7	1	8.3
IEB DETERMINATION	7	7	100.0	0	0.0
OP NON-MED	4	3	75.0	1	25.0
OPBD	15	7	46.7	8	53.3
PPD	139	36	25.9	103	74.1
PTD ENTITLEMENT	3	3	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REHABILITATION	4	0	0.0	4	100.0
REOPENING	66	24	36.4	42	63.6
TEMP	1	1	100.0	0	0.0
TRMT/EQUIP CL	184	91	49.5	93	50.5
TTD	49	2	4.1	47	95.9
Totals	676	202	29.9	474	70.1

Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-2-2005) VS Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2011 Thru June 30, 2011

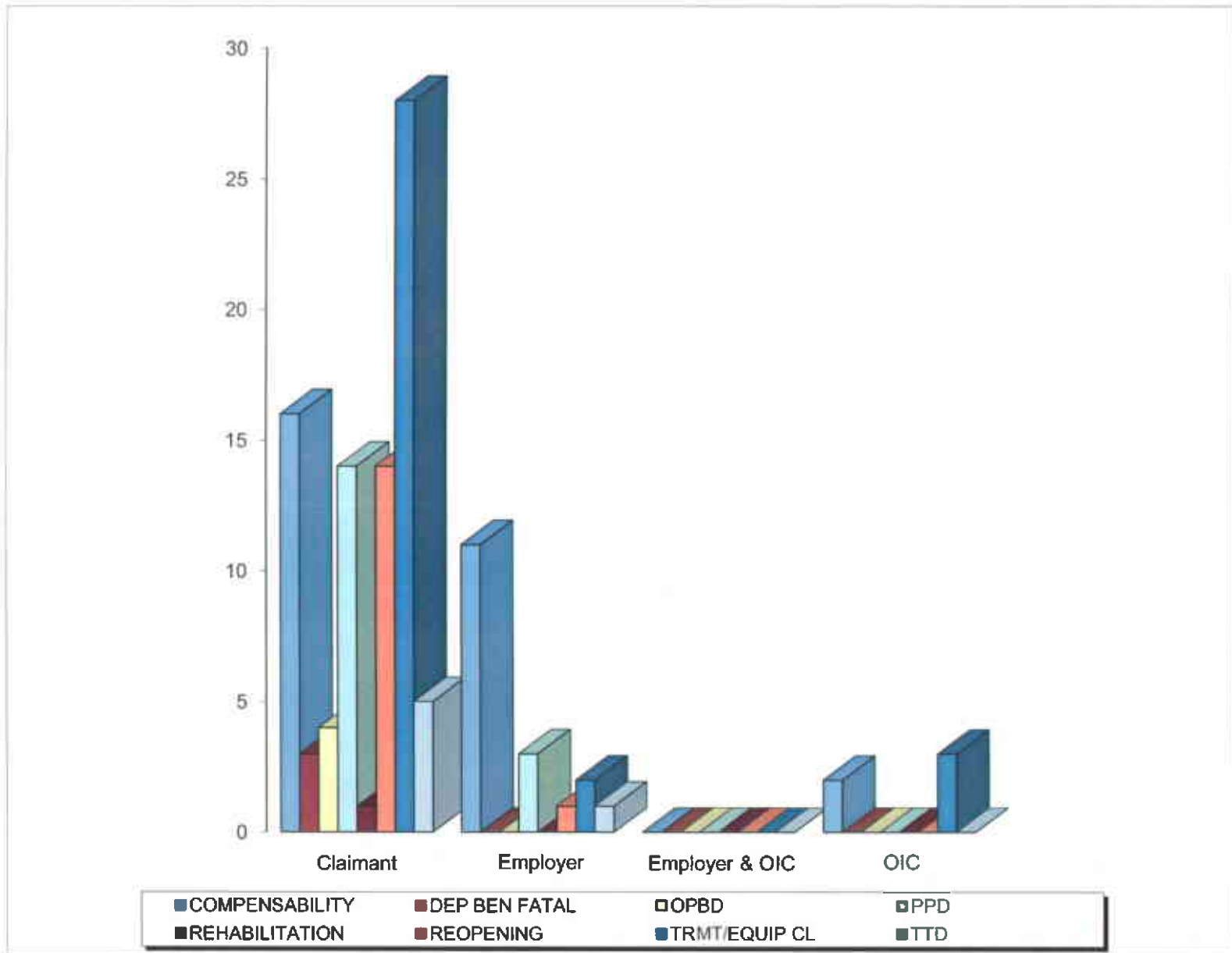


Appeals Received By Issue
From June 1, 2011 Thru June 30, 2011

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
COMPENSABILITY	29	16	55.2	11	37.9	0	0.0	2	6.9
DEP BEN FATAL	3	3	100.0	0	0.0	0	0.0	0	0.0
OPBD	4	4	100.0	0	0.0	0	0.0	0	0.0
PPD	17	14	82.4	3	17.6	0	0.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0
REOPENING	15	14	93.3	1	6.7	0	0.0	0	0.0
TRMT/EQUIP CL	33	28	84.8	2	6.1	0	0.0	3	9.1
TTD	6	5	83.3	1	16.7	0	0.0	0	0.0
Totals	108	85	78.7	18	16.7	0	0.0	5	4.6

Appeals counted more than once:

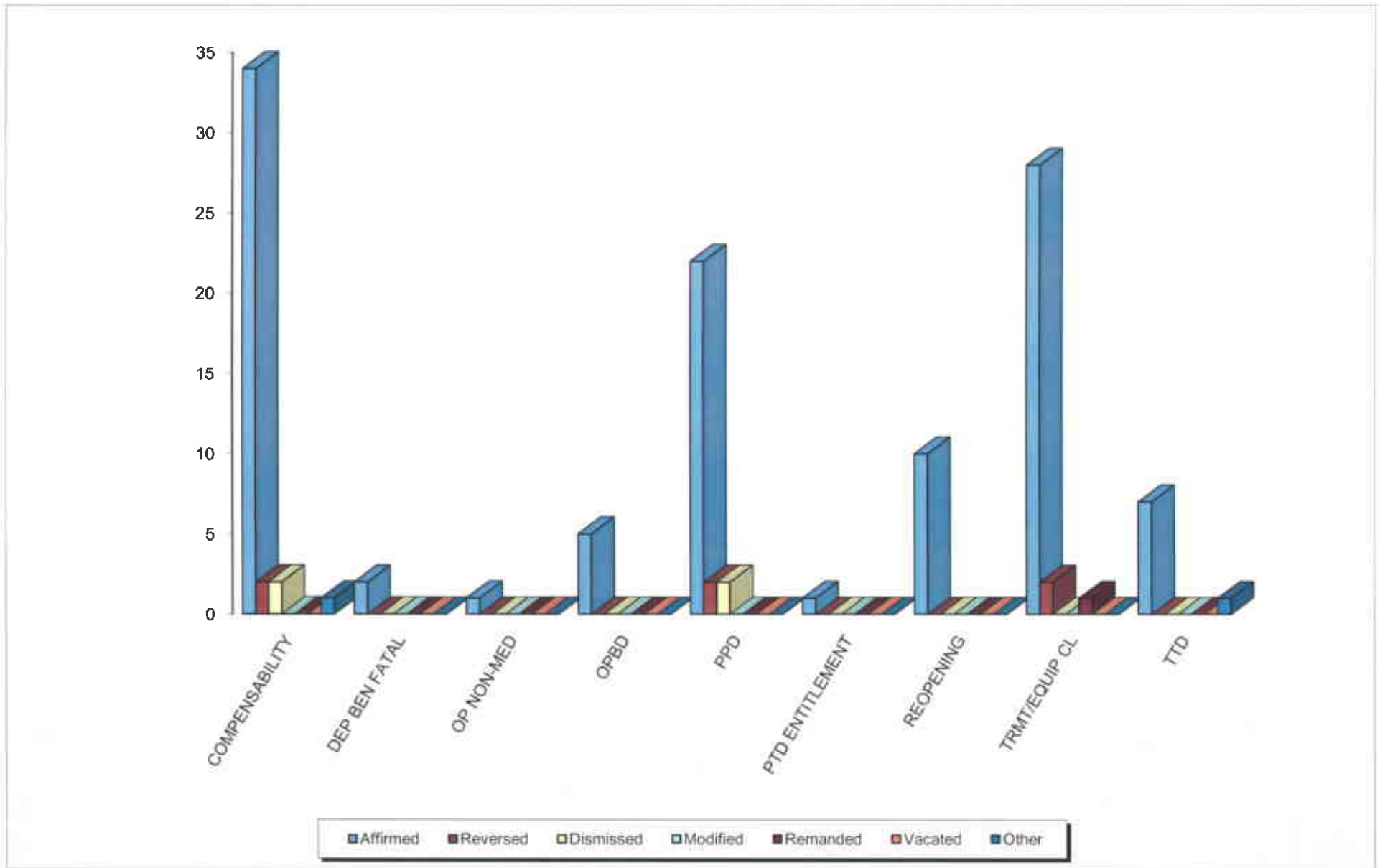
**Appeals Received By Issue
From June 1, 2011 Thru June 30, 2011**



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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	39	34	87.2	2	5.1	2	5.1	0	0.0	0	0.0	0	0.0	1	2.6
DEP BEN FATAL	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	26	22	84.6	2	7.7	2	7.7	0	0.0	0	0.0	0	0.0	0	0.0
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	10	10	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	31	28	90.3	2	6.5	0	0.0	0	0.0	1	3.2	0	0.0	0	0.0
TTD	8	7	87.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	12.5
Totals	123	110	89.4	6	4.9	4	3.3	0	0.0	1	0.8	0	0.0	2	1.6

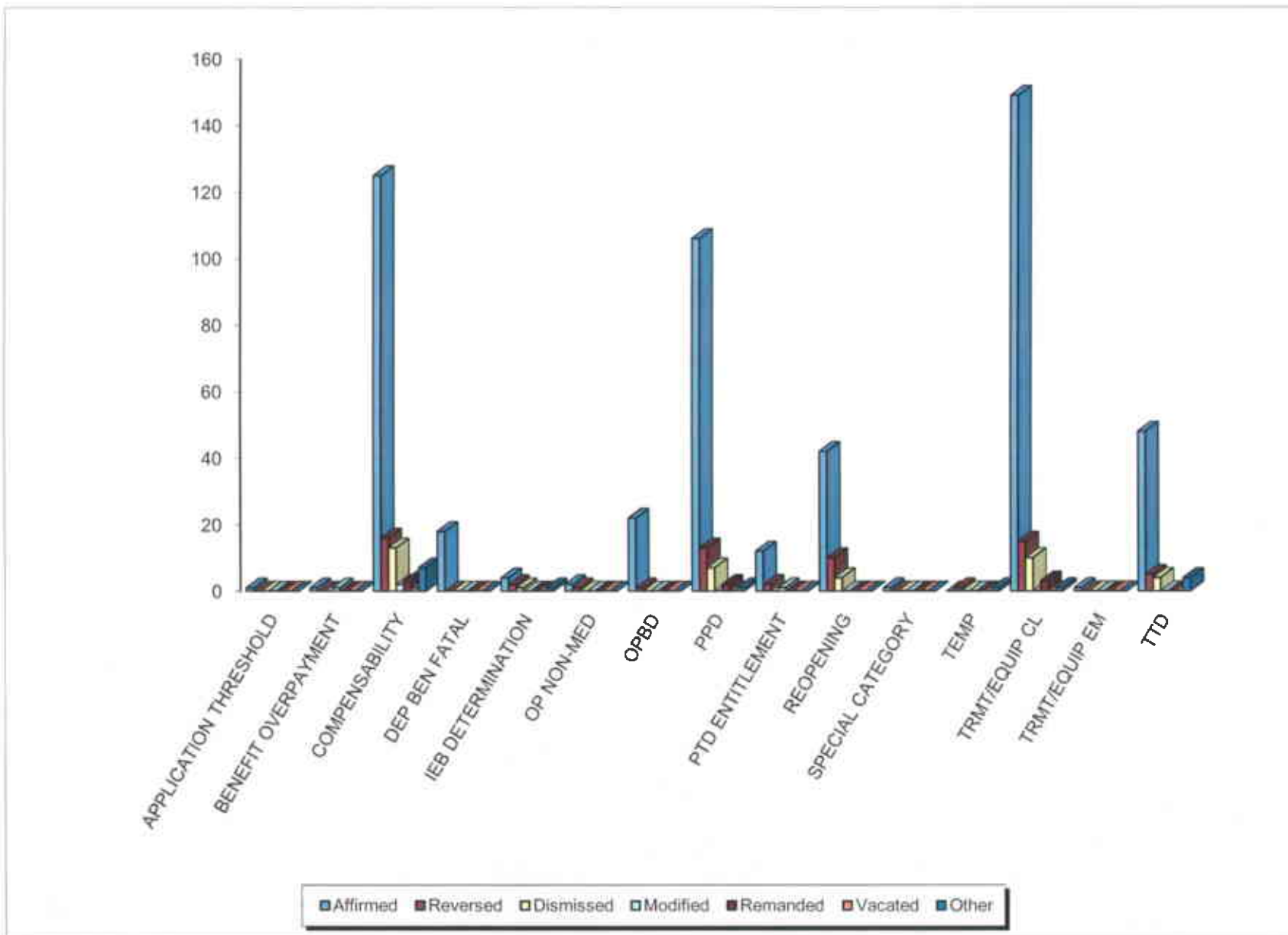
Dispositions By Issues
BOR Orders Mailed From June 1, 2011 Thru June 30, 2011



Dispositions By Issues
BOR Orders Mailed From January 1, 2011 Thru June 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	2	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	167	125	74.9	16	9.6	13	7.8	2	1.2	3	1.8	1	0.6	7	4.2
DEP BEN FATAL	18	18	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	8	4	50.0	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0	1	12.5
OP NON-MED	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	23	22	95.7	1	4.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	129	106	82.2	13	10.1	7	5.4	0	0.0	2	1.6	0	0.0	1	0.8
PTD ENTITLEMENT	15	12	80.0	2	13.3	0	0.0	1	6.7	0	0.0	0	0.0	0	0.0
REOPENING	56	42	75.0	10	17.9	4	7.1	0	0.0	0	0.0	0	0.0	0	0.0
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	178	149	83.7	15	8.4	10	5.6	0	0.0	3	1.7	0	0.0	1	0.6
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	61	48	78.7	5	8.2	4	6.6	0	0.0	0	0.0	0	0.0	4	6.6
Totals	665	532	80.0	66	9.9	39	5.9	4	0.6	8	1.2	1	0.2	15	2.3

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



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

Appealed By	BOR Disposition	Disposition		Total %	Year to Date		
		Count	Disp %		Disp %	Total %	
CLAIMANT	AFFIRMED	75	96.2%	64.7%	393	92.9%	67.6%
	DISMISSED	1	1.3%	0.9%	7	1.7%	1.2%
	MODIFY				2	0.5%	0.3%
	REMAND				3	0.7%	0.5%
	REVERSE	2	2.6%	1.7%	17	4.0%	2.9%
	VACATE				1	0.2%	0.2%
	Total Dispositions	78			423		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	0.9%	1	50.0%	0.2%
	DISMISSED				1	50.0%	0.2%
	Total Dispositions	1			2		
EMPLOYER	AFFIRMED	26	83.9%	22.4%	78	66.1%	13.4%
	DISMISSED	1	3.2%	0.9%	5	4.2%	0.9%
	MODIFY				2	1.7%	0.3%
	REMAND	1	3.2%	0.9%	4	3.4%	0.7%
	REVERSE	3	9.7%	2.6%	29	24.6%	5.0%
	Total Dispositions	31			118		
DIVISION/OIC	AFFIRMED	6	100.0%	5.2%	24	63.2%	4.1%
	REMAND				1	2.6%	0.2%
	REVERSE				13	34.2%	2.2%
	Total Dispositions	6			38		
Grand Totals		116			581		

**West Virginia Offices of the Insurance Commissioner
Workers' Compensation – Revenue Recovery
May 2011**

COLLECTION ACTIVITY		INJUNCTIONS	
Receipts - Old Fund (Employer out of business)	\$ 2,726.34	Affidavits for injunction submitted to legal	8
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 70,887.39	Hearings attended	-
Receipts - Payment Agreements	\$ 19,277.27	# of injunction complaints filed	12
Receipts - Collection Agency		# of injunctions granted	0
# of active accounts uninsured (cumulative)	700	# of agreed orders entered	0
\$ of active accounts uninsured (cumulative)	\$ 2,625,975.15	PAYMENT AGREEMENTS	
Telephone contacts	1,804	# of repayment agreements applications	1
Walk-ins	11	Agreements set up	4
		Total # of agreements on system (cumulative)	57
LIENS		Intent to void letters mailed	9
Liens sent to county clerks for recordation	135	Agreements voided	3
Liens sent to county clerks for release	58		
Intent to lien letters sent to employer/owner/officer/member	199	MISCELLANEOUS	
		Terminations Processed	75
Uninsured Policies Resolved	261	Rule 11 Letters Mailed	195
All Cash Receipts from WC accounts	\$ 92,891.00	Rule 11 hearings	1

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

CD Auction
July 13, 2011

Board Meeting
August 25, 2011

OPERATING REPORT

MAY 31, 2011

Board of Treasury Investments

1900 Kanawha
Boulevard East
Suite E-122
Charleston WV
25305
(304) 340-1578
www.wvbtli.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, CTP

Chief Financial
Officer

Kara K. Hughes,
CPA, MBA

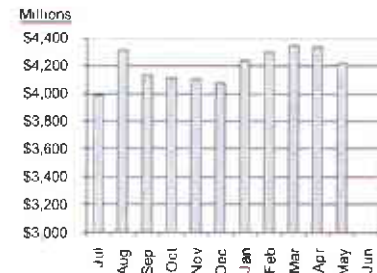
Total Net Assets Under Management

\$4,223,039,000

Last Month
\$4,335,797,000

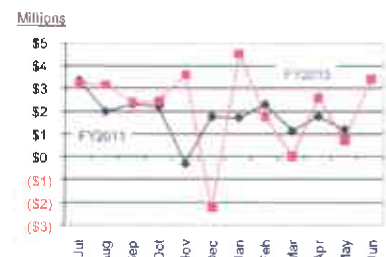
Beginning of Fiscal Year
\$3,925,206,000

7.6% Growth This Fiscal Year



Total Net Income & Gains

**Fiscal Year
\$19,537,000**



Fiscal Year Comparison

Money Market Pools

As of May 31, 2011

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1152%	.1147%	.1254%	41 Days	\$3.1 Billion
WV Gov't Money Market	.0992%	.1031%	.1111%	51 Days	\$233.5 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
MAY 2011

Economy Showing Signs of Cooling

General Economic Comments

The economy showed signs of cooling in May, and the May jobs report revealed both a slowdown in private sector hiring and that local governments continue to trim headcount in the face of budget deficits. The unemployment rate remained at 9.1%, and the labor force participation rate has actually declined year-over-year from 64.8% to 64.2%. Private-sector employment continued to trend positively but less so than in the past three months, as 83,000 jobs were added in May versus an average of 244,000 over the prior three months.

We are probably not facing a double dip, but the pace of GDP growth has been revised down. According to Blue Chip Economic Indicators, 2011 real GDP growth expectations for the U.S. have been pared back from 3.2% earlier in the year to 2.7% in May. Continued concerns regarding the government fiscal situation in the U.S. and Europe also weighed on the markets.

Market Highlights

Reflecting the gloomy headlines, world equity markets were down in May. In the U.S., the broad market Russell 3000 fell 1.14%. Large caps (R1000: -1.07%) outperformed small caps (R2000: -1.87%). Outside the U.S., the developed market MSCI EAFE Index declined 2.95%, and the MSCI Emerging Markets Index declined similarly (-2.99%).

Fixed income was a relative safe haven, as the Barclays U.S. Aggregate index returned a positive 1.31%, bringing the YTD return to 3.02%. Commodity prices tumbled from early to mid May, amid bubble and economic slowdown fears, but recovered somewhat by the end of the month. The Dow Jones UBS Commodity Index ended the month down 5.06%. REIT returns were positive, with the Dow Jones U.S. Select REIT Total Return gaining 1.55%.

Outlook

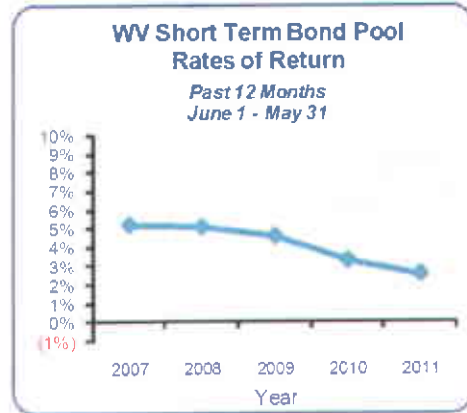
With the expectation of continued, albeit slowed, growth, the Fed is unlikely to undergo a third round of quantitative easing. At the same time, there is no indication of a looming rise in rates, and an extended period of extremely low rates brings its own long-term threats to the economy, such as asset bubbles. The near term outlook for the markets is tepid, though the rebuilding in Japan should help spur growth, as will easier credit conditions and capital spending in the U.S.

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

WV Short Term Bond Pool

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

June 1 - May 31	Return	Net Assets At May 31 <i>(In Millions)</i>
2011	2.6%	\$ 478.5
2010	3.3%	\$ 450.4
2009	4.6%	\$ 326.2
2008	5.1%	\$ 355.4
2007	5.2%	\$ 228.9

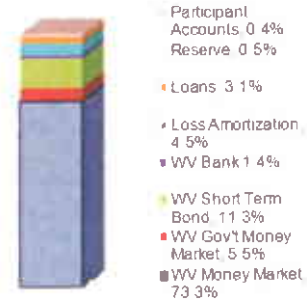


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	May Net Income	Fiscal YTD Net Income
WV Money Market	\$ 3,096,821	\$ 332	\$ 5,172
WV Gov't Money Market	233,479	22	381
WV Short Term Bond	478,518	533	9,427
WV Bank	60,056	12	248
Loss Amortization	188,525	19	799
Loans	130,572	221	3,195
Reserve	19,170	7	88
Participant Accounts	15,898	68	227
	<u>\$ 4,223,039</u>	<u>\$1,214</u>	<u>\$ 19,537</u>

Percent of Total Net Asset Value

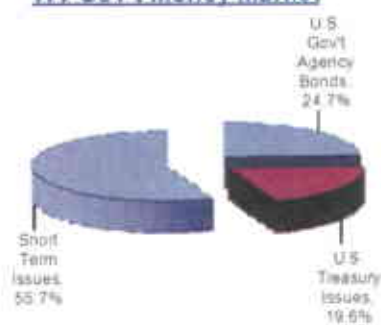


Securities by Type for Operating Pools *(Percentage of Asset Value)*

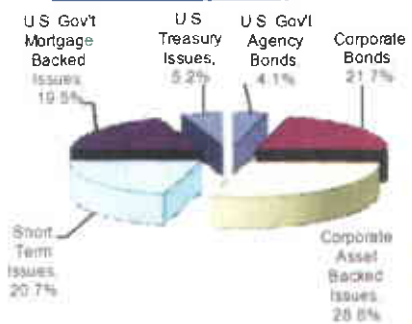
WV Money Market



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

MAY 31, 2011

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 3,108,880	\$ 233,317		\$ 60,020	\$ 149,514	\$ 12,622
At fair value	-	-	\$ 482,450	-	188,525	3,209
Cash	-	-	-	-	-	-
Collateral for securities loaned	10,701	-	25,493	-	-	-
Other assets	1,386	207	787	37	231	67
Total assets	<u>3,120,967</u>	<u>233,524</u>	<u>508,730</u>	<u>60,057</u>	<u>338,270</u>	<u>15,898</u>
Liabilities						
Payable for securities loaned	10,701	-	25,493	-	-	-
Other liabilities	13,445	45	4,719	1	3	-
Total liabilities	<u>24,146</u>	<u>45</u>	<u>30,212</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net Assets	<u>\$ 3,096,821</u>	<u>\$ 233,479</u>	<u>\$ 478,518</u>	<u>\$ 60,056</u>	<u>\$ 338,267</u>	<u>\$ 15,898</u>
Investment income						
Interest and dividends	\$ 550	\$ 101	\$ 737	\$ 13	\$ 231	\$ 35
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	-	-	-	-	-	-
Net accretion (amortization)	(70)	(68)	(114)	-	609	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>480</u>	<u>33</u>	<u>623</u>	<u>13</u>	<u>840</u>	<u>22</u>
Expenses						
Fees	148	13	48	1	3	-
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	<u>148</u>	<u>13</u>	<u>48</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net investment income	<u>332</u>	<u>20</u>	<u>575</u>	<u>12</u>	<u>837</u>	<u>22</u>
Net realized gain (loss)						
from investments	-	2	-	-	-	-
Net increase (decrease)						
in fair value of investments	-	-	(42)	-	(590)	46
Net gain (loss) from investments	<u>-</u>	<u>2</u>	<u>(42)</u>	<u>-</u>	<u>(590)</u>	<u>46</u>
Net increase (decrease) in net assets from operations	<u>332</u>	<u>22</u>	<u>533</u>	<u>12</u>	<u>247</u>	<u>68</u>
Distributions to participants	334	22	575	12	228	-
Participant activity						
Purchases, reinvestment of units and contributions	733,279	26,957	506	12	233	1,105
Redemptions and withdrawals	777,626	94,930	43	-	215	2,078
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	<u>(44,347)</u>	<u>(67,973)</u>	<u>463</u>	<u>12</u>	<u>18</u>	<u>(973)</u>
Increase (decrease) in net assets	<u>(44,349)</u>	<u>(67,973)</u>	<u>421</u>	<u>12</u>	<u>37</u>	<u>(905)</u>
Net assets at beginning of period	<u>3,141,170</u>	<u>301,452</u>	<u>478,097</u>	<u>60,044</u>	<u>338,230</u>	<u>16,803</u>
Net assets at end of period	<u>\$ 3,096,821</u>	<u>\$ 233,479</u>	<u>\$ 478,518</u>	<u>\$ 60,056</u>	<u>\$ 338,267</u>	<u>\$ 15,898</u>