

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

November 18, 2008

October 14, 2008

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

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

Speaker Tomblin, Cochair, presided.

1. Approval of Minutes

Upon motion by President Tomblin, properly adopted, the minutes of the September 9, 2008, meeting were approved.

2. Committee Reports/Requests

Finance Subcommittee C

Upon motion by President Tomblin, properly adopted, the request for approval of \$12,500 for WVU Bureau of Business & Economic Research to update its 2006 interim Road Fund study, is approved.

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

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended August 31, 2008; General Revenue Fund report for the month ended September 30, 2008; and the Unemployment Compensation Trust Fund report as of August 31, 2008. Distributed with each of the reports were an analysis and a summary of the reports.

4. PEIA, BRIM and CHIP Reports

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for August 2008. Secretary Ferguson said PEIA is running about 7% higher than last year in medical claims and prescription claims are up 8% due to utilization and cost.

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending August 31, 2008. Chuck Jones said the problems with AIG has not had any affect on the BRIM program and he will continue to monitor the situation.

The following reports from CHIP were distributed: A report of enrollment for September 2008 and financial statements for period ending August 31, 2008. Secretary Ferguson said enrollment is down 2.6% and claims cost is up 7% year to date due to hospital admissions.

5. Leasing Report, Department of Administration

A leasing report for September 1, 2008, through September 30, 2008, was distributed. Secretary Ferguson said there was 2 new contracts, 4 renewals, 1 that is a decrease in square footage, 1 with decrease in square footage and rent and 2 rentals with rent increases.

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

A Medicaid report dated October 2008 was distributed. John Law said there was no major changes.

7. Monthly Report on the Pharmaceutical Cost Management Council

A Pharmaceutical Cost Management Council report dated October 14, 2008, was distributed. Shana Phares, Governor's Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, said the Council underwent a PERD audit and the agency was in agreement with the majority of the findings of the auditors. The Council, in the 4 ½ years of existence, has expended about \$23,000 and achieved 8 out of 10 statutory mandates.

8. Investment Management Board

A Investment Management Board report dated August 31, 2008, was distributed. Craig Slaughter, Executive Director, Investment Management Board, reported that there is a total loss of \$825 million in the portfolio. Speaker Thompson requested Mr. Slaughter to give a report to the entire legislature at the November interims.

9. Workers' Compensation

A Workers' Compensation report dated October 14, 2008, was distributed. Mary Jane Pickens, General Counsel to the Insurance Commissioner reported to the Committee. Speaker Thompson requested Ms. Pickens to supply to the Committee:

1. The number of Board of Review decisions that are appealed to the WV Supreme Court;
2. The number that the Court accepts;
3. The number of those affirmed; and
4. The number of those reversed.

Delegate Webster requested that Ms. Pickens provide what cases the Commission is appealing and why. Speaker Thompson requested that Ms. Pickens get the total administrative cost surcharge.

10. Board of Treasury Investments Report Distribution

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

11. Scheduled Interim Dates

November 16 - 18
December 7 - 9
January 11 - 13, 2009
February 8 - 10, 2009

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

November 14, 2008

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

Lottery Commission as of September 30, 2008 :

Appears to be in good condition. Gross profit for July - September 2008 (FY 2009, end of first fiscal quarter) was 1.64% higher than for July - September 2007 (FY 2008).

General Revenue Fund as of October 31, 2008:

Collections were at 108.29 % of the yearly estimate as of October 31, 2008.

State Road Fund as of October 31, 2008

Fund collections were at 99.79% of the yearly estimate.

Unemployment Compensation Trust as of September 30, 2008:

Regular benefits paid in July - September 2008 were \$ 2.4 million more than in July - September 2007. Total revenues for July- September 2008 were \$ 11.6 million more than in July - September 2007. Trust fund ending balance on September 30, 2008 was \$ 250,357,861.57.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

MEMORANDUM

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

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

Date: November 14, 2008

Re: Review of West Virginia Lottery Financial Information
As of September 30, 2008 (FY 2009)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the months of July - September 2008 (FY 2009, end of first fiscal quarter) 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 \$ 384,881,000.00 for July - September 2008. Table games accounted for \$7,873,000.00 of this total. These gross receipts were \$ 388,257,000.00 for the same months of the preceding fiscal year, 2007-2008. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - September 2008 was \$165,979,000.00; for the previous July - September 2007 it was \$163,295,000.00.

Lottery

Joint Committee on Government and Finance

Lottery continued

Expressed as a percentage, gross profit is 1.64% higher for fiscal year 2009 than for fiscal year 2008.

Operating Income:

Operating income was \$ 160,648,000.00 for July - September 2008. For July 2007 - September 2007 it was \$ 159,317,000.00. This was a increase of 0.84%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$159,783,000.00 for July - September 2008.

Operating Transfers to the State of West Virginia:

A total of \$159,783,000.00 has been accrued to the state of West Virginia for fiscal year 2008-2009. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 36,788,000.00
Department of Education	\$ 22,012,000.00
Library Commission	\$ 7,227,000.00
Higher Education-Central Office	\$ 6,911,000.00
Tourism	\$ 4,979,000.00
Department of Natural Resources	\$ 2,184,000.00
Division of Culture and History	\$ 3,678,000.00
Department of Education and Arts	\$ 759,000.00

Lottery

Lottery continued

State Building Commission	\$ 3,000,000.00
School Building Authority	\$ 5,400,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$ 92,938,000.00

Excess Lottery Fund

General Purpose Fund	-0-
Economic Development Fund	5,700,000.00
Excess Lottery Surplus	0
Education Improvement Fund	25,133,000.00
WV Infrastructure Council Fund	0
Higher Education Improvement Fund	3,000,000.00
State Park Improvement Fund	0
Refundable Credit	282,000.00
School Building Authority	2,126,000.00
TOTAL EXCESS LOTTERY FUND	\$36,241,000.00

Veterans Instant Ticket Fund 283,000.00

Table Games State Debt Reduction Fund 3,950,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$2,948,000.00
Development Office Promo Fund	\$804,000.00
Research Challenge Fund .5%	\$1,072,000.00

Lottery

Lottery continued

Capitol Renovation and Improvement Fund .6875%	\$1,474,000.00
Parking Garage Fund .0625%	\$134,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$728,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$916,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$19,576,000.00
TOTAL TRANSFERS	*\$152,988,000.00

* CASH BASIS

Total Accrued last FY 2008:	166,967,000.00
Total Cash Distributions July-June :	152,988,000.00
Applied to FY 2008:	152,988,000.00
Total Applied to FY 2009	0
Accrued for FY 2008 as of September 30	13,979,000.00
Accrued for FY 2009 as of September 30	159,783,000.00

Lottery



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Joe Manchin III
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending September 30, 2008

DATE: October 17, 2008

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

Financial statements of the Lottery for the month ending September 30, 2008 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$119,563,166 for the month of September.

Transfers of lottery revenue totaling \$50,182,025 made for the month of September to the designated state agencies per Senate Bill 150, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 9 on pages 15 and 16 of the attached financial statements.

The number of traditional and limited retailers active as of September 30, 2008 was 1,601 and 1,616 respectively.

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

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

JCM/rd
Attachment

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

Attachment: WV Lottery Financials September 2008, (Nov. Interims) www.wvlottery.com



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

FINANCIAL STATEMENTS
-UNAUDITED-

September 30, 2008

Attachment: WV Lottery Financials September 2008, (Nov. Interims)

WEST VIRGINIA LOTTERY

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

	September 30, 2008	June 30, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 186,081	\$ 180,463
Accounts receivable	35,797	36,846
Inventory	485	300
Current portion of investments held in trust	-	10
Other assets	2,534	2,595
Total Current Assets	<u>224,897</u>	<u>220,214</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	58,745	58,487
Investments held in trust, less current portion	-	126
Capital assets	17,598	17,598
Less accumulated depreciation and amortization	<u>(12,849)</u>	<u>(12,347)</u>
Net Capital Assets	<u>4,749</u>	<u>5,251</u>
Total Noncurrent Assets	<u>63,494</u>	<u>63,864</u>
Total Assets	<u>\$ 288,391</u>	<u>\$ 284,078</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 173,762	\$ 166,967
Estimated prize claims	12,414	12,967
Accounts payable	2,126	2,693
Other accrued liabilities	35,346	36,837
Current portion of deferred jackpot prize obligations	-	129
Total Current Liabilities	<u>223,648</u>	<u>219,593</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>223,648</u>	<u>219,593</u>
Net Assets:		
Invested in capital assets	4,749	5,251
Unrestricted assets (deficit)	(4,249)	(4,751)
Unrestricted assets- Committed (see note 11)	5,498	5,498
Restricted assets (see note 10)	<u>58,745</u>	<u>58,487</u>
Total Net Assets	<u>64,743</u>	<u>64,485</u>
Total Liabilities and Net Assets	<u>\$ 288,391</u>	<u>\$ 284,078</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2008
(In Thousands)
- Unaudited -

	CURRENT MONTH		YEAR TO DATE	
	2008	2007	2008	2007
Lottery revenues				
On-line games	\$ 8,809	\$ 5,965	\$ 21,594	\$ 23,762
Instant games	9,763	9,387	28,805	27,978
Racetrack video lottery	63,651	77,142	224,721	238,247
Limited video lottery	32,902	32,125	101,888	98,270
Table games	2,438	-	7,873	-
	<u>119,563</u>	<u>124,619</u>	<u>384,881</u>	<u>388,257</u>
Less commissions				
On-line games	617	418	1,512	1,664
Instant games	683	658	2,017	1,959
Racetrack video lottery	41,286	48,703	131,383	139,954
Limited video lottery	16,122	15,741	49,925	48,152
Table games	959	-	3,097	-
	<u>59,667</u>	<u>65,520</u>	<u>187,934</u>	<u>191,729</u>
Less on-line prizes	4,229	3,227	10,632	11,984
Less instant prizes	6,914	6,445	18,487	19,235
Less ticket costs	141	130	374	397
Less vendor fees and costs	528	581	1,505	1,617
	<u>11,812</u>	<u>10,383</u>	<u>30,968</u>	<u>33,233</u>
	<u>48,084</u>	<u>48,716</u>	<u>165,979</u>	<u>163,295</u>
Gross profit				
Administrative expenses				
Advertising and promotions	308	512	1,869	2,146
Wages and related benefits	761	536	2,188	1,567
Telecommunications	142	292	580	550
Contractual and professional	371	462	1,213	931
Rental	60	56	182	165
Depreciation and amortization	168	38	302	134
Other administrative expenses	69	165	271	403
	<u>1,879</u>	<u>2,061</u>	<u>6,805</u>	<u>5,876</u>
Other Operating Income	<u>527</u>	<u>445</u>	<u>1,474</u>	<u>1,898</u>
Operating Income	<u>46,732</u>	<u>47,100</u>	<u>160,648</u>	<u>159,317</u>
Nonoperating income (expense)				
Investment income	460	1,026	1,392	2,964
Nonoperating income - OPEB	-	-	-	-
Interest expense	-	(1)	(2)	(5)
Distributions to municipalities and counties	(645)	(630)	(1,997)	(1,926)
Distributions to racetracks-capital reinvestment	-	-	-	-
Distributions to the State of West Virginia	(46,465)	(47,364)	(159,783)	(160,035)
	<u>(46,650)</u>	<u>(46,969)</u>	<u>(160,390)</u>	<u>(159,002)</u>
Net income	<u>82</u>	<u>131</u>	<u>258</u>	<u>315</u>
Net assets, beginning of period	64,661	43,673	64,483	43,489
Net assets, end of period	\$ <u>64,743</u>	\$ <u>43,804</u>	\$ <u>64,743</u>	\$ <u>43,804</u>

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

4

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2008

(In Thousands)
 -Unaudited-

	2008	2007
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 387,403	\$ 388,346
Cash payments for:		
Personnel costs	(2,188)	(1,567)
Suppliers	(7,216)	(3,379)
Other operating costs	<u>(216,696)</u>	<u>(221,046)</u>
Cash provided by operating activities	<u>161,303</u>	<u>162,354</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(152,988)	(152,140)
Distributions to municipalities and counties	(2,010)	(1,936)
Distributions to racetrack from racetrack cap. reinv. fund	(1,955)	-
Deferred jackpot prize obligations and related interest paid	<u>(1)</u>	<u>(5)</u>
Cash used in noncapital financing activities	<u>(156,954)</u>	<u>(154,081)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	137	157
Investment earnings received	<u>1,391</u>	<u>2,960</u>
Cash provided by investing activities	<u>1,528</u>	<u>3,117</u>
Increase (decrease) in cash and cash equivalents	5,877	11,390
Cash and cash equivalents - beginning of period	<u>238,949</u>	<u>234,489</u>
Cash and cash equivalents - end of period	<u>\$ 244,826</u>	<u>\$ 245,879</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 160,648	\$ 159,317
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	502	134
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,049	(1,809)
(Increase) decrease in inventory	(185)	(279)
(Increase) decrease in other assets	61	-
Increase (decrease) in estimated prize claims	(533)	1,113
Increase (decrease) in accounts payable	(566)	763
Increase (decrease) in other accrued liabilities	<u>347</u>	<u>3,115</u>
Cash provided by operating activities	<u>\$ 161,303</u>	<u>\$ 162,354</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cancelable operating leases. Rental expense for the three months ended September 30, 2008 and September 30, 2007 approximated \$181,711 and \$165,287 respectively.

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

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

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At September 30, 2008 the carrying amounts of deposits (overdraft) with financial institutions were (\$17) thousand with a bank balance of \$72 thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

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NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

	<u>September 30, 2008</u>	<u>June 30, 2008</u>
Amount on deposit with the BTI	<u>\$244,843</u>	<u>\$239,002</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the period ended September 30, 2008 is as follows (in thousands):

Capital Assets:

	<u>Historical Cost At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At September 30, 2008</u>
Construction in Progress	\$ 285	\$ -	\$ -	\$ 285
Improvements	1,120	-	-	1,120
Equipment	16,193	-	-	16,193
	<u>\$ 17,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,598</u>
Accumulated Depreciation:				
	<u>Historical Cost At June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At September 30, 2008</u>
Improvements	\$ 1,002	\$ 19	\$ -	\$ 1,021
Equipment	11,345	483	-	11,828
	<u>\$ 12,347</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 12,849</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game and HOT LOTTO® game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, and HOT LOTTO® is 50% of each drawing period's sales, with minimum jackpot levels. Revenues derived from the Lottery's participation in the MUSL POWERBALL® jackpot game for the month and year-to-date periods ended September 30, 2008 were \$6,111,606 and \$13,501,294

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

while related prize costs for the same periods were \$2,986,335 and \$6,721,142. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended September 30, 2008 were \$402,481 and \$1,065,735 while related prize costs for the same periods were \$192,726 and \$526,873.

MUSL places 2% of each POWERBALL® drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL® Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At September 30, 2008 the POWERBALL® prize reserve fund had a balance of \$99,674,684 of which the Lottery's share was \$2,302,900. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

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

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended September 30, 2008 and year-to-date follows (in thousands):

	<u>Current</u> <u>2008</u>	<u>Month</u> <u>2007</u>	<u>Year- to -Date</u> <u>2008</u>	<u>2007</u>
Total credits played	\$ 676,448	\$ 810,028	\$ 2,308,675	\$2,500,727
Credits (prizes) won	(610,402)	(732,557)	(2,082,760)	(2,261,470)
MWAP Contributions	(395)	(329)	(1,194)	(1,010)
Gross terminal income	<u>65,651</u>	<u>77,142</u>	<u>224,721</u>	<u>238,247</u>
Administrative costs	(2,626)	(3,086)	(8,989)	(9,530)
Net Terminal Income	<u>63,025</u>	<u>74,056</u>	<u>215,732</u>	<u>228,717</u>
Less distribution to agents	(41,286)	(48,703)	(131,383)	(139,954)
Racetrack video lottery revenues	<u>\$ 21,739</u>	<u>\$ 25,353</u>	<u>\$ 84,349</u>	<u>\$ 88,763</u>

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

	<u>September 30, 2008</u>	<u>Year-to-Date</u>
State Lottery Fund	\$18,908	\$64,720
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	867	2,967
Development Office Promotion Fund .375 %	236	808
Research Challenge Fund .5 %	315	1,079
Capitol Renovation & Improvement Fund .6875 %	433	1,482
Parking Garage Fund .0625 %	40	133
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	315	829
Capitol Dome & Capitol Improvements Fund .5 %	315	829
Worker's Compensation Debt Reduction Fund 7 %	310	11,000
Total nonoperating distributions	<u>\$21,739</u>	<u>\$84,349</u>

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

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

	<u>Current</u> <u>2008</u>	<u>Month</u> <u>2007</u>	<u>Year- to -Date</u> <u>2008</u>	<u>2007</u>
Total credits played	\$397,449	\$391,172	\$1,235,700	\$1,195,914
Credits (prizes) won	(364,547)	(359,047)	(1,133,812)	(1,097,644)
Gross terminal income	<u>\$32,902</u>	<u>\$32,125</u>	<u>\$101,888</u>	<u>\$98,270</u>
Administrative costs	(658)	(643)	(2,038)	(1,966)
Gross Profit	<u>32,244</u>	<u>\$31,482</u>	<u>\$99,850</u>	<u>\$96,304</u>
Commissions	(16,122)	(15,741)	(49,925)	(48,152)
Municipalities and Counties	(645)	(630)	(1,997)	(1,926)
Limited video lottery revenues	<u>\$15,477</u>	<u>\$15,111</u>	<u>\$47,928</u>	<u>\$46,226</u>

NOTE 8 - TABLE GAMES

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

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

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

WEST VIRGINIA LOTTERY
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NOTE 8 – TABLE GAMES (continued)

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

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 9- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended September 30, 2008 were \$6,966,746 and \$22,493,902, respectively. The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	<u>Month</u>	<u>YTD</u>
Table Games Privilege Tax	\$ 2,438	\$7,873
Interest on Table Games Fund	3	10
Administrative Costs	(209)	(675)
Total Available for Distribution	2,232	7,208
<u>Less Distributions:</u>		
Racetrack Purse Funds	174	562
Thoroughbred & Greyhound Development Funds	139	449
Racing Commission Pension Plan	67	217
Municipalities/Counties	579	1,869
Total Distributions	959	3,097
State Debt Reduction Fund	<u>\$ 1,273</u>	<u>\$4,111</u>

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

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2009 the State Legislature budgeted \$168,151,542 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$2,900,000 per month for the first ten months of each fiscal year, with \$1,000,000 of this amount beginning September 2004. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended September 30, 2008 the Lottery made such distributions and accrued additional distributions of \$42,360,437. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of September 30, 2008 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$804,606.

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

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>September 30, 2008</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Bureau of Senior Services	\$ 10,704	\$ 36,788
Department of Education	6,405	22,012
Library Commission	2,103	7,227
Higher Education-Policy Commission	2,011	6,911
Tourism	1,449	4,979
Natural Resources	635	2,184
Division of Culture & History	1,070	3,678
Department of Education & Arts	221	759
Building Commission	1,000	3,000
School Building Authority	1,800	5,400
Total State Lottery Fund	<u>\$ 27,398</u>	<u>\$ 92,938</u>

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

<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ 1,900	\$ 5,700
Higher Education Improvement Fund	1,000	3,000
General Purpose Account	-	-
Higher Education Improvement Fund	13,822	25,133
State Park Improvement Fund	-	-
School Building Authority	226	2,126
Refundable Credit	-	282
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	<u>\$ 16,948</u>	<u>\$ 36,241</u>
Total Budgetary distributions:	<u>\$ 44,346</u>	<u>\$ 129,179</u>
Veterans Instant Ticket Fund	\$ 61	\$ 283
<u>Other Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund 1.375%	\$ 881	\$ 2,948
Development Office Promotion Fund .375%	240	804
Research Challenge Fund .5%	321	1,072
Capitol Renovation & Improvement Fund .6875%	441	1,474
Parking Garage Fund .0625 %	40	134
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	320	728
Capitol Dome & Cap. Improvements Fund .5%	321	916
Workers Compensation Debt Reduction Fund 7%	1,793	11,000
Total	<u>\$ 4,357</u>	<u>\$ 19,576</u>
Table Games State Debt Reduction Fund	\$ 1,418	3,950
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 50,182	\$ 152,988
Accrued nonoperating distributions, beginning	(177,479)	(166,967)
Accrued nonoperating distributions, end	<u>173,762</u>	<u>173,762</u>
Total nonoperating distributions to the State of West Virginia	<u>\$ 46,465</u>	<u>\$ 159,783</u>

WEST VIRGINIA LOTTERY
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NOTE 10 – RESTRICTED NET ASSETS

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

NOTE 11 – COMMITMENTS

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

NOTE 12 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST

Prior to becoming a member of the Multi-State Lottery in 1988, the prize structure of certain games operated solely by the Lottery included jackpot prizes. The Lottery, at its discretion, could choose to award such prizes in the form of either a lump sum payment or in equal installments over a period of 10 or 20 years, through September 30, 2008, the Lottery has awarded twenty-one deferred jackpot prizes totaling approximately \$28,868,786. Deferred prize awards were recognized as prize liabilities equivalent to the present value of future prize payments discounted at interest rates for government securities in effect on the date prizes were won. The imputed interest portion of the deferred prize is calculated using the effective interest method at rates ranging from 7.11% to 9.13%.

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

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

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

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

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

*Paid 8/15/2008

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

NOTE 13 - RETIREMENT BENEFITS

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 - RETIREMENT BENEFITS (continued)

Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending September 30, 2008 are as follows (in thousands):

	<u>September 30, 2008</u>	<u>Year-to Date</u>
Lottery contributions	\$56	\$163
Employee contributions	25	73
Total contributions	<u>\$81</u>	<u>\$236</u>

NOTE 14 - RISK MANAGEMENT

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

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

WEST VIRGINIA LOTTERY
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NOTE 14 - RISK MANAGEMENT (continued)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

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

WV LOTTERY FINANCIALS SEPTEMBER 2008 (November Interims)

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

Memorandum

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

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

Date: November 14, 2008

Re: Status of General Revenue Fund October 31, 2008

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

The net collections were 108.29% of the estimate for the fiscal year. **The amount ABOVE estimate was \$99.6 million for the year.**

Personal Income Tax collections were 1.14% of the estimate for the fiscal year.

Consumer sales and use tax collections were 94.79% of the estimate for the fiscal year.

Corporate income and business franchise collections were 96.70% of the estimate for the fiscal year.

Gen. Rev / State *Joint Committee on Government and Finance*

State Road Fund

The state road fund was collected at 99.79% of the estimate for the months of July - October 2008.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ \$276,593,086.45 as of October 31, 2008.

Balance July 1, 2008	289,801,853.25
Cash flow loan to General Revenue on July 1, 2008. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September. Repaid September 26, 2008.	- 58,000,000.00 +58,000,000.00
Revenues July 1, 2007-June 30, 2008 (Surplus from FY 2008 transferred in August 2008.)	17,638,764.23
Earnings	-30,847,531.03-
Balance October 31, 2008	276,593,086.45

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 245,505,273.42 as of October 31, 2008.

Balance July 1, 2008	291,275,042.97
Earnings	-45,769,769.55-
Balance October 31, 2008	245,505,273.42

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

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

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of \$ 27,385,050.49 on October 31, 2008. This fund was created by HB 218 during the June 2008 special session to act as a reserve fund when the highways motor fuel excise tax fails to meet monthly revenue estimates.

Balance July 1, 2008 Appropriated by supplemental SB 2019, June 2008	\$ 40,000,000.00
Transfers out to Highways Fund	- 12,614,949.51-
Balance October 31, 2008	27,385,050.49

Monthly Revenue Estimates
as of October 31, 2008, WV FIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	114,100,000	112,960,270	-1,139,730	431,100,000	491,714,447	60,614,447
Consumer Sales Tax & Use Tax	105,100,000	98,538,174	-6,561,826	411,000,000	389,611,325	-21,388,675
Severance Tax	27,200,000	52,794,144	25,594,144	105,800,000	163,829,623	58,029,623
Corp Income /Business Franchise	2,000,000	-961,032	-2,961,032	77,600,000	75,044,384	-2,555,616
Insurance Tax	24,500,000	24,938,386	438,386	49,100,000	49,610,945	510,945
Business and Occupation	14,900,000	12,032,560	-2,867,440	47,600,000	47,394,399	-205,601
Cigarette Tax	9,100,000	9,749,647	649,647	36,200,000	38,893,262	2,693,262
HB 102 - Lottery Transfers	13,000,000	10,428,416	-2,571,584	13,000,000	10,428,416	-2,571,584
Interest Income	2,000,000	1,269,768	-730,232	7,100,000	11,343,988	4,243,988
Property Transfer Tax	1,150,000	757,680	-392,320	4,950,000	3,596,234	-1,353,766
Departmental Collections	990,000	1,036,274	46,274	4,020,000	3,561,749	-458,251
Liquor Profit Transfers	520,000	554,086	34,086	3,440,000	3,783,250	343,250
Beer Tax and Licenses	790,000	669,649	-120,351	2,930,000	2,913,628	-16,372
Property Tax	650,000	696,970	46,970	2,610,000	2,773,245	163,245
Smokeless Tobacco Tax	460,000	478,138	18,138	1,800,000	1,955,292	155,292
Miscellaneous Transfers	0	0	0	1,600,000	129,636	-1,470,364
Refundable Credit Reim LTY	620,000	92,039	-527,961	810,000	373,667	-436,333
Business Franchise Fees	30,000	39,975	9,975	660,000	559,133	-100,867
Miscellaneous Recelpts	84,000	107,531	23,531	309,000	3,470,258	3,161,258
Racing Fees	0	63,463	63,463	171,000	206,819	35,819
Charter Tax	10,000	32,809	22,809	100,000	178,824	78,824
Telecommunications Tax	0	53,944	53,944	0	144,187	144,187
Estate and Inheritance Tax	0	3,001	3,001	0	19,727	19,727
Video Lottery Transfers	0	0	0	0	3,780	3,780
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	317,204,000	326,335,890	9,131,890	1,201,900,000	1,301,540,218	99,640,218
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		102.88%				
TOTALS	317,204,000	326,335,890	9,131,890	1,201,900,000	1,301,540,218	99,640,218
Percent of Estimates					108.29%	
Collections this day		55,146,170				

	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	34,500,000	32,323,007	-2,176,993	130,900,000	128,708,388	-2,191,612
Privilege Tax	13,683,000	13,511,766	-171,234	62,602,000	60,677,508	-1,924,492
Licenses & Registration	5,903,000	6,847,189	944,189	28,094,000	31,641,491	3,547,491
Highway Litter Control	111,000	152,166	41,166	530,000	625,390	95,390
TOTALS	54,197,000	52,834,128	-1,362,872	222,126,000	221,652,776	-473,224

Percent of Estimates

97.49%

99.79%

Collections this day

17,398,196

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND
 CASH BALANCE WITH TREASURER
 AS OF October 1, 2008: \$27,385,050.49

REVENUE SHORTFALL RESERVE FUND A AS OF October 1, 2008 : \$294,570,883.10

REVENUE SHORTFALL RESERVE FUND B AS OF October 1, 2008: \$ 270,859,284.27

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF October 1, 2008: \$45,019,318.96

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



304-347-4870

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

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

Date: November 14, 2008

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the September 30, 2008 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. September 2008 is the end of the first quarter of fiscal year 2008-2009.

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

Trust Fund Beginning Cash Balance 7-1-2008	\$251,821,729.58
Receipts July 1, 2007 thru June 30, 2009	\$46,113,288.09
Disbursements July 1, 2007 thru June 30, 2009	\$47,577,156.10
Balance September 30, 2008	\$250,357,861.57

ITEMS OF NOTE:

Regular benefits paid for July - September 2008 were \$2.4 million more than in July - September 2007.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 13.6 million more than the same months of the preceding fiscal year.

Receipts in July - September were \$ 11.6 million more than in July - September 2007. Overall ending trust fund balance was \$ 7.3 million less as of September 30, 2008 than on September 30, 2007.

West Virginia's unemployment rate for the month of September 2008 was 3.7 percent. National unadjusted employment rate was 6.0%.

Seasonally adjusted unemployment rates were 4.5 percent for West Virginia and 6.1 percent nationally.

Since September 2007 employment has risen 1,400 with gains in the following areas: 1,300 in educational and health services, 100 in professional and business services, 2,200 in natural resources and mining, 900 in government, 700 in other services and 1,100 in leisure and hospitality. Declines included 1,800 in manufacturing, 200 in construction, 2,000 in trade, transportation and utilities, 600 in financial activities, and 300 in information.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING JULY 2007 AND JULY 2008**

	JULY 07	AUGUST 07	SEPTEMBER 07	JULY 08	AUGUST 08	SEPTEMBER 08	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$287,112,738.88</u>	<u>\$286,862,769.62</u>	<u>\$262,031,839.34</u>	<u>\$251,821,729.88</u>	<u>\$248,094,822.17</u>	<u>\$259,072,766.81</u>	<u>(\$20,837,719.96)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions	\$12,672,078.88	\$18,129,509.87	\$553,688.83	\$12,839,383.81	\$17,624,207.39	\$843,084.37	(\$45,601.81)
3. Federal Extended Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$0.00	\$5,373,020.00	\$5,686,289.00	\$10,939,309.00
4. Emergency Unemployment Funds (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TEUC Unemployment Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. UCFE (Federal Agencies)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7. Reduced Tax Credits	\$0.00	\$0.00	\$0.00	\$62,800.00	\$65,800.00	\$71,000.00	\$199,600.00
8. Read Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Treasury Interest Credits	\$0.00	\$0.00	\$301,800.21	\$0.00	\$0.00	\$0.00	(\$301,800.21)
10. UCK (Military Agencies)	\$0.00	\$0.00	\$2,857,205.46	\$0.00	\$0.00	\$2,998,323.42	\$141,117.96
	\$0.00	\$0.00	\$0.00	\$208,800.00	\$200,000.00	\$281,000.00	\$689,800.00
Total Monthly Receipts	<u>\$12,672,078.88</u>	<u>\$18,129,509.87</u>	<u>\$3,712,874.80</u>	<u>\$13,110,463.81</u>	<u>\$23,263,127.39</u>	<u>\$9,739,696.79</u>	<u>\$11,602,025.14</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits	\$12,516,694.69	\$11,363,705.41	\$8,643,195.18	\$15,274,388.86	\$10,210,000.60	\$10,006,302.28	\$2,466,098.33
Federal Extended Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$1,326,278.00	\$4,662,612.00	\$5,106,944.00	\$11,095,731.00
Emergency Benefits	(\$5,704.00)	(\$680.00)	(\$720.00)	(\$480.00)	(\$2,688.00)	(\$423.00)	\$3,375.00
UCFE (Federal Workers) Benefits	\$58,445.47	\$84,859.04	\$72,253.26	\$60,802.42	\$77,770.98	\$72,743.24	\$5,858.88
UCK (Military Workers) Benefits	\$253,621.78	\$219,825.40	\$206,385.00	\$206,385.00	\$240,138.19	\$269,035.63	\$35,638.69
Read Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$87,457.00	\$0.00	\$87,457.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	<u>\$12,932,067.94</u>	<u>\$12,247,729.85</u>	<u>\$9,821,113.43</u>	<u>\$16,897,371.32</u>	<u>\$16,255,182.65</u>	<u>\$15,464,602.13</u>	<u>\$13,676,254.88</u>
Trust Fund Balance	<u>\$268,952,768.62</u>	<u>\$267,651,839.34</u>	<u>\$267,233,100.41</u>	<u>\$248,094,822.17</u>	<u>\$258,072,766.81</u>	<u>\$280,357,881.57</u>	<u>(\$23,011,948.72)</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.



Prescription Drug Report

SEPTEMBER 2008

WV PEIA - Monthly Trend

Plan Demographics	Jul-08	Aug-08	Sep-08	2008 - 2008 Fiscal	2007 - 2008 Fiscal	% Change
Total Drug Cost	\$11,874,453	\$12,289,120	\$12,896,537	\$37,060,811	\$34,997,604	5.90%
Amount Paid By Plan Sponsor	\$7,157,664	\$9,265,856	\$10,140,020	\$26,563,540	\$24,134,840	10.06%
Amount Paid By Members	\$4,716,789	\$3,023,264	\$2,756,517	\$10,497,271	\$10,862,764	-3.36%
Total Claims	186,698	192,424	205,384	564,506	548,494	6.57%
Average Eligible Member	157,501	157,666	168,843	158,003	153,470	2.95%
Average # of Rx's Per Member Per Month	1.19	1.22	1.29	1.23	1.19	3.51%
Plan Paid Per Member Per Month (PMPM)	\$45.45	\$58.77	\$63.84	\$56.04	\$52.42	6.90%
Average Eligible Enrollees	72,416	72,525	73,131	72,691	71,075	2.27%
Average # of Rx's Per Enrollee Per Month	2.58	2.65	2.81	2.68	2.57	4.20%
Plan Paid Per Enrollee Per Month (PEPM)	\$98.84	\$127.76	\$138.66	\$121.61	\$113.11	7.62%
Rx Cost Share						
Avg Claim Cost to Plan	\$38.34	\$48.15	\$49.37	\$45.45	\$44.00	3.28%
Avg Member Cost/Claim	\$25.26	\$15.72	\$13.42	\$17.96	\$19.80	-9.32%
Percent member Cost Share	39.7%	24.6%	21.4%	28.3%	31.0%	-8.74%
Average Ingredient Costs						
Single Source (no generics available)	\$173.34	\$172.14	\$173.02	\$173.11	\$151.37	14.36%
Multi-Source Brand (generics available)	\$50.08	\$39.71	\$42.42	\$44.12	\$36.15	22.05%
Generic Drugs	\$19.21	\$19.56	\$19.11	\$19.30	\$20.18	-4.38%
Brand/Generic Dispensing Rates						
Single Source (no generics)	27.56%	27.87%	27.05%	27.48%	31.81%	-13.60%
Multi-Source Brand % (generics available)	1.03%	0.95%	0.96%	0.98%	1.06%	-7.36%
Generic Drug	71.41%	71.18%	72.00%	71.54%	67.13%	6.56%
Generics Dispensed when available	98.58%	98.68%	98.69%	98.65%	98.45%	0.20%
Percent of Plan Cost for Single Source	85.98%	81.71%	80.56%	82.43%	82.35%	0.09%
Retail Pharmacy Program						
Avg Day Supply	32.5	33.3	32.8	32.9	32.8	0.82%
Avg Plan Cost/Day Supply	\$1.11	\$1.44	\$1.49	\$1.37	\$1.34	2.58%
Avg Claim Cost to Plan	\$37.88	\$47.80	\$48.98	\$45.05	\$43.56	3.43%
Avg Member Cost / Claim	\$25.11	\$15.59	\$13.33	\$17.84	\$19.87	-9.31%
Percent Member Cost Share	39.88%	24.59%	21.39%	28.37%	31.11%	-8.82%
Special Maint Netwk (% of claims filled)	10.98%	11.99%	11.92%	11.64%	11.53%	0.94%
Other Maint (% of claims filled)	0.63%	0.59%	0.59%	0.60%	0.60%	1.01%
Avg Days Supply for Maint. Netwks	87.5	87.4	87.5	87.5	87.6	0.12%
Total # Claims Fills 1-34 Days Supply	161,922	165,227	176,449	503,598	474,658	6.10%
Total # Claims Fills 35-60 Day Supply	1,254	1,434	1,456	4,144	3,706	11.82%
Total # Claims Fills 61-90 Day Supply	21,810	24,005	25,803	71,618	65,061	10.08%
Total # Claims Fills 91+ Day Supply	4	5	3	11	22	-50.00%
Mall Service Program						
Avg Days Supply	76.0	73.6	72.4	74.0	71.3	3.81%
Avg Plan Cost/Days Supply	\$1.14	\$1.17	\$1.33	\$1.21	\$1.29	-5.58%
Avg Cost to Plan	\$86.90	\$86.38	\$96.60	\$89.88	\$91.71	-1.98%
Avg Member Cost/Claim	\$39.77	\$29.49	\$24.35	\$31.23	\$34.08	-8.36%
Percent Member Cost Share	31.40%	25.45%	20.13%	25.79%	27.10%	-4.83%
Total # Claims Fill 1-34 Days Supply	397	459	473	1,329	1,589	16.36%
Total # Claims Fills 35-60 Days Supply	5	6	11	14	10	40.00%
Total # Claims Fills 61-90 Days Supply	1,306	1,288	1,198	3,792	3,448	9.98%
Total # Claims Fills 91+ Day Supply	0	0	11	-	-	-
Formulary Program						
S/S Formulary Drugs (% by claim)	22.62%	22.95%	22.22%	22.59%	23.37%	-3.34%
S/S Non-Formulary Drugs (% by claim)	4.95%	4.92%	4.83%	4.90%	8.44%	-41.99%
M/S Drugs (% by claim)	1.03%	0.95%	0.96%	0.98%	1.06%	-7.36%
Generic Drugs (% by Claim)	71.41%	71.18%	72.00%	71.54%	67.13%	6.56%
S/S Formulary Drugs (% by \$)	78.25%	74.25%	72.72%	74.74%	70.64%	5.81%
S/S non-Formulary Drugs (% by \$)	7.73%	7.45%	7.86%	7.68%	11.71%	-34.40%
M/S Drugs (% by \$)	0.58%	0.26%	0.30%	0.37%	0.23%	62.21%
Generic Drugs (% by \$)	13.43%	18.03%	19.12%	17.21%	17.43%	-1.25%
Specialty Drugs						
Total Drug Cost	\$1,374,104	\$1,220,429	\$1,360,001	\$3,954,534	\$3,266,277	21.07%
Amount Paid by Plan Sponsor	\$1,311,459	\$1,184,513	\$1,325,811	\$3,821,790	\$3,144,723	21.53%
Amount Paid by Members	\$62,645	\$35,916	\$34,183	\$132,744	\$121,554	9.21%
Total Claims	720	663	673	2,056	1,885	9.07%
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.004	0.00	5.94%
Plan Paid Per Member Per Month (PMPM)	\$8.33	\$7.51	\$8.35	\$8.06	\$6.83	18.04%
Avg Claim Cost to Plan	\$1,821.47	\$1,786.60	\$1,970.01	\$1,858.89	\$1,668.29	11.42%
Avg Claim Cost to Member	\$87.01	\$54.17	\$50.79	\$64.56	\$64.48	0.12%
Percent of Member Cost Share	4.56%	2.94%	2.51%	3.36%	3.72%	-9.80%
Percent of Overall Drug Spend	11.57%	9.93%	10.55%	10.67%	9.33%	14.33%



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 09/2008 - 09/2008

Previous Period: 09/2007 - 09/2007

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$63.98	\$58.34	9.7 %
Average Mbrs/Month	158,843	153,830	3.3 %
Average Subs/Month	73,131	71,168	2.8 %
% Utilizing Members	44.9 %	44.0 %	2.1 %
% Retail Utilizing Members	44.6 %	43.7 %	2.1 %
% Mail Utilizing Members	0.5 %	0.5 %	1.0 %
Rx Measures			
Rxs PMPM	1.30	1.21	7.1 %
Retail Rxs PMPM	1.29	1.20	7.1 %
Mail Rxs PMPM	0.01	0.01	-0.1 %
Average Admin Fee/Rx	\$0.00	\$0.01	-99.4 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-99.4 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$49.37	\$48.19	2.4 %
Avg Retail Plan Cost/Rx	\$48.98	\$47.76	2.5 %
Avg Mail Plan Cost/Rx	\$96.60	\$96.21	0.4 %
Average Mbr Contrib/Rx	\$13.44	\$14.92	-9.9 %
Avg Retail Mbr Contrib/Rx	\$13.35	\$14.82	-9.9 %
Avg Mail Mbr Contrib/Rx	\$24.35	\$25.81	-5.7 %
Average Ing Cost/Rx	\$61.22	\$61.39	-0.3 %
Avg Retail Ing Cost/Rx	\$60.73	\$60.87	-0.2 %
Avg Mail Ing Cost/Rx	\$120.95	\$120.52	0.4 %
Average AWP/Rx	\$110.70	\$103.73	6.7 %
Avg Retail AWP/Rx	\$109.77	\$102.88	6.7 %
Avg Mail AWP/Rx	\$223.84	\$200.42	11.7 %
Average Days Supply/Rx	33.1	32.8	1.1 %
Avg Retail Days/Rx	32.8	32.4	1.2 %
Avg Mail Days/Rx	72.4	70.8	2.2 %
Average Plan Cost/Day	\$1.49	\$1.47	1.3 %
Avg Retail Plan Cost/Day	\$1.49	\$1.47	1.3 %
Avg Mail Plan Cost/Day	\$1.33	\$1.36	-1.8 %
% Plan Cost	78.6 %	76.4 %	2.9 %
% Member Contribution	21.4 %	23.6 %	-9.5 %
% Retail Plan Cost	78.6 %	76.3 %	3.0 %
% Retail Mbr Contrib	21.4 %	23.7 %	-9.5 %
% Mail Plan Cost	79.9 %	78.8 %	1.3 %
% Mail Member Contrib	20.1 %	21.2 %	-4.8 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 09/2008 - 09/2008

Previous Period: 09/2007 - 09/2007

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rx	0.8 %	0.9 %	-6.7 %
% Retail Rx	99.2 %	99.1 %	0.1 %
% Member Submit Rx	0.0 %	0.1 %	-94.4 %
Rx Types			
Avg SSB Plan Cost/Rx	\$146.92	\$124.51	18.0 %
Avg Retail SSB Plan Cost/Rx	\$146.18	\$123.83	18.0 %
Avg Mail SSB Plan Cost/Rx	\$216.92	\$186.99	16.0 %
Avg MSB Plan Cost/Rx	\$15.65	\$10.00	56.5 %
Avg Retail MSB Plan Cost/Rx	\$14.77	\$10.05	46.9 %
Avg Mail MSB Plan Cost/Rx	\$105.10	\$0.00	0.0 %
Avg GEN Plan Cost/Rx	\$13.11	\$14.19	-7.7 %
Avg Retail GEN Plan Cost/Rx	\$12.97	\$13.98	-7.2 %
Avg Mail GEN Plan Cost/Rx	\$31.54	\$41.41	-23.9 %
% Single-Source Brand Rx	27.1 %	30.9 %	-12.2 %
% Multi-Source Brand Rx	1.0 %	1.0 %	-5.7 %
% Generic Rx	72.0 %	68.1 %	5.6 %
% Retail Single-Source Brand	27.0 %	30.8 %	-12.3 %
% Retail Multi-Source Brand	1.0 %	1.0 %	-6.1 %
% Retail Generic	72.0 %	68.2 %	5.6 %
% Mail Single-Source Brand	34.6 %	37.8 %	-8.4 %
% Mail Multi-Source Brand	1.1 %	0.7 %	67.5 %
% Mail Generic	64.2 %	61.5 %	4.4 %
% Formulary Rx	93.8 %	90.4 %	3.7 %
% Retail Formulary Rx	93.8 %	90.4 %	3.7 %
% Mail Formulary Rx	93.4 %	88.0 %	6.0 %
% DAW Rx	0.6 %	0.7 %	-14.2 %
% Retail DAW Rx	0.6 %	0.7 %	-14.4 %
% Mail DAW Rx	1.3 %	1.3 %	1.6 %
% Generic Conversion	98.7 %	98.5 %	0.2 %
% Retail GEN Conversion	98.7 %	98.5 %	0.2 %
% Mail GEN Conversion	98.3 %	98.9 %	-0.7 %
Period Totals			
Total Plan Cost	\$10,163,170.47	\$8,973,912.46	13.3 %
Retail Plan Cost	\$10,001,460.45	\$8,817,768.27	13.4 %
Mail Plan Cost	\$161,710.02	\$156,144.19	3.6 %
Total Member Contribution	\$2,767,620.97	\$2,777,828.10	-0.4 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 09/2008 - 09/2008

Previous Period: 09/2007 - 09/2007

	Current Period	Previous Period	
Retail Member Contrib	\$2,726,858.29	\$2,735,931.19	- 0.3 %
Mail Member Contrib	\$40,762.68	\$41,896.91	-2.7 %
Total Rx Count	205,878	186,237	10.5 %
Retail Rx Count	204,197	184,500	10.7 %
Member Submit Rxs	7	114	-93.9 %
Mail Rx Count	1,674	1,623	3.1 %
Total Admin Fee	\$10.50	\$1,552.50	-99.3 %
Total UC Savings	\$7,710,889.35	\$6,399,023.99	20.5 %
Total Lost Savings	\$15,716.59	\$11,013.52	42.7 %

Demographics

Average Age	38.8	38.8	0.0 %
% Male Members	46.5 %	46.5 %	-0.1 %
% Female Members	53.5 %	53.5 %	0.0 %

Graphs based on Current Period: 09/2008 - 09/2008

Claim Source by Rx Count



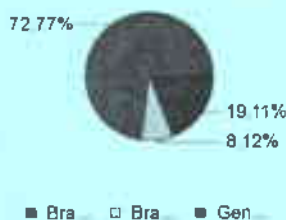
Drug Type by Plan Cost



Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source





Key Performance Indicators
Comprehensive Indicators
WVA - WV Public Employees Ins

Current Period: 07/2008 - 09/2008
 Previous Period: 07/2007 - 09/2007

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$56.09	\$52.38	7.1 %
Average Mbrs/Month	158,003	153,470	3.0 %
Average Subs/Month	72,691	71,075	2.3 %
% Utilizing Members	43.3 %	43.0 %	0.8 %
% Retail Utilizing Members	43.1 %	42.7 %	0.8 %
% Mail Utilizing Members	0.5 %	0.5 %	-0.5 %
Rx Measures			
Rxs PMPM	1.23	1.19	3.5 %
Retail Rxs PMPM	1.22	1.18	3.5 %
Mail Rxs PMPM	0.01	0.01	-1.1 %
Average Admin Fee/Rx	\$0.00	\$0.01	-88.1 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-88.1 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$45.45	\$43.93	3.5 %
Avg Retail Plan Cost/Rx	\$45.05	\$43.48	3.6 %
Avg Mail Plan Cost/Rx	\$89.88	\$91.73	-2.0 %
Average Mbr Contrib/Rx	\$17.96	\$19.78	-9.2 %
Avg Retail Mbr Contrib/Rx	\$17.85	\$19.65	-9.2 %
Avg Mail Mbr Contrib/Rx	\$31.23	\$34.09	-8.4 %
Average Ing Cost/Rx	\$61.82	\$61.99	-0.3 %
Avg Retail Ing Cost/Rx	\$61.30	\$61.41	-0.2 %
Avg Mail Ing Cost/Rx	\$121.07	\$124.32	-2.6 %
Average AWP/Rx	\$110.56	\$104.15	6.2 %
Avg Retail AWP/Rx	\$109.51	\$103.21	6.1 %
Avg Mail AWP/Rx	\$228.83	\$205.65	11.3 %
Average Days Supply/Rx	33.2	33.0	0.6 %
Avg Retail Days/Rx	32.9	32.7	0.6 %
Avg Mail Days/Rx	74.0	71.3	3.8 %
Average Plan Cost/Day	\$1.37	\$1.33	2.8 %
Avg Retail Plan Cost/Day	\$1.37	\$1.33	3.0 %
Avg Mail Plan Cost/Day	\$1.21	\$1.29	-5.6 %
% Plan Cost	71.7 %	69.0 %	3.9 %
% Member Contribution	28.3 %	31.0 %	-8.8 %
% Retail Plan Cost	71.6 %	68.9 %	4.0 %
% Retail Mbr Contrib	28.4 %	31.1 %	-8.8 %
% Mail Plan Cost	74.2 %	72.9 %	1.8 %
% Mail Member Contrib	25.8 %	27.1 %	-4.8 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2008 - 09/2008

Previous Period: 07/2007 - 09/2007

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	-4.5 %
% Retail Rxs	99.1 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-81.6 %
Rx Types			
Avg SSB Plan Cost/Rx	\$136.26	\$113.74	19.8 %
Avg Retail SSB Plan Cost/Rx	\$135.45	\$112.99	19.9 %
Avg Mail SSB Plan Cost/Rx	\$210.41	\$178.99	17.6 %
Avg MSB Plan Cost/Rx	\$16.99	\$9.21	84.5 %
Avg Retail MSB Plan Cost/Rx	\$16.39	\$9.21	77.9 %
Avg Mail MSB Plan Cost/Rx	\$72.01	\$8.23	775.1 %
Avg GEN Plan Cost/Rx	\$10.93	\$11.47	-4.8 %
Avg Retail GEN Plan Cost/Rx	\$10.79	\$11.28	-4.3 %
Avg Mail GEN Plan Cost/Rx	\$27.86	\$35.40	-21.3 %
% Single-Source Brand Rxs	27.5 %	31.8 %	-13.4 %
% Multi-Source Brand Rxs	1.0 %	1.1 %	-7.9 %
% Generic Rxs	71.5 %	67.2 %	6.5 %
% Retail Single-Source Brand	27.4 %	31.7 %	-13.4 %
% Retail Multi-Source Brand	1.0 %	1.1 %	-8.4 %
% Retail Generic	71.6 %	67.2 %	6.4 %
% Mail Single-Source Brand	33.7 %	39.3 %	-14.4 %
% Mail Multi-Source Brand	1.2 %	0.6 %	93.3 %
% Mail Generic	65.1 %	60.0 %	8.5 %
% Formulary Rxs	93.7 %	89.9 %	4.2 %
% Retail Formulary Rxs	93.7 %	89.9 %	4.1 %
% Mail Formulary Rxs	93.2 %	88.1 %	5.8 %
% DAW Rxs	0.6 %	0.7 %	-15.1 %
% Retail DAW Rxs	0.6 %	0.7 %	-15.2 %
% Mail DAW Rxs	1.3 %	1.4 %	-10.1 %
% Generic Conversion	98.7 %	98.4 %	0.2 %
% Retail GEN Conversion	98.7 %	98.4 %	0.2 %
% Mail GEN Conversion	98.2 %	99.0 %	-0.8 %
Period Totals			
Total Plan Cost	\$26,585,449.07	\$24,115,901.92	10.2 %
Retail Plan Cost	\$26,123,890.58	\$23,653,127.93	10.4 %
Mail Plan Cost	\$461,558.49	\$462,773.99	-0.3 %
Total Member Contribution	\$10,508,285.90	\$10,859,122.36	-3.2 %



Key Performance Indicators
 Comprehensive Indicators
 WVA - WV Public Employees Ins

Current Period: 07/2008 - 09/2008
 Previous Period: 07/2007 - 09/2007

	Current Period	Previous Period	
Retail Member Contrib	\$10,347,899.46	\$10,687,119.15	- 3.2 %
Mail Member Contrib	\$160,386.44	\$172,003.21	- 6.8 %
Total Rx Count	584,969	549,019	6.5 %
Retail Rx Count	579,767	543,633	6.6 %
Member Submit Rxs	67	341	-80.4 %
Mail Rx Count	5,135	5,045	1.8 %
Total Admin Fee	\$636.00	\$5,001.00	-87.3 %
Total UC Savings	\$21,595,496.03	\$18,990,884.51	13.7 %
Total Lost Savings	\$38,415.04	\$29,692.97	29.4 %
Demographics			
Average Age	38.8	38.8	0.0 %
% Male Members	46.5 %	46.5 %	-0.0 %
% Female Members	53.5 %	53.5 %	0.0 %

Graphs based on Current Period: 07/2008 - 09/2008

Claim Source by Rx Count



Drug Type by Plan Cost



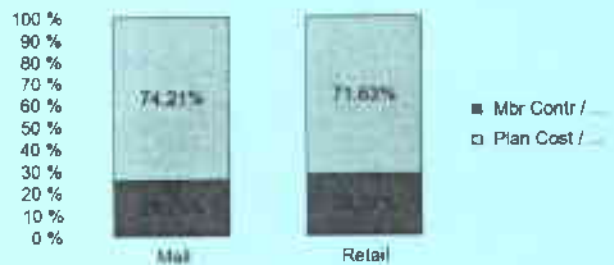
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 09/2008 - 09/2008



Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mon	Rx Count	Plan Cost	Member Cost/Rx	Plan Cost/Rx	Mail % Rx	Gen % Rx	Form % Rx	Gen Crdy %	PMPM Plan Cost
COBRA (COBRA)	316	189	682	\$51,349	\$14.74	\$75.29	0.7 %	66.4 %	91.8 %	98.5 %	\$162.50
NON STATE AGENCIES (02)	18,202	7,876	22,540	\$1,022,742	\$12.82	\$45.37	0.8 %	73.4 %	94.4 %	99.0 %	\$56.19
NON STATE AGENCIES PLAN B (02B)	2,288	875	2,304	\$75,819	\$17.42	\$32.91	0.7 %	76.5 %	93.8 %	99.2 %	\$33.14
NON STATE RETIREES (08)	1,191	776	3,007	\$156,291	\$11.89	\$51.98	1.0 %	71.4 %	95.3 %	98.9 %	\$131.23
NON STATE RETIREES 60 (0860)	10	8	13	\$273	\$7.97	\$21.00	0.0 %	76.9 %	92.3 %	90.9 %	\$27.30
STATE AGENCIES (01)	119,606	51,878	144,861	\$7,178,466	\$13.45	\$49.55	0.7 %	71.9 %	93.6 %	98.7 %	\$60.02
STATE AGENCIES (01B)	3,698	957	2,029	\$65,643	\$19.42	\$32.35	1.1 %	76.0 %	93.5 %	99.0 %	\$17.75
STATE RETIREES (07)	13,469	8,673	30,266	\$1,606,103	\$13.32	\$53.07	1.1 %	70.6 %	93.9 %	98.4 %	\$119.24
STATE RETIREES ASST 60 (0760)	63	45	176	\$6,484	\$7.75	\$36.84	2.3 %	84.7 %	97.2 %	100.0 %	\$102.93
Grand Total	158,843		205,878	\$10,163,170	\$13.44	\$49.37	0.8 %	72.0 %	93.8 %	98.7 %	\$63.98



Monthly Management Report

TOTAL CLAIMS

SEPTEMBER 2008

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 SEPTEMBER 2008
 Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	181,756.70	152,765.62	137,418.25	160,869.52	526,352.99	408,688.28
	MATERNITY	157,771.51	163,335.04	139,906.34	154,916.75	482,740.25	443,930.68
	MEDICAL AND SURGICAL	5,161,193.55	6,262,741.56	4,734,499.34	5,182,985.18	18,387,862.68	15,902,814.90
	NEONATAL COMPLICATIONS	111,220.06	41,004.02	18,443.87	85,072.33	220,871.13	154,454.53
	***** sum	5,611,941.82	6,619,846.24	5,030,267.80	5,583,843.78	19,617,827.05	16,909,888.39
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	34,086.98	39,524.13	28,473.15	35,188.96	120,461.86	82,052.87
	DIALYSIS	82,091.17	140,726.56	121,740.83	152,441.54	336,583.34	385,060.20
	EMERGENCY ROOM	396,214.19	452,394.56	376,471.47	394,227.58	1,182,532.03	1,168,764.93
	MATERNITY	39,773.86	45,693.65	27,417.53	42,132.54	110,067.79	90,690.38
	MEDICAL AND SURGICAL	6,249,774.18	7,610,631.79	6,136,335.96	6,528,151.57	21,147,844.48	19,486,944.04
***** sum	6,801,940.38	8,288,970.70	6,690,438.94	7,152,142.20	22,897,489.50	21,213,512.42	
PHARMACY	PRESCRIPTION DRUGS	8,988,692.40	9,802,730.33	8,557,087.36	10,187,340.11	26,349,938.40	24,603,326.53
***** sum	8,988,692.40	9,802,730.33	8,557,087.36	10,187,340.11	26,349,938.40	24,603,326.53	
PROFESSIONAL SERVICES	ADVANCED IMAGING	370,008.53	508,190.62	414,028.99	484,071.05	1,349,884.47	1,413,438.08
	AMBULANCE	103,335.20	189,408.92	185,617.96	166,871.65	522,848.85	567,434.11
	ANESTHESIA	509,520.06	678,477.23	604,133.62	625,982.75	1,945,241.00	2,024,656.29
	BEHAVIORAL	229,083.02	318,315.86	262,040.72	321,950.80	727,660.56	778,961.50
	CARDIOVASCULAR MEDICINE	314,150.93	369,097.09	288,198.46	366,669.02	1,043,043.55	980,173.71
	CERVICAL CANCER SCREENING	15,393.17	20,961.76	24,693.13	23,390.09	59,915.30	72,508.48
	DIALYSIS	3,353.70	4,686.84	2,092.78	8,698.08	17,481.23	18,406.53
	DME	260,562.64	371,815.47	230,512.75	325,823.33	979,688.36	1,009,863.48

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 SEPTEMBER 2008

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	3,712,446.90	4,373,508.39	3,885,651.47	4,163,248.27	12,240,213.85	12,074,134.55
	IMMUNIZATION	217,034.05	293,431.77	283,941.32	279,671.17	760,412.27	930,008.77
	INJECTION	604,943.81	703,861.89	581,094.48	693,501.28	1,931,231.14	2,026,124.35
	LAB AND PATHOLOGY	469,305.05	652,588.38	498,926.66	614,751.43	1,647,428.09	1,629,295.50
	MAMMOGRAPHY	72,832.27	87,039.59	97,753.34	95,986.88	256,924.19	340,319.16
	OTHER	341,135.85	427,939.31	398,036.45	350,095.69	1,348,326.92	1,155,423.92
	OTHER IMAGING	537,162.42	813,171.77	687,119.51	794,158.97	1,909,928.30	2,228,433.25
	OTHER MEDICINE	396,213.51	691,348.91	431,159.74	645,992.07	1,812,166.11	2,147,381.12
	PHYSICAL MEDICINE	452,789.05	574,682.77	475,318.57	546,000.59	1,437,318.51	1,457,749.25
	PROSTATE CANCER SCREENING	8,561.85	14,884.38	9,152.19	15,514.47	40,616.55	40,580.86
	SURGICAL	1,949,786.27	2,481,362.48	2,069,381.44	2,379,297.16	6,937,149.88	6,915,841.25

sum		10,567,618.28	13,574,773.41	11,428,853.58	12,901,674.73	36,967,479.13	37,810,734.16
sum		31,970,192.88	38,286,320.68	31,706,647.68	35,825,000.82	105,832,734.08	100,537,461.50

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINSTRATIVE FEES, OR RECOVERIES



Monthly Management Report

PER CAPITA CLAIMS

SEPTEMBER 2008

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 SEPTEMBER 2008

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.1621	1.0357	.9116	1.1260	3.3800	2.7235
	MATERNITY	1.0088	1.1075	.9281	1.0841	3.1000	2.9583
	MEDICAL AND SURGICAL	33.0006	42.4472	31.4061	36.2653	118.0802	105.9750
	NEONATAL COMPLICATIONS	.7111	.2777	.1223	.5961	1.4184	1.0293
*****	sum	35.8827	44.8680	33.3681	39.0715	125.9786	112.6860
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2180	.2679	.1889	.2464	.7736	.5468
	DIALYSIS	.5249	.9544	.8076	1.0673	2.1614	2.5660
	EMERGENCY ROOM	2.5334	3.0675	2.4973	2.7587	7.5938	7.7885
	MATERNITY	.2543	.3099	.1819	.2951	.7068	.6044
	MEDICAL AND SURGICAL	39.9610	51.5927	40.7051	45.6848	135.8038	129.8593
*****	sum	43.4915	56.1923	44.3807	50.0523	147.0394	141.3650
PHARMACY	PRESCRIPTION DRUGS	57.4736	66.4873	56.7631	71.3268	169.2098	163.9544
*****	sum	57.4736	66.4873	56.7631	71.3268	169.2098	163.9544
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.3658	3.4451	2.7464	3.3874	8.6685	9.4190
	AMBULANCE	.6607	1.2838	1.2313	1.1677	3.3575	3.7813
	ANESTHESIA	3.2579	4.6005	4.0075	4.3794	12.4916	13.4921
	BEHAVIORAL	1.4648	2.1590	1.7382	2.2539	4.6728	5.1909
	CARDIOVASCULAR MEDICINE	2.0087	2.5016	1.9118	2.5659	6.6980	6.5318
	CERVICAL CANCER SCREENING	.0984	.1422	.1638	.1637	.3848	.4832
	DIALYSIS	.0214	.0317	.0139	.0609	.1123	.1227
	DME	1.6660	2.5209	1.5291	2.2792	6.2912	6.7296

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 SEPTEMBER 2008

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	23.7373	29.6548	25.7753	29.1355	78.6022	80.4610
	IMMUNIZATION	1.3877	1.9922	1.8835	1.9568	4.8831	6.1975
	INJECTION	3.8680	4.7724	3.8547	4.8530	12.4017	13.5019
	LAB AND PATHOLOGY	3.0007	4.4236	3.3096	4.3017	10.5792	10.8575
	MAMMOGRAPHY	.4657	.5906	.6484	.6715	1.6499	2.2679
	OTHER	2.1812	2.9013	2.6404	2.4500	8.6585	7.6996
	OTHER IMAGING	3.4346	5.5162	4.5580	5.5573	12.2649	14.8501
	OTHER MEDICINE	2.5334	4.6866	2.8601	4.5186	11.6371	14.3100
	PHYSICAL MEDICINE	2.8951	3.8974	3.1530	3.8219	9.2299	9.7143
	PROSTATE CANCER SCREENING	.0547	.1008	.0607	.1086	.2608	.2704
	SURGICAL	12.4669	16.8226	13.7271	16.6501	44.5479	46.0866

sum		67.5692	92.0434	75.8128	90.2829	237.3918	251.9674
sum		204.4169	259.5910	210.3246	250.7335	679.6195	669.9728

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



Monthly Management Report

PER CAPITA UTILIZATION

SEPTEMBER 2008

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 SEPTEMBER 2008

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0004	.0005	.0012	.0016
	MATERNITY	.0008	.0008	.0024	.0026
	MEDICAL AND SURGICAL	.0070	.0074	.0228	.0252
	NEONATAL COMPLICATIONS	.0004	.0003	.0011	.0009

sum		.0085	.0090	.0276	.0303
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0026	.0026	.0079	.0074
	DIALYSIS	.0027	.0025	.0076	.0090
	EMERGENCY ROOM	.0216	.0218	.0654	.0677
	MATERNITY	.0019	.0018	.0059	.0052
	MEDICAL AND SURGICAL	.1787	.1893	.5815	.6148

sum		.2075	.2180	.6683	.7041
PHARMACY	PRESCRIPTION DRUGS	.8106	.8168	2.5542	2.5631

sum		.8106	.8168	2.5542	2.5631
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0182	.0215	.0634	.0682
	AMBULANCE	.0025	.0043	.0099	.0128
	ANESTHESIA	.0149	.0182	.0530	.0600
	BEHAVIORAL	.0333	.0383	.1077	.1186
	CARDIOVASCULAR MEDICINE	.0280	.0295	.0974	.0973
	CERVICAL CANCER SCREENING	.0041	.0073	.0156	.0220
	DIALYSIS	.0002	.0002	.0008	.0014
	DME	.0177	.0196	.0637	.0675
	EVALUATION AND MANAGEMENT	.4010	.4478	1.3158	1.4007
	IMMUNIZATION	.0175	.0198	.0561	.0633

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 SEPTEMBER 2008

Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0215	.0235	.0716	.0737
	LAB AND PATHOLOGY	.1298	.1611	.4433	.5027
	MAMMOGRAPHY	.0149	.0183	.0527	.0597
	OTHER	.0263	.0340	.0956	.0968
	OTHER IMAGING	.0760	.0891	.2622	.2859
	OTHER MEDICINE	.0652	.0733	.2143	.2334
	PHYSICAL MEDICINE	.0837	.1000	.2934	.3250
	PROSTATE CANCER SCREENING	.0048	.0055	.0185	.0187
	SURGICAL	.0688	.0761	.2332	.2452

sum		1.0285	1.1876	3.4681	3.7530
sum		2.0551	2.2314	6.7182	7.0504

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

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

DRAFT

	September 30	
	(in thousands)	
	2008	2007
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 24,012	\$ 31,669
Advance Deposit with Carrier/Trustee	168,167	126,899
Receivables - Net	1,401	2,965
Prepaid Insurance	2,947	3,465
Total Short Term Assets	196,527	164,998
Long Term Assets		
Investments	100,673	118,931
Total Long Term Assets	100,673	118,931
TOTAL ASSETS	297,200	283,929
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,394	2,049
Claims Payable	396	140
OPEB Liability	35	-
Agents Commissions Payable	2,027	2,482
Unearned Revenue	8,300	9,853
Current Estimated Claim Reserve	51,378	54,854
Total Short Term Liabilities	63,530	69,378
Long Term Liabilities		
Compensated Absences	52	200
Estimated Noncurrent Claim Reserve	114,682	108,658
Total Long Term Liabilities	114,734	108,858
TOTAL LIABILITIES	178,264	178,236
Prior Year Net Assets	127,630	97,547
Current Year Earnings	(8,694)	8,146
TOTAL NET ASSETS	118,936	105,693
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 297,200	\$ 283,929

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	September 30	
	(in thousands)	
	2008	2007
Operating Revenues		
Premium Revenues	\$ 16,176	\$ 18,701
Less - Excess Insurance	(1,535)	(1,155)
Total Operating Revenues	14,641	17,546
Operating Expenses		
Claims Expense	14,274	13,358
Property & MS Claims Expense	1,603	111
Personal Services	329	346
Operating Expenses	654	669
Total Operating Expenses	16,860	14,484
Operating Income	(2,219)	3,062
Nonoperating Revenues		
Court Fees	9	8
Investment Income	(6,484)	5,076
Total Nonoperating Revenues	(6,475)	5,084
Net Income	(8,694)	8,146

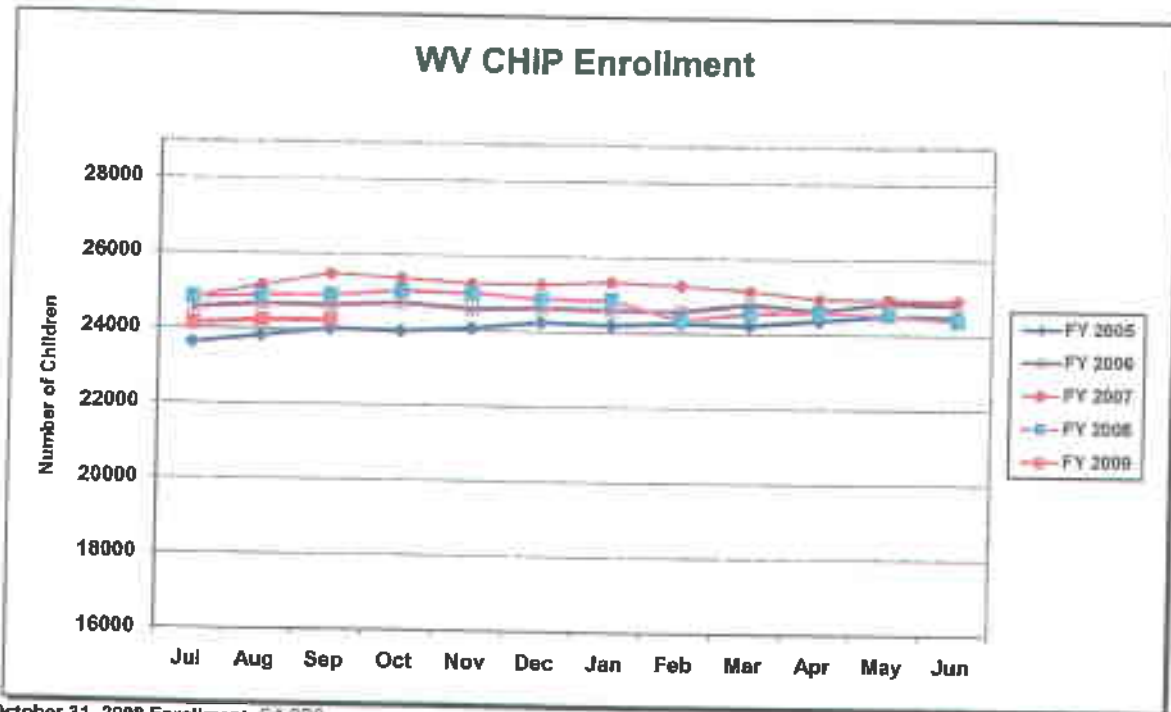
DRAFT - Unaudited - Management Purposes Only



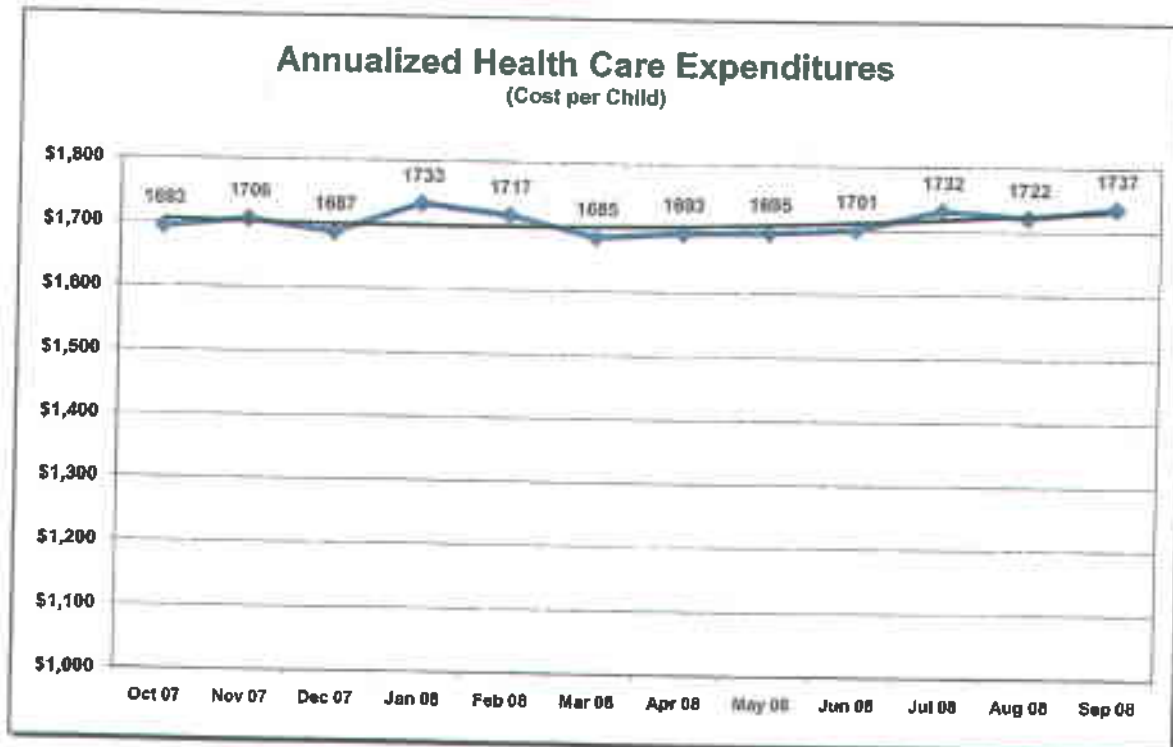
**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301
Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-558-2741
www.wvchlp.org**

**Joint Committee on
Government and Finance
Report**

November 2008



October 31, 2008 Enrollment 24,328



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

	September 30, 2008	September 30, 2007	Variance	
Assets:				
Cash & Cash Equivalents	\$9,275,065	\$5,280,671	\$3,994,394	76%
Due From Federal Government	\$2,811,942	\$2,924,859	(\$112,917)	-4%
Due From Other Funds	\$618,092	\$687,416	(\$69,324)	-10%
Accrued Interest Receivable	\$15,943	\$20,946	(\$5,003)	-24%
Fixed Assets, at Historical Cost	<u>\$67,286</u>	<u>\$63,011</u>	<u>\$4,275</u>	<u>7%</u>
Total Assets	<u>\$12,788,329</u>	<u>\$8,976,903</u>	<u>\$3,811,426</u>	<u>42%</u>
Liabilities:				
Due to Other Funds	\$210,034	\$92,275	\$117,759	128%
Deferred Revenue	\$4,034,560	\$3,271,075	\$763,485	23%
Unpaid Insurance Claims Liability	<u>\$3,220,000</u>	<u>\$3,520,000</u>	(<u>\$300,000</u>)	<u>-9%</u>
Total Liabilities	<u>\$7,464,594</u>	<u>\$6,883,350</u>	<u>\$581,244</u>	<u>8%</u>
Fund Equity	<u>\$5,323,734</u>	<u>\$2,093,553</u>	<u>\$3,230,181</u>	<u>154%</u>
Total Liabilities and Fund Equity	<u>\$12,788,329</u>	<u>\$8,976,903</u>	<u>\$3,811,426</u>	<u>42%</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 Three Months Ending September 30, 2008 and September 30, 2007
(Modified Accrual Basis)

	September 30, 2008	September 30, 2007	Variance	
Revenues:				
Federal Grants	8,641,325	8,537,543	103,782	1%
State Appropriations	2,194,338	2,193,799	539	0%
Premium Revenues	27,434	15,099	12,335	82%
Investment Earnings	<u>51,481</u>	<u>64,943</u>	<u>(13,462)</u>	-21%
Total Operating Revenues	<u>10,914,578</u>	<u>10,811,384</u>	<u>103,194</u>	<u>1%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	2,466,411	2,418,617	47,794	2%
Physicians & Surgical	2,120,288	1,929,324	190,964	10%
Prescribed Drugs	1,963,528	1,887,300	76,228	4%
Dental	1,223,901	1,321,104	(97,203)	-7%
Inpatient Hospital Services	1,148,666	896,652	252,014	28%
Vision	337,837	299,756	38,081	13%
Outpatient Mental Health	277,350	244,635	32,715	13%
Durable & Disposable Med. Equip.	148,561	90,371	58,190	64%
Inpatient Mental Health	144,657	71,238	73,419	103%
Medical Transportation	81,527	68,328	13,199	19%
Therapy	79,022	89,286	(10,264)	-11%
Other Services	21,712	15,948	5,764	36%
Less: Collections*	<u>(236,698)</u>	<u>(226,078)</u>	<u>(10,620)</u>	5%
Total Claims	<u>9,776,762</u>	<u>9,106,481</u>	<u>670,281</u>	<u>7%</u>
General and Admin Expenses:				
Salaries and Benefits	125,023	129,390	(4,367)	-3%
Program Administration	507,331	552,052	(44,721)	-8%
Eligibility	98,819	86,251	12,568	15%
Outreach & Health Promotion	31,966	4,153	27,813	670%
Current	<u>28,308</u>	<u>35,447</u>	<u>(7,139)</u>	-20%
Total Administrative	<u>791,447</u>	<u>807,293</u>	<u>(15,846)</u>	<u>-2%</u>
Total Expenditures	<u>10,568,209</u>	<u>9,913,774</u>	<u>654,435</u>	<u>7%</u>
Excess of Revenues Over (Under) Expenditures	346,369	897,610	(551,241)	-61%
Fund Equity, Beginning	<u>4,977,366</u>	<u>1,195,943</u>	<u>3,781,423</u>	<u>316%</u>
Fund Equity, Ending	<u>5,323,734</u>	<u>2,093,553</u>	<u>3,230,181</u>	<u>154%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2009
For the Three Months Ended September 30, 2008**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Sep-08</u>	<u>Aug-08</u>	<u>Jul-08</u>
Projected Cost	\$42,359,047	\$10,589,762	\$9,358,307	\$1,231,455	12%	\$3,529,921	\$2,476,025	\$3,364,336	\$3,517,946
Premiums	136,290	34,073	27,434	\$6,638	-19%	11,358	9,590	8,558	9,286
Subrogation & Rebates	<u>539,625</u>	<u>134,906</u>	<u>236,728</u>	<u>(101,821)</u>	<u>75%</u>	<u>44,969</u>	<u>82,473</u>	<u>41,248</u>	<u>113,007</u>
Net Benefit Cost	<u>41,683,132</u>	\$10,420,783	\$9,094,145	\$1,326,638	13%	3,473,594	2,383,961	3,314,529	3,395,654
Salaries & Benefits	\$515,486	\$128,872	\$125,023	\$3,849	3%	\$42,957	\$40,232	\$38,130	\$46,661
Program Administration	2,080,170	520,043	420,160	99,883	19%	173,348	191,733	56,109	172,318
Eligibility	318,670	79,668	84,172	(4,505)	-6%	26,556	84,172	0	0
Outreach	81,895	20,474	31,966	(11,492)	-56%	6,825	23,615	7,950	401
Current Expense	<u>140,400</u>	<u>35,100</u>	<u>22,775</u>	<u>12,325</u>	<u>35%</u>	<u>11,700</u>	<u>5,939</u>	<u>7,392</u>	<u>9,444</u>
Total Admin Cost	\$3,136,622	\$784,155	\$684,096	\$100,059	13%	\$261,385	\$345,691	\$109,581	\$228,824
Total Program Cost	<u>\$44,819,754</u>	<u>\$11,204,938</u>	<u>\$9,778,241</u>	<u>\$1,426,698</u>	<u>13%</u>	<u>\$3,734,979</u>	<u>\$2,729,652</u>	<u>\$3,424,110</u>	<u>\$3,624,478</u>
Federal Share 81.98%	36,344,338	\$9,086,085	\$8,016,202	1,069,883	12%	3,028,695	2,237,769	2,807,086	2,971,347
State Share 18.02%	<u>8,475,415</u>	<u>\$2,118,854</u>	<u>\$1,762,039</u>	<u>356,815</u>	<u>17%</u>	<u>706,285</u>	<u>491,883</u>	<u>617,025</u>	<u>653,131</u>
Total Program Cost **	<u>\$44,819,754</u>	<u>\$11,204,938</u>	<u>\$9,778,241</u>	<u>\$1,426,698</u>	<u>13%</u>	<u>\$3,734,979</u>	<u>\$2,729,652</u>	<u>\$3,424,110</u>	<u>\$3,624,478</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2008 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

WV CHIP Enrollment Report

ATTACHMENT 1

October 2008

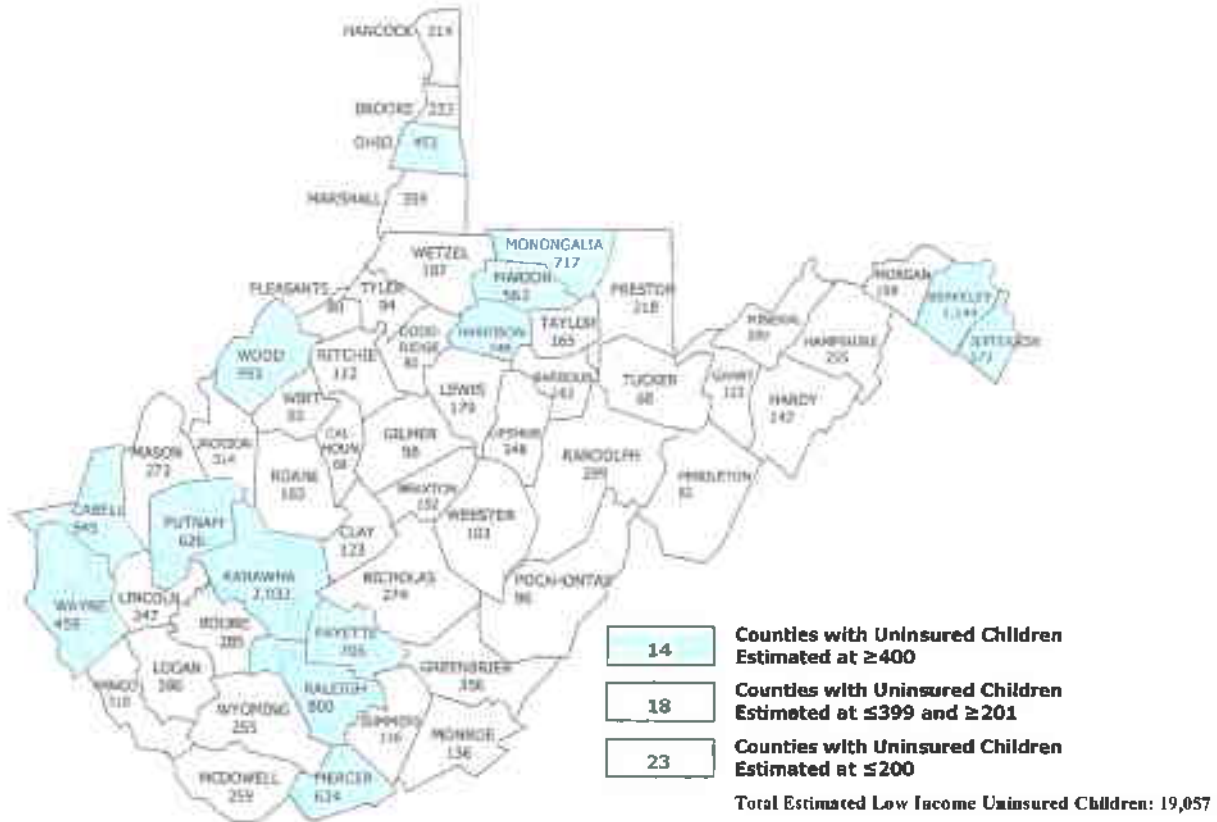
County Ranking	County Pop 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Oct-08	Total Medicaid Enrollment Oct-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007	2007
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	291	1,450	1,741	53.6%	162	38
Berkeley	22,882	1,208	5,937	7,145	31.2%	1,144	2
Boone	5,706	304	2,518	2,822	49.5%	285	24
Braxton	3,044	209	1,485	1,694	55.6%	152	39
Brooke	4,658	284	1,442	1,726	37.1%	233	32
Cabell	18,900	958	7,766	8,724	46.2%	945	4
Calhoun	1,389	134	792	926	66.7%	69	52
Clay	2,454	164	1,394	1,558	63.5%	123	43
Doddridge	1,607	119	700	819	51.0%	80	50
Fayette	9,692	898	4,453	5,351	55.2%	485	12
Gilmer	1,154	86	518	604	52.4%	58	55
Grant	2,463	138	925	1,063	43.2%	123	42
Greenbrier	7,110	565	2,627	3,192	44.9%	356	17
Hampshire	5,110	255	1,805	2,060	40.3%	255	28
Hancock	6,270	353	2,111	2,464	39.3%	314	20
Hardy	2,950	168	1,013	1,181	40.0%	147	40
Harrison	14,973	914	5,653	6,567	43.9%	749	6
Jackson	6,277	363	2,372	2,735	43.6%	314	19
Jefferson	11,465	393	2,167	2,560	22.3%	573	10
Kanawha	40,647	2,068	16,141	18,209	44.8%	2,032	1
Lewis	3,577	299	1,725	2,024	56.6%	179	34
Lincoln	4,945	421	2,444	2,865	57.9%	247	31
Logan	7,810	540	3,798	4,338	57.0%	380	15
Marion	11,245	762	4,058	4,820	42.9%	562	11
Marshall	7,176	386	2,813	2,999	41.8%	359	16
Mason	5,461	341	2,488	2,829	51.8%	273	26
McDowell	5,170	390	3,177	3,567	69.0%	259	27
Mercer	12,687	1,072	6,335	7,407	58.4%	634	8
Mineral	5,973	285	1,958	2,241	37.5%	299	22
Mingo	6,204	394	3,131	3,525	56.8%	310	21
Monongalia	14,348	714	3,920	4,634	32.3%	717	7
Monroe	2,728	210	926	1,136	41.6%	136	41
Morgan	3,365	248	1,043	1,291	38.4%	168	35
Nicholas	5,478	420	2,465	2,885	52.7%	274	25
Ohio	9,068	540	2,842	3,382	37.3%	453	14
Pendleton	1,632	107	420	527	32.3%	82	49
Pleasants	1,593	99	480	579	36.3%	80	51
Pocahontas	1,717	145	632	777	45.3%	86	48
Preston	6,354	488	2,241	2,729	42.9%	318	18
Putnam	12,522	631	2,958	3,589	28.7%	626	9
Raleigh	15,992	1,235	6,919	8,154	51.0%	800	5
Randolph	5,971	480	2,379	2,859	47.9%	299	23
Ritchie	2,234	153	833	986	44.1%	112	45
Roane	3,266	296	1,545	1,841	56.4%	163	37
Summers	2,322	218	1,120	1,338	57.6%	116	44
Taylor	3,307	220	1,324	1,544	46.7%	165	36
Tucker	1,354	167	468	635	46.9%	68	53
Tyler	1,887	115	789	904	47.9%	94	47

WV CHIP Enrollment Report

ATTACHMENT 1

October 2008

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Oct-08	Total Medicaid Enrollment Oct-08	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Upshur	4,956	412	2,166	2,578	52.0%	248	30
Wayne	9,176	584	3,977	4,561	49.7%	459	13
Webster	2,020	191	1,065	1,256	62.2%	101	46
Wetzel	3,732	221	1,542	1,763	47.2%	187	33
Wirt	1,268	113	531	644	50.8%	63	54
Wood	19,063	1,144	7,388	8,532	44.8%	953	3
Wyoming	5,092	415	2,561	2,976	58.4%	255	29
Totals	382,490	24,328	147,528	171,856	44.9%	19,125	



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

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

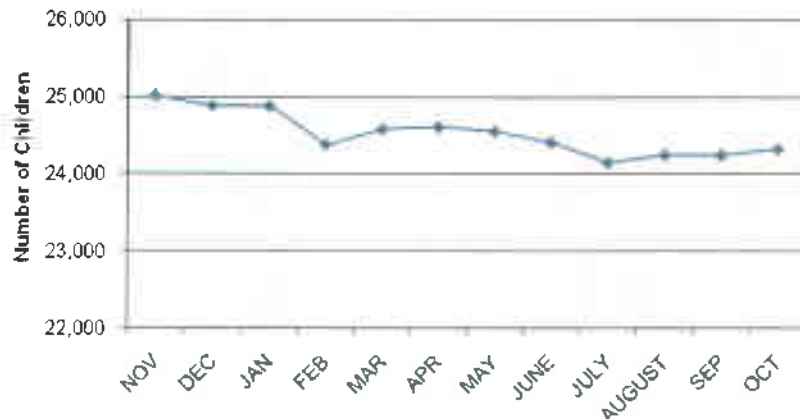
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR NOVEMBER 2008

I. Enrollment on October 31, 2008: 24,328

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: November 2007 through October 2008



Enrollee Totals: August 2008 to October 2008

Month	Total	1 Year Average	Total
August	1,618	Average	1,716
September	1,674	High	2,106
October	1,600	Low	1,325

New Enrollee (Never Before on CHIP) Totals: August 2008 to October 2008

Month	Total	1 Year Average	Total
August	699	Average	686
September	674	High	832
October	672	Low	540

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

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
July	2,028	1,063	52%	253	12%	712	35%
August	2,076	1,174	57%	236	11%	605	29%
September	1,860	1,072	58%	180	10%	585	31%

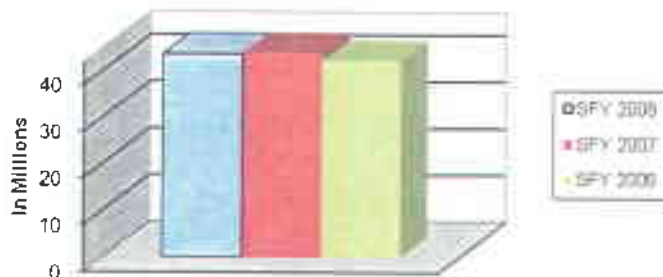
III. Financial Activity

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

The average annualized claims cost per child for the month ended September 2008 was \$1,863.

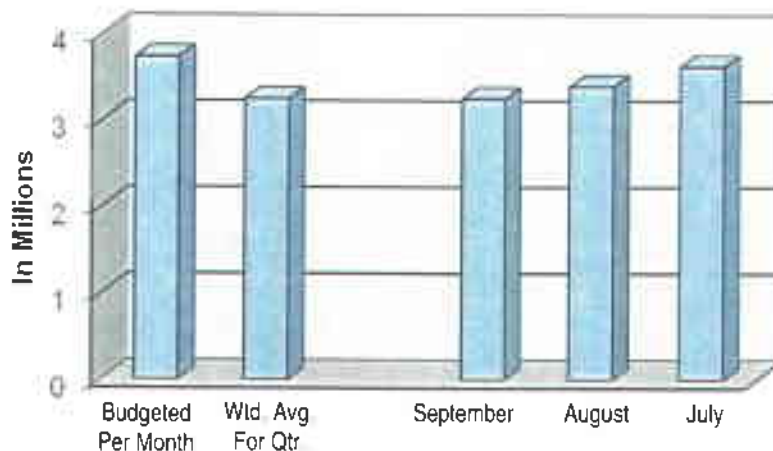
Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008

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



Monthly Budgeted and Current 3 Month Period: July 2008 – September 2008

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			September 2008	August 2008	July 2008
Federal	3,028,695	2,663,382	2,237,769	2,781,030	2,971,347
State	706,285	585,437	491,883	611,297	653,131
Total	3,734,980	3,248,819	2,729,652	3,392,328	3,624,478



Department of Administration Leasing Report For
The Period of October 1, 2008 through November 12, 2008
NEW CONTRACT OF LEASE

**EDUCATION AND STATE EMPLOYEES GRIEVANCE
BOARD**

EGB-013 New contract of lease for 3 years with two (2) three (3) year option to renew containing 1,932 square feet of office space at the PSF rate of \$12.00, full service, with Commercial Land Development, Inc., in the City of West Over, Monongalia County.

PUBLIC EMPLOYEES INSURANCE AGENCY

PEI-003 New contract of lease for 5 years containing 17,962 square feet of office space at the PSF rate of \$16.68, full service, with the Department of Administration, in the City of Charleston, Kanawha County.

PUBLIC DEFENDER SERVICE

PLS-002 New contract of lease for 5 years containing 4,658 square feet of office space at the PSF rate of \$12.00, full service, with S.A.A.C., LLC, in the City of Charleston, Kanawha County.

STRAIGHT RENEWALS

DIVISION OF NATURAL RESOURCES

NAT-124 Renewal for 3 years consisting of one (1) covered boat slip at the current monthly rate of \$185.00, full service, with Lou Wendell Marine, in the City of St. Albans, Kanawha County.

STRAIGHT RENEWALS CONTINUED

STATE TAX DEPARTMENT

TAX-050 Renewal for 1 year consisting of 2,671 square feet of office space at the current PSF rate of \$13.00, full service, with the Department of Administration, in the City of Charleston, Kanawha County.

DIVISION OF REHABILITATION SERVICES

DRS-030 Renewal for 3 years consisting of 1,512 square feet of office space at the current PSF rate of \$5.95, full service except janitorial, with C.C. Phillips Jr. and Betty Jo Phillips, in the City of Mullens, Wyoming County.

WORKFORCE WEST VIRGINIA

WWV-004 Renewal for 1 year consisting of 11,534 square feet of office space at the current PSF rate of \$13.00, full service, with the Department of Administration, in the City of Charleston, Kanawha County.

STATE RAIL AUTHORITY

SRA-003 Renewal for 1 year consisting of 1,512 square feet of office space at the current PSF rate of \$6.43, full service, with the City of Martinsburg, Berkeley County.

STRAIGHT RENEWALS CONTINUED

EDUCATION AND STATE EMPLOYEES GRIEVANCE BOARD

EGB-009 Extend lease for 1 month to allow for renovations at new location consisting of 11,534 square feet, at the PSF rate of \$12.00, full service, with Commercial Land Development, Inc., in the City of Morgantown, Monongalia County.

DECREASE SQUARE FOOTAGE

INSURANCE COMMISSION

INS-017 Decrease square footage from 26,609 square feet to 26,305 square feet of office and storage space, at the current PSF rate of \$11.60, full service, with S.A.A.C., LLC in the City of Charleston, Kanawha County.

INSURANCE COMMISSION

INS-011 Decrease square footage from 20,062 square feet to 13,425 square feet of office space, at the current PSF rate of \$11.50, with S.A.A.C., LLC in the City of Charleston, Kanawha County.

Department of Environmental Protection

DEP-160-SUB Decrease square footage from 180,393 square feet to 162,701 square feet of office space, at the PSF rate of \$16.68, with the Department of Administration, in the City of Charleston, Kanawha County.

INCREASE SQUARE FOOTAGE

WORKFORCE WEST VIRGINIA

WWV-010 Increase square footage from 1,114 square feet to 1,376 square feet of office space, at the current PSF rate of \$11.00, full service, with Aide's Discount Stores, Inc., in the City of Fairlea, Greenbriar County.

Joint Committee on Government and Finance

November 2008

**Department of Health and Human
Resources**

MEDICAID REPORT

August 2008 Data

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

MONTH OF AUGUST 2008	ACTUALS	TOTAL	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	SFY2008	SFY2009	Current Month Ended 08/31/08	Current Month Aug-08	Year To-Date Thru 08/31/08	09/01/08 Thru 08/30/08
EXPENDITURES:						
Inpatient Hospital Services	224,743,060	233,875,834	11,372,785	12,288,310	41,732,748	181,842,888
Inpatient Hospital Services - DSH Adjustment Payments	55,868,017	57,752,400	14,438,100	13,572,406	13,572,406	44,179,895
Mental Health Facilities	44,424,886	47,803,433	3,080,307	3,117,841	8,111,082	39,482,371
Mental Health Facilities - DSH Adjustment Payments	18,758,880	18,774,000	4,693,500	4,847,212	4,847,212	14,128,788
Nursing Facility Services	431,721,537	481,013,785	38,445,475	38,728,733	82,382,914	378,830,871
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	58,149,889	68,050,810	6,203,874	5,528,478	11,013,788	52,037,021
Physicians Services	122,789,471	126,182,523	7,267,415	8,585,245	23,926,209	101,236,314
Outpatient Hospital Services	104,588,493	111,471,368	7,210,315	8,323,691	19,294,282	92,177,084
Prescribed Drugs ***	337,815,180	353,600,438	22,919,289	23,720,348	58,687,441	268,912,995
Drug Rebate Offset - National Agreement	(107,877,804)	(102,165,200)	(2,528,040)	(528,419)	(22,584,835)	(79,570,565)
Drug Rebate Offset - State Schedule Agreement	(28,028,517)	(31,823,600)	(781,895)	(159,085)	(1,710,117)	(28,813,483)
Dental Services ***	37,977,318	42,380,582	2,742,449	2,798,183	6,149,892	38,230,670
Other Practitioners Services	28,858,342	28,893,748	1,882,892	1,832,187	3,888,888	25,208,880
Clinic Services	38,381,528	34,754,933	2,248,534	2,749,695	8,783,889	24,971,244
Lab & Radiological Services	8,222,298	8,200,885	588,871	685,349	1,664,373	7,638,512
Home Health Services	29,970,379	31,950,050	2,078,984	2,068,411	6,937,088	28,012,881
Hysterectomies/Sterilizations	515,828	520,120	33,848	42,048	113,038	407,082
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	2,418,032	2,843,119	180,314	188,859	405,540	2,537,679
Rural Health Clinic Services	8,710,171	7,433,055	481,738	478,863	1,111,784	6,321,291
Medicare Health Insurance Payments - Part A Premiums	17,124,133	18,671,400	1,555,950	1,430,320	2,895,680	15,805,710
Medicare Health Insurance Payments - Part B Premiums	67,880,223	75,481,100	8,288,425	5,846,883	11,713,330	63,747,770
120% - 134% Of Poverty	4,004,182	-	-	385,638	724,832	(724,832)
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	-	-	-	-
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	257,013,357	287,842,700	22,328,558	22,530,109	48,880,546	216,082,154
Medicaid Health Insurance Payments: Group Health Plan Payments	338,298	465,200	30,089	30,158	82,117	403,083
Home & Community-Based Services (MR/DD)	218,374,534	280,704,840	18,850,813	19,840,455	37,717,431	222,987,208
Home & Community-Based Services (Aged/Disabled)	86,832,881	88,558,233	5,723,911	5,476,584	12,443,841	78,112,592
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services	37,789,505	42,173,550	2,728,012	2,825,173	6,402,880	35,770,670
Targeted Case Management Services	6,438,815	7,817,808	507,211	343,161	744,930	7,072,676
Primary Care Case Management Services	718,208	810,500	82,387	58,583	113,181	687,319
Hospice Benefits	12,393,108	13,480,400	870,025	1,001,171	2,188,393	11,274,007
Emergency Services Undocumented Aliens	-	-	-	-	-	-
Federally Qualified Health Center	17,476,447	18,889,888	1,268,622	1,120,427	2,857,773	16,728,923
Other Care Services	121,772,850	137,481,167	8,914,864	11,281,232	24,388,341	113,112,828
Less: Recoupments	-	-	-	(577,836)	(682,855)	682,855
NET EXPENDITURES:	2,238,331,734	2,429,523,252	188,725,683	200,100,218	417,193,773	2,012,329,479

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

MONTH OF AUGUST 2008	ACTUALS	TOTAL	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	SFY2008	SFY2008	Current Month Ended 08/31/08	Current Month Aug-08	Year To-Date Thru 08/31/08	09/01/08 Thru 08/30/09
Collections: Third Party Liability (Line 0A on CMS-84)	(4,595,459)	-	-	-	-	-
Collections: Probate (Line 0B on CMS-84)	(178,773)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (Line 0C on CMS-84)	(198,810)	-	-	-	-	-
Collections: Other (Line 0D on CMS-84)	(4,109,827)	-	-	-	-	-
NET EXPENDITURES and CMS-84 ADJUSTMENTS:	2,229,251,266	2,429,523,262	186,726,683	200,100,216	417,193,773	2,012,329,479
Plus: Medicaid Part D Expenditures	29,322,509	29,888,500	1,937,041	2,418,816	4,823,881	25,144,819
Plus: State Only Medicaid Expenditures	4,078,869	3,634,895	279,807	271,293	788,372	2,848,523
TOTAL MEDICAID EXPENDITURES	2,262,652,644	\$2,463,123,647	190,942,331	\$202,780,286	\$422,806,025	\$2,040,320,822
Plus: Reimbursables ⁽¹⁾	3,830,907	4,042,671	310,876	321,513	702,893	3,339,876
TOTAL EXPENDITURES	\$2,299,483,550	\$2,467,166,318	\$191,253,306	\$203,111,809	\$423,508,718	\$2,043,660,600

(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.

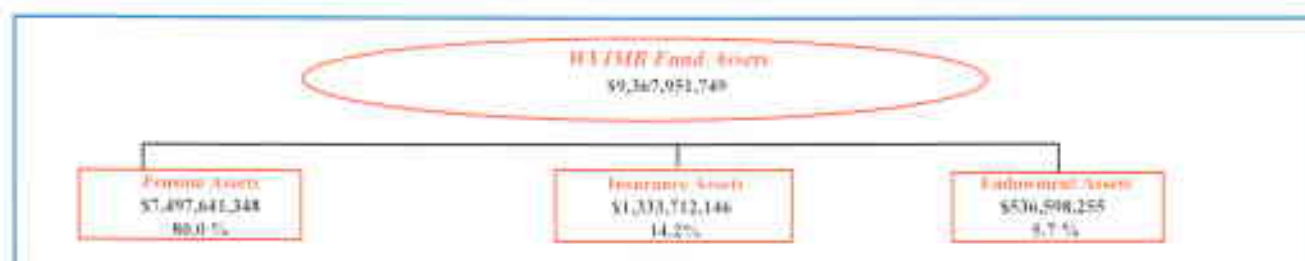
WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2008

MONTH OF AUGUST 2008

	ACTUALS SFY2008	ACTUALS Current Month Ended 8/31/08	ACTUALS Year-To-Date Thru 8/31/08	PROJECTED 9/1/2008 Thru 06/30/09	TOTAL SFY2009
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	26,493,079	20,816,461	\$34,933,055	\$0	\$34,933,055
MATCHING FUNDS					
General Revenue (0403/189)	393,705,687	26,247,046	52,494,092	341,211,595	393,705,687
Rural Hospitals Under 150 Beds (0403/940)	2,596,001	216,333	432,667	2,163,333	2,596,000
Tertiary Funding (0403/547)	4,856,000	404,697	809,334	4,046,666	4,856,000
Lottery Waiver (Less 550,000) (6406/539)	23,272,578		6,450,000	16,922,578	23,372,578
Lottery Transfer (5406/674)	10,300,000		2,500,000	7,800,000	10,300,000
Trust Fund Appropriation (5186/189)	14,337,873		0	30,558,594	30,558,594
Provider Tax (5090/189)	171,383,668	14,773,145	26,800,000	138,880,004	165,660,004
Certified Match	19,347,764	1,847,856	5,772,303	17,433,895	23,206,998
Reimbursables - Amount Reimbursed	3,721,481	468,427	858,401	3,186,270	4,042,671
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4011	301,154	33,022	59,717	(59,717)	0
CMS - 64 Adjustments	(5,968,538)		0		0
TOTAL MATCHING FUNDS	684,346,748	\$64,806,956	\$131,107,569	\$562,121,019	\$693,228,587
FEDERAL FUNDS	1,630,783,428	\$145,238,193	\$298,848,799	\$1,500,425,042	\$1,799,274,841
TOTAL REVENUE SOURCES	2,285,130,176	\$210,044,150	\$429,957,368	\$2,062,546,061	\$2,492,503,429
TOTAL EXPENDITURES:					
Provider Payments	2,266,483,550	\$203,111,809	\$423,508,718	\$2,043,660,600	\$2,467,189,318
TOTAL	28,646,626	\$6,932,341	\$6,448,950		\$25,334,111

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

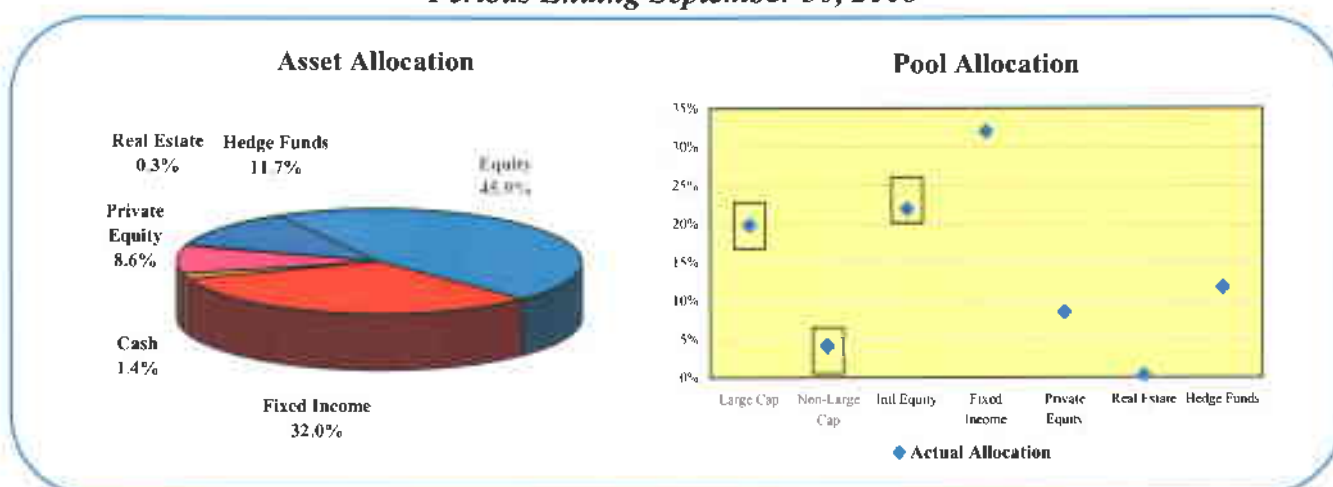
West Virginia Investment Management Board
Periods Ending September 30, 2008



EVA02A	Asset Values	Month Investment Earnings	Month						
			Month	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Participant Plans¹									
<u>Pension Assets</u>									
Public Employees' Retirement System	53,494,197,877	(\$343,335,955)	(8.9)%	(10.7)%	(16.3)%	(17.0)%	1.0%	5.8%	4.7%
Teachers' Retirement System	3,352,599,088	(329,699,773)	(8.9)%	(10.7)%	(17.2)%	(18.0)%	0.6%	5.5%	4.5%
Teachers' Employers Cont. Collection A/C	24,067,244	42,480	0.2%	0.6%	2.0%	3.3%	N/A	N/A	N/A
EMS Retirement System	14,609,265	(1,379,585)	(8.7)%	(10.4)%	N/A	N/A	N/A	N/A	N/A
Public Safety Retirement System	405,022,073	(39,664,334)	(8.9)%	(10.6)%	(16.3)%	(17.1)%	0.9%	5.7%	4.8%
Judges' Retirement System	89,045,865	(8,624,387)	(8.8)%	(10.5)%	(16.2)%	(17.0)%	1.0%	5.7%	4.7%
State Police Retirement System	38,114,929	(3,653,488)	(8.8)%	(10.4)%	(16.0)%	(16.8)%	1.0%	5.7%	4.6%
Deputy Sheriffs' Retirement System	79,985,007	(7,738,547)	(8.8)%	(10.5)%	(16.2)%	(17.0)%	1.0%	5.7%	4.6%
<u>Insurance Assets</u>									
Workers' Compensation Old Fund	686,155,797	(50,595,542)	(6.8)%	(8.0)%	(10.8)%	(10.4)%	N/A	N/A	N/A
Workers' Comp. Self-Insured Guaranty Risk Pool	5,486,348	10,275	0.2%	0.6%	2.1%	3.3%	N/A	N/A	N/A
Workers' Comp. Uninsured Employers Fund	8,244,616	15,401	0.2%	0.6%	2.1%	3.3%	N/A	N/A	N/A
Pneumoconiosis	233,295,535	(15,484,579)	(6.2)%	(7.6)%	(9.7)%	(8.9)%	N/A	N/A	N/A
Board of Risk & Insurance Mgmt.	100,672,990	(7,040,894)	(6.5)%	(7.9)%	(10.1)%	(9.3)%	1.2%	N/A	N/A
Public Employees' Insurance Agency	113,359,532	(7,238,835)	(6.0)%	(7.4)%	(8.9)%	(7.9)%	1.5%	N/A	N/A
WV Retiree Health Benefit Trust Fund	186,497,328	(9,940,835)	(5.1)%	(6.0)%	N/A	N/A	N/A	N/A	N/A
<u>Endowment Assets</u>									
Wildlife Fund	31,207,812	(3,141,223)	(9.2)%	(10.9)%	(16.4)%	(17.1)%	0.8%	5.7%	5.5%
Prepaid Tuition Trust	81,016,683	(7,990,472)	(9.0)%	(10.8)%	(16.2)%	(16.9)%	1.0%	5.7%	N/A
Prepaid Tuition Trust Escrow	2,378,227	(117,931)	(4.7)%	(5.6)%	(6.1)%	(4.4)%	1.6%	N/A	N/A
Revenue Shortfall Reserve Fund	176,492,825	(18,076,358)	(9.3)%	(11.2)%	(16.5)%	(17.2)%	N/A	N/A	N/A
Revenue Shortfall Reserve Fund - Part B	245,502,708	(25,354,010)	(9.4)%	(11.4)%	(16.8)%	(17.5)%	N/A	N/A	N/A

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

WVIMB Investment Pools
Periods Ending September 30, 2008



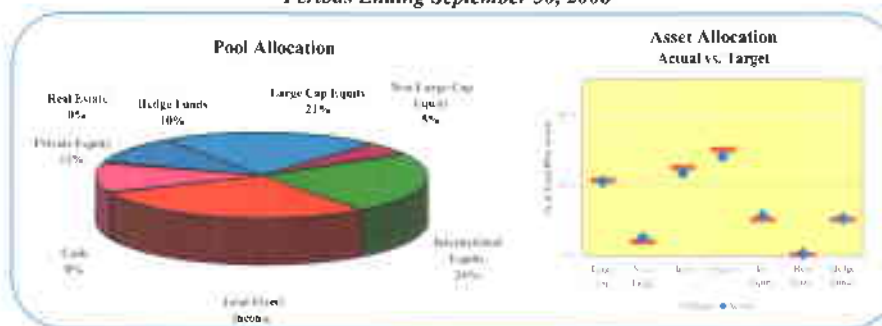
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity							
Large Cap S&P 500	\$1,859,641	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	(0.1)% 0.2%	5.4% 5.2%
Non-Large Cap Equity							
Total Non-Large Cap Russell 2500	\$386,710	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	0.3% 0.9%	8.7% 8.1%
Total Domestic Equity Russell 3000	\$2,246,351	(9.3)% (9.4)%	(9.6)% (8.7)%	(18.3)% (18.8)%	(20.1)% (21.5)%	0.0% 0.3%	6.7% 5.7%
International Equity							
Total International MSCI All Country World Free EX US	\$2,055,614	(14.7)% (15.0)%	(19.5)% (21.8)%	(27.9)% (29.5)%	(30.5)% (30.0)%	1.9% 3.1%	9.8% 11.8%
Total Global Equity Global Index ¹	\$4,301,964	(11.9)% (12.2)%	(14.6)% (15.4)%	(23.5)% (24.3)%	(25.5)% (26.4)%	(0.0)% (0.0)%	7.3% 7.2%
Fixed Income							
Total Fixed Income Fixed Income Index ²	\$2,998,975	(4.5)% (1.9)%	(5.6)% (1.2)%	(6.1)% 0.2%	(4.4)% 3.2%	1.7% 4.0%	2.9% 3.7%
Cash							
Short Term Salomon 90 Day T-Bill + 15 bps	\$134,551	0.2% 0.2%	0.6% 0.5%	2.1% 1.7%	3.4% 2.7%	4.5% 4.1%	3.5% 3.3%
Private Equity ³	\$806,827	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate ³	\$29,972	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$1,098,369	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Investment Pools	\$9,370,659						

¹Policy is 50% R3000 and 50% MSCI ACW Free EX US as of April 2008. Prior periods were 40% S&P 500, 30% R2500, 30% MSCI ACW Free EX US

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

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

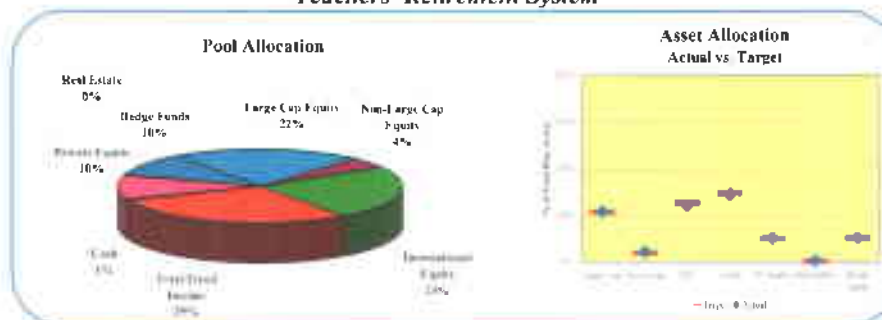
Public Employees' Retirement System
Periods Ending September 30, 2008



Investment Pools

	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$735,700	(9.2)% (8.9)%	(9.2)% (8.1)%	(19.6)% (19.3)%	(20.8)% (22.1)%	(0.1)% (2.2)%	5.4% 5.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$172,441	(9.5)% (9.6)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	(0.3)% (0.9)%	8.7% 8.1%
Domestic Equity	\$908,142	(9.2)%	(9.6)%	(18.4)%	(20.2)%	(0.1)%	6.7%
International Equity <i>MSCI All Country World Free EX US</i>	\$819,647	(14.7)% (13.0)%	(19.4)% (21.8)%	(27.8)% (29.5)%	(30.4)% (33.0)%	1.9% 3.1%	9.8% 21.8%
Global Equity	\$1,727,785	(13.0)%	(14.4)%	(23.3)%	(25.4)%	(0.1)%	7.3%
Total Fixed Income <i>Fixed Income Index</i>	\$985,715	(8.0)% (8.0)%	(5.6)% (1.2)%	(6.1)% (1.2)%	(4.4)% (3.2)%	1.6% 1.0%	2.9% 3.7%
Cash <i>Solomon 90 Day T-Bill + 15 bps</i>	\$12,935	(0.2)% (0.2)%	0.6% (1.5)%	2.1% 1.0%	3.4% 2.7%	4.5% 4.1%	3.5% 3.3%
Private Equity	\$391,309	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$14,864	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$361,591	(4.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Public Employees' Fund	\$3,494,198	(8.0)%	(10.7)%	(16.3)%	(17.0)%	1.0%	5.8%

Teachers' Retirement System

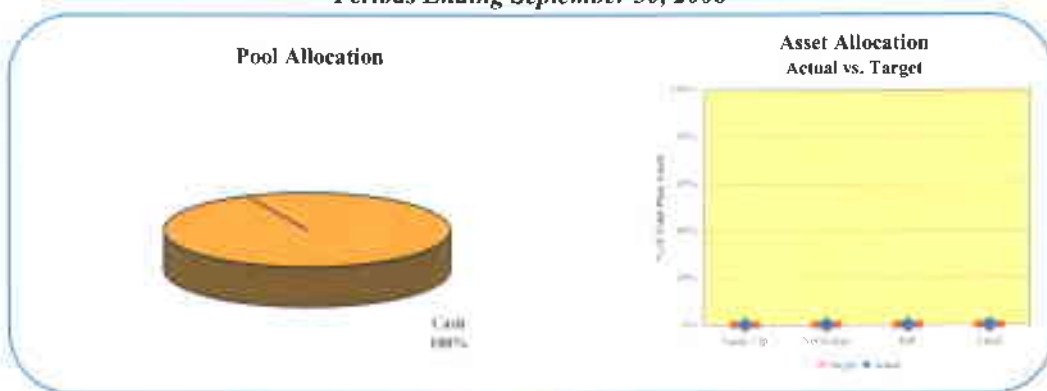


Investment Pools

	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$721,728	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	(0.1)% (2.2)%	5.4% 5.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$144,772	(9.5)% (9.5)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	(0.3)% (0.9)%	8.7% 8.1%
Domestic Equity	\$866,501	(9.2)%	(9.5)%	(18.3)%	(20.1)%	(0.0)%	6.6%
International Equity <i>MSCI All Country World Free EX US</i>	\$801,509	(14.7)% (13.0)%	(19.7)% (21.8)%	(28.1)% (29.5)%	(30.8)% (33.0)%	1.7% 3.1%	9.7% 11.8%
Global Equity	\$1,668,010	(11.9)%	(14.9)%	(23.8)%	(25.9)%	(0.3)%	7.1%
Total Fixed Income <i>Fixed Income Index</i>	\$956,156	(4.5)% (1.0)%	(5.7)% (1.2)%	(6.4)% (1.2)%	(4.7)% (3.2)%	1.5% 1.0%	2.8% 3.7%
Cash <i>Solomon 90 Day T-Bill + 15 bps</i>	\$19,714	(0.2)% (0.2)%	0.6% (1.5)%	2.1% 1.0%	3.4% 2.7%	4.5% 4.1%	3.5% 3.3%
Private Equity	\$345,175	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$12,434	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$349,110	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Teachers' Retirement Fund	\$3,352,509	(8.9)%	(10.7)%	(17.2)%	(18.0)%	(0.6)%	5.5%

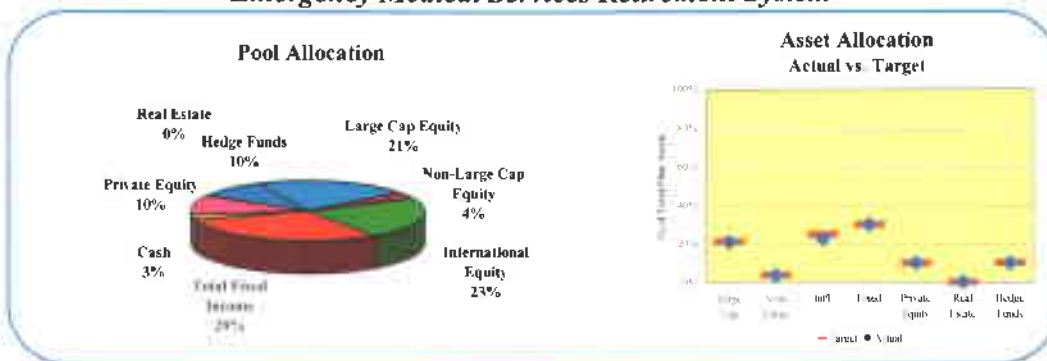
Returns are net of manager fees and expenses. Returns shorter than 1 year are annualized.

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



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$24,067	0.2%	0.6%	2.0%	3.3%	N/A	N/A
		0.2%	0.5%	1.7%	2.7%	4.1%	3.3%
Total Teachers' Employers	\$24,067	0.2%	0.6%	2.0%	3.3%	N/A	N/A

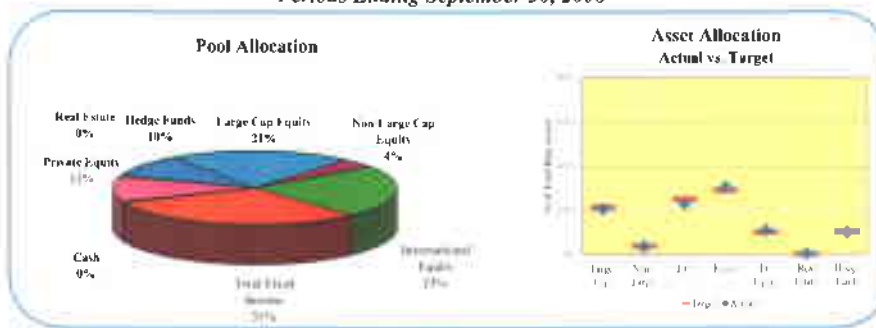
Emergency Medical Services Retirement System



Investment Pools	Asset Values (000's)	Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$3,068	(9.2)%	(9.2)%	N/A	N/A	N/A	N/A
		(8.9)%	(8.4)%	(19.3)%	(22.0)%	0.2%	5.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$535	(9.5)%	(10.8)%	N/A	N/A	N/A	N/A
		(9.9)%	(6.7)%	(14.3)%	(18.0)%	0.9%	8.1%
Domestic Equity	\$3,603	(9.2)%	(9.3)%	N/A	N/A	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$3,298	(14.6)%	(19.1)%	N/A	N/A	N/A	N/A
		(15.0)%	(21.8)%	(29.5)%	(30.0)%	3.1%	11.8%
Global Equity	\$6,901	(11.9)%	(14.1)%	N/A	N/A	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$4,375	(4.5)%	(5.6)%	N/A	N/A	N/A	N/A
		(1.9)%	(1.2)%	0.2%	3.2%	4.0%	3.0%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$406	0.2%	0.6%	N/A	N/A	N/A	N/A
		0.2%	0.5%	1.7%	2.7%	4.1%	3.3%
Private Equity	\$1,459	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$32	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$1,437	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total EMS Retirement System	\$14,609	(8.7)%	(10.4)%	N/A	N/A	N/A	N/A

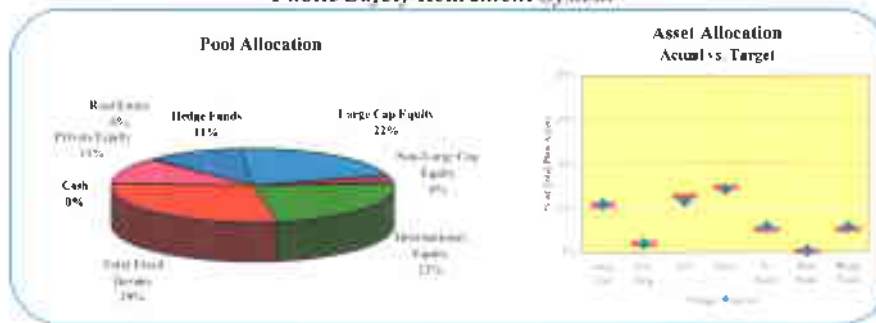
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Judges' Retirement System
Periods Ending September 30, 2008



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$18,537	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	(0.1)% (0.2)%	5.4% 5.2%
Non Large Cap Equity <i>Russell 2500</i>	\$3,367	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (13.6)%	(18.3)% (18.0)%	0.3% (0.0)%	8.7% 8.1%
Domestic Equity	\$21,903	(9.2)%	(9.3)%	(18.3)%	(20.1)%	(0.0)%	6.6%
International Equity <i>MSCI All Country World Free EX US</i>	\$20,645	(14.6)% (15.0)%	(19.4)% (21.8)%	(27.8)% (28.5)%	(30.4)% (30.0)%	1.9% 3.1%	9.8% 11.8%
Global Equity	\$42,548	(11.9)%	(14.3)%	(23.4)%	(25.5)%	(0.1)%	7.2%
Total Fixed Income <i>Fixed Income Index</i>	\$27,057	(4.5)% (1.9)%	(5.6)% (1.2)%	(6.1)% (0.2)%	(4.4)% (3.2)%	1.6% (0.1)%	2.0% 3.7%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$376	0.2% (0.2)%	0.6% (0.5)%	2.1% (1.3)%	1.4% (2.7)%	4.5% (1.1)%	3.5% 3.3%
Private Equity	\$9,726	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$365	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$8,974	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Judges' Pension Fund	\$89,046	(8.8)%	(11.5)%	(16.2)%	(17.0)%	1.0%	5.7%

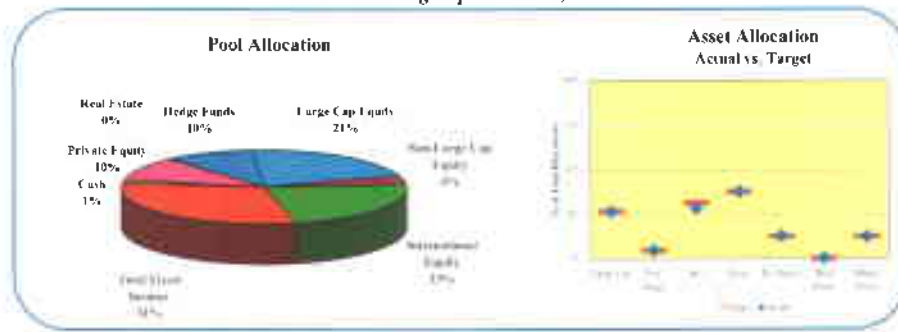
Public Safety Retirement System



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$87,404	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	(0.1)% (0.2)%	5.4% 5.2%
Non Large Cap Equity <i>Russell 2500</i>	\$15,363	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (13.6)%	(18.3)% (18.0)%	0.3% (0.0)%	8.7% 8.1%
Domestic Equity	\$102,767	(9.2)%	(9.3)%	(18.3)%	(20.1)%	(0.0)%	6.6%
International Equity <i>MSCI All Country World Free EX US</i>	\$94,005	(14.6)% (15.0)%	(19.3)% (21.8)%	(27.7)% (28.5)%	(30.3)% (30.0)%	1.9% 3.1%	10.0% 11.8%
Global Equity	\$196,772	(11.9)%	(14.2)%	(23.3)%	(25.4)%	(0.1)%	7.2%
Total Fixed Income <i>Fixed Income Index</i>	\$115,303	(4.5)% (1.9)%	(5.6)% (1.2)%	(6.1)% (0.2)%	(4.4)% (3.2)%	1.7% (0.1)%	2.9% 3.7%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$320	0.2% (0.2)%	0.6% (0.5)%	2.1% (1.3)%	1.4% (2.7)%	4.5% (1.1)%	3.5% 3.3%
Private Equity	\$46,306	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$1,734	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$44,587	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Public Safety System	\$405,022	(8.9)%	(11.6)%	(16.3)%	(17.1)%	0.9%	5.7%

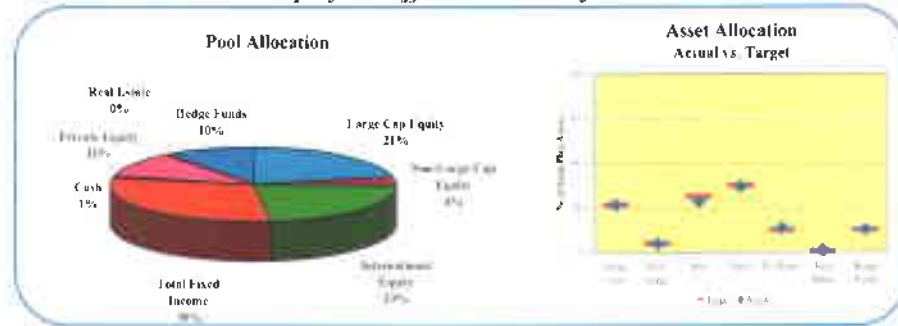
Returns are net of manager fees and expenses. Returns shorter than 1 year are annualized.

State Police Retirement System
Periods Ending September 30, 2008



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$8,094	(9.2)% (8.9)%	(9.2)% (8.9)%	(18.8)% (18.8)%	(20.8)% (22.0)%	(0.1)% (0.2)%	5.4% 8.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$1,417	(9.5)% (9.5)%	(10.5)% (10.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	0.3% (0.8)%	8.7% 8.1%
Domestic Equity	\$9,510	(9.2)%	(9.3)%	(18.8)%	(20.1)%	(0.0)%	6.6%
International Equity <i>MSCI All Country World Free FX US</i>	\$8,701	(11.0)% (10.0)%	(19.4)% (17.8)%	(27.8)% (29.1)%	(30.4)% (30.2)%	1.9% 3.2%	9.8% 11.8%
Global Equity	\$18,212	(11.0)% (11.0)%	(14.2)% (14.2)%	(27.8)% (27.8)%	(28.3)% (28.3)%	(0.0)% (0.0)%	7.2% 7.2%
Total Fixed Income <i>Fixed Income Index</i>	\$11,519	(4.5)% (4.5)%	(5.6)% (5.6)%	(6.1)% (6.1)%	(4.4)% (4.4)%	1.6% 2.0%	2.9% 3.3%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$501	0.2% (0.2)%	0.6% (.5)%	2.1% (0.7)%	3.4% (2.7)%	4.5% (4.1)%	3.5% 3.3%
Private Equity	\$3,943	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$151	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$3,789	(1.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total State Police Pension Fund	\$38,118	(10.3)%	(10.4)%	(18.0)%	(16.8)%	1.0%	5.7%

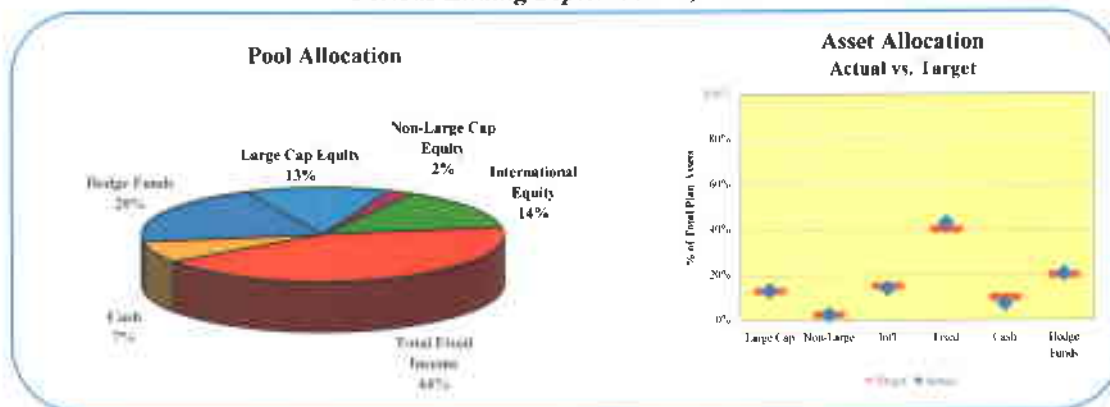
Deputy Sheriffs' Retirement System



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$17,125	(9.2)% (8.9)%	(9.2)% (8.9)%	(19.6)% (19.3)%	(20.8)% (22.0)%	(0.1)% (0.2)%	5.4% 8.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$3,004	(9.5)% (9.5)%	(10.8)% (10.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	0.3% (0.8)%	8.7% 8.1%
Domestic Equity	\$20,130	(9.2)%	(9.3)%	(18.3)%	(20.1)%	(0.0)%	6.6%
International Equity <i>MSCI All Country World Free FX US</i>	\$18,414	(11.6)% (10.0)%	(19.3)% (17.8)%	(27.7)% (29.5)%	(30.4)% (30.2)%	1.9% 3.1%	9.8% 11.8%
Global Equity	\$38,544	(11.9)% (11.9)%	(11.2)% (11.2)%	(23.3)% (23.3)%	(25.3)% (25.3)%	(0.0)% (0.0)%	7.2% 7.2%
Total Fixed Income <i>Fixed Income Index</i>	\$23,665	(4.5)% (4.5)%	(5.6)% (5.6)%	(6.1)% (6.1)%	(4.4)% (4.4)%	1.6% 2.0%	2.9% 3.3%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$679	0.2% (0.2)%	0.6% (.5)%	2.1% (0.7)%	3.4% (2.7)%	4.5% (4.1)%	3.5% 3.3%
Private Equity	\$8,754	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	\$331	N/A	N/A	N/A	N/A	N/A	N/A
Hedge Funds	\$8,013	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Deputy Sheriffs' Fund	\$79,955	(8.8)%	(10.5)%	(16.2)%	(17.0)%	1.0%	5.7%

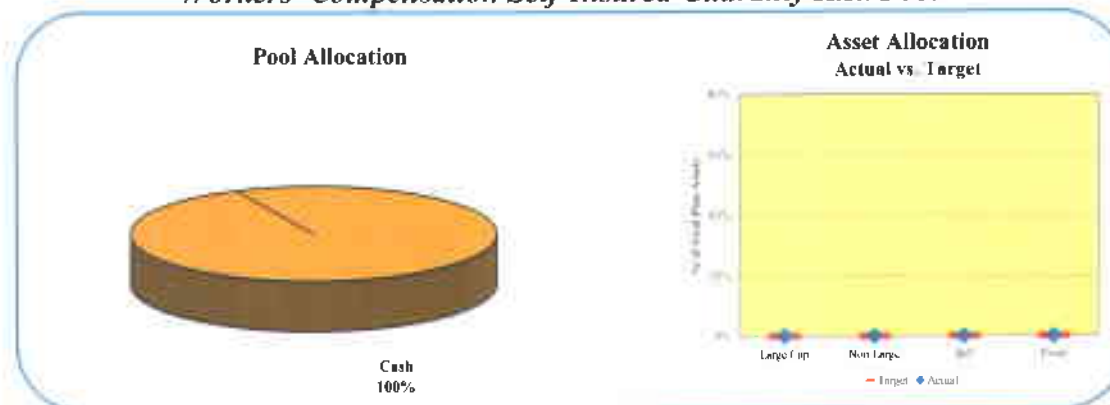
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Workers' Compensation Old Fund Periods Ending September 30, 2008



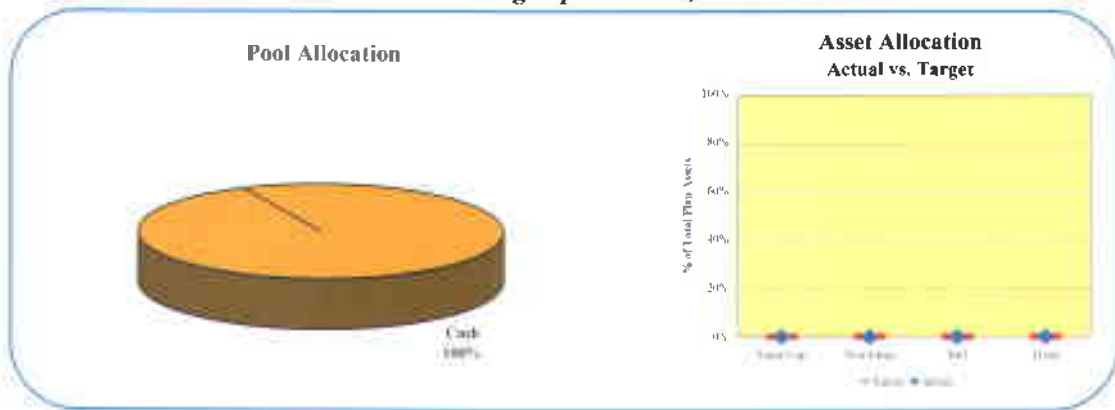
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$89,855	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	N/A 0.2%	N/A 5.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$15,608	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	N/A 0.9%	N/A 8.1%
Domestic Equity	\$105,464	(9.2)%	(9.3)%	(17.7)%	(19.6)%	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$96,370	(14.7)% (15.0)%	(19.6)% (21.8)%	(28.1)% (29.5)%	(30.7)% (30.0)%	N/A 3.1%	N/A 11.8%
Global Equity	\$201,833	(11.9)%	(14.0)%	(22.7)%	(24.8)%	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$293,849	(4.5)% (1.9)%	(5.5)% (1.2)%	(5.9)% (0.2)%	(4.3)% (3.2)%	N/A 4.0%	N/A 3.7%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$49,834	0.2% (0.2)%	0.6% (0.5)%	2.1% (1.7)%	3.4% (2.7)%	N/A 4.1%	N/A 3.3%
Hedge Funds	\$140,639	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Workers' Comp. Old Fund	\$686,156	(6.8)%	(8.0)%	(10.8)%	(10.4)%	N/A	N/A

Workers' Compensation Self-Insured Guaranty Risk Pool



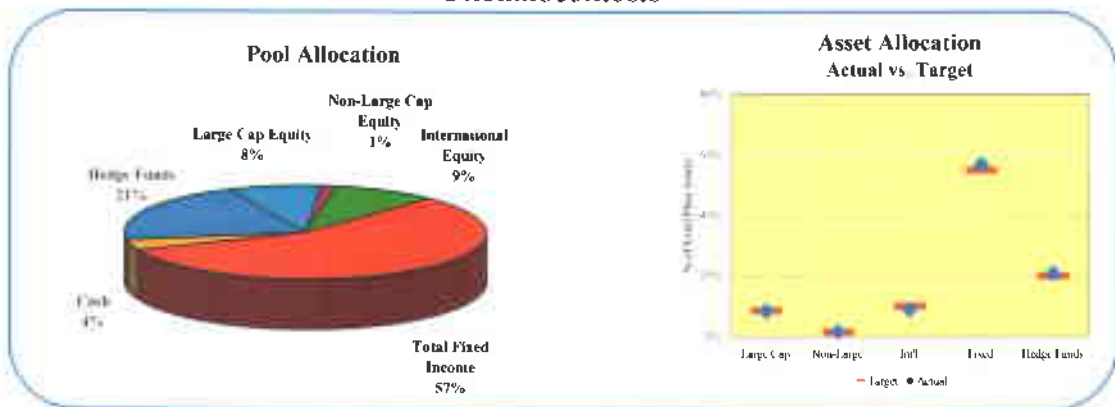
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$5,486	0.2% (0.2)%	0.6% (0.5)%	2.1% (1.7)%	3.3% (2.7)%	N/A 4.1%	N/A 3.3%
Total Workers' Comp. Self-Insured	\$5,486	0.2%	0.6%	2.1%	3.3%	N/A	N/A

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



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Cash	\$8,245	0.2%	0.6%	2.1%	3.3%	N/A	N/A
Salomon 90 Day T-Bill + 15 bps		0.2%	0.5%	1.7%	2.7%	4.1%	3.3%
Total Workers' Comp. Uninsured	\$8,245	0.2%	0.6%	2.1%	3.3%	N/A	N/A

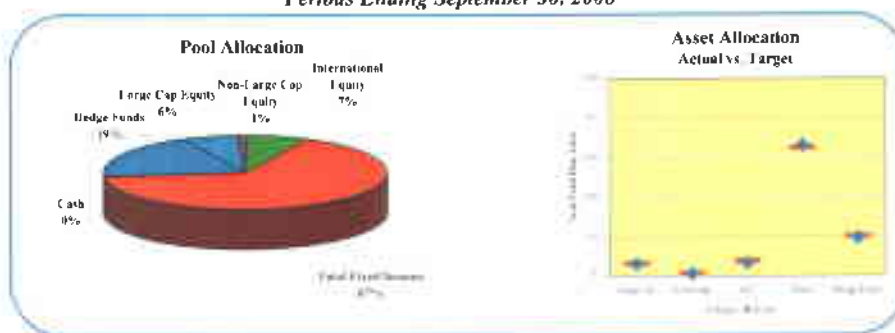
Pneumoconiosis



Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$19,564	(9.2)% (8.9)%	(9.2)% (8.4)%	(19.6)% (19.3)%	(20.8)% (22.0)%	N/A 0.2%	N/A 5.2%
Non-Large Cap Equity Russell 2500	\$3,437	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (18.0)%	N/A 0.9%	N/A 8.1%
Domestic Equity	\$23,001	(9.2)%	(9.3)%	(17.8)%	(19.7)%	N/A	N/A
International Equity MSCI All Country World Free FX US	\$21,040	(14.7)% (15.0)%	(19.5)% (21.8)%	(28.0)% (29.5)%	(30.6)% (30.0)%	N/A 3.1%	N/A 11.8%
Global Equity	\$44,041	(11.9)%	(14.1)%	(22.7)%	(24.9)%	N/A	N/A
Total Fixed Income Fixed Income Index	\$132,334	(4.5)% (1.9)%	(5.5)% (1.2)%	(5.9)% 0.2%	(4.3)% 3.2%	N/A 4.0%	N/A 3.7%
Cash Salomon 90 Day T-Bill + 15 bps	\$8,342	0.2% 0.2%	0.6% 0.5%	2.1% 1.7%	3.4% 2.7%	N/A 4.1%	N/A 3.3%
Hedge Funds	\$48,579	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Pneumoconiosis Fund	\$233,296	(6.2)%	(7.6)%	(9.7)%	(8.9)%	N/A	N/A

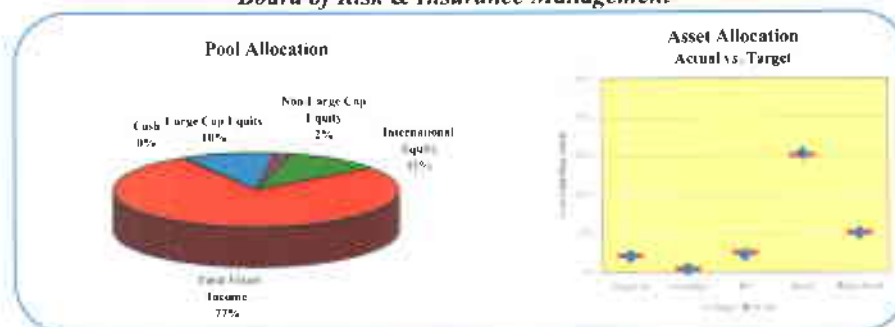
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

Public Employees' Insurance Agency
Periods Ending September 30, 2008



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$7,072	(9.2)% 75.3%	(9.2)% 18.1%	(19.6)% (19.3)%	(20.0)% 22.0%	(0.1)% 0.2%	N/A 5.2%
Non-Large Cap Equity Russell 2500	\$1,240	(9.5)% 19.3%	(10.8)% 16.7%	(15.2)% (14.3)%	(9.9)% 16.0%	0.1% 0.0%	N/A 5.1%
Domestic Equity	\$8,313	(9.2)%	(9.3)%	(17.7)%	(17.0)%	0.2%	N/A
International Equity MSCI All Country World Free EX US	\$7,599	(14.7)% 115.0%	(19.3)% 120.8%	(27.7)% (29.5)%	(10.1)% 16.0%	-2.1% 5.1%	N/A 11.5%
Global Equity	\$15,912	(11.9)%	(14.0)%	(22.6)%	(22.7)%	0.3%	N/A
Total Fixed Income Fixed Income Index	\$75,059	(4.5)% 10.0%	(5.5)% 11.2%	(6.0)% 0.2%	(4.7)% 12.2%	1.7% 1.0%	N/A 3.7%
Cash Salomon 90 Day T-Bill + 15 bps	\$310	0.2% 0.2%	0.6% 0.5%	2.1% 1.7%	3.1% 2.7%	N/A 1.1%	N/A 3.3%
Hedge Funds	\$22,080	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Public Employees' Fund	\$113,360	(6.0)%	(7.4)%	(8.9)%	(7.9)%	1.5%	N/A

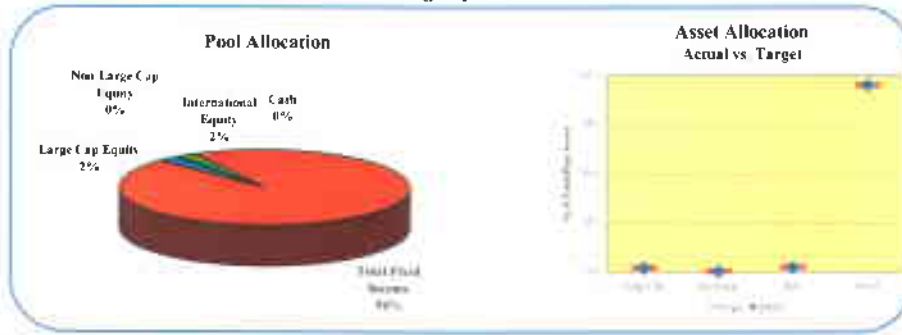
Board of Risk & Insurance Management



Investment Pools	Asset Values (MM\$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity S&P 500	\$8,407	(9.2)% 75.3%	(9.2)% 18.1%	(19.6)% (19.3)%	(20.8)% 22.0%	(0.1)% 0.2%	N/A 5.2%
Non-Large Cap Equity Russell 2500	\$1,473	(9.5)% 19.3%	(10.8)% 16.7%	(15.2)% (14.3)%	(18.3)% 16.0%	0.3% 0.0%	N/A 5.1%
Domestic Equity	\$9,880	(9.2)%	(9.3)%	(17.7)%	(19.6)%	0.2%	N/A
International Equity MSCI All Country World Free EX US	\$9,031	(14.7)% 115.0%	(19.6)% 120.8%	(27.9)% (29.5)%	(5.5)% 16.0%	1.8% 5.1%	N/A 11.5%
Global Equity	\$18,911	(11.9)%	(14.2)%	(22.6)%	(24.9)%	0.2%	N/A
Total Fixed Income Fixed Income Index	\$61,454	(4.5)% 10.0%	(5.7)% 11.2%	(6.2)% 0.2%	(4.5)% 12.2%	1.6% 1.0%	N/A 3.7%
Cash Salomon 90 Day T-Bill + 15 bps	\$273	0.2% 0.2%	0.6% 0.5%	2.1% 1.7%	3.4% 2.7%	4.5% 1.1%	N/A 3.3%
Hedge Funds	\$20,034	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Board of Risk & Ins. Mgmt	\$100,673	(6.5)%	(7.9)%	(10.1)%	(9.3)%	1.2%	N/A

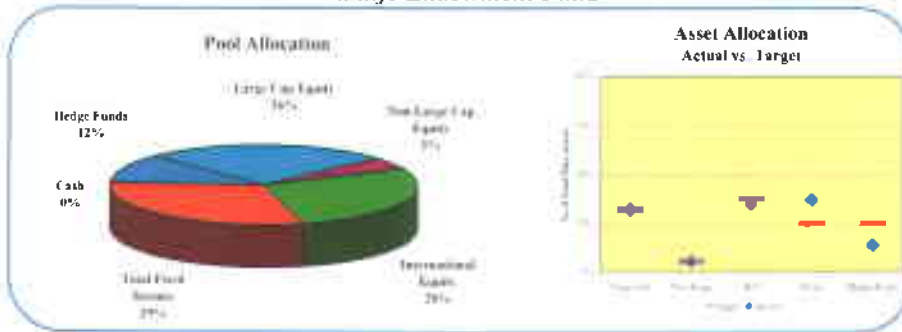
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized.

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



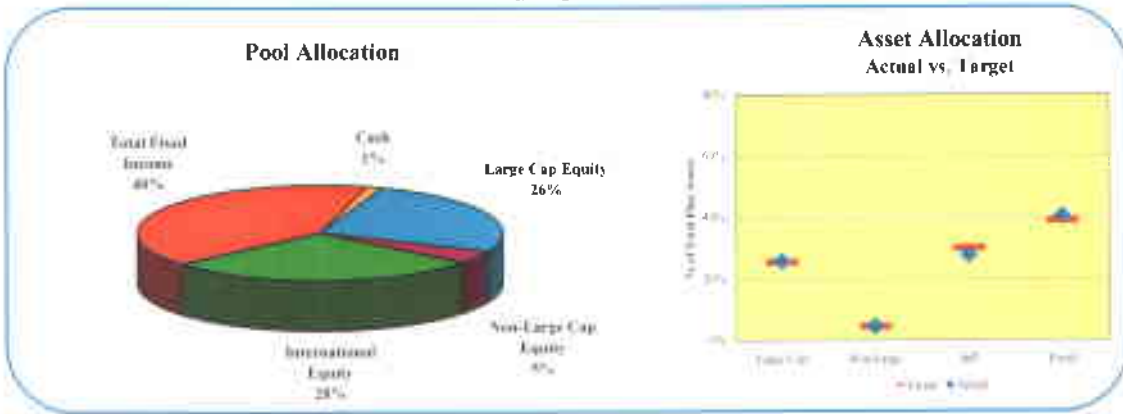
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$7,810	(9.2)% (8.9)%	(9.2)% (8.4)%	N/A (19.3)%	N/A (22.0)%	N/A (1.2)%	N/A (3.2)%
Non-Large Cap Equity <i>Russell 2500</i>	\$669	(9.5)% (9.9)%	(10.8)% (6.7)%	N/A (14.3)%	N/A (18.9)%	N/A (1.9)%	N/A (8.1)%
Domestic Equity	\$4,479	(9.2)%	(9.3)%	N/A	N/A	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$4,118	(14.7)% (18.1)%	(20.5)% (21.8)%	N/A (29.5)%	N/A (39.0)%	N/A (8.1)%	N/A (11.8)%
Global Equity	\$8,597	(11.9)%	(14.7)%	N/A	N/A	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$172,431	(4.7)% (1.9)%	(5.6)% (1.2)%	N/A (0.2)%	N/A (3.2)%	N/A (4.0)%	N/A (3.7)%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$470	0.2% (0.2)%	0.6% (0.2)%	N/A (1.7)%	N/A (2.7)%	N/A (4.1)%	N/A (3.3)%
Total WV Retiree Health Benefit Fund	\$186,497	(5.1)%	(6.0)%	N/A	N/A	N/A	N/A

Wildlife Endowment Fund



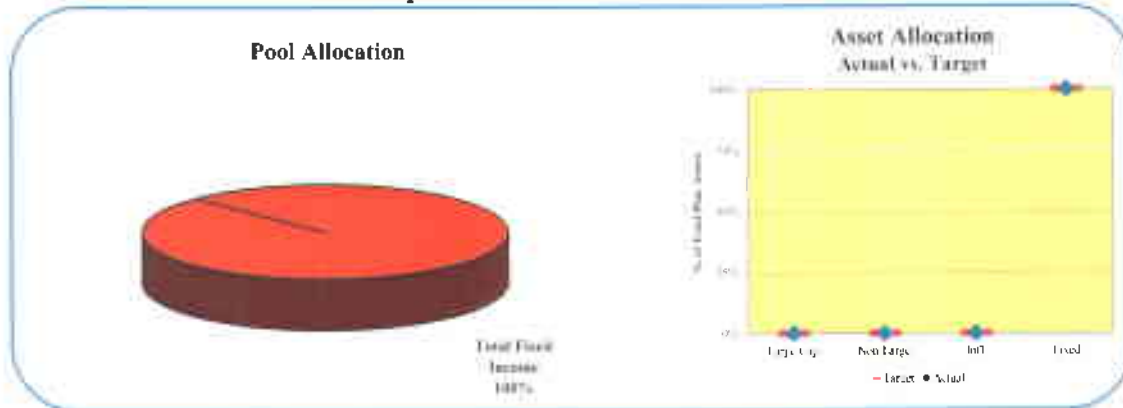
Investment Pools	Asset Values (000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$8,096	(9.2)% (8.9)%	(9.2)% (8.4)%	(10.6)% (19.3)%	(20.1)% (21.0)%	(6.1)% (2.2)%	(5.4)% (5.2)%
Non-Large Cap Equity <i>Russell 2500</i>	\$1,416	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.1)% (18.9)%	0.3% (1.9)%	(8.7)% (8.1)%
Domestic Equity	\$9,513	(9.2)%	(9.3)%	(11.8)%	(11.7)%	0.2%	6.8%
International Equity <i>MSCI All Country World Free EX US</i>	\$8,679	(14.7)% (18.1)%	(19.5)% (21.8)%	(27.9)% (29.5)%	(38.0)% (39.0)%	1.8% (8.1)%	9.7% (11.8)%
Global Equity	\$18,191	(11.9)%	(14.0)%	(22.4)%	(24.7)%	0.1%	7.4%
Total Fixed Income <i>Fixed Income Index</i>	\$9,289	(4.5)% (1.9)%	(5.5)% (1.2)%	(6.9)% (0.2)%	(4.2)% (3.2)%	1.7% (4.0)%	2.9% (3.7)%
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$125	0.2% (0.2)%	0.6% (0.2)%	(3.1)% (1.7)%	(3.8)% (2.7)%	4.5% (4.1)%	(3.5)% (3.3)%
Hedge Funds	\$1,605	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Wildlife Fund	\$31,208	(9.2)%	(10.9)%	(16.4)%	(17.1)%	0.8%	(5.7)%

Prepaid Tuition Trust Fund
Periods Ending September 30, 2008



	Asset Values (1000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$20,912	(9.2)% (8.9)%	(9.2)% (8.4)%	(16.0)% (16.3)%	(20.8)% (22.0)%	(0.1)% (0.2)%	5.4% 5.2%
Non-Large Cap Equity <i>Russell 2500</i>	\$3,671	(9.5)% (9.9)%	(10.8)% (6.7)%	(15.2)% (14.3)%	(18.3)% (16.0)%	9.3% 9.8%	6.7% 6.1%
Domestic Equity	\$24,583	(9.2)%	(9.3)%	(17.8)%	(19.0)%	0.2%	6.6%
International Equity <i>MSCI All Country World Free EX US</i>	\$22,513	(14.7)% (15.0)%	(19.6)% (21.8)%	(28.0)% (28.5)%	(30.0)% (30.0)%	1.8% 2.1%	9.6% (1.3)%
Global Equity	\$47,097	(11.9)%	(14.4)%	(22.9)%	(25.0)%	6.0%	3.3%
Total Fixed Income <i>Fixed Income Index</i>	\$32,757	(4.8)% (1.9)%	(5.6)% (1.2)%	(6.3)% (6.2)%	(4.4)% (2.1)%	1.6% 4.0%	2.9% 3.7%
Cash <i>Salomon 90 Day T-Bill - 15 bps</i>	\$1,163	0.2% 0.2%	0.6% 0.5%	2.1% 3.7%	3.4% 2.1%	4.3% 4.3%	3.5% 3.3%
Total Prepaid Tuition Trust	\$81,017	(9.0)%	(10.8)%	(16.2)%	(16.9)%	1.0%	5.7%

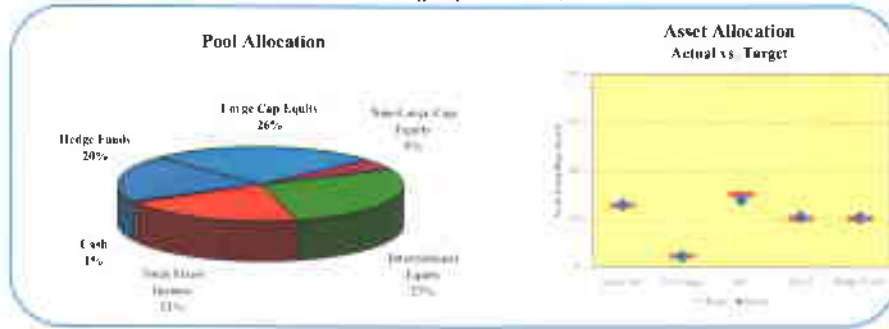
Prepaid Tuition Trust Escrow



	Asset Values (1000's)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Total Fixed Income <i>Fixed Income Index</i>	\$2,378	(4.7)% (1.9)%	(5.6)% (1.2)%	(6.1)% (6.2)%	(4.4)% (3.2)%	1.6% 4.0%	N/A 3.7%
Total Prepaid Tuition Trust Escrow	\$2,378	(4.7)%	(5.6)%	(6.1)%	(4.4)%	1.6%	N/A

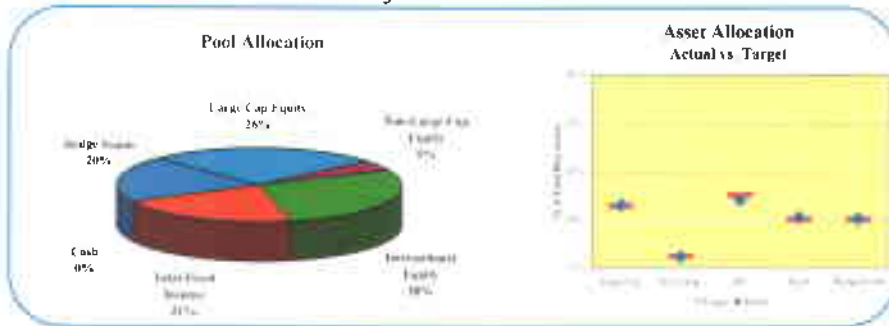
Returns are net of manager fees and expenses. Returns shorter than 1 year are unannualized

Revenue Shortfall Reserve Fund
Periods Ending September 30, 2008



Investment Pools	Asset Values (000 \$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$45,755	(9.2)% (-8.6%)	(9.2)% (-8.4)%	(10.6)% (11.7)%	(20.8)% (22.0)%	N/A	N/A
Non-Large Cap Equity <i>Russell 2500</i>	\$7,963	(9.5)% (-9.9%)	(10.8)% (-6.7)%	(11.2)% (13.5)%	(18.3)% (18.0)%	N/A	N/A
Domestic Equity	\$53,718	(9.2)%	(9.3)%	(11.0)%	(19.7)%	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$49,138	(14.7)% (18.0)%	(19.5)% (21.8)%	(28.0)% (29.2)%	(30.0)% (30.0)%	N/A	N/A
Global Equity	\$102,856	(11.9)%	(14.1)%	(22.0)%	(28.0)%	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$76,547	(4.5)% (1.9)%	(5.5)% (1.2)%	(3.0)% (2.2)%	(4.3)% (2.2)%	N/A	N/A
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$1,307	0.2% 0.2%	0.6% 0.8%	2.3% 1.7%	3.4% 2.7%	N/A	N/A
Hedge Funds	\$35,783	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Rev. Shortfall Reserve Fund	\$176,493	(9.3)%	(11.2)%	(10.7)%	(17.2)%	N/A	N/A

Revenue Shortfall Reserve Fund - Part B



Investment Pools	Asset Values (000 \$)	Index Returns (Blue)			Actual Returns (Black)		
		Month	Qtr	YTD	1 Year	3 Years	5 Years
Large Cap Equity <i>S&P 500</i>	\$64,062	(9.2)% (-8.6%)	(9.2)% (-8.1)%	(10.6)% (10.7)%	(20.8)% (22.0)%	N/A	N/A
Non-Large Cap Equity <i>Russell 2500</i>	\$11,232	(9.5)% (-9.9%)	(10.8)% (-6.7)%	(11.2)% (13.5)%	(18.3)% (18.0)%	N/A	N/A
Domestic Equity	\$78,294	(9.2)%	(9.3)%	(11.0)%	(19.7)%	N/A	N/A
International Equity <i>MSCI All Country World Free EX US</i>	\$69,054	(14.7)% (18.0)%	(19.6)% (21.8)%	(28.0)% (29.2)%	(30.7)% (30.0)%	N/A	N/A
Global Equity	\$144,328	(11.9)%	(14.3)%	(22.0)%	(28.0)%	N/A	N/A
Total Fixed Income <i>Fixed Income Index</i>	\$81,182	(4.5)% (1.9)%	(5.5)% (1.2)%	(3.0)% (2.2)%	(4.3)% (3.2)%	N/A	N/A
Cash <i>Salomon 90 Day T-Bill + 15 bps</i>	\$21	0.2% 0.2%	0.6% 0.8%	2.3% 1.7%	3.4% 2.7%	N/A	N/A
Hedge Funds	\$50,001	(6.4)%	(8.5)%	N/A	N/A	N/A	N/A
Total Rev. Shortfall Reserve Fund B	\$245,503	(9.4)%	(11.4)%	(10.0)%	(17.5)%	N/A	N/A

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



Status Report Workers' Compensation

Joint Committee on Government &
Finance

11/18/08

Provided by the West Virginia Offices of the Insurance Commissioner



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

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008 January 1 - October 31
Revenue			
Statutory Transfer	266,613,362	261,975,877	251,995,870
Collections	8,316,798	1,041,116	3,058,342
Investment Income	50,201,026	40,659,223	(80,664,951)
Total Revenue	325,131,186	303,676,215	174,389,261
Expenditures			
Claim Payments	(355,245,366)	(284,445,313)	(208,583,650)
Administrative/Other Expense	(21,630,179)	(24,710,582)	(19,980,256)
Total Expenditures	(376,875,545)	(309,155,895)	(228,563,905)
Workers' Compensation Commission Initial fund transfer January 2006	711,094,830		
Payments from BrickStreet Insurance on Surplus Note			100,015,205
Invested Balance with WVIMB at year end	647,444,812	635,908,034	690,162,084

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

	Previous 12-Month Period <u>11/01/06 to 10/31/07</u>	Current 12-Month Period <u>11/01/07 to 10/31/08</u>
Claims benefits paid:		
Medical	(4,798,903.06)	(4,092,257.24)
Permanent Total Disability	(12,989,272.64)	(12,632,834.32)
Permanent Partial Disability	(2,443,929.71)	(948,481.01)
Temporary Total Disability	(503,070.03)	(218,182.55)
Settlement Agreements	(482,476.53)	(281,508.71)
Fatals	(2,891,730.74)	(2,780,477.43)
104 weeks	(438,225.17)	(471,511.64)
Total	<u>(24,547,607.87)</u>	<u>(21,425,252.90)</u>
Claims credits and overpayments	<u>355,589.33</u>	<u>371,053.19</u>
Total claims paid	(24,192,018.53)	(21,054,199.71)

Old Fund Liability Estimate

(excluding LAE)
(discounted)

	FY2009	July	August	September	October
Beginning Reserve Amount	2,407,700,000	2,395,614,803	2,383,162,725	2,371,899,195	2,360,361,410
Claim Payments	21,850,000	22,167,000	20,930,237	21,158,139	
Estimated Ending Reserve Amount	2,395,614,803	2,383,162,725	2,371,899,195	2,360,361,410	

Note:

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

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

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

	June 30, 2008	October 31, 2008	Change
Assets:			
Cash and Cash Equivalents	713,576	702,716	(10,860)
Receivables, Net:	24,256	24,256	0
Surplus Note	162,759	102,759	(60,000)
Total Assets	<u>900,591</u>	<u>829,731</u>	<u>(70,860)</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,407,700	2,360,361	(47,339)
Other Liabilities	490	490	0
Total Liabilities	<u>2,408,190</u>	<u>2,360,851</u>	<u>(47,339)</u>
Net Assets:			
Unrestricted	<u>(1,507,599)</u>	<u>(1,531,120)</u>	<u>(23,521)</u>
Total Net Assets	<u><u>(1,507,599)</u></u>	<u><u>(1,531,120)</u></u>	<u><u>(23,521)</u></u>

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

Old Fund / Debt Reduction

YEAR TO DATE

	FY2009	FY2008	Change	FY2008 Annual
Revenues				
Personal Income Tax	10,600,000	10,600,000	-	95,400,000
Severance Tax	33,622,327	31,643,139	1,979,188	124,294,765
Debt Reduction Surcharge	18,943,297	7,989,488	10,953,809	29,662,848
Self-Insured Debt Reduction Surcharge	2,584,929	2,621,176	(36,248)	7,477,936
Video Lottery	11,000,000	11,000,000	-	11,000,000
Employer Premium	1,497,879	1,178,295	319,584	2,679,526
Other Income - Return of Unclaimed Property	14,898	13,040	1,858	50,460
	<u>78,263,330</u>	<u>65,045,139</u>	<u>13,218,191</u>	<u>270,565,535</u>
Surplus Note Principal Payments	<u>60,000,000</u>	<u>-</u>	<u>60,000,000</u>	<u>40,000,000</u>
Investment / Interest Earnings (Losses)	<u>(79,040,054)</u>	<u>2,906,912</u>	<u>(81,946,966)</u>	<u>7,402,971</u>
Expenditures				
Public Employees Insurance	40,396	68,683	(18,287)	137,115
Payment of Claims	86,105,046	93,860,058	(7,755,010)	260,588,335
Contractual/Professional	6,504,161	7,017,842	(513,681)	23,957,894
	<u>92,649,603</u>	<u>100,936,581</u>	<u>(8,286,978)</u>	<u>284,683,344</u>
Excess (Deficiency) of Revenues over Expenditures	(33,426,327)	(32,984,530)	(441,797)	33,285,162
Cash Beginning Balances	<u>734,195,513</u>	<u>700,910,351</u>	<u>33,285,162</u>	<u>700,910,351</u>
Cash Ending Balances	<u>702,715,537</u>	<u>667,925,821</u>	<u>34,789,716</u>	<u>734,195,513</u>

Joc Manchin, III
Governor

Rita Hedrick-Helmick
Chairperson

W. Jack Stevens
Member
James D. Gray
Member

Workers' Compensation Board of Review

Offices located at 104 Dee Drive, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page

MEMORANDUM

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

From: Rita F. Hedrick-Helmick, Chairperson

Date: November 10, 2008

Re: Workers' Compensation Board of Review Monthly Report

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

A number of changes have been made to the Board's reports. You will find a total of seven 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 Summary of Dispositions by Party
6. Monthly Summary of Dispositions by Issue
7. Yearly Summary of Dispositions by Issue

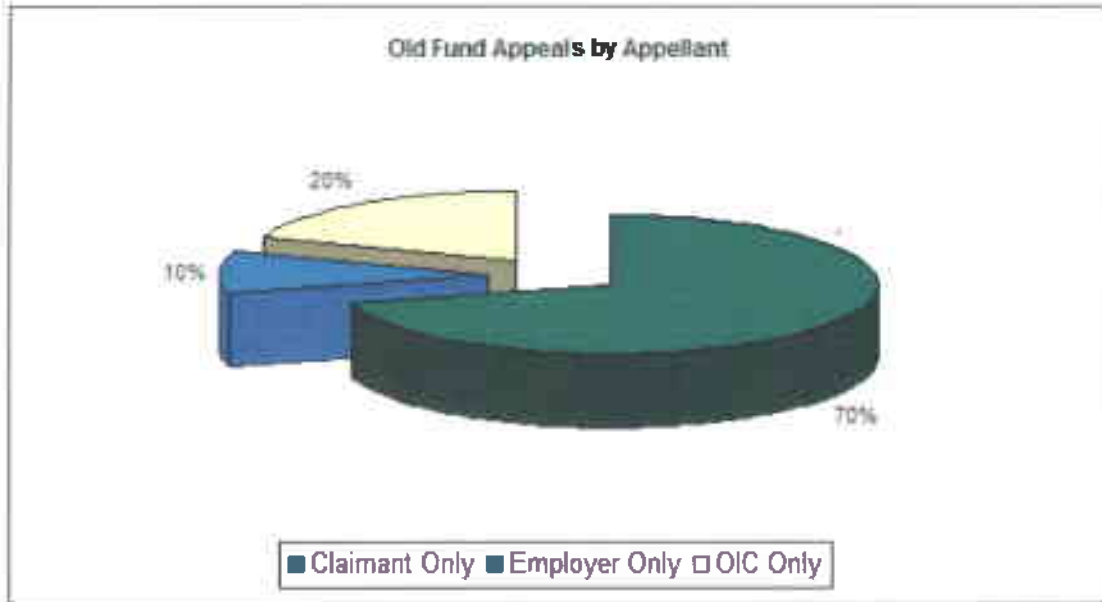
If you have feedback or any additional questions, please do not hesitate to contact me.

October Appeals Received

October 1, 2008 Thru October 31, 2008

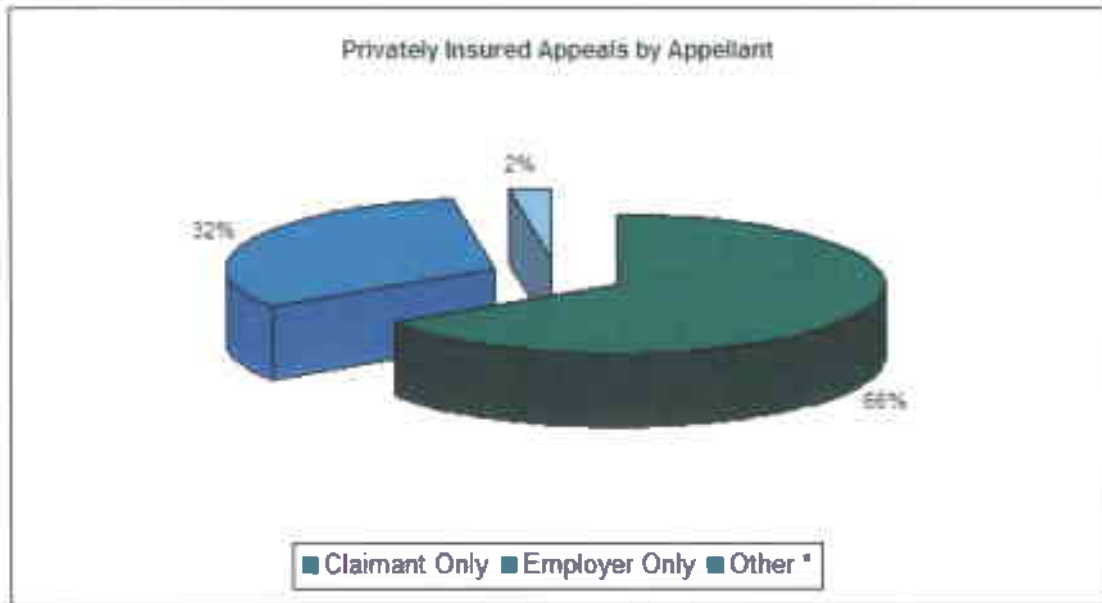
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	65
Employer Only	9
OIC Only	18
Old Fund Total	92



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

Appellant	Count
Claimant Only	55
Employer Only	27
Other *	2
Privately Insured Total	84
Total Appeals	176



* Appeals requiring research

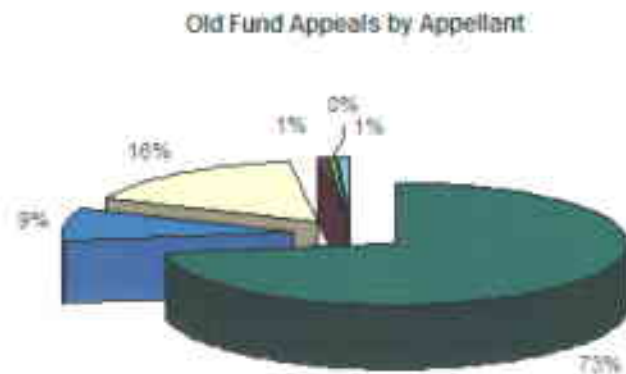
Appeals counted more than once:

Yearly Appeals Received

June 1, 2008 Thru October 31, 2008

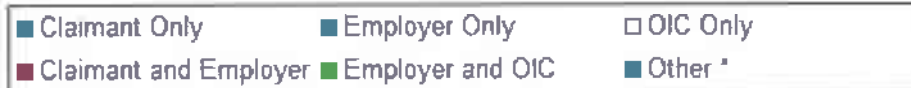
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	333
Employer Only	39
OIC Only	75
Claimant and Employer	3
Employer and OIC	2
Other *	4
Old Fund Total	456

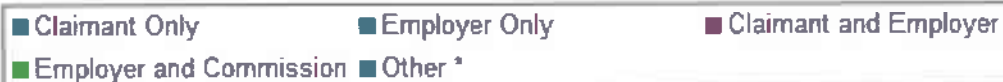
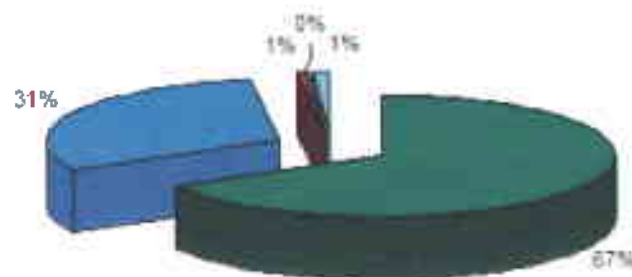


Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	260
Employer Only	119
Claimant and Employer	2
Employer and Commission	1
Other *	4
Privately Insured Fund Total	386
Total Appeals	842



Privately Insured Appeals by Appellant



* Appeals requiring research

Appeals counted more than once:

2041143 (2006021868 DOI:
12/19/2005)

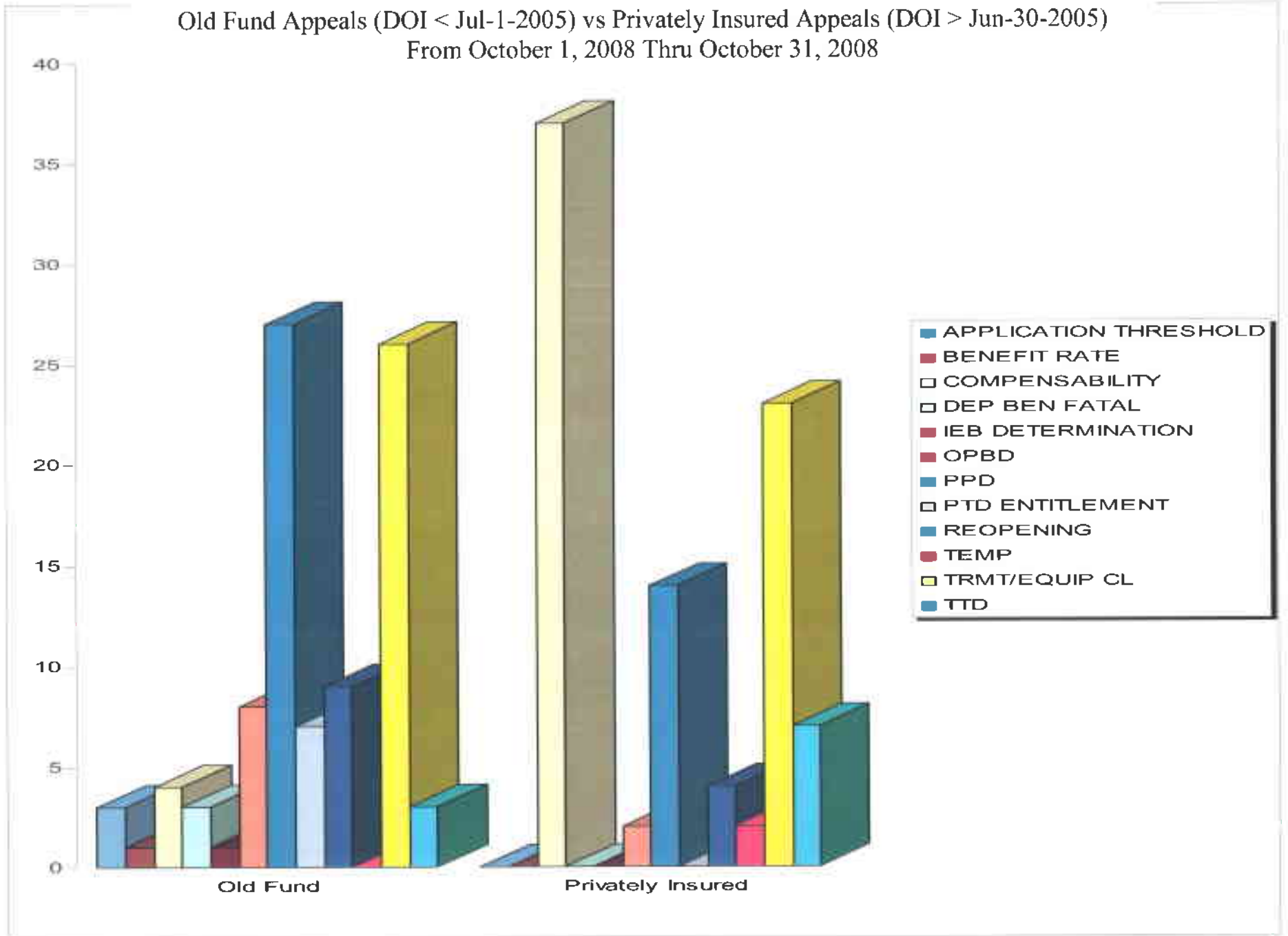
2041143 (2002029639 DOI:
09/19/2001)

2041732 (2006021868 DOI:
12/19/2005)

2041732 (2002029639 DOI:
09/19/2001)

Appeals by Issue

Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From October 1, 2008 Thru October 31, 2008



Appeals by Issue- (continued)

Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From October 1, 2008 Thru October 31, 2008

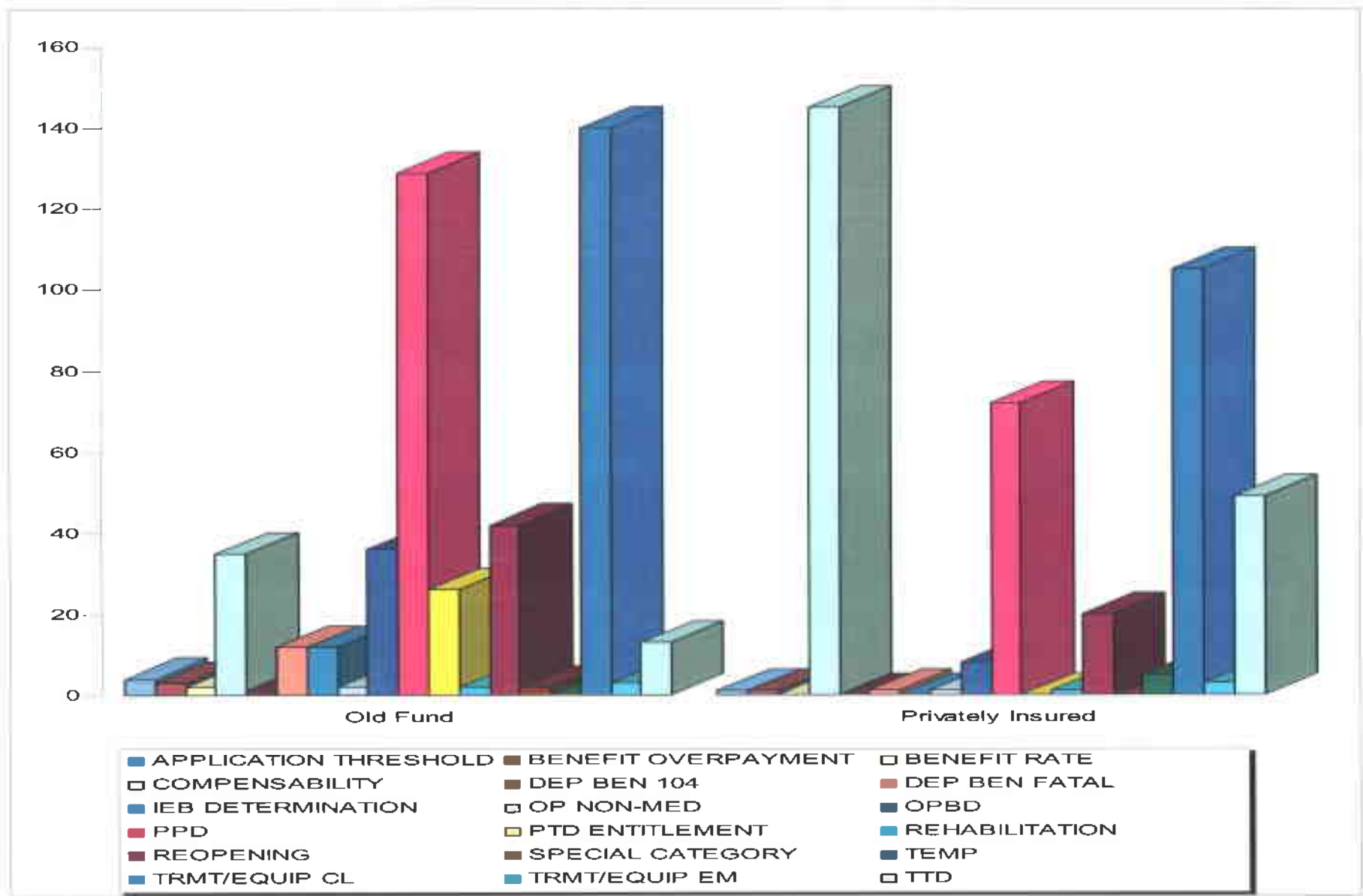
Type of Issue	Total Issues	Old Fund		Insured Claims	
		#	%	#	%
APPLICATION THRESHOLD	3	3	100.0	0	0.0
BENEFIT RATE	1	1	100.0	0	0.0
COMPENSABILITY	41	4	9.8	37	90.2
DEP BEN FATAL	3	3	100.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0
OPBD	10	8	80.0	2	20.0
PPD	41	27	65.9	14	34.1
PTD ENTITLEMENT	7	7	100.0	0	0.0
REOPENING	13	9	69.2	4	30.8
TEMP	2	0	0.0	2	100.0
TRMT/EQUIP CL	49	26	53.1	23	46.9
TTD	10	3	30.0	7	70.0
Totals	181	92	50.8	89	49.2

Appeals counted more than once:

- 2041118 (2005040526 DOI: 04/19/2005 COMPENSABILITY)
- 2041118 (2005040526 DOI: 04/19/2005 TRMT/EQUIP EM)
- 2041124 (2006027419 DOI: 02/03/2006 PPD)
- 2041124 (2006027419 DOI: 02/03/2006 TRMT/EQUIP CL)
- 2041143 (2002029639 DOI: 09/19/2001 PPD)
- 2041143 (2002029639 DOI: 09/19/2001 TRMT/EQUIP CL)
- 2041143 (2006021868 DOI: 12/19/2005 COMPENSABILITY)
- 2041161 (2006048954 DOI: 08/01/2006 COMPENSABILITY)
- 2041161 (2006048954 DOI: 08/01/2006 TTD)
- 2041205 (2007002988 DOI: 01/28/2007 TRMT/EQUIP CL)
- 2041205 (2007002988 DOI: 01/28/2007 TTD)
- 2041213 (2007004522 DOI: 01/26/2007 TRMT/EQUIP CL)
- 2041213 (2007004522 DOI: 01/26/2007 TTD)
- 2041226 (2002022338 DOI: 10/03/2001 COMPENSABILITY)
- 2041226 (2002022338 DOI: 10/03/2001 TRMT/EQUIP CL)
- 2041233 (2007008406 DOI: 03/09/2007 COMPENSABILITY)
- 2041233 (2007008406 DOI: 03/09/2007 TRMT/EQUIP CL)

Yearly Appeals by Issue

Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From June 1, 2008 Thru October 31, 2008



Yearly Appeals by Issue

Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2008 Thru October 31, 2008

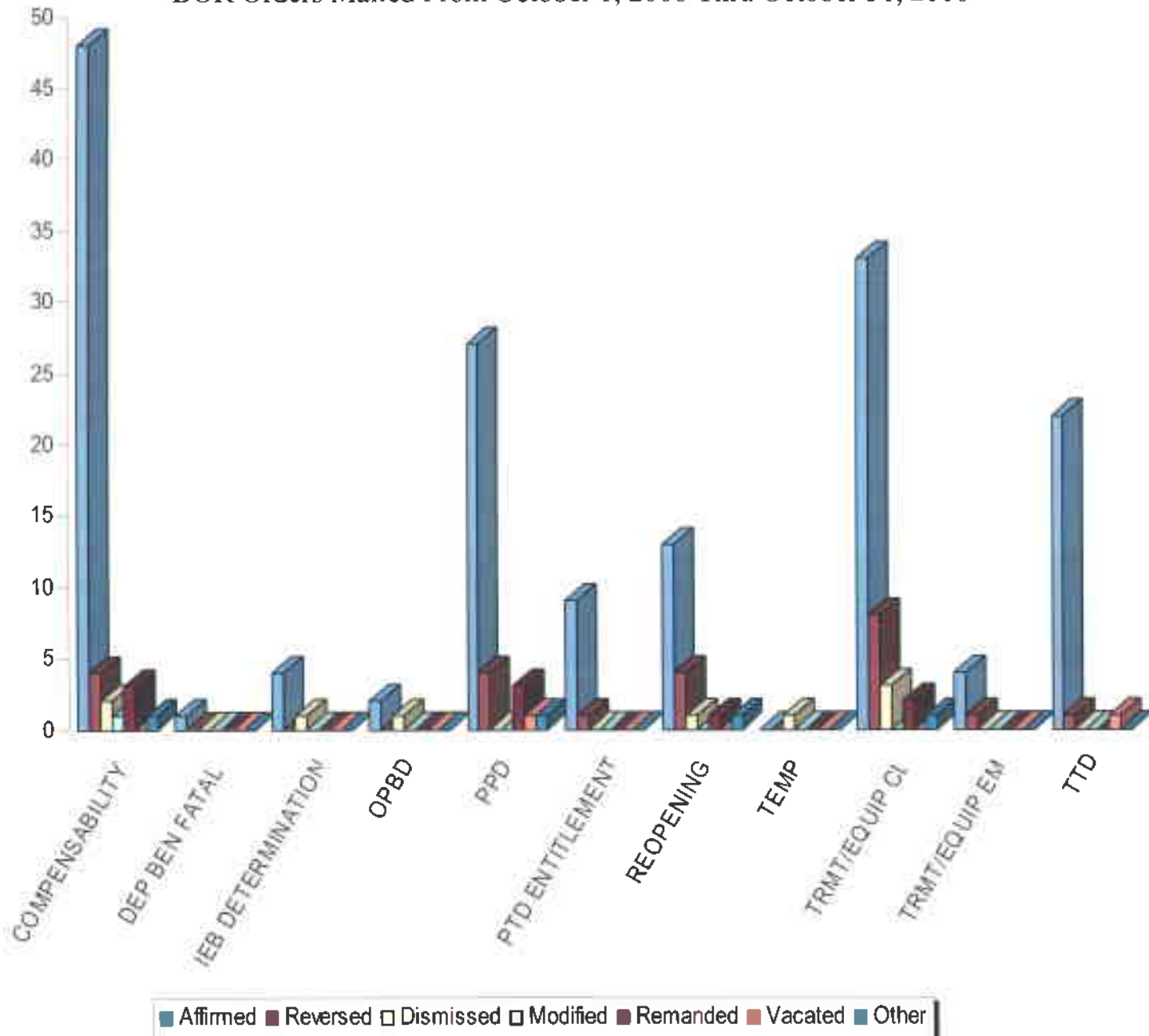
Type of Issue	Total Issues	Old Fund		Insured Claims	
		#	%	#	%
APPLICATION THRESHOLD	5	4	80.0	1	20.0
BENEFIT OVERPAYMENT	4	3	75.0	1	25.0
BENEFIT RATE	2	2	100.0	0	0.0
COMPENSABILITY	180	35	19.4	145	80.6
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	13	12	92.3	1	7.7
IEB DETERMINATION	12	12	100.0	0	0.0
OP NON-MED	3	2	66.7	1	33.3
OPBD	44	36	81.8	8	18.2
PPD	201	129	64.2	72	35.8
PTD ENTITLEMENT	26	26	100.0	0	0.0
REHABILITATION	3	2	66.7	1	33.3
REOPENING	62	42	67.7	20	32.3
SPECIAL CATEGORY	2	2	100.0	0	0.0
TEMP	5	0	0.0	5	100.0
TRMT/EQUIP CL	245	140	57.1	105	42.9
TRMT/EQUIP EM	6	3	50.0	3	50.0
TTD	62	13	21.0	49	79.0
Totals	876	464	53.0	412	47.0

Appeals counted more than once:

- 2041118 (2005040526 DOI: 04/19/2005 COMPENSABILITY)
- 2041118 (2005040526 DOI: 04/19/2005 TRMT/EQUIP EM)
- 2041124 (2006027419 DOI: 02/03/2006 PPD)
- 2041124 (2006027419 DOI: 02/03/2006 TRMT/EQUIP CL)
- 2041143 (2002029639 DOI: 09/19/2001 PPD)
- 2041143 (2002029639 DOI: 09/19/2001 TRMT/EQUIP CL)
- 2041143 (2006021868 DOI: 12/19/2005 COMPENSABILITY)
- 2041161 (2006048954 DOI: 08/01/2006 COMPENSABILITY)
- 2041161 (2006048954 DOI: 08/01/2006 TTD)
- 2041205 (2007002988 DOI: 01/28/2007 TRMT/EQUIP CL)
- 2041205 (2007002988 DOI: 01/28/2007 TTD)
- 2041213 (2007004522 DOI: 01/26/2007 TRMT/EQUIP CL)
- 2041213 (2007004522 DOI: 01/26/2007 TTD)
- 2041226 (2002022338 DOI: 10/03/2001 COMPENSABILITY)
- 2041226 (2002022338 DOI: 10/03/2001 TRMT/EQUIP CL)
- 2041233 (2007008406 DOI: 03/09/2007 COMPENSABILITY)
- 2041233 (2007008406 DOI: 03/09/2007 TRMT/EQUIP CL)

Disposition by Issue

BOR Orders Mailed From October 1, 2008 Thru October 31, 2008



Disposition by Issue

BOR Orders Mailed From October 1, 2008 Thru October 31, 2008

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	59	48	81.4	4	6.8	2	3.4	1	1.7	3	5.1	0	0.0	1	1.7
DEP BEN FATAL	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	5	4	80.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
PPD	36	27	75.0	4	11.1	0	0.0	0	0.0	3	8.3	1	2.8	1	2.8
PTD ENTITLEMENT	10	9	90.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	20	13	65.0	4	20.0	1	5.0	0	0.0	1	5.0	0	0.0	1	5.0
TEMP	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	47	33	70.2	8	17.0	3	6.4	0	0.0	2	4.3	0	0.0	1	2.1
TRMT/EQUIP EM	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	24	22	91.7	1	4.2	0	0.0	0	0.0	0	0.0	1	4.2	0	0.0
Totals	211	163	77.3	23	10.9	9	4.3	1	0.5	9	4.3	2	0.9	4	1.9

Appeals Counted More Than Once:

Appeal No 2040028 TRMT/EQUIP CL - Reverse
 TTD -
 Reverse

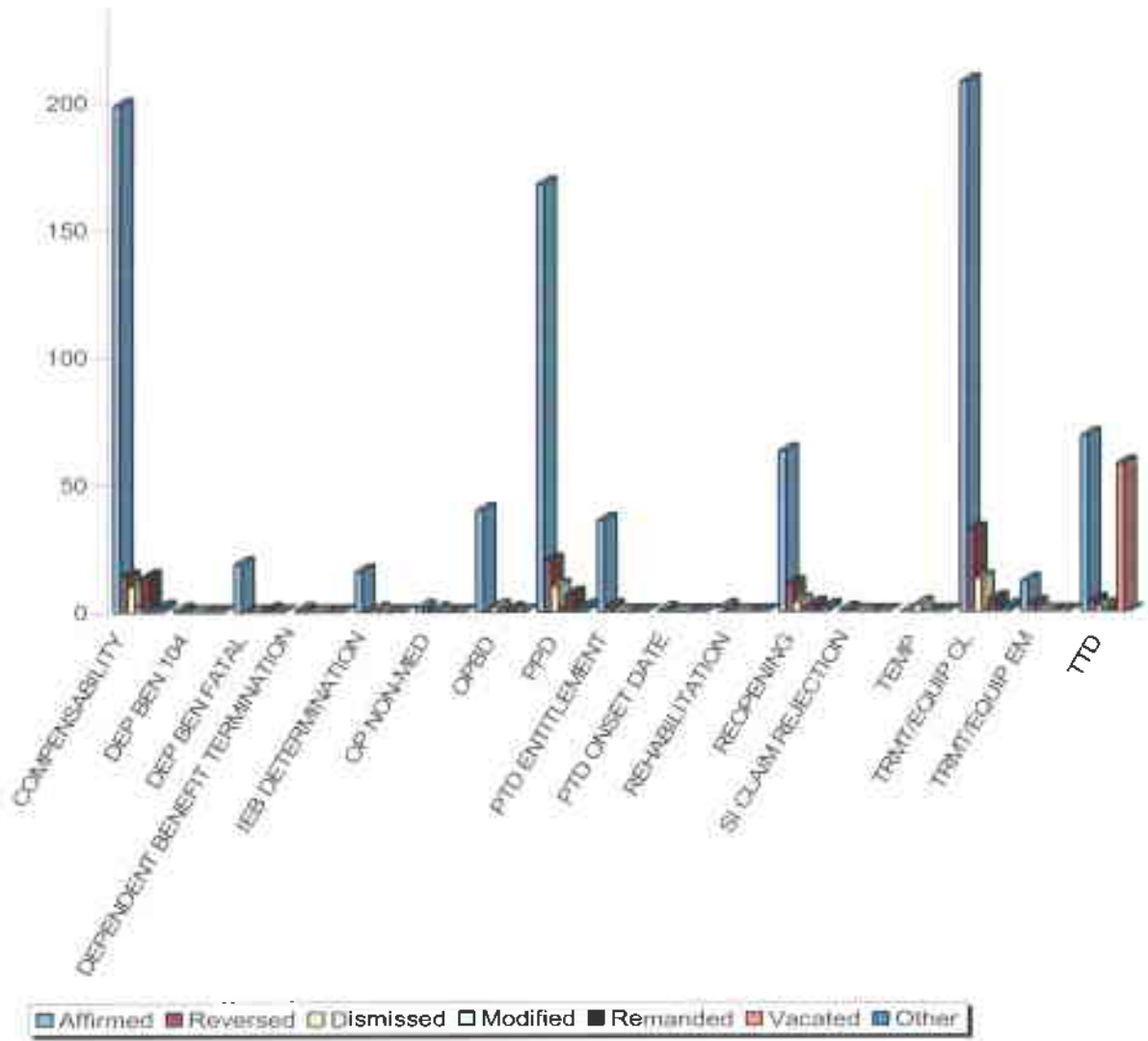
Appeal No 2040446 REOPENING - Affirmed
 TRMT/EQUIP CL - Affirmed
 PPD -

Appeal No 2040526 Affirmed
 TTD -
 Affirmed

Appeal No 2040552 REOPENING - Affirmed
 TTD -
 Affirmed

Yearly Disposition by Issue

BOR Orders Mailed From June 1, 2008 Thru October 31, 2008



Yearly Disposition by Issue

BOR Orders Mailed From June 1, 2008 Thru October 31, 2008

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	243	199	81.9	14	5.8	10	4.1	2	0.8	14	5.8	1	0.4	2	0.8
DEP BEN 104	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	20	19	95.0	0	0.0	0	0.0	0	0.0	1	5.0	0	0.0	0	0.0
DEPENDENT BENEFIT TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	17	16	94.1	0	0.0	1	5.9	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	43	40	93.0	0	0.0	2	4.7	0	0.0	1	2.3	0	0.0	0	0.0
PPD	209	168	80.4	20	9.6	10	4.8	1	0.5	7	3.3	1	0.5	2	1.0
PTD ENTITLEMENT	38	36	94.7	2	5.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	84	63	75.0	11	13.1	4	4.8	1	1.2	3	3.6	0	0.0	2	2.4
SI CLAIM REJECTION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	3	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	261	208	79.7	32	12.3	13	5.0	0	0.0	5	1.9	0	0.0	2	0.8
TRMT/EQUIP EM	15	12	80.0	3	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	134	69	51.5	4	3.0	2	1.5	0	0.0	1	0.7	58	43.3	0	0.0
Totals	1076	838	77.9	86	8.0	46	4.3	4	0.4	32	3.0	60	5.6	8	0.7

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

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
Claimant	ABEYANCE	2	1.5%	1.0%	6	0.4%	0.3%
	AFFIRMED	116	85.3%	55.5%	1276	83.3%	54.9%
	DISMISSED				5	0.3%	0.2%
	MODIFY	1	0.7%	0.5%	4	0.3%	0.2%
	REMAND	7	5.1%	3.3%	68	4.4%	2.9%
	REVERSE	7	5.1%	3.3%	109	7.1%	4.7%
	VACATE	3	2.2%	1.4%	64	4.2%	2.8%
	Total Dispositions	136			1532		
Claimant and Employer	AFFIRMED				9	64.3%	0.4%
	REMAND				1	7.1%	0.0%
	REVERSE	1	100.0%	0.5%	4	28.6%	0.2%
	Total Dispositions	1			14		
Employer	ABEYANCE	2	4.3%	1.0%	5	1.4%	0.2%
	AFFIRMED	31	67.4%	14.8%	251	69.0%	10.8%
	DISMISSED	2	4.3%	1.0%	7	1.9%	0.3%
	MODIFY				2	0.5%	0.1%
	MOOT	2	4.3%	1.0%	2	0.5%	0.1%
	REMAND	2	4.3%	1.0%	18	4.9%	0.8%
	REVERSE	6	13.0%	2.9%	78	21.4%	3.4%
	VACATE	1	2.2%	0.5%	1	0.3%	0.0%
	Total Dispositions	46			364		
Division/OIC	ABEYANCE				3	0.7%	0.1%
	AFFIRMED	15	57.7%	7.2%	243	58.4%	10.4%
	DISMISSED				3	0.7%	0.1%
	MODIFY				2	0.5%	0.1%
	REMAND	1	3.8%	0.5%	2	0.5%	0.1%
	REVERSE	10	38.5%	4.8%	163	39.2%	7.0%
	Total Dispositions	26			416		
	Grand Totals	209			2326		

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

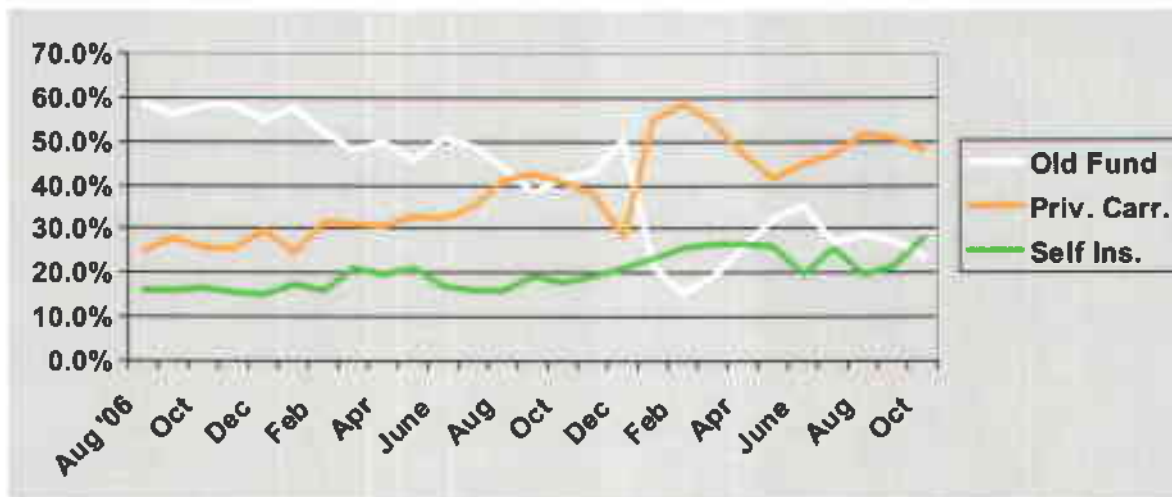
November 20, 2008

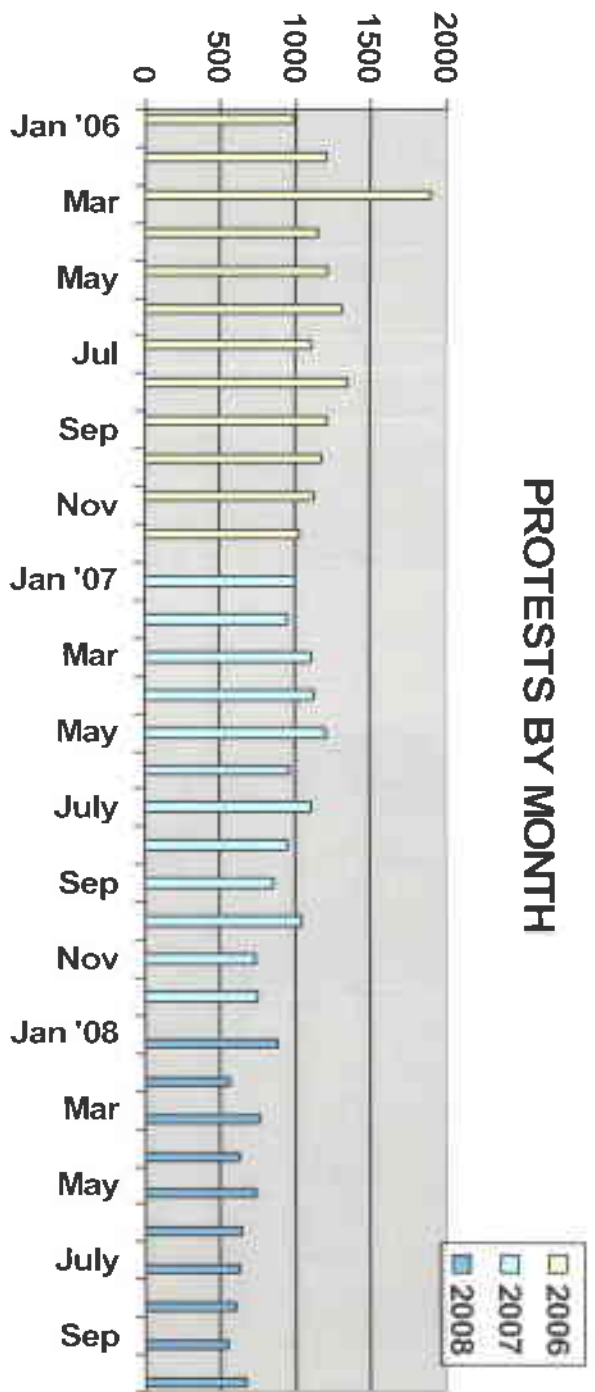
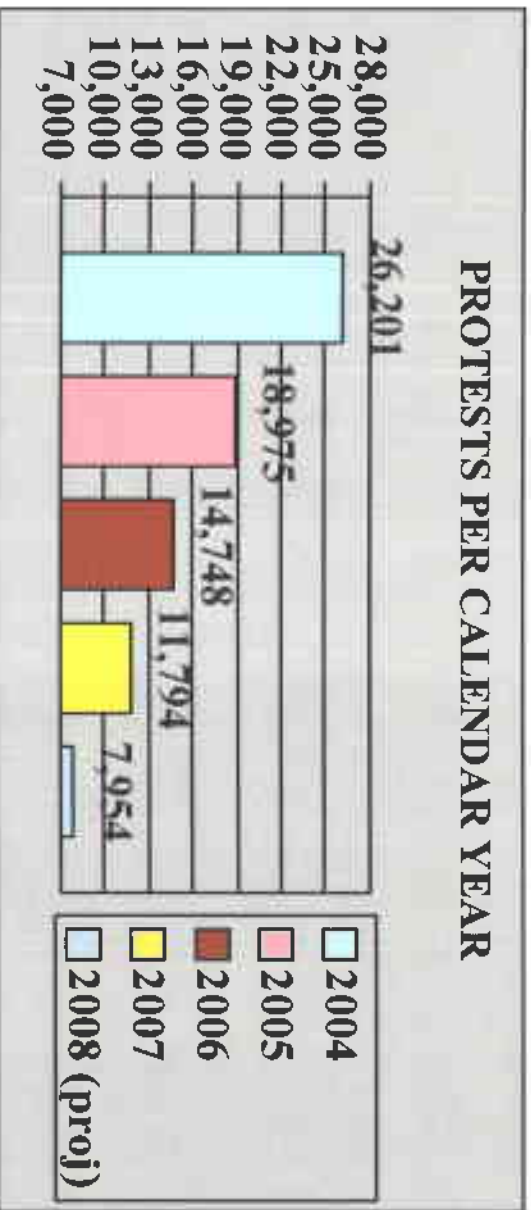
I. Statistical Analysis

A. Protests Acknowledged: 2007 OCT YTD
 11,794 661 6,628

Fund Involved:

FUND	2005	2006	% of protests	2007	% of protests	OCT '08	% of protests	YTD '08	% of protests
Old Fund	n/a	8,146	64.56%	4,433	46.30%	126	24.00%	1,367	25.65%
New Fund	n/a	2,207	17.49%	3,370	35.20%	253	48.19%	2,642	49.57%
Others	n/a								
Self-Insured	228 (avg)	2,264	17.94%	1,772	18.51%	146	27.81%	1,321	24.78%
Subtotal		12,617		9,575		525		5,330	
Temporary		2,131		2,219		136		1,298	
Total	18,975	14,748		11,794		661		6,628	



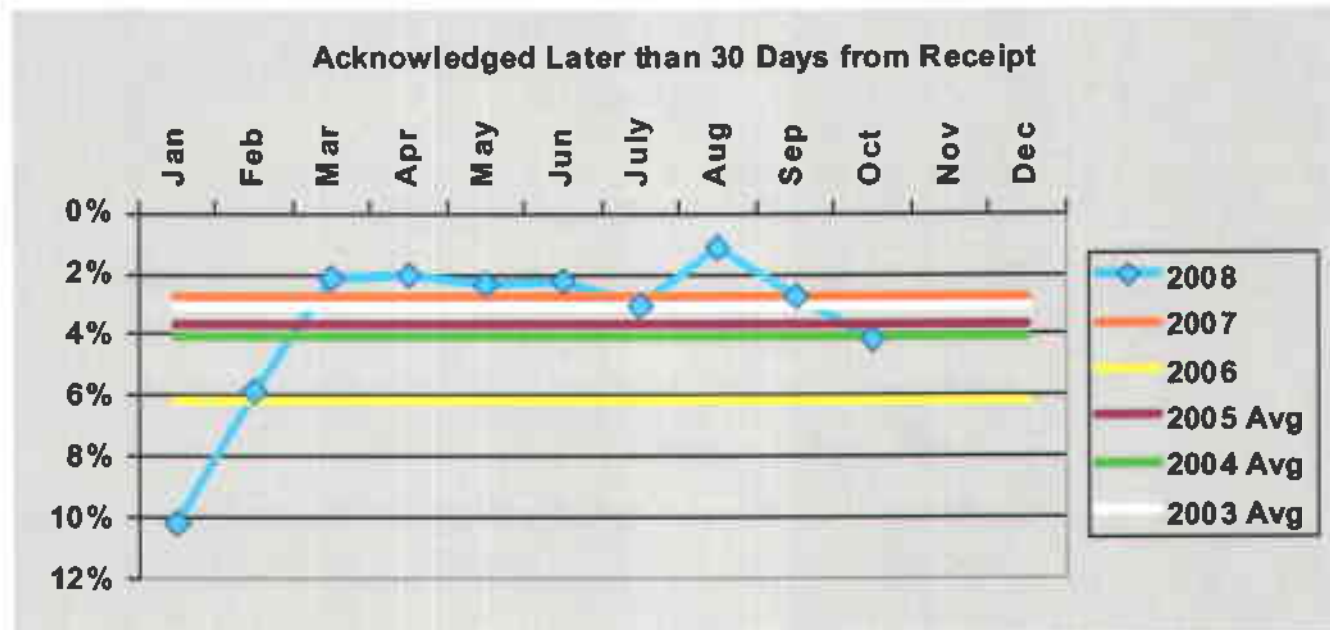


B. Issues Resolved: $\frac{2007}{11,472}$ $\frac{OCT}{701}$ $\frac{YTD}{701}$
 7,063

C. Pending Caseload Report

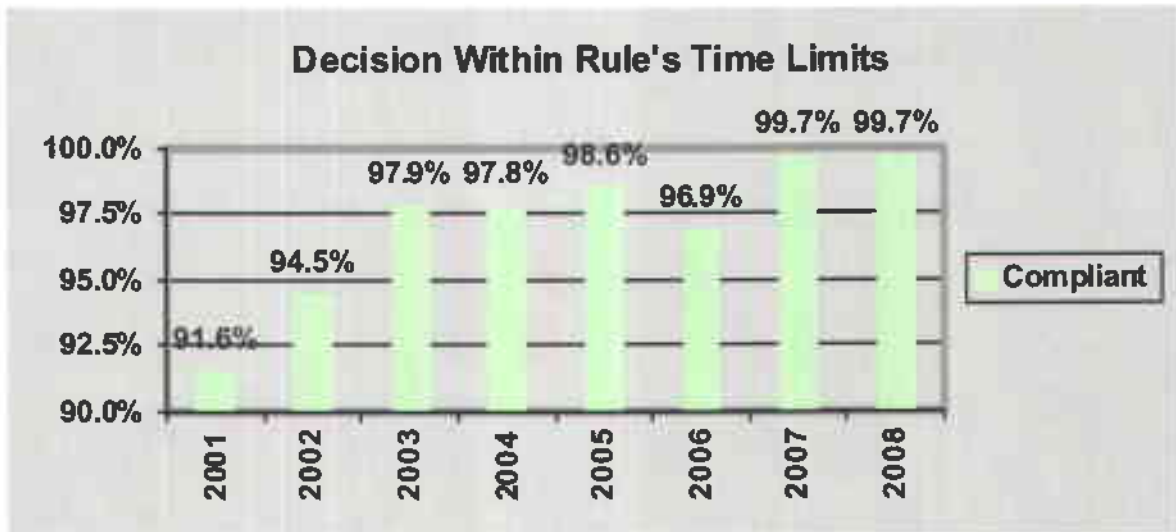
PENDING END OF OCT	4,660
PENDING 1 MONTH BEFORE	4,837
PENDING 2 MONTHS BEFORE	5,144
PENDING 3 MONTHS BEFORE	5,248
PENDING 6 MONTHS BEFORE	5,333
PENDING 12 MONTHS BEFORE	6,853

D. Acknowledgment Timeliness:	<u>2007</u>	<u>OCT</u>	<u>YTD</u>
1. Protest Ackn. >30 days 3.6%	2.8%	4.2%	
2. Protest Ackn. 24-30 days 2.5%	1.5%	1.7%	
3. Protest Ackn. 11-23 days 18.9%	13.7%	25.0%	
4. Protest Ackn. <11 days 75.0%	82.0%	69.1%	



E. Decisions Mailed:	<u>2007</u>	<u>OCT</u>	<u>YTD</u>
1. ALJ Decisions	6,599	449	4,224
2. Non-Attorney Adjudicator:	3,775	297	2,813
3. Withdrawals:	2,824	152	1,411
4. "No Evidence" Dismissals	1,366	11	851
	2,215	82	1,108

F. Final Decision Timeliness	<u>2007</u>	<u>OCT</u>	<u>YTD</u>
1. <30 days:	61.7%	51.8%	60.9%
2. 30-60 days:	26.9%	30.4%	24.8%
3. 60-90 days:	11.1%	17.9%	14.0%
4. +90 days:	0.3%	0.0%	0.3%



G. Time Standard Compliance	<u>2007</u>	<u>OCT</u>	<u>YTD</u>
	92.6%	89.6%	91.4%

Revenue Recovery Activity	October 2008
COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 20,318.51
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 94,133.05
Receipts - Payment Agreements	\$ 47,286.23
Receipts - Collection Agency	\$ 7,814.08
# of active accounts uninsured (cumulative)	881
\$ of active accounts uninsured (cumulative)	\$ 2,342,468.10
Telephone contacts	1,954
Walk-ins	18
LIENS	
Liens sent to county clerks for recordation	105
Liens sent to county clerks for release	81
Intent to lien letters sent to employer/owner/officer/member	416
INJUNCTIONS	
Affidavits for injunction submitted to legal	25
Hearings attended	8
# of injunction complaints filed	4
# of injunctions granted	4
# of agreed orders entered	1
PAYMENT AGREEMENTS	
# of repayment agreements	12
Agreements set up	8
Total # of agreements on system (cumulative)	92
Intent to void letters mailed	13
Agreements voided	7
MISCELLANEOUS	
Terminations Processed	78
Rule 11 Letters Mailed	147
Rule 11 hearings	1
Uninsured Policies Resolved	486
All Cash Receipts from WC accounts	\$ 169,551.87

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

Offices of the Insurance Commissioner's Administrative Surcharges

	FY2006	FY2007	FY2008	FY2009 y-t-d 10-15-08
Subscriber	10,309,857	29,942,367	24,277,623	7,168,184
Self Insurance	2,372,523	5,703,173	4,572,064	1,442,412
Total	12,682,379	35,645,540	28,849,687	8,610,596

**WVOIC
BOR & OJ EXPENDITURES
JANUARY 1, 2006 TO PRESENT**

Office of Judges

Personal Services	1,867,968.61
Benefits	618,789.52
Operating Expenses	401,093.42
FY2006 TOTAL	2,887,851.55

Personal Services	3,902,564.21
Benefits	1,298,830.76
Operating Expenses	1,013,276.49
FY2007 TOTAL	6,214,671.46

Personal Services	3,559,370.76
Benefits	1,159,224.06
Operating Expenses	784,753.58
FY2008 TOTAL	5,503,348.40

Personal Services	1,214,651.86
Benefits	382,345.51
Operating Expenses	220,021.81
FY2009 TOTAL	1,817,019.18

Board of Review

Personal Services	285,709.10
Benefits	80,768.49
Operating Expenses	235,953.62
FY2006 TOTAL	602,431.21

Personal Services	589,028.40
Benefits	168,786.37
Operating Expenses	675,277.82
FY2007 TOTAL	1,433,092.59

Personal Services	607,555.42
Benefits	173,712.10
Operating Expenses	500,160.13

FY2008 TOTAL

1,281,427.65

**Personal Services
Benefits
Operating Expenses**

**257,245.46
66,338.60
159,828.08**

FY2009 TOTAL

483,412.14

BOARD OF TREASURY INVESTMENTS

OPERATING REPORT SEPTEMBER 2008

CALENDAR NOTES

Board Meeting

October 30, 2008

CD Auction

January 14, 2009

Board of Treasury Investments

1900 Kanawha Boulevard East
Suite E-122
Charleston WV 25305

(304) 340-1578

www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

Chief Financial Officer

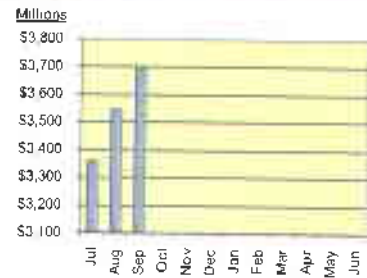
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$3,692,065,000

Last Month
\$3,544,441,000

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

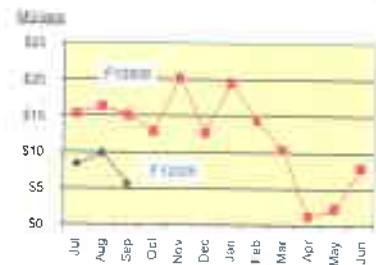


9.7% Growth This Fiscal Year

Total Net Income & Gains

This Month
\$5,576,000

Fiscal Year
\$23,628,000

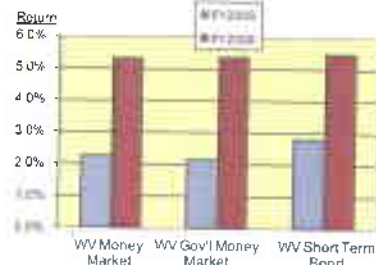


Fiscal Year Comparison

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	Sept. 2008	Fiscal Year 2009	Fiscal Year 2008
WV Money Market	1.8%	2.3%	5.3%
WV Gov't Money Market	2.1%	2.2%	5.4%
	Fiscal Year 2009	Fiscal Year 2008	
	<i>(Past 12 Months)</i>	<i>(Past 12 Months)</i>	
WV Short Term Bond	2.8%	5.5%	



Percentages are annualized fiscal year to date for WV Money Mkt & WV Gov't Money Mkt and 12 months for WV Short Term Bond

Fiscal Year Return Comparisons

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

SEPTEMBER 2008

One of the Most Extraordinary Months on Record

Credit crunch drives the crisis

These are extraordinary times and September will go down as one of the most extraordinary months on record in the financial marketplace. The credit crunch that has been a part of our financial markets for over a year has evolved from a quiet beginning into the most significant liquidity and solvency crisis the markets have faced in modern times.

In rapid succession, we witnessed the US government's takeover of Fannie Mae and Freddie Mac, the bankruptcy of Lehman Brothers, the sale of Merrill Lynch to Bank of America, the US government takeover of AIG, the reorganization of Goldman Sachs and Morgan Stanley as bank holding companies, the money market Reserve Prime Fund "breaking the buck," the proposal of a \$700 billion government rescue plan, the collapse of Washington Mutual, the forced takeover of Wachovia by Citigroup initially and then by Wells Fargo in the end, and the nationalization of several European banks, including banking and insurance provider Fortis.

The stock market carnage has sent investors scurrying for the safety and security of short-term Treasuries

September saw a pull-back on consumer spending as retail sales showed a drop of 0.3%, which was below the 0.3% increase expected by many. The pillars of consumer spending are jobs, income growth, credit availability and confidence. All four are flashing warning signs evidenced by the August unemployment rate (released in September) of 6.1, the highest level since 2003, as employers trimmed jobs for the ninth straight month.

Once confidence is lost, as it has been lately, it is very difficult to restore. Prices drop with no regard to valuation until someone is willing to step in and buy. But unlike a half-off sale at the department store, stock market buyers are not attracted to bargains. Instead of lining up around the block to buy, they run the other way.

The carnage has sent investors scurrying for the safety and security of short-term Treasuries. Yields on 6-month Treasuries end the month at 161 basis points, down 43 basis points, while 2-year Treasuries ended the month at 196 basis points, down 41 basis points for the month. The impact of the market turmoil further out the curve was far more modest. Yields on 10-year Treasuries nudged up by 1 basis point to 382 basis points while 30 year rates were 11 basis points lower at 431 basis points.

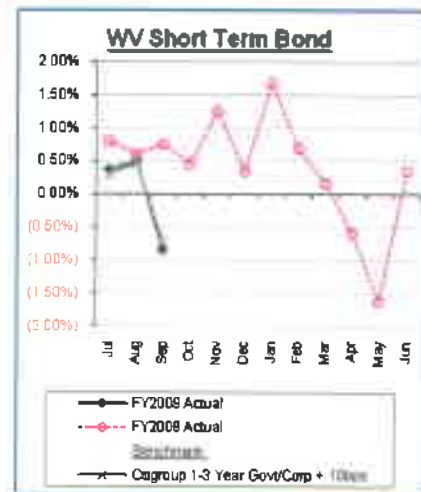
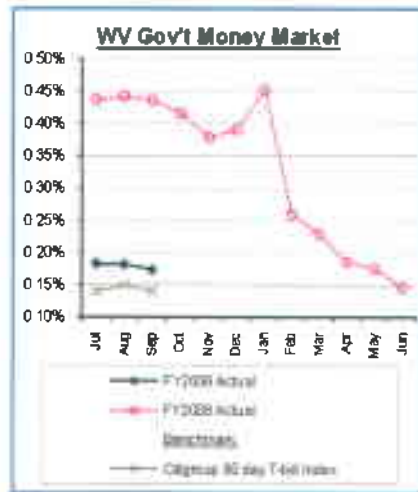
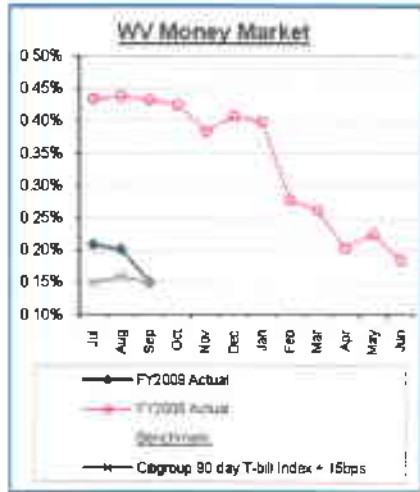
The Citigroup 90-Day T-Bill Index returned 0.14% in September outpacing the -0.72% return of the Citigroup 1-3 Year Government / Corporate Index. For the trailing 12 month period, the 90-Day T-Bills returned 2.55% while the 1-3 Year Government / Corporate Index returned 4.34%.

As we enter October, the vast majority of the investment community appears to believe that the successful passage of a meaningful rescue package by the U.S. Congress is necessary to help free up capital and provide needed liquidity to the system. Additionally, with no clear end to the credit environment in sight, many believe that the Fed will lower the Fed Funds rate in the near future.

West Virginia Board of Treasury Investments

Financial Highlights as of September 30, 2008

Monthly Rates of Return for Operating Pools (Net of Fees)



Summary of Value and Earnings (In Thousands)

Pool	Asset Value	Sept. Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 2,611,013	\$ 5,011	\$ 15,029
WV Gov't Money Market	258,901	421	1,203
WV Short Term Bond	357,504	(3,104)	(17)
WV Bank	126,825	292	937
Loss Amortization	177,123	2,478	5,046
Loans	123,948	390	1,087
Participant Accounts	36,751	88	343
	<u>\$ 3,692,065</u>	<u>\$ 5,576</u>	<u>\$ 23,628</u>

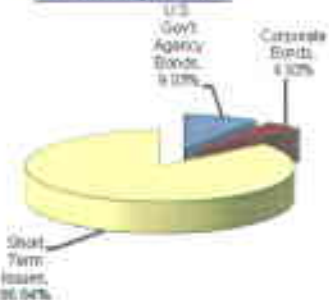
Percent of Total Net Asset Value



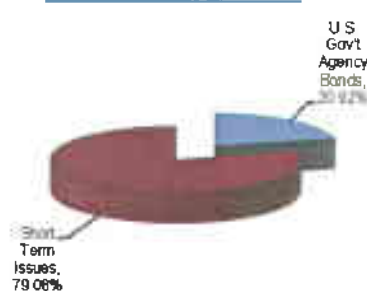
- Participant Accounts 1.0%
- Loans 3.4%
- Loss Amortization 4.8%
- WV Bank 3.4%
- WV Short Term Bond 9.7%
- WV Gov't Money Market 7.0%
- WV Money Market 70.7%

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

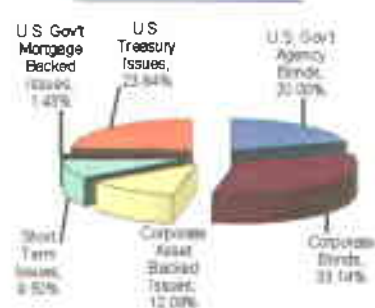
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

SEPTEMBER 30, 2008

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,811,930	\$ 263,584		\$ 125,000	\$ 123,563	\$ 25,333
At fair value	-	-	\$ 354,125	-	177,123	11,059
Collateral for securities loaned	400,489	50,833	127,633	-	-	-
Other assets	11,388	266	3,564	1,825	389	360
Total assets	3,223,807	314,683	485,322	126,825	301,075	36,752
Liabilities						
Payable for securities loaned	400,489	50,833	127,633	-	-	-
Other liabilities	212,305	4,949	185	-	4	1
Total liabilities	612,794	55,782	127,818	-	4	1
Net Assets	\$ 2,611,013	\$ 258,901	\$ 357,504	\$ 126,825	\$ 301,071	\$ 36,751
Investment income						
Interest and dividends	\$ 2,193	\$ 244	\$ 1,241	\$ 292	\$ 394	\$ 106
Securities lending income	569	47	4	-	-	-
Net accretion (amortization)	2,667	161	(186)	-	546	(11)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	5,429	452	1,059	292	940	95
Expenses						
Fees	218	18	27	-	4	1
Securities lending borrower rebates	277	26	8	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	495	44	35	-	4	1
Net investment income	4,934	408	1,024	292	936	94
Net realized gain (loss)						
from investments	77	13	(896)	-	-	-
Net increase (decrease)						
in fair value of investments	-	-	(3,232)	-	1,932	(6)
Net gain (loss) from investments	77	13	(4,128)	-	1,932	(6)
Net increase (decrease) in net assets from operations	5,011	421	(3,104)	292	2,868	88
Distributions to participants	4,950	413	81	292	390	-
Participant activity						
Purchases, reinvestment of units and contributions	843,622	106,923	1,467	292	390	178
Redemptions and withdrawals	724,489	69,227	-	-	8,222	2,760
Inter-pool transfers in	20,250	-	-	25,000	-	-
Inter-pool transfers out	25,000	-	-	20,250	-	-
Net increase (decrease) in net assets from participant activity	114,383	37,696	1,467	5,042	(7,832)	(2,582)
Increase (decrease) in net assets	114,444	37,704	(1,718)	5,042	(5,354)	(2,494)
Net assets at beginning of period	2,496,569	221,197	359,222	121,783	306,425	39,245
Net assets at end of period	\$ 2,611,013	\$ 258,901	\$ 357,504	\$ 126,825	\$ 301,071	\$ 36,751

(President Tomblin presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
November 18, 2008

3:00 - 4:00 p.m.

Senate Finance Room

1. Approval of October 14, 2008, minutes

2. Committee Reports/Requests:

Move that the members of the Legislature serving during the 78th Legislature, who are not returning to serve in the 79th Legislature, and citizen members serving during the 2008 legislative interim period be authorized to continue to receive expense reimbursement for participation in authorized monthly interim committee meetings through the ~~January~~ 2009 meetings, in order to complete the 2008 interim studies.
February

3. Monthly/Quarterly Reports Distribution:

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

4. Monthly/Quarterly Reports Distribution:

PEIA, BRIM, CHIP and Leases & Contracts Report - *Robert Ferguson, Jr., Secretary, Dept. of Administration*

5. Monthly/Quarterly Report Distribution from Department of Health and Human Resources:

Medicaid Report - *Martha Walker, Cabinet Secretary, DHHR*

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

7. Workers' Compensation Distribution: *Mary Jane Pickens, General Counsel to the Insurance Commissioner*

8. Board of Treasury Report Distribution

9. Other Business

10. Scheduled Interim Dates: December 7 - 9
January 11 - 13, 2009
February 8 - 10, 2009

11. Adjournment