

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

December 14, 2011

November 16, 2011

1:00 - 2:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

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

President Kessler, Cochair, presided.

1. Lottery, General Revenue Reports and Unemployment Compensation Trust Fund

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended September 30, 2011; General Revenue Fund report for the month ended October 31, 2011; and the Unemployment Compensation Trust Fund report as of September 30, 2011. Distributed with each of the reports were an analysis and a summary of the reports.

2. Workforce WV - Unemployment Compensation Trust Fund

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

3. PEIA, BRIM and CHIP Reports

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

The following reports from CHIP were distributed: A report of enrollment for October 2011 and financial statements for period ending September 30, 2011.

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

4. Real Estate Report, Department of Administration

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

5. **Approval of Minutes**

Upon motion by Speaker Thompson, properly adopted, the minutes of the October 13, 2011, meeting were approved.

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

A Medicaid report for September 2011 data was distributed.

7. **Investment Management Board**

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

8. **Workers' Compensation**

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

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

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

10. **Other Business**

A West Virginia Department of Transportation, Division of Highways Audited Financial Statements was distributed.

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

December 2, 2011

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

Lottery Commission as of October 31, 2011:

Gross profit for the months of July - October 2011 (FY 2012) was \$ 202 million.

General Revenue Fund as of November 30, 2011:

Revenue collections for the five months of the fiscal year 2012 were 101.69% of the estimate.

State Road Fund as of November 30, 2011:

Fund collections were at 104.40% of the yearly estimate.

Unemployment Compensation Trust as of October 31, 2011:

Regular benefits paid for the months July through October 2011 were \$12.5 million less than in July through October 2010. Trust fund ending balance on October 31, 2011 was \$109,813,298.02.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

MEMORANDUM

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

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

Date: December 4, 2011

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ending October 31, 2011 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 \$473,043,000.00 at the end of October of fiscal year 2012. Table games accounted for \$25.5 million of this total. Historic Resort Hotel video lottery and table games accounted for \$ 2 million of total gross receipts. Total gross receipts were \$472,344,000.00 for July - October of fiscal year 2010-2011. Gross lottery revenue has increased by 0.15% when compared with the same months of 2010-2011. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July through October 2011 was \$202,660,000.00; for July - October of last fiscal year it was

\$201,642,000.00. Expressed as a percentage, gross profit is 0.50% higher for the same months of fiscal year 2012 than for fiscal year 2011.

Operating Transfers to the State of West Virginia:

A total of \$254,358,000.00 has been accrued to the state of West Virginia for fiscal year 2011-2012. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Revenue Center Construction Fund \$15,000,000.00
 (State Road Fund)

Bureau of Senior Services	\$45,615,000.00
Community and Technical College	\$1,999,000.00
Department of Education	\$21,523,000.00
Library Commission	\$7,932,000.00
Higher Education-Central Office	\$5,778,000.00
Tourism	\$5,181,000.00
Department of Natural Resources	\$2,385,000.00
Division of Culture and History	\$4,135,000.00
Department of Education and Arts	\$1,295,000.00
State Building Commission	\$3,998,000.00
School Building Authority	\$7,200,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	107,041,000.00

Lottery

Lottery continued

Excess Lottery Fund

General Purpose Fund	\$58,053,000.00
Economic Development Fund	7,596,000.00
Higher Education Improvement Fund	6,000,000.00
WV Infrastructure Council Fund	-0-
Higher Education Improvement Fund	29,000,000.00
Refundable Credit	964,000.00
State Park Improvement Fund	-0-
School Building Authority	7,600,000.00
Excess Lottery Surplus	-0-
Total State Excess Lottery Revenue Fund	109,213,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	464,000.00
State Debt Reduction Fund	138,000.00
Tourism Promotion Fund	22,000.00
Total Historic Hotel	624,000.00

Veterans Instant Ticket Fund 195,000.00

Table Games State Debt Reduction Fund 11,725,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$3,406,000.00
Development Office Promo Fund	\$929,000.00
Research Challenge Fund .5%	\$1,239,000.00
Capitol Renovation and Improvement Fund .6875%	\$1,703,000.00
Parking Garage Fund .0625%	\$155,000.00

Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$892,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$1,086,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$20,910,000.00
TOTAL TRANSFERS	*\$264,708,000.00

* CASH BASIS

Total Accrued last FY 2011:	178,218,000.00
Total Cash Distributions FY 2012:	264,708,000.00
Applied to FY 2011:	178,218,000.00
Applied to FY 2012	86,490,000.00
Revenue Ctr Construction Approp	4,958,000.00
Accrued for FY 2012 as of Oct. 31:	162,910,000.00



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

October 31, 2011

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John C. Musgrave, Director
RE: Monthly Report on Lottery Operations
Month Ending October 31, 2011
DATE: November 19, 2011

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

Financial statements of the Lottery for the month ending October 31, 2011 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$117,225,808 for the month of October.

Transfers of lottery revenue totaling \$40,894,057 made for the month of October to the designated state agencies per House Bill 2012, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of October 31, 2011 was 1,583 and 1,552 respectively.

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

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

JCM/rd
Attachment

pc: Honorable Earl Ray Tomblin, Governor
Charles O. Lorensen, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

Lottery Financials Attachment December 2011 Interims

WEST VIRGINIA LOTTERY

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

ASSETS	October 31, 2011	June 30, 2011
Current Assets:		
Cash and cash equivalents	\$ 169,598	\$ 266,196
Accounts receivable	39,029	29,783
Inventory	670	497
Other assets	2,288	2,134
Total Current Assets	<u>211,585</u>	<u>298,610</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	683	4,324
Capital assets	47,872	38,965
Less accumulated depreciation and amortization	<u>(8,703)</u>	<u>(8,544)</u>
Net Capital Assets	<u>39,169</u>	<u>30,421</u>
Total Noncurrent Asset:	<u>39,852</u>	<u>34,745</u>
Total Assets	<u>\$ 251,437</u>	<u>\$ 333,355</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 162,910	\$ 178,218
Deferred LVL permit fees	-	58,863
Estimated prize claims	10,842	12,011
Accounts payable	3,812	4,440
Other accrued liabilities	29,843	40,751
Total Current Liabilities	<u>207,407</u>	<u>294,283</u>
Total Liabilities	<u>207,407</u>	<u>294,283</u>
Net Assets:		
Invested in capital assets	39,169	30,421
Unrestricted	4,861	6,612
Restricted assets (see note 12)	-	2,039
Total Net Assets	<u>44,030</u>	<u>39,072</u>
Total Liabilities and Net Assets	<u>\$ 251,437</u>	<u>\$ 333,355</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2011
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2011	2010	2011	2010
Lottery revenues				
On-line games	\$ 6,587	\$ 6,384	\$ 25,029	\$ 24,675
Instant games	9,070	8,741	38,343	33,184
Racetrack video lottery	62,054	63,212	254,063	261,398
Limited video lottery	32,846	33,764	127,972	130,949
Table games	6,110	5,292	25,559	20,054
Historic resort	559	604	2,077	2,084
	<u>117,226</u>	<u>117,997</u>	<u>473,043</u>	<u>472,344</u>
Less commissions:				
On-line games	465	447	1,758	1,727
Instant games	635	612	2,684	2,323
Racetrack video lottery	39,318	39,221	149,974	153,791
Limited video lottery	16,095	16,544	62,706	64,165
Table games	2,626	2,274	10,983	8,618
Historic resort	242	331	1,055	1,086
	<u>59,381</u>	<u>59,429</u>	<u>229,160</u>	<u>231,710</u>
Less on-line prizes	3,303	3,140	12,683	13,058
Less instant prizes	6,209	6,043	25,240	22,640
Less ticket costs	136	193	655	769
Less vendor fees and costs	626	603	2,645	2,525
	<u>10,274</u>	<u>9,979</u>	<u>41,223</u>	<u>38,992</u>
Gross profit	<u>47,571</u>	<u>48,589</u>	<u>202,660</u>	<u>201,642</u>
Administrative expenses				
Advertising and promotions	729	1,522	2,230	3,541
Wages and related benefits	1,047	974	4,261	3,899
Telecommunications	39	50	207	204
Contractual and professional	770	442	1,740	1,448
Rental	53	54	213	221
Depreciation and amortization	62	147	159	586
Other administrative expenses	164	149	626	545
	<u>2,864</u>	<u>3,338</u>	<u>9,436</u>	<u>10,444</u>
Other Operating Income	<u>180</u>	<u>182</u>	<u>63,663</u>	<u>2,544</u>
Operating Income	<u>44,887</u>	<u>45,433</u>	<u>256,887</u>	<u>193,742</u>
Nonoperating income (expense)				
Investment income	12	27	57	113
Capital contribution from State of WV	1,317	-	4,958	-
Distributions to municipalities and counties	(644)	(662)	(2,508)	(2,567)
Distributions -capital reinvestment	(15)	(233)	(78)	(281)
Distributions to the State of West Virginia	(44,240)	(44,565)	(254,358)	(191,007)
	<u>(43,570)</u>	<u>(45,433)</u>	<u>(251,929)</u>	<u>(193,742)</u>
Net income	<u>1,317</u>	<u>-</u>	<u>4,958</u>	<u>-</u>
Net assets, beginning of period	42,713	36,383	39,072	36,383
Net assets, end of period	<u>\$ 44,030</u>	<u>\$ 36,383</u>	<u>\$ 44,030</u>	<u>\$ 36,383</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2011

(In Thousands)
- Unaudited -

	2011	2010
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 468,597	\$ 465,045
Cash payments for:		
Personnel costs	(3,811)	(3,473)
Suppliers	(5,694)	(7,710)
Other operating costs	(272,863)	(264,086)
Cash provided by operating activities	<u>186,229</u>	<u>189,776</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(264,708)	(270,503)
Distributions to municipalities and counties	(2,468)	(2,530)
Distributions to racetrack from racetrack cap. reinv. fund	(10,442)	(14,696)
Cash used in noncapital financing activities	<u>(277,618)</u>	<u>(287,729)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(8,907)</u>	<u>(391)</u>
Cash flows from investing activities:		
Investment earnings received	<u>57</u>	<u>113</u>
Increase (decrease) in cash and cash equivalents	(100,239)	(98,231)
Cash and cash equivalents - beginning of period	270,520	264,710
Cash and cash equivalents - end of period	<u>\$ 170,281</u>	<u>\$ 166,479</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	\$ 193,742
Adjustments to reconcile operating income to cash provided by operating activities:	256,887	
Depreciation and amortization	159	586
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(9,246)	(9,843)
(Increase) decrease in inventory	(173)	90
(Increase) decrease in other assets	(154)	83
Increase (decrease) in estimated prize claims	(1,169)	(727)
Increase (decrease) in accounts payable	(628)	(763)
Increase (decrease) in deferred revenue	(58,863)	-
Increase (decrease) in other accrued liabilities	(584)	6,608
Cash provided by operating activities	<u>\$ 186,229</u>	<u>\$ 189,776</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

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

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$523,398 and \$500,740 of at June 30, 2011 and 2010, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 16).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET ASSETS – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At October 31, 2011 the carrying amounts of deposits (overdraft) with financial institutions were (\$12) thousand with a bank balance (overdraft) of \$171 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	October 31, 2011	June 30, 2011
Deposits with financial institutions	\$ (12)	\$ (56)
Cash on hand at the Treasurer's Office	36,091	45,547
Investments with BTI reported as cash equivalents	134,202	225,029
	\$ 170,281	\$ 270,520

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

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

Capital Assets:

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At October 31, 2011
Construction in Progress	\$ 8,444	\$ 7,285	\$ -	\$ 15,729
Land	1,434	-	-	1,434
Buildings	20,174	-	-	20,174
Improvements	1,170	-	-	1,170
Equipment	7,743	1,622	-	9,365
	<u>\$ 38,965</u>	<u>\$ 8,907</u>	<u>\$ -</u>	<u>\$ 47,872</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At October 31, 2011
Improvements	\$ 1,142	\$ 2	\$ -	\$ 1,144
Equipment	7,402	157	-	7,559
	<u>\$ 8,544</u>	<u>\$ 159</u>	<u>\$ -</u>	<u>\$ 8,703</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

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

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,485,811	\$ 12,201,288
Hot Lotto	464,335	1,659,272
Mega Millions	583,394	2,847,405
Total	\$ 4,533,540	\$ 16,707,965
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,743,087	\$ 6,101,207
Hot Lotto	232,219	829,790
Mega Millions	300,467	1,466,519
Total	\$ 2,275,773	\$ 8,397,516

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

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

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

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 124,936,356	\$ 2,386,175
Hot Lotto	7,387,159	485,948
Mega Millions	10,617,912	217,482
Total	<u>\$ 142,941,427</u>	<u>\$ 3,089,605</u>

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third

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

of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$13,317,524 at October 31, 2011, of which the Lottery's share was \$1,575,580.

NOTE 6 - RACETRACK VIDEO LOTTERY

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

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

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

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

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

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended October 31, 2011 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
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-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 687,536	\$ 690,138	\$ 2,818,191	\$ 2,853,728
Credits (prizes) won	(617,616)	(618,932)	(2,531,165)	(2,563,127)
Promotional credits played	(7,824)	(7,756)	(32,810)	(27,952)
MWAP Contributions	(42)	(238)	(153)	(1,251)
Gross terminal income	62,054	63,212	254,063	261,398
Administrative costs	(2,450)	(2,151)	(10,131)	(10,079)
Net Terminal Income	59,604	61,061	243,932	251,319
Less distribution to agents	(39,318)	(39,221)	(149,974)	(153,791)
Racetrack video lottery revenues	<u>\$ 20,286</u>	<u>\$ 21,840</u>	<u>\$ 93,958</u>	<u>\$ 97,528</u>

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

	October 31, 2011	Year-to-Date
State Lottery Fund	\$ 17,871	\$ 73,170
State Excess Lottery Revenue Fund	32	32
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	819	3,353
Development Office Promotion Fund .375 %	223	914
Research Challenge Fund .5 %	298	1,220
Capitol Renovation & Improvement Fund .6875 %	410	1,677
Parking Garage Fund .0625 %	37	152
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	298	970
Capitol Dome & Capitol Improvements Fund .5 %	298	970
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 20,286</u>	<u>\$ 93,958</u>

NOTE 7 - LIMITED VIDEO LOTTERY

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

WEST VIRGINIA LOTTERY
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended October 31, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 386,630	\$ 400,587	\$ 1,502,253	\$ 1,543,966
Credits (prizes) won	(353,784)	(366,823)	(1,374,281)	(1,413,017)
Gross terminal income	\$ 32,846	\$ 33,764	\$ 127,972	\$ 130,949
Administrative costs	(657)	(675)	(2,559)	(2,619)
Gross Profit	32,189	33,089	125,413	128,330
Commissions	(16,095)	(16,544)	(62,706)	(64,165)
Municipalities and Counties	(644)	(662)	(2,508)	(2,567)
Limited video lottery revenues	<u>\$ 15,450</u>	<u>\$ 15,883</u>	<u>\$ 60,199</u>	<u>\$ 61,598</u>

NOTE 8 - TABLE GAMES

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

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

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended October 31, 2011 and year-to-date were \$17,456,865 and \$73,026,004, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table Games Privilege Tax	\$ 6,110	\$ 5,292	\$ 25,559	\$ 20,054
Interest on Table Games Fund	-	1	1	2
Administrative costs	(698)	(605)	(2,921)	(2,292)
Total Available for Distribution	5,412	4,688	22,639	17,764
<u>Less Distributions:</u>				
Racetrack Purse Funds	436	378	1,825	1,432
Thoroughbred & Greyhound Development Funds	349	302	1,461	1,146
Racing Association Pension Plan	147	127	613	481
Municipalities/ Counties	1,694	1,467	7,084	5,559
Total Distributions	2,626	2,274	10,983	8,618
State Debt Reduction Fund	\$ 2,786	\$ 2,414	\$ 11,656	\$ 9,146

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended October 31, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	\$ 6,285	\$ 5,281	\$ 22,292	\$ 17,250
Credits (prizes) won	(5,989)	(4,799)	(20,759)	(15,728)
Promotional credits played	(27)	(14)	(132)	(51)
Gross terminal income	269	468	1,401	1,471
Capital reinvestment	(13)	(22)	(66)	(69)
Administrative costs	(15)	(25)	(76)	(79)
Modernization fund	(2)	-	(13)	-
Hotel commissions	(114)	(198)	(593)	(622)
Net terminal income	125	223	653	701
Historic Resort Hotel Fund	79	143	415	450
Human Resource Benefit Fund	46	80	238	251

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended October 31, 2011 and year-to-date were \$828,263 and \$1,932,671, respectively.

The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table games privilege tax	\$ 290	\$ 136	\$ 678	\$ 613
Administrative Costs	(37)	(18)	(87)	(79)
Total Available for Distribution	253	118	591	534
Historic Resort Hotel Fund	212	99	494	446
Human Resource Benefit Fund	41	19	97	88

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Hotel Fund

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

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 79	\$ 415
Historic Resort Table Games	212	494
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	291	909
Municipalities/ Counties	41	127
State General Revenue Fund	186	582
State Debt Reduction Fund	55	173
State Tourism Promotion Fund	9	27
Total Distributions	<u>\$ 291</u>	<u>\$ 909</u>

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2012 the State Legislature budgeted \$166,297,857 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$4,800,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be

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

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 October 31, 2011 the Lottery made such distributions and accrued additional distributions of \$38,820,601. 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. For the month ended October 31, 2011, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$622,841, \$2,786,366, and \$250,467, respectively.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>October 31, 2011</u>	<u>Year-to-Date</u>
<u>Revenue Center Construction Fund</u>		
State Road Fund	\$ -	\$ 15,000
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 1,999
Bureau of Senior Services	8,859	45,615
Department of Education	4,180	21,523
Library Commission	1,540	7,932
Higher Education-Policy Commission	1,122	5,778
Tourism	1,006	5,181
Natural Resources	463	2,385
Division of Culture & History	803	4,135
Department of Education & Arts	251	1,295
Building Commission	1,000	3,998
School Building Authority	1,800	7,200
Total State Lottery Fund	<u>\$ 21,524</u>	<u>\$ 107,041</u>

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,899	\$ 7,596
Higher Education Improvement Fund	1,500	6,000
General Purpose Account	8,875	58,053
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	-
School Building Authority	1,900	7,600
Refundable Credit	197	964
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 14,371	\$ 109,213

Total Budgetary distributions:	\$ 35,895	\$ 231,254
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Veterans Instant Ticket Fund	\$ 37	\$ 195
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Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 743	\$ 3,406
Development Office Promotion Fund .375%	203	929
Research Challenge Fund .5%	270	1,239
Capitol Renovation & Improvement Fund .6875%	372	1,703
Parking Garage Fund .0625 %	34	155
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	270	892
Capitol Dome & Cap. Improvements Fund .5%	270	1,086
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,162	\$ 20,910

Table Games State Debt Reduction Fund	\$ 2,575	\$ 11,725
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 166	\$ 464
State Debt Reduction Fund	50	138
Tourism Promotion Fund	8	22
Total	\$ 224	\$ 624

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 40,893	\$ 264,708
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West Virginia Lottery RCC Fund Appropriation	1,317	4,958
Accrued nonoperating distributions, beginning	(160,880)	(178,218)
Accrued nonoperating distributions, end	162,910	162,910
	\$ 44,240	\$ 254,358

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended October 31, 2011 and October 31, 2010 approximated \$212,824 and \$221,209 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended October 31, 2011 and year-to-date were \$78,000 and \$324,199, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2012	\$ 630
2013	962
2014	986
2015	248
Total	\$ 2,826

NOTE 12 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2011 and June 30, 2010 were as follows:

	June 30, 2011	June 30, 2010
Beginning balance	\$ 8,355	\$ 69,870
Additions		
Enabling legislation additions		
Interest earned on restricted net assets		93
Deductions		
Asset acquisition	(6,316)	(21,608)
Surplus of excess funds		(40,000)
Ending balance	\$ 2,039	\$ 8,355

WEST VIRGINIA LOTTERY
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NOTE 13 – COMMITMENTS

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

NOTE 14 - RETIREMENT BENEFITS

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

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

	October 31, 2011	Year-to-Date
Lottery contributions	\$ 96,057	\$ 400,163
Employee contributions	29,811	124,190
Total contributions	\$ 125,868	\$ 524,353

NOTE 15 - RISK MANAGEMENT

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

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

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Funding Policy

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

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

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

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

Date: December 1, 2011

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

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

The net collections were ahead of the estimate for the month ending November 30, 2011. Total collections were \$27.2 million over the estimate.

Personal Income Tax collections were \$ 9.5 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 11.6 million over the estimate as of November 30, 2011.

Severance tax collections were \$ 21 million over the estimate as of November 30, 2011.

Corporate Income and Business Franchise Tax collections were \$14 million over the estimate for the fiscal year.

State Road Fund

The state road fund collections were \$ 11.7 million over the estimate for the end of the end of the fifth month fiscal year 2011-2012.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 505,168,716.48 as of November 30, 2011.

Balance July 1, 2011	342,320,537.63
Cash flow loan to General Revenue on July 1, 2011. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Repaid September	- 60,000,000.00 + 60,000,000.00
Senate Bill 1001 July 2011 special session WV Code 11B-2-20 transfers	150,667,825.51
Earnings	12,180,353.34
Balance November 30, 2011	505,168,716.48

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 316,732,752.45 as of November 30, 2011.

Balance July 1, 2011	316,806,577.84
Earnings	(73,825.39)
Other transfers	0
Balance November 30, 2011	316,732,752.45

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

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

GENERAL REVENUE FUND FY 2011-2012

FINAL

By Source and by Month
 Monthly Revenue Estimates
 as of November 30, 2011 WV FIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	112,200,000	95,050,507	-17,149,493	647,300,000	637,744,655	-9,555,345
Consumer Sales Tax & Use Tax	95,300,000	98,926,100	3,626,100	495,100,000	506,774,838	11,674,838
Severance Tax	42,100,000	34,767,163	-7,332,837	176,800,000	198,368,846	21,568,846
HB 102 - Lottery Transfers	6,947,000	6,946,556	-444	65,000,000	65,000,000	0
Insurance Tax	200,000	822,386	622,386	52,800,000	53,964,412	1,164,412
Corp Income /Business Franchise	200,000	-15,616,855	-15,816,855	50,200,000	65,134,164	14,934,164
Tobacco Products Tax	9,070,000	9,600,383	530,383	48,210,000	46,236,900	-1,973,100
Business and Occupation	12,100,000	7,280,349	-4,819,651	45,100,000	42,915,020	-2,184,980
Interest Income	2,000,000	494,281	-1,505,719	10,000,000	-64,967	-10,064,967
Liquor Profit Transfers	1,000,000	1,020,000	20,000	5,400,000	5,847,428	447,428
Departmental Collections	1,200,000	957,941	-242,059	5,030,000	5,013,380	-16,620
Property Transfer Tax	760,000	709,020	-50,980	3,900,000	3,639,025	-260,975
Beer Tax and Licenses	540,000	581,371	41,371	3,450,000	3,456,181	6,181
Property Tax	385,000	326,188	-58,812	3,400,000	3,375,733	-24,267
Miscellaneous Receipts	290,000	331,029	41,029	1,320,000	1,266,149	-53,851
Business Fran Registration Fees	30,000	39,883	9,883	500,000	716,034	216,034
Miscellaneous Transfers	20,000	0	-20,000	330,000	528,487	198,487
Senior Tax Credit Reimbur Lot	0	0	0	300,000	964,143	664,143
Liquor License Renewal	21,000	0	-21,000	205,000	162,502	-42,498
Racing Fees	0	0	0	0	0	0
Charter Tax	0	6,253	6,253	0	34,484	34,484
Telecommunications Tax	0	7,660	7,660	0	41,294	41,294
Estate and Inheritance Tax	0	0	0	0	15,937	15,937
Video Lottery Transfers	0	66,824	66,824	0	498,593	498,593
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	284,363,000	242,317,040	-42,045,960	1,614,345,000	1,641,633,238	27,288,238
	0	0	0	0	0	
Percent of Estimates						
TOTALS	284,363,000	242,317,040	-42,045,960	1,614,345,000	1,641,633,238	27,288,238
Percent of Estimates		85.21%			101.69%	
Collections this day		27,308,802				

Prepared by Legislative Auditor's Office, Budget Division

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

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	33,500,000	31,618,498	-1,881,502	167,100,000	168,909,734	1,809,734
Prvllege Tax	10,733,000	13,292,305	2,559,305	66,545,000	76,735,777	10,190,777
Licenses & Registration	4,023,000	5,008,392	985,392	33,719,000	33,460,040	-258,960
Highway Litter Control	76,000	125,043	49,043	636,000	678,996	42,996
TOTALS	48,332,000	50,044,239	1,712,239	268,000,000	279,784,547	11,784,547
Percent of Estimates		103.54%			104.40%	
Collections this day		24,542,668				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF November 1, 2011 : \$499,569,109.66

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF November 1, 2011 : \$308,026,035.95

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

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

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

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

Date: December 7, 2011

Re: West Virginia Unemployment Compensation Trust Fund

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

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

Trust Fund Beginning Cash Balance 7-1-2011	\$101,837,094.21
Receipts July 1, 2011 thru June 30, 2012	\$ 128,395,572.41
Disbursements July 1, 2011 thru June 30, 2012	\$ 120,419,368.60
Balance October 31, 2011	\$ 109,813,298.02

ITEMS OF NOTE:

Regular benefits paid for July - October 2011 were \$12.5 million less than July - October 2010.

Federal emergency benefits totaled \$ 48.0 million for the July -

October 2011; for July - October 2010 federal emergency benefits totaled \$ 67.1 million.

Total disbursements were \$ 45.2 million less in July - October 2011 than the preceding July - October 2010.

Receipts for July - October 2011 were \$ 27.7 million less than in July - October 2010. Overall ending trust fund balance was \$ 23.8 million higher on October 31, 2011 than on October 31, 2010.

West Virginia's unemployment rate for the month of October 2011 was 7.4 percent. National unadjusted employment rate was 9.0 percent.

Seasonally adjusted unemployment rates were 8.2 percent for West Virginia and 9.7 percent nationally.

Since October 2010 employment has increased by 4,800. Employment gains were as follows: 2,500 in educational and health services; 2,300 in mining and logging; 1,900 in professional and business services; 1,600 in trade, transportation and utilities; 200 in information; and 100 in other services. Declines were as follows: 1,800 in government; 500 in financial activities; 700 in leisure and hospitality; 800 in construction.

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

	<u>AUGUST 2010</u>	<u>SEPTEMBER 2010</u>	<u>OCTOBER 2010</u>	<u>AUGUST 2011</u>	<u>SEPTEMBER 2011</u>	<u>OCTOBER 2011</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$94,669,457.65</u>	<u>\$106,500,318.34</u>	<u>\$93,432,481.16</u>	<u>\$89,888,923.85</u>	<u>\$121,856,807.20</u>	<u>\$111,623,714.33</u>	<u>\$39,277,308.24</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:							
2. Federal Emergency Benefits (EUCOB)	\$32,021,123.12	\$1,187,504.82	\$12,513,530.40	\$36,756,163.43	\$1,548,682.73	\$13,282,616.89	\$5,845,194.51
4. Federal Share Extended Benefits (EB)	\$24,659,782.34	\$16,331,178.74	\$13,768,086.10	\$13,878,978.82	\$11,833,893.13	\$11,160,051.86	(\$17,874,131.57)
5. Temp Federal Additional Comp (FAC)	\$4,044,843.24	\$3,900,847.00	\$3,189,885.52	\$2,248,800.95	\$2,052,813.32	\$2,252,708.05	(\$3,981,154.43)
6. UCPE (Federal Agencies)	\$4,181,782.00	\$2,676,576.00	\$2,289,735.00	\$436.85	\$1,180.80	\$1,041.00	(\$9,154,433.16)
7. Special Administrative Transfer **	\$207,850.42	\$172,811.15	\$189,853.43	\$266,657.09	\$182,011.43	\$178,322.48	\$83,285.98
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. UCX (Military Agencies)	\$0.00	\$891,813.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. WV Insurance Committee-Senate Bill 248	\$682,450.43	\$491,291.37	\$448,319.52	\$485,685.00	\$843,528.87	\$0.00	(\$148,284.87)
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$402,337.05	\$535,229.34	(\$216,628.93)
Total Monthly Receipts	<u>\$65,997,931.55</u>	<u>\$24,151,922.96</u>	<u>\$32,411,430.97</u>	<u>\$63,648,662.25</u>	<u>\$16,084,347.53</u>	<u>\$27,388,869.20</u>	<u>(\$25,440,276.50)</u>
Less Disbursements:							
Debt Bond Repayment							
Regular Benefits:							
Federal Emergency Benefits (EUCOB)	\$21,480,113.22	\$14,346,590.77	\$17,733,713.60	\$16,139,111.91	\$12,516,104.04	\$14,286,478.39	(\$10,619,713.25)
Federal Share Extended Benefits (EB)	\$24,488,300.27	\$14,869,694.76	\$15,572,818.08	\$12,312,182.79	\$10,853,487.16	\$11,736,822.63	(\$20,028,318.63)
Emergency Benefits (TEUC)	\$4,229,080.47	\$3,108,376.23	\$3,164,348.22	\$2,298,958.44	\$2,019,283.18	\$2,604,188.87	(\$3,681,371.35)
Temp Federal Additional Comp (FAC)	(\$4,819.72)	(\$205.00)	(\$812.31)	(\$1,855.17)	(\$514.00)	(\$70.00)	\$3,397.76
UCPE (Federal Workers) Benefits	\$4,188,132.00	\$2,600,980.00	\$2,446,801.00	\$388.95	\$1,180.80	\$1,439.89	(\$9,330,803.16)
UCX (Military Workers) Benefits	\$189,447.02	\$149,642.15	\$202,980.98	\$220,840.83	\$151,970.16	\$161,620.58	(\$16,818.08)
Reed Act Funds	\$637,486.33	\$461,394.71	\$485,998.24	\$383,248.43	\$359,018.98	\$518,903.55	(\$303,710.32)
Special Administrative Transfer**	\$146,888.80	\$167,138.82	\$578,881.08	\$185,236.19	\$428,000.00	\$0.00	(\$278,665.61)
	\$14,455.47	\$18,977.70	\$11,885.47	\$32,604.44	\$0.00	\$0.00	(\$10,784.20)
Total Monthly Disbursements	<u>\$55,367,070.86</u>	<u>\$35,819,780.14</u>	<u>\$40,276,660.48</u>	<u>\$31,688,708.91</u>	<u>\$26,427,540.40</u>	<u>\$28,200,385.51</u>	<u>(\$44,286,976.64)</u>
Trust Fund Balance	<u>\$109,500,318.34</u>	<u>\$93,832,481.16</u>	<u>\$85,957,231.67</u>	<u>\$121,888,907.20</u>	<u>\$111,623,714.33</u>	<u>\$109,813,298.02</u>	<u>\$39,103,808.98</u>

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

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,359,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

UC TRUST FUND PROJECTIONS - 2011

December 6, 2011

Month	Revenues	Benefits	Trust Fund Balance
2010			
Balance 1/1/2010			123,606,000
January	5,469,000	31,578,000	97,497,000
February	16,218,000	27,799,000	85,916,000
March	5,178,000	30,188,000	60,906,000
April	28,658,000	22,299,000	67,265,000
May	64,118,000	22,991,000	108,392,000
June	6,529,000	19,393,000	95,528,000
July	18,050,000	18,709,000	94,869,000
August	32,111,000	21,480,000	105,500,000
September	2,678,000	14,346,000	93,832,000
October	9,868,000	17,733,000	85,967,000
November	22,516,000	15,218,000	93,265,000
December	2,090,000	18,454,000	76,901,000
Totals - 2010	213,483,000	260,188,000	76,901,000
2011			
January	7,672,000	25,494,000	59,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,172,000	12,515,000	111,623,000
October	12,476,000	14,286,000	109,813,000
November	23,233,000	14,306,000	118,740,000
December	2,318,000	14,705,000	106,353,000
Totals - 2011	236,786,000	207,334,000	106,353,000

Revenues for the first eleven months of CY 2011 increased by 10.92% over the first eleven months of CY 2010

Benefits for the first eleven months of CY 2011 decreased by 20.31% over the first eleven months of CY 2010

Executive Division
 112 California Avenue
 Charleston, WV 25305

An agency of the Department of Commerce

An equal opportunity employer/program and auxiliary aids are available upon request to individuals with disabilities.

www.workforcewv.org



Financial Statements October 2011

*West Virginia Legislative Interims
December 2011*

West Virginia Public Employees Insurance Agency
For the Four Months Ending October 31, 2011
(Dollars in Thousands)

(\$ 0 0 0 's)			BUDGET VARIANC PRIOR YR VARIANCE				
ACTUAL	BUDGET	PRIOR YR		\$	%	\$	%
			<u>PREMIUM REVENUE</u>				
\$152,897	\$152,160	\$151,986	Health Insurance - State Gov. - Employers	\$737	0%	\$911	1%
40,493	38,704	38,501	Health Insurance - State Gov. - Employees	1,789	5%	\$1,992	5%
34,959	34,282	34,224	Health Insurance - Local Gov. - All	677	2%	\$735	2%
1,408	1,855	1,768	Life Insurance	(447)	(24%)	(360)	(20%)
1,167	1,167	1,167	Direct Transfer		0%		0%
1,611	5,683	8,150	Interest and Investment Income	(4,072)	(72%)	(6,539)	(80%)
424	554	559	Other Premium Revenue	(130)	(23%)	(135)	(24%)
1,535	1,522	1,522	Administrative Fees, Net of Refunds	13	1%	13	1%
234,494	235,927	237,877	TOTAL REVENUE	(1,433)	(1%)	(3,383)	(1%)
			<u>OPERATING EXPENSES</u>				
117,448	116,631	107,618	Claims Expense - Medical	(817)	(1%)	(9,830)	(9%)
35,856	39,307	34,205	Claims Expense - Drugs	3,451	9%	(1,651)	(5%)
12,666	12,946	12,185	Payments to Managed Care Org.	280	2%	(481)	(4%)
4,701	5,868	5,618	Administrative Service Fees	1,167	20%	917	16%
1,411	1,855	1,767	Life Insurance Expense	444	24%	356	20%
518	518	518	Wellness and Disease Management		0%		0%
1,796	2,131	2,000	Other Operating Expenses	335	16%	204	10%
50,449	50,350	48,247	WV RHBT Pay Go Premiums	(99)	(0%)	(\$2,202)	(5%)
224,845	229,606	212,158	TOTAL EXPENSES	4,761	2%	(12,687)	(6%)
9,649	6,321	25,719	YTD SURPLUS (DEFICIT)	3,328	53%	(16,070)	(62%)
168,327	168,327	173,604	Total Net Assets, Beginning of Period	0%	0%	(5,277)	(3%)
\$177,976	\$174,648	\$199,323	TOTAL NET ASSETS, END OF PERIOD	\$3,328	2%	(\$21,347)	(11%)

**STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Four Months Ending October 31, 2011**

ACTUAL	(\$ 000's)			BUDGET VARIANCE		PRIOR YR VARIANCE	
	BUDGET	PRIOR YR		\$	%	\$	%
ADDITIONS							
<u>Employer Premiums:</u>							
\$1,185	\$1,276	\$1,193	Health premiums	(\$91)	(7%)	(\$8)	(1%)
41,899	41,521	40,069	Pay Go Premiums	378	1%	1,830	5%
631	0	1,152	Annual required contributions	631	0%	(521)	(45%)
43,715	42,797	42,414	Total Employer Premiums	918	2%	1,301	3%
<u>Member Premiums:</u>							
23,720	22,709	22,481	Health premiums	1,011	4%	1,239	6%
8,542	8,479	8,178	Pay Go Premiums	63	1%	364	4%
5,633	5,620	4,646	Life Insurance Premiums	13	0%	987	21%
37,895	36,808	35,305	Total Member Premiums	1,087	3%	2,590	7%
81,610	79,605	77,719	Total Premium Additions	2,005	3%	3,891	5%
<u>Other Additions:</u>							
252	468	460	Retiree Drug Subsidy	(216)	(46%)	(208)	(45%)
(8,924)	10,684	16,948	Investment Income	(19,608)	(184%)	(25,872)	(153%)
72,938	90,757	95,127	TOTAL ADDITIONS	(17,819)	(20%)	(22,189)	(23%)
DEDUCTIONS							
17,615	16,498	16,034	Payments to Managed Care Org.	(1,117)	(7%)	(1,581)	(10%)
5,680	5,620	4,654	Life Insurance Expense	(60)	(1%)	(1,026)	(22%)
22,277	22,054	18,948	Medical Claims Expense	(223)	(1%)	(3,329)	(18%)
30,623	32,604	30,578	Pharmacy Claims Expense	1,981	6%	(45)	0%
2,893	3,090	2,875	Administrative Service Fees (External)	197	6%	(18)	(1%)
1,208	1,139	1,074	Other Operating Expenses	(69)	(6%)	(134)	(12%)
0	132	0	Bad Debt Expense	132	100%	0	0%
80,296	81,137	74,163	TOTAL DEDUCTIONS	841	1%	(6,133)	(8%)
(7,358)	9,620	20,964	NET FUND INCREASE	(16,978)	(176%)	(28,322)	(135%)
Net Assets Held in Trust for Post Employment Benefits							
472,079	472,079	422,636	Beginning of period	0	0%	49,443	12%
\$464,721	\$481,699	\$443,600	End of period	(\$16,978)	(4%)	\$21,121	5%

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET



	October 31	
	2011	2010
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 23,164	\$ 24,773
Advance Deposit with Carrier/Trustee	198,944	190,834
Receivables - Net	3,755	4,874
Prepaid Insurance	3,656	4,044
Total Short Term Assets	229,519	224,525
Long Term Assets		
Investments	133,697	128,416
Total Long Term Assets	133,697	128,416
TOTAL ASSETS	363,216	352,941
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,852	3,302
Claims Payable	217	645
OPEB Liability	182	181
Agents Commissions Payable	391	466
Unearned Revenue	9,139	9,427
Current Estimated Claim Reserve	46,638	44,765
Total Short Term Liabilities	58,419	58,786
Long Term Liabilities		
Compensated Absences	75	66
Estimated Noncurrent Claim Reserve	84,064	89,745
Total Long Term Liabilities	84,139	89,811
TOTAL LIABILITIES	142,558	148,597
Prior Year Net Assets	219,828	192,207
Current Year Earnings (Deficiency)	830	12,137
TOTAL NET ASSETS	220,658	204,344
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 363,216	\$ 352,941

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	October 31	
	2011	2010
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 17,236	\$ 17,732
Less - Excess Insurance	(1,817)	(2,022)
Total Operating Revenues	15,419	15,710
Operating Expenses		
Claims Expense	16,446	13,580
Property & MS Claims Expense	1,756	1,559
Personal Services	481	467
General & Administrative Expense	894	992
Total Operating Expenses	19,577	16,598
Operating Income (Loss)	(4,158)	(888)
Nonoperating Revenues		
Investment Income	4,988	13,025
Total Nonoperating Revenues	4,988	13,025
Net Income (Loss)	\$ 830	\$ 12,137

DRAFT - Unaudited - Management Purposes Only

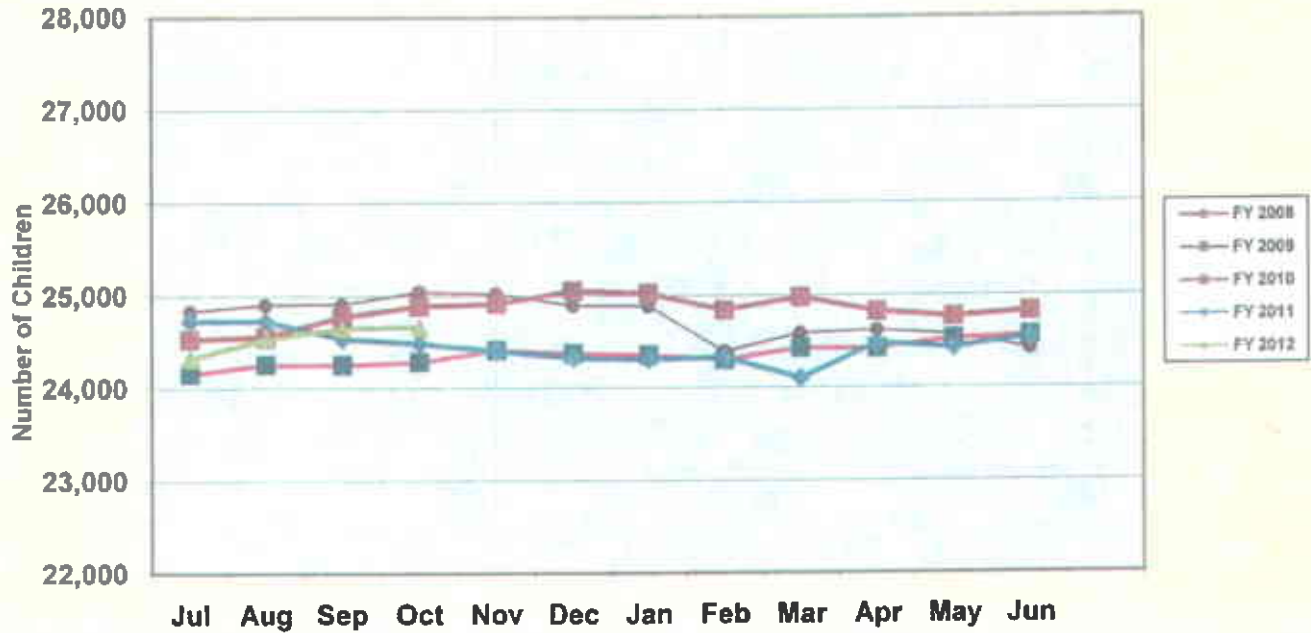


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

**Joint Committee on
Government and Finance
Report**

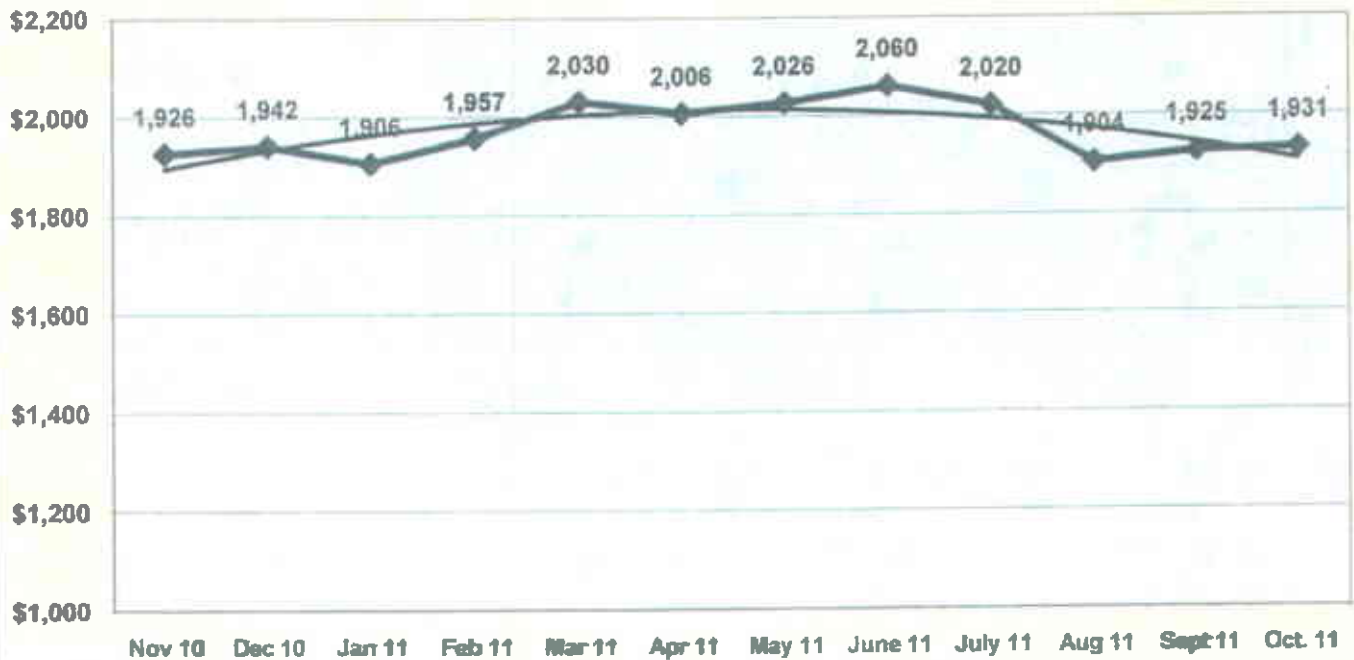
December 2011

WV CHIP Enrollment



October 31st Enrollment 24,664

Annualized Health Care Expenditures (Cost per Child)



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

	October 31, 2011	October 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$15,685,964	\$14,644,430	\$1,041,534	7%
Due From Federal Government	\$3,376,124	\$3,380,032	(\$3,908)	0%
Due From Other Funds	\$798,631	\$778,984	\$19,647	3%
Accrued Interest Receivable	\$5,791	\$28,946	(\$23,155)	-80%
Fixed Assets, at Historical Cost	<u>\$96,031</u>	<u>\$68,563</u>	<u>\$27,468</u>	<u>40%</u>
Total Assets	<u>\$19,962,541</u>	<u>\$18,900,955</u>	<u>\$1,061,586</u>	<u>6%</u>
Liabilities:				
Due to Other Funds	\$354,755	\$289,016	\$65,739	23%
Deferred Revenue	\$1,424,765	\$3,283,568	(\$1,858,803)	-57%
Unpaid Insurance Claims Liability	<u>\$3,820,000</u>	<u>\$3,870,000</u>	<u>(\$50,000)</u>	<u>-1%</u>
Total Liabilities	<u>\$5,599,520</u>	<u>\$7,442,584</u>	<u>(\$1,843,064)</u>	<u>-25%</u>
Fund Equity	<u>\$14,363,021</u>	<u>\$11,458,371</u>	<u>\$2,904,650</u>	<u>25%</u>
Total Liabilities and Fund Equity	<u>\$19,962,541</u>	<u>\$18,900,955</u>	<u>\$1,061,586</u>	<u>6%</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 Four Months Ending October 31, 2011 and October 31, 2010
(Modified Accrual Basis)

	October 31, 2011	October 31, 2010	Variance	
Revenues				
Federal Grants	13,261,304	13,447,669	(186,365)	-1%
State Appropriations	4,588,716	4,378,764	209,952	5%
Premium Revenues	208,545	141,802	66,743	47%
Investment Income:				
Investment Earnings	60,353	86,272	(25,919)	-30%
Unrealized Gain(loss) On Investments*	(53,802)	108,849	(162,651)	100%
Total Investment Income	<u>6,551</u>	<u>195,121</u>	<u>(188,570)</u>	<u>-97%</u>
Total Revenues	<u>18,065,116</u>	<u>18,163,356</u>	<u>(98,240)</u>	<u>-1%</u>
Expenditures:				
Claims:				
Outpatient Services	4,501,987	3,908,910	593,077	15%
Physicians & Surgical	3,455,052	3,650,461	(195,409)	-5%
Prescribed Drugs	3,193,389	3,190,161	3,228	0%
Dental	2,572,576	1,925,020	647,556	34%
Inpatient Hospital Services	1,064,816	1,176,558	(111,742)	-9%
Durable & Disposable Med. Equip.	469,650	418,897	50,753	12%
Outpatient Mental Health	414,768	415,691	(923)	0%
Vision	300,700	313,232	(12,532)	-4%
Inpatient Mental Health	217,574	296,685	(79,111)	-27%
Therapy	171,203	178,871	(7,668)	-4%
Medical Transportation	89,640	139,129	(49,489)	-36%
Other Services	57,819	34,470	23,349	68%
Less: Collections**	<u>(100,692)</u>	<u>(181,913)</u>	<u>81,221</u>	<u>-45%</u>
Total Claims	<u>16,408,482</u>	<u>15,466,172</u>	<u>942,310</u>	<u>6%</u>
General and Admin Expenses:				
Salaries and Benefits	169,236	173,104	(3,868)	-2%
Program Administration	590,603	936,204	(345,601)	-37%
Eligibility	174,329	141,273	33,056	23%
Outreach & Health Promotion	266,948	55,864	211,084	378%
Current	87,055	41,874	45,181	108%
Total Administrative	<u>1,288,171</u>	<u>1,348,319</u>	<u>(60,148)</u>	<u>-4%</u>
Total Expenditures	<u>17,696,653</u>	<u>16,814,491</u>	<u>882,162</u>	<u>5%</u>
Excess of Revenues				
Over (Under) Expenditures	368,463	1,348,865	(980,402)	-73%
Fund Equity, Beginning	<u>13,994,558</u>	<u>10,109,506</u>	<u>3,885,052</u>	<u>38%</u>
Fund Equity, Ending	<u>14,363,021</u>	<u>11,458,371</u>	<u>2,904,650</u>	<u>25%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Oct-11	Actual Amt Sep-11	Actual Amt Aug-11
Projected Cost	\$54,634,844	\$18,211,615	\$16,009,623	\$2,201,992	12%	\$4,552,904	\$3,742,987	\$5,574,959	\$4,278,781
Premiums	680,592	\$226,864	208,545	\$18,319	-8%	\$56,716	59,047	49,388	55,010
Subrogation & Rebates	731,381	\$243,794	100,692	143,102	-59%	\$60,948	32,864	42,172	14,000
Net Benefit Cost	53,222,871	\$17,740,957	\$15,700,386	\$2,040,571	12%	\$4,435,239	3,651,076	5,483,399	4,209,743
Salaries & Benefits	\$580,500	\$193,500	\$169,235	\$24,265	13%	\$48,375	\$39,609	\$39,609	\$39,900
Program Administration	3,116,505	\$1,038,835	598,761	440,074	42%	\$259,709	146,363	140,151	148,821
Eligibility	420,000	\$140,000	0	140,000	100%	\$35,000	0	0	0
Outreach	300,000	\$100,000	266,168	(166,168)	-166%	\$25,000	43,363	7,885	214,800
Current Expense	160,000	\$53,333	117,033	(63,700)	-119%	\$13,333	14,634	22,049	48,470
Total Admin Cost	\$4,577,005	\$1,525,668	\$1,151,197	\$374,471	25%	\$381,417	\$243,969	\$209,874	\$448,821
Total Program Cost	\$57,799,876	\$19,266,625	\$16,851,583	\$2,415,042	13%	\$4,816,656	\$3,895,045	\$5,693,073	\$4,859,561
Federal Share 80.83%	46,719,640	15,573,213	\$13,678,143	1,895,070	12%	3,893,303	3,148,365	4,628,781	3,788,831
State Share 19.17%	11,080,236	3,693,412	\$3,173,440	519,972	14%	923,353	746,680	1,066,313	872,731
Total Program Cost *	\$57,799,876	\$19,266,625	\$16,851,583	\$2,415,042	13%	\$4,816,656	\$3,895,045	\$5,693,073	\$4,859,561

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2011 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/ Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenerio dated 6/30/11 Final worksheet
 Net Paid Program Costs.

2/ Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%

WVCHIP Enrollment Report

ATTACHMENT 1

November 2011

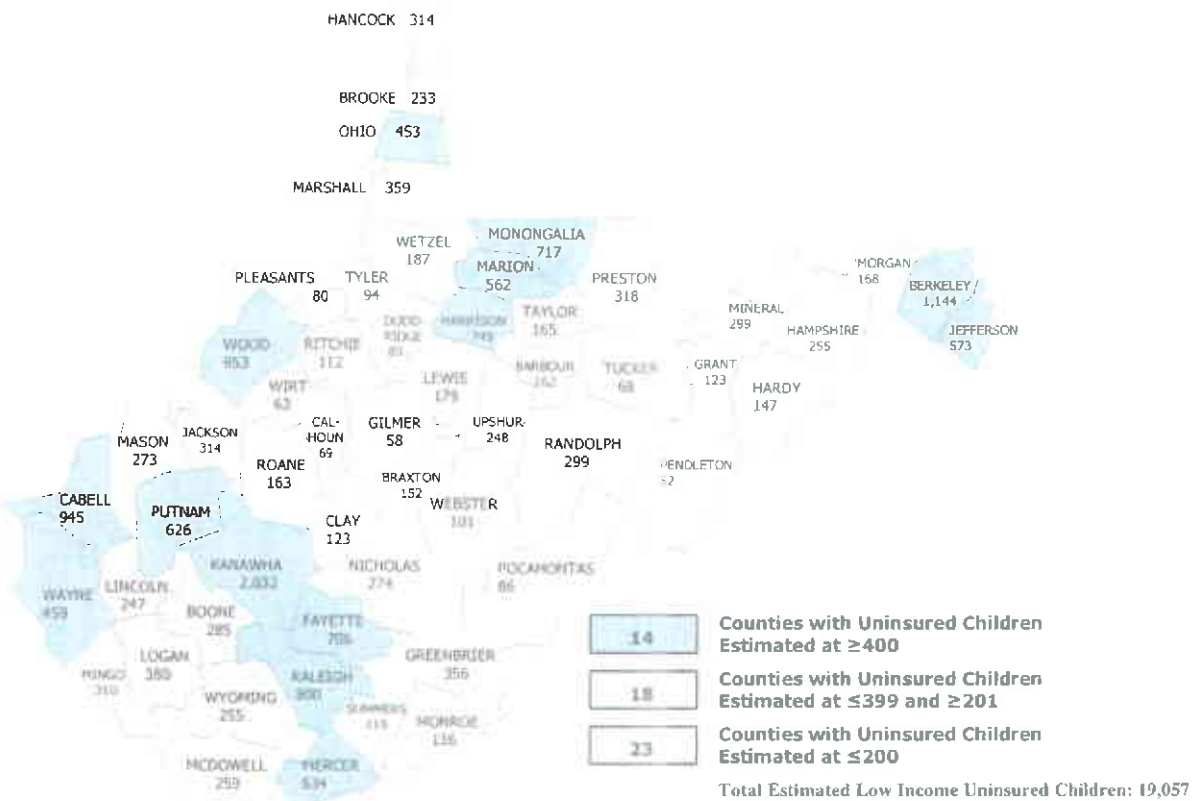
County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Nov-11	Total Medicaid Enrollment Nov-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,600	265	1,519	1,784	49.6%	180	33
Berkeley	26,251	1,284	7,894	9,178	35.0%	1,313	2
Boone	5,615	313	2,539	2,852	50.8%	281	25
Braxton	3,006	212	1,575	1,787	59.4%	150	40
Brooke	4,573	258	1,507	1,765	38.6%	229	31
Cabell	18,879	981	8,617	9,598	50.8%	944	4
Calhoun	1,518	131	825	956	63.0%	76	51
Clay	2,215	163	1,426	1,589	71.7%	111	44
Doddridge	1,673	130	689	819	48.9%	84	48
Fayette	9,438	803	4,592	5,395	57.2%	472	13
Gilmer	1,260	76	578	654	51.9%	63	54
Grant	2,555	178	987	1,165	45.6%	128	42
Greenbrier	7,131	585	2,882	3,467	48.6%	357	16
Hampshire	5,392	320	2,205	2,525	46.8%	270	27
Hancock	6,166	390	2,476	2,866	46.5%	308	20
Hardy	3,015	160	1,217	1,377	45.7%	151	39
Harrison	15,202	951	5,666	6,617	43.5%	760	7
Jackson	6,602	435	2,813	3,248	49.2%	330	18
Jefferson	12,679	510	3,064	3,574	28.2%	634	10
Kanawha	39,771	2,305	17,051	19,356	48.7%	1,989	1
Lewis	3,389	276	1,733	2,009	59.3%	169	37
Lincoln	4,930	342	2,718	3,060	62.1%	247	30
Logan	7,496	513	3,833	4,346	58.0%	375	15
Marion	11,227	712	4,288	5,000	44.5%	561	11
Marshall	6,886	345	2,759	3,104	45.1%	344	17
Mason	5,929	292	2,732	3,024	51.0%	296	21
McDowell	4,423	330	3,120	3,450	78.0%	221	32
Mercer	12,764	1,171	6,816	7,987	62.6%	638	9
Mineral	5,868	336	2,005	2,341	39.9%	293	23
Mingo	5,905	339	3,073	3,412	57.8%	295	22
Monongalia	15,294	787	4,347	5,134	33.6%	765	6
Monroe	2,835	230	1,012	1,242	43.8%	142	41
Morgan	3,596	276	1,348	1,624	45.2%	180	34
Nicholas	5,561	368	2,606	2,974	53.5%	278	26
Ohio	8,444	505	3,034	3,539	41.9%	422	14
Pendleton	1,462	117	513	630	43.1%	73	52
Pleasants	1,551	109	561	670	43.2%	78	50
Pocahontas	1,561	163	660	823	52.7%	78	49
Preston	6,536	478	2,368	2,846	43.5%	327	19
Putnam	13,150	785	3,435	4,220	32.1%	658	8
Raleigh	16,403	1,288	7,337	8,625	52.6%	820	5
Randolph	5,705	468	2,599	3,067	53.8%	285	24
Ritchie	2,205	151	884	1,035	46.9%	110	45
Roane	3,239	325	1,615	1,940	59.9%	162	38
Summers	2,521	207	1,192	1,399	55.5%	126	43
Taylor	3,514	230	1,378	1,608	45.8%	176	35
Tucker	1,371	137	492	629	45.9%	69	53
Tyler	1,924	122	762	884	45.9%	96	47

WVCHIP Enrollment Report

ATTACHMENT 1

November 2011

County	County Pop 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Nov-11	Total Medicaid Enrollment Nov-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Upshur	4,996	387	2,314	2,701	54.1%	250	29
Wayne	9,516	544	4,033	4,577	48.1%	476	12
Webster	1,977	153	1,173	1,326	67.1%	99	46
Wetzel	3,466	219	1,576	1,795	51.8%	173	36
Wirt	1,201	98	620	718	59.8%	60	55
Wood	18,956	1,182	8,446	9,628	50.8%	948	3
Wyoming	5,116	400	2,484	2,884	56.4%	256	28
Totals	387,459	24,835	159,988	184,823	47.7%	19,373	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Legislative Oversight Commission on
Health and Human Resources Accountability

DECEMBER 2011

Department of Administration

State Children's Health Insurance Program
UPDATE



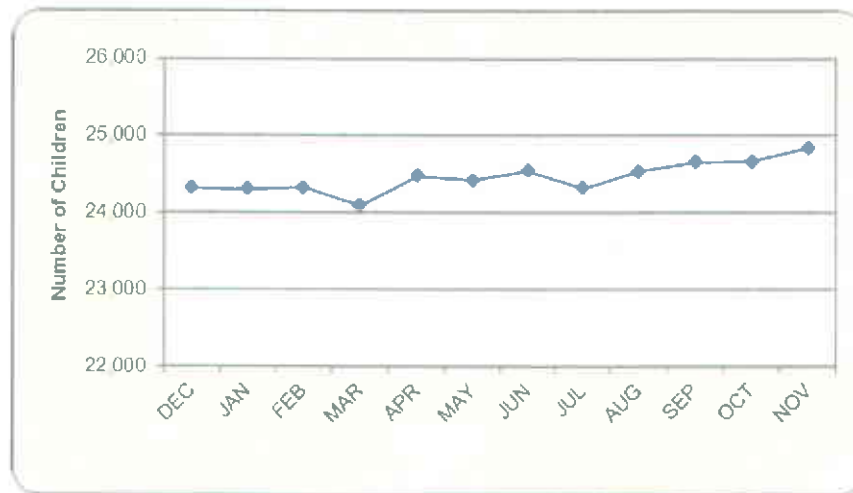
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR DECEMBER 2011

I. Enrollment on November 30, 2011: 24,835

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: December 2010 through November 2011



Enrollee Totals: September 2011 to November 2011

Month	Total	1 Year Average	Total
September	1,943	Average	1,828
October	1,629	High	2,205
November	1,544	Low	1,480

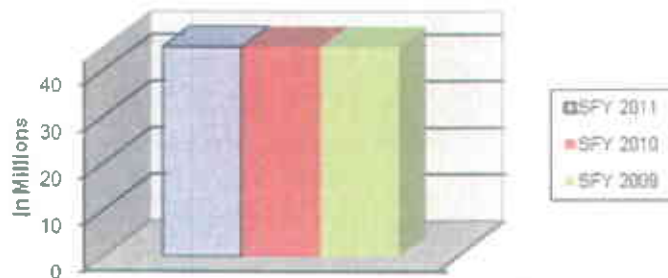
II. Financial Activity

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

The average annualized claims cost per child for the month ended October 2011 was \$1,931.

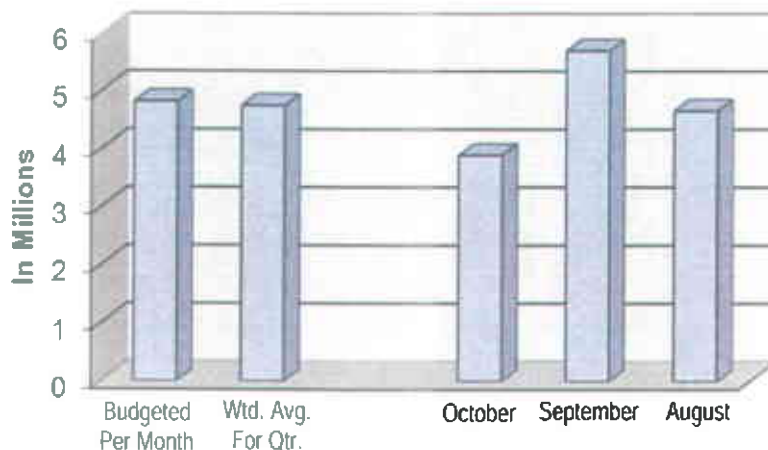
Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010

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



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

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			October 2011	September 2011	August 2011
Federal	3,893,303	3,859,266	3,148,365	4,626,760	3,802,673
State	923,353	889,963	746,680	1,066,313	856,894
Total	4,816,656	4,749,228	3,895,045	5,693,073	4,659,567



III. Other Highlights

- ◆ The CHIP Premium expansion (250% to 300% FPL) enrollment stands at over 300 children as of November 30.
- ◆ In November, CHIP received CMS approval for its State Plan Amendment to establish Prospective Payment rates for Federally Qualified Health Centers and Rural Health Centers.

WVCHIP Enrollment Report

ATTACHMENT 1

November 2011

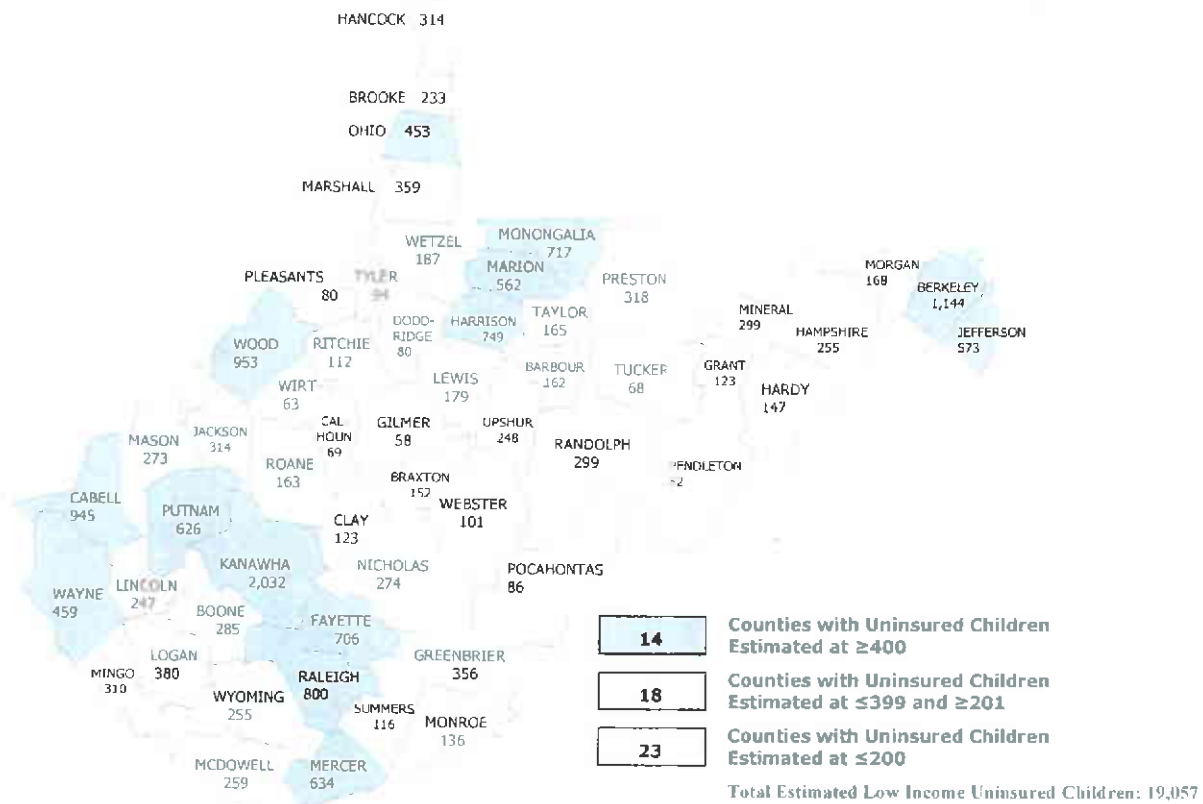
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Grant	2,555	178	987	1,165	45.6%	128	42
Greenbrier	7,131	585	2,882	3,467	48.6%	357	16
Hampshire	5,392	320	2,205	2,525	46.8%	270	27
Hancock	6,166	390	2,476	2,866	46.5%	308	20
Hardy	3,015	160	1,217	1,377	45.7%	151	39
Harrison	15,202	951	5,666	6,617	43.5%	760	7
Jackson	6,602	435	2,813	3,248	49.2%	330	18
Jefferson	12,679	510	3,064	3,574	28.2%	634	10
Kanawha	39,771	2,305	17,051	19,356	48.7%	1,989	1
Lewis	3,389	276	1,733	2,009	59.3%	169	37
Lincoln	4,930	342	2,718	3,060	62.1%	247	30
Logan	7,496	513	3,833	4,346	58.0%	375	15
Marion	11,227	712	4,288	5,000	44.5%	561	11
Marshall	6,886	345	2,759	3,104	45.1%	344	17
Mason	5,929	292	2,732	3,024	51.0%	296	21
McDowell	4,423	330	3,120	3,450	78.0%	221	32
Mercer	12,764	1,171	6,816	7,987	62.6%	638	9
Mineral	5,868	336	2,005	2,341	39.9%	293	23
Mingo	5,905	339	3,073	3,412	57.8%	295	22
Monongalia	15,294	787	4,347	5,134	33.6%	765	6
Monroe	2,835	230	1,012	1,242	43.8%	142	41
Morgan	3,596	276	1,348	1,624	45.2%	180	34
Nicholas	5,561	368	2,606	2,974	53.5%	278	26
Ohio	8,444	505	3,034	3,539	41.9%	422	14
Pendleton	1,462	117	513	630	43.1%	73	52
Pleasants	1,551	109	561	670	43.2%	78	50
Pocahontas	1,561	163	660	823	52.7%	78	49
Preston	6,536	478	2,368	2,846	43.5%	327	19
Putnam	13,150	785	3,435	4,220	32.1%	658	8
Raleigh	16,403	1,288	7,337	8,625	52.6%	820	5
Randolph	5,705	468	2,599	3,067	53.8%	285	24
Ritchie	2,205	151	884	1,035	46.9%	110	45
Roane	3,239	325	1,615	1,940	59.9%	162	38
Summers	2,521	207	1,192	1,399	55.5%	126	43
Taylor	3,514	230	1,378	1,608	45.8%	176	35
Tucker	1,371	137	492	629	45.9%	69	53
Tyler	1,924	122	762	884	45.9%	96	47

WVCHIP Enrollment Report

ATTACHMENT 1

November 2011

County	County Pop	Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2009	2009
	2010 Est (0-18 Yrs)	Enrollment Nov-11	Enrollment Nov-11	CHIP/Medicaid Enrollment	Enrollment % of Population	Est Uninsured 5%	# Children Uninsured Ranking*
Upshur	4,996	387	2,314	2,701	54.1%	250	29
Wayne	9,516	544	4,033	4,577	48.1%	476	12
Webster	1,977	153	1,173	1,326	67.1%	99	46
Wetzel	3,466	219	1,576	1,795	51.8%	173	36
Wirt	1,201	98	620	718	59.8%	60	55
Wood	18,956	1,182	8,446	9,628	50.8%	948	3
Wyoming	5,116	400	2,484	2,884	56.4%	256	28
Totals	387,459	24,835	159,988	184,823	47.7%	19,373	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

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

	October 31, 2011	October 31, 2010	Variance	
Assets:				
Cash & Cash Equivalents	\$15,685,964	\$14,644,430	\$1,041,534	7%
Due From Federal Government	\$3,376,124	\$3,380,032	(\$3,908)	0%
Due From Other Funds	\$798,631	\$778,984	\$19,647	3%
Accrued Interest Receivable	\$5,791	\$28,946	(\$23,155)	-80%
Fixed Assets, at Historical Cost	<u>\$96,031</u>	<u>\$68,563</u>	<u>\$27,468</u>	<u>40%</u>
Total Assets	<u>\$19,962,541</u>	<u>\$18,900,955</u>	<u>\$1,061,586</u>	<u>6%</u>
Liabilities:				
Due to Other Funds	\$354,755	\$289,016	\$65,739	23%
Deferred Revenue	\$1,424,765	\$3,283,568	(\$1,858,803)	-57%
Unpaid Insurance Claims Liability	<u>\$3,820,000</u>	<u>\$3,870,000</u>	<u>(\$50,000)</u>	<u>-1%</u>
Total Liabilities	<u>\$5,599,520</u>	<u>\$7,442,584</u>	<u>(\$1,843,064)</u>	<u>-25%</u>
Fund Equity	<u>\$14,363,021</u>	<u>\$11,458,371</u>	<u>\$2,904,650</u>	<u>25%</u>
Total Liabilities and Fund Equity	<u>\$19,962,541</u>	<u>\$18,900,955</u>	<u>\$1,061,586</u>	<u>6%</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 Four Months Ending October 31, 2011 and October 31, 2010
(Modified Accrual Basis)

	October 31, 2011	October 31, 2010	Variance	
Revenues				
Federal Grants	13,261,304	13,447,669	(186,365)	-1%
State Appropriations	4,588,716	4,378,764	209,952	5%
Premium Revenues	208,545	141,802	66,743	47%
Investment Income:				
Investment Earnings	60,353	86,272	(25,919)	-30%
Unrealized Gain(loss) On Investments*	(53,802)	108,849	(162,651)	100%
Total Investment Income	<u>6,551</u>	<u>195,121</u>	<u>(188,570)</u>	<u>-97%</u>
Total Revenues	<u>18,065,116</u>	<u>18,163,356</u>	<u>(98,240)</u>	<u>-1%</u>
Expenditures:				
Claims:				
Outpatient Services	4,501,987	3,908,910	593,077	15%
Physicians & Surgical	3,455,052	3,650,461	(195,409)	-5%
Prescribed Drugs	3,193,389	3,190,161	3,228	0%
Dental	2,572,576	1,925,020	647,556	34%
Inpatient Hospital Services	1,064,816	1,176,558	(111,742)	-9%
Durable & Disposable Med. Equip.	469,650	418,897	50,753	12%
Outpatient Mental Health	414,768	415,691	(923)	0%
Vision	300,700	313,232	(12,532)	-4%
Inpatient Mental Health	217,574	296,685	(79,111)	-27%
Therapy	171,203	178,871	(7,668)	-4%
Medical Transportation	89,640	139,129	(49,489)	-36%
Other Services	57,819	34,470	23,349	68%
Less: Collections**	<u>(100,692)</u>	<u>(181,913)</u>	<u>81,221</u>	<u>-45%</u>
Total Claims	<u>16,408,462</u>	<u>15,466,172</u>	<u>942,310</u>	<u>6%</u>
General and Admin Expenses:				
Salaries and Benefits	169,236	173,104	(3,868)	-2%
Program Administration	590,603	936,204	(345,601)	-37%
Eligibility	174,329	141,273	33,056	23%
Outreach & Health Promotion	266,948	55,864	211,084	378%
Current	<u>87,055</u>	<u>41,874</u>	<u>45,181</u>	<u>108%</u>
Total Administrative	<u>1,288,171</u>	<u>1,348,319</u>	<u>(60,148)</u>	<u>-4%</u>
Total Expenditures	<u>17,696,653</u>	<u>16,814,491</u>	<u>882,162</u>	<u>5%</u>
Excess of Revenues				
Over (Under) Expenditures	368,463	1,348,865	(980,402)	-73%
Fund Equity, Beginning	<u>13,994,558</u>	<u>10,109,506</u>	<u>3,885,052</u>	<u>38%</u>
Fund Equity, Ending	<u>14,363,021</u>	<u>11,458,371</u>	<u>2,904,650</u>	<u>25%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

Investment Account

Funds Invested	\$14,896,718
Interest Earned	<u>12,698</u>
Total	<u>\$14,909,416</u>

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

NEW CONTRACT OF LEASE

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-211 New Contract of Lease for 10 years consisting of 10,000 square feet of office space at the annual per square foot rate of \$14.35, annual cost \$143,500.00, in the City of Philippi, Barbour County, West Virginia.

DIVISION OF FORESTRY

FOR-086 New Contract of Lease for 5 years consisting of 925 square feet of office space at the annual per square foot rate of \$7.78, annual cost \$7,200.00, full service, in the City of Buckhannon, Upshur County, West Virginia.

FOR-085 New Contract of Lease for 5 years consisting of 2,500 square feet of office space at the annual per square foot rate of \$8.64, annual cost \$21,600.00, full service, in the City of Elizabeth, Wirt County, West Virginia.

DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING

MHS-034 New Contract of Lease for 16 months consisting of 1,826 square feet of office space at the annual per square foot rate of \$21.44, annual cost \$39,149.44, full service, in the City of South Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL – DOA OWNED

NORTHERN PANHANDLE WORKFORCE INVESTMENT BOARD

NPW-001 Renewal for 1 year consisting of 1,332 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$17,316.12, full service, in the City of Weirton, Hancock County, West Virginia.

STRAIGHT RENEWAL

AVIATION DIVISION

AVD-001 Renewal for 2 years consisting of 2,040 square feet of office space at the current annual per square foot rate of \$16.00, annual cost \$32,640.00, water/sewer and electric, in the City of Charleston, Kanawha County, West Virginia.

COUNCIL OF THE THREE RIVERS

CTR-001 Renewal for 1 year consisting of 250 square feet of office space at the current annual per square foot rate of \$8.40, annual cost \$2,100.00, full service, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-182 Renewal for 1 year consisting of 5,200 square feet of office space at the current annual per square foot rate of \$5.85, annual cost \$30,420.00, full service, in the City of Philippi, Barbour County, West Virginia.

DIVISION OF REHABILITATION SERVICES

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

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-176 Renewal for 1 month consisting of 8,000 square feet of office space at the current annual per square foot rate of \$5.40, annual cost \$43,200.00, in the City of Moorefield, Hardy County, West Virginia.

HHR-148 Renewal for 3 years consisting of 21,280 square feet of office space at the current annual per square foot rate of \$8.47, annual cost \$180,240.00, in the City of Fairlea, Greenbrier County, West Virginia.

RENEWAL WITH INCREASE IN RENT

AMERICAN CELLULAR CORPORATION

AMC-001 Renewal for 5 years consisting of tower/monitoring space with an increase in the monthly rate from \$1,100.00 to \$1,338.31, annual cost \$16,059.72, Grant District, Preston County, West Virginia.

BOARD OF RISK AND INSURANCE MANAGEMENT

RIM-004 Renewal for 5 years consisting of 9,588 square feet of office space with an increase in the annual per square foot rate from \$12.36 to \$14.50, annual cost \$139,217.76, Lessor relinquished their right to additional rent for operating costs, full service, in the City of South Charleston, Kanawha County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-106 Renewal for 3 years consisting of 600 square feet of storage space with an increase in the annual per square foot rate from \$4.80 to \$5.10, annual cost \$3,060.00, in the City of Nitro, Kanawha County, West Virginia.

DIVISION OF TOURISM

TOR-005 Renewal for 5 years consisting of 34,369 square feet of office space with an increase in the annual per square foot rate from \$9.28 to \$11.54, annual cost \$396,618.24, Lessor relinquished their right to additional rent for operating costs, full service, in the City of South Charleston, Kanawha County, West Virginia.

HUMAN RIGHTS COMMISSION

HRC-003 Renewal for 5 years consisting of 9,791 square feet of office space with an increase in the annual per square foot rate from \$10.56 to \$11.35, annual cost \$111,127.80, full service, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-182 Renewal for 1 year consisting of 5,200 square feet of office space at the current annual per square foot rate of \$5.85, annual cost \$30,420.00, full service, in the City of Philippi, Barbour County, West Virginia.

DIVISION OF REHABILITATION SERVICES

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

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-176 Renewal for 1 month consisting of 8,000 square feet of office space at the current annual per square foot rate of \$5.40, annual cost \$43,200.00, in the City of Moorefield, Hardy County, West Virginia.

HHR-148 Renewal for 3 years consisting of 21,280 square feet of office space at the current annual per square foot rate of \$8.47, annual cost \$180,240.00, in the City of Fairlea, Greenbrier County, West Virginia.

RENEWAL WITH INCREASE IN RENT

AMERICAN CELLULAR CORPORATION

AMC-001 Renewal for 5 years consisting of tower/monitoring space with an increase in the monthly rate from \$1,100.00 to \$1,338.31, annual cost \$16,059.72, Grant District, Preston County, West Virginia.

BOARD OF RISK AND INSURANCE MANAGEMENT

RIM-004 Renewal for 5 years consisting of 9,588 square feet of office space with an increase in the annual per square foot rate from \$12.36 to \$14.50, annual cost \$139,217.76, Lessor relinquished their right to additional rent for operating costs, full service, in the City of South Charleston, Kanawha County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-106 Renewal for 3 years consisting of 600 square feet of storage space with an increase in the annual per square foot rate from \$4.80 to \$5.10, annual cost \$3,060.00, in the City of Nitro, Kanawha County, West Virginia.

DIVISION OF TOURISM

TOR-005 Renewal for 5 years consisting of 34,369 square feet of office space with an increase in the annual per square foot rate from \$9.28 to \$11.54, annual cost \$396,618.24, Lessor relinquished their right to additional rent for operating costs, full service, in the City of South Charleston, Kanawha County, West Virginia.

HUMAN RIGHTS COMMISSION

HRC-003 Renewal for 5 years consisting of 9,791 square feet of office space with an increase in the annual per square foot rate from \$10.56 to \$11.35, annual cost \$111,127.80, full service, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

OFFICES OF THE INSURANCE COMMISSIONER

INS-017 Renewal for 5 years consisting of 4,990 square feet of office space with an increase in the annual per square foot rate from \$11.60 to \$12.10, annual cost \$60,378.96, full service, in the City of Charleston, Kanawha County, West Virginia.

INS-012 Renewal for 1 year consisting of 9,906 square feet of office space with an increase in the annual per square foot rate from \$5.95 to \$6.25, annual cost \$61,912.56, in the City of Charleston, Kanawha County, West Virginia.

INS-006 Renewal for 5 years consisting of 600 square feet of office space with an increase in the annual per square foot rate from \$11.60 to \$12.10, annual cost \$7,260.00, full service, in the City of Charleston, Kanawha County, West Virginia.

STATE TAX DEPARTMENT

TAX-049 Renewal for 5 years consisting of 13,997 square feet of office space with an increase in the annual per square foot rate from \$13.00 to \$13.65, annual cost \$191,059.08, full service, in the City of Charleston, Kanawha County, West Virginia.

TAX-048 Renewal for 3 years consisting of 4,320 square feet of office space with an increase in the annual per square foot rate from \$9.00 to \$9.45, annual cost \$40,824.00, full service, in the City of Clarksburg, Harrison County, West Virginia.

WEST VIRGINIA BOARD OF ARCHITECTS

ARC-005 Renewal for 5 years consisting of 762 square feet of office space with an increase in the annual per square foot rate from \$14.00 to \$14.25, annual cost \$10,858.50, full service, in the City of Huntington, Cabell County, West Virginia.

WEST VIRGINIA BOARD OF MEDICINE

BOM-001 Renewal for 5 years consisting of 9,245 square feet of office space with an increase in the annual per square foot rate from \$12.95 to \$13.25, annual cost \$122,496.25, full service, in the City of Charleston, Kanawha County, West Virginia.

WEST VIRGINIA PROSECUTING ATTORNEY'S INSTITUTE

PAI-002 Renewal for 5 years consisting of 2,389 square feet of office space with an increase in the annual per square foot rate from \$12.36 to \$14.52, annual cost \$34,688.28, Lessor relinquished their right to additional rent for operating costs, full service, in the City of South Charleston, Kanawha County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-008 Renewal for 1 month consisting of 1,980 square feet of office space with an increase in the annual per square foot rate from \$5.45 to \$9.09, annual cost \$18,000.00, in the City of Clay, Clay County, West Virginia.

ADDITION OF SQUARE FOOTAGE

DIVISION OF REHABILITATION SERVICES

DRS-111 Addition of 2,690 square feet for a total of 12,720 square feet of office space at the current annual per square foot rate of \$13.50, annual cost \$171,720.00, full service, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FOOTAGE & INCREASE IN RENT

OFFICES OF THE INSURANCE COMMISSIONER

INS-017 Renewal for 1 year with a decrease of 2,012 square feet of office space for a total of 24,293 square feet of office space and an increase in the annual per square foot rate from \$11.60 to \$12.10, annual cost \$293,945.28, full service, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH CHANGE OF UTILITIES RESPONSIBILITY – DOA OWNED

STATE TAX DEPARTMENT

TAX-007 Renewal for 1 year consisting of 63,297 square feet of office space at the current annual per square foot rate of \$5.50, annual cost \$348,133.50, with a change in the responsibility of the utilities from the Lessor to the Tenant, in the City of Charleston, Kanawha County, West Virginia.

CANCELLATION

DIVISION OF FORESTRY

FOR-042 Lease cancellation consisting of 2,114 square feet of office space, at the annual per square foot rate of \$3.97, annual cost \$8,400.00, in the City of Parkersburg, Wood County, West Virginia.

FOR-034 Lease cancellation consisting of 892 square feet of office space, at the annual per square foot rate of \$9.00 annual cost \$8,028.00, full service, in the City of French Creek, Upshur County, West Virginia.

Joint Committee on Government and Finance

December 2011

Department of Health and Human Resources

MEDICAID REPORT

October 2011 Data

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

	MONTH OF OCTOBER 2011					
	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 10/31/11	ESTIMATED Current Month Ended 10/31/11	ACTUALS Year To-Date Thru 10/31/11	PROJECTED 11/1/11 Thru 06/30/12
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,043,833	176,928,067	11,881,095	13,628,737	54,630,620	122,297,447
Inpatient Hospital - DSH	54,602,728	55,616,400	-	-	13,611,483	42,004,917
Inpatient Hospital - Supplemental Payments	150,374,918	79,066,286	5,301,925	5,301,900	25,068,496	53,987,790
Inpatient Hospital - GME Payments	5,178,062	5,128,800	-	-	1,306,720	3,822,080
Mental Health Facilities	82,205,443	83,604,219	5,381,536	6,470,092	24,744,196	58,860,023
Mental Health Facilities - DSH Adjustment Payments	18,870,766	18,866,400	-	-	4,721,705	14,144,695
Nursing Facility Services - Regular Payments	497,490,876	533,935,963	40,602,031	44,518,200	169,421,801	364,514,162
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	62,315,850	68,807,100	5,587,177	5,733,925	21,171,847	47,635,253
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	120,938,365	129,796,223	9,394,682	10,021,817	35,843,379	93,952,845
Physicians Services - Supplemental Payments	28,779,948	30,575,400	6,801,897	7,643,850	13,361,272	17,214,128
Outpatient Hospital Services - Regular Payments	104,667,944	107,096,383	8,860,578	8,253,801	35,400,013	71,696,370
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	355,934,526	368,792,906	28,271,305	28,762,168	118,640,961	250,151,945
Drug Rebate Offset - National Agreement	(178,030,580)	(156,989,600)	(46,021,389)	(27,451,050)	(98,620,734)	(58,368,866)
Drug Rebate Offset - State Sidebar Agreement	(18,264,735)	(20,042,600)	(5,167,571)	(3,334,697)	(7,405,374)	(12,637,226)
Dental Services	65,110,306	61,522,537	4,356,410	4,748,631	17,842,451	43,680,086
Other Practitioners Services - Regular Payments	11,297,560	13,106,060	920,709	1,066,838	3,748,978	9,356,082
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	5,014,428	5,507,120	457,368	437,046	1,689,542	3,817,578
Lab & Radiological Services	23,034,934	23,887,397	1,796,719	1,871,020	7,474,758	16,392,639
Home Health Services	44,244,071	45,150,371	4,934,270	3,517,223	17,524,855	27,625,516
Hysterectomies/Sterilizations	202,721	221,100	13,739	17,008	65,934	155,166
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,393,791	1,692,037	118,314	130,846	457,443	1,234,594
Rural Health Clinic Services	7,938,113	9,400,347	498,982	732,338	2,213,968	7,186,380
Medicare Health Insurance Payments - Part A Premiums	17,589,540	19,067,800	1,475,208	-	5,605,129	13,482,671
Medicare Health Insurance Payments - Part B Premiums	86,800,107	101,265,000	7,521,570	-	30,238,745	71,028,255
120% - 134% Of Poverty	6,412,164	7,018,300	594,541	539,869	2,346,543	4,671,757
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	7,200,103	7,811,400	498,213	585,492	2,133,920	5,477,480

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

	MONTH OF OCTOBER 2011					
	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 10/31/11	ESTIMATED Current Month Ended 10/31/11	ACTUALS Year To-Date Thru 10/31/11	PROJECTED 11/1/11 Thru 06/30/12
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	331,340,463	332,146,800	28,807,404	27,678,900	112,305,096	219,841,704
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	430,840	474,700	70,334	36,515	148,971	325,729
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	22,935	-	-	-	-	-
Home & Community-Based Services (MR/DD)	250,190,875	291,985,942	20,590,742	20,984,784	84,681,287	207,304,655
Home & Community-Based Services (Aged/Disabled)	105,384,910	157,141,155	8,992,161	8,866,168	39,795,978	117,345,177
Home & Community-Based Services (Traumatic Brain Injury)	-	2,600,925	-	200,071	-	2,600,925
Home & Community-Based Services (State Plan 1915(f) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	11,987	(11,887)
Personal Care Services - Regular Payments	43,271,225	54,253,564	4,254,191	3,617,662	15,566,249	36,687,315
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,683,372	4,102,733	279,725	318,708	1,040,601	3,062,132
Primary Care Case Management Services	311,397	362,800	16,209	27,908	95,390	267,410
Hospice Benefits	23,031,071	23,968,000	1,926,882	1,843,692	7,390,949	16,577,051
Emergency Services Undocumented Aliens	250,549	252,200	32,643	19,400	97,821	154,379
Federally Qualified Health Center	17,082,376	18,053,125	1,299,619	1,403,454	5,741,297	12,311,828
Non-Emergency Medical Transportation	22,846,997	23,329,348	2,450,767	1,796,546	8,520,178	14,809,170
Physical Therapy	1,950,648	1,993,133	147,798	153,546	653,765	1,339,368
Occupational Therapy	259,371	223,033	24,755	17,408	122,228	100,805
Services for Speech, Hearing & Language	322,095	261,398	36,784	20,400	204,209	57,189
Prosthetic Devices, Dentures, Eyeglasses	1,750,474	1,982,028	136,563	153,454	609,753	1,372,275
Diagnostic Screening & Preventive Services	506,980	555,348	44,251	42,815	165,169	390,179
Nurse Mid-Wife	241,124	280,900	24,298	21,608	85,946	194,954
Emergency Hospital Services	1,340,493	5,903,871	1,545	454,246	8,665	5,895,006
Critical Access Hospitals	31,130,998	33,377,270	2,376,920	2,570,723	9,756,643	23,620,627
Nurse Practitioner Services	1,298,506	1,242,745	101,594	95,931	429,209	813,536
School Based Services	55,049,663	66,000,436	2,263,459	5,080,477	14,093,031	51,907,405
Rehabilitative Services (Non-School Based)	76,039,609	88,073,374	5,764,445	6,415,962	26,423,943	61,649,431
Private Duty Nursing	4,858,304	5,087,998	371,645	410,031	1,614,443	3,473,555
Other Care Services	20,936,964	22,989,227	1,527,219	1,767,727	7,108,679	15,860,348
Less: Recoupments	-	-	(109,956)	-	(109,956)	109,956
NET EXPENDITURES:	2,718,053,859	2,913,253,269	175,511,302	197,193,190	839,801,382	2,073,451,887

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

MONTH OF OCTOBER 2011	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 10/31/11	ESTIMATED Current Month Ended 10/31/11	ACTUALS Year To-Date Thru 10/31/11	PROJECTED 11/1/11 Thru 06/30/12
Collections: Third Party Liability (line 9A on CMS-64)	(9,341,740)	-	-	-	(1,452,280)	1,452,280
Collections: Probate (line 9B on CMS-64)	(81,809)	-	-	-	(38,068)	38,068
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(396)	-	-	-	(1,205)	1,205
Collections: Other (line 9D on CMS-64)	(7,250,803)	-	-	-	(2,848,009)	2,848,009
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,702,379,111	2,913,253,269	175,511,302	197,193,190	835,461,820	2,077,791,449
Plus: Medicaid Part D Expenditures	18,156,398	33,719,754	2,847,314	2,593,827	10,251,720	23,468,034
Plus: State Only Medicaid Expenditures	4,750,829	4,580,645	253,563	363,712	1,148,582	3,432,063
Plus: Money Follow the Person Expenditures	-	3,964,312	-	304,947	-	3,964,312
TOTAL MEDICAID EXPENDITURES	\$ 2,725,286,336	\$ 2,955,517,980	\$ 178,612,179	\$ 200,455,676	\$ 848,862,122	\$ 2,108,655,858
Plus: Reimbursables ⁽¹⁾	5,304,734	5,832,222	516,081	447,333	2,035,219	3,797,003
TOTAL EXPENDITURES	\$ 2,730,591,069	\$ 2,961,350,203	\$ 179,128,240	\$ 200,903,009	\$ 848,897,341	\$ 2,112,452,862

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

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

4 Months Actuals 8 Months Remaining

MONTH OF OCTOBER 2011	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2011	Current Month Ended 10/31/11	Year-To-Date Thru 10/31/11	11/1/2011 Thru 6/30/12	SFY2012
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 213,690,990	\$ 132,558,630	\$ 210,933,113	\$ -	\$ 210,933,113
MATCHING FUNDS					
General Revenue (0403/189)	222,471,412	13,434,880	39,851,047	178,619,551	218,470,598
MRDD Waiver (0403/466)	87,753,483	6,508,589	24,259,286	64,494,197	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	865,333	1,730,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,118,667	4,237,333	6,356,000
Traumatic Brain Injury (0403/835)	-	66,667	266,667	533,333	800,000
Title XIX Waiver for Seniors (0403-533)	7,500,000	703,083	2,620,583	9,466,917	12,087,500
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	-	8,000,000	23,272,578	31,272,578
Lottery Transfer (5405/871)	16,670,000	-	2,200,000	6,470,000	8,670,000
Trust Fund Appropriation (5185/189)	-	-	-	30,556,594	30,556,594
Provider Tax (5090/189)	152,750,473	5,535,000	45,375,000	116,907,760	162,282,760
Certified Match	16,726,042	1,329,171	7,132,982	17,619,876	24,752,858
Reimbursables - Amount Reimbursed	3,688,478	810,331	2,814,955	3,017,267	5,832,222
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	712,458	72,050	284,663	(284,663)	-
CMS - 64 Adjustments	898,977	-	43,389	(43,389)	-
TOTAL MATCHING FUNDS	\$ 755,086,891	\$ 161,764,401	\$ 346,765,684	\$ 456,598,022	\$ 803,363,706
FEDERAL FUNDS	\$ 2,191,395,795	\$ 118,962,018	\$ 611,980,851	\$ 1,516,165,285	\$ 2,128,146,136
TOTAL REVENUE SOURCES	\$ 2,946,482,686	\$ 280,726,420	\$ 958,746,536	\$ 1,972,763,307	\$ 2,931,509,842
TOTAL EXPENDITURES:					
Provider Payments	\$ 2,730,591,069	\$ 179,128,240	\$ 848,897,341	\$ 2,112,452,862	\$ 2,961,350,203
TOTAL	\$ 215,891,617	\$ 101,598,180	\$ 109,849,194		\$ (29,840,361)

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



West Virginia Investment Management Board

Monthly Performance Report

October 31, 2011

West Virginia Investment Management Board

Participant Plans Allocation & Performance Net of Fees

As of October 31, 2011

	6/30/2011		10/31/2011		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	12,849,850	100.0	12,600,111	100.0							
Pension Assets	10,191,097	79.3	9,822,627	78.0							
Public Employees' Retirement System	4,359,025	33.8	4,209,540	33.4	5.9	-3.0	-3.0	5.2	14.2	3.4	6.5
Teachers' Retirement System	5,010,212	38.9	4,794,367	38.0	5.9	-3.0	-3.0	5.1	13.7	2.8	6.2
Teachers' Employers Cont. Collection A/C	-	0.0	27,995	0.2	0.0	0.0	0.0	0.1	0.2		
EMS Retirement System	31,963	0.3	32,006	0.3	5.7	-3.1	-3.1	4.9	14.1		
Public Safety Retirement System	482,005	3.8	457,426	3.6	5.9	-3.1	-3.0	5.1	14.2	3.4	6.6
Judges' Retirement System	124,587	1.0	120,654	1.0	5.9	-3.0	-3.0	5.1	14.2	3.3	6.5
State Police Retirement System	70,756	0.6	70,650	0.6	5.7	-3.1	-3.1	4.9	14.1	3.4	6.4
Deputy Sheriffs' Retirement System	112,488	0.9	109,899	0.9	5.9	-3.0	-3.0	5.0	14.2	3.4	6.5
Municipal Police & Firefighter Retirement System	61	0.0	90	0.0	0.0	0.0	0.0	0.1			
Insurance Assets	1,968,581	15.3	1,931,624	15.3							
Workers' Compensation Old Fund	933,073	7.3	915,480	7.2	2.7	-0.7	-0.1	4.2	10.9	3.5	
Workers' Comp. Self-Insured Guaranty Risk Pool	9,627	0.1	9,841	0.1	2.9	-1.2	-0.6	4.0	2.0	2.9	
Workers' Comp. Uninsured Employers Fund	8,911	0.1	8,855	0.1	2.9	-1.2	-0.6	4.0	1.5	2.6	
Pneumoconiosis	261,558	1.9	256,119	2.0	2.8	-1.2	-0.7	4.0	11.2	4.1	
Board of Risk & Insurance Mgmt.	140,522	1.1	133,697	1.1	3.0	-1.0	-0.5	4.2	13.0	5.0	
Public Employees' Insurance Agency	175,171	1.4	176,773	1.4	2.0	-0.2	0.9	4.4	11.6	4.5	
WV Retiree Health Benefit Trust Fund	437,457	3.4	428,513	3.4	4.3	-2.2	-2.0	4.2	13.0		
AccessWV	2,262	0.0	2,346	0.0	1.4	1.4	3.7	6.2			
Endowment Assets	690,172	5.4	845,860	6.7							
Wildlife Fund	40,380	0.3	39,311	0.3	5.9	-3.0	-3.0	5.0	14.2	3.4	6.6
Prepaid Tuition Trust	84,791	0.7	78,558	0.6	5.1	-2.1	-2.4	5.4	15.6	4.2	7.0
Revenue Shortfall Reserve Fund	242,748	1.9	404,987	3.2	1.4	1.5	4.0	6.5	12.1	2.2	
Revenue Shortfall Reserve Fund - Part B	315,738	2.4	316,733	2.5	2.8	-0.6	0.3	4.9	12.3	2.2	
WV DEP Trust	6,515	0.1	6,271	0.1	7.2	-3.6	-4.2				

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

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	12,605,207	100.00							
Total Equity Composite	5,518,719	43.78	10.62	-6.83	-8.56	3.27	15.53	1.29	6.49
<i>Total Equity Policy Index</i>			<u>11.03</u>	<u>-6.75</u>	<u>-8.44</u>	<u>1.71</u>	<u>12.95</u>	<u>-0.32</u>	<u>5.69</u>
Excess Return			-0.41	-0.08	-0.12	1.56	2.58	1.61	0.80
US Equity Composite	2,921,911	23.18	12.13	-3.30	-5.91	9.52	12.71	0.76	5.40
<i>Russell 3000 Index</i>			<u>11.51</u>	<u>-3.31</u>	<u>-5.53</u>	<u>7.90</u>	<u>12.28</u>	<u>0.55</u>	<u>4.37</u>
Excess Return			0.62	0.01	-0.38	1.62	0.43	0.21	1.03
Large Cap Composite	2,224,189	17.65	11.27	-2.09	-4.36	9.16	12.07	0.37	3.61
<i>S&P 500 Index</i>			<u>10.93</u>	<u>-2.47</u>	<u>-4.45</u>	<u>8.09</u>	<u>11.41</u>	<u>0.25</u>	<u>3.69</u>
Excess Return			0.34	0.38	0.09	1.07	0.66	0.12	-0.08
Non-Large Cap Composite	697,722	5.53	14.96	-6.73	-10.25	11.54	16.14	2.61	8.82
<i>Russell 2500 Index</i>			<u>14.66</u>	<u>-6.10</u>	<u>-9.67</u>	<u>7.97</u>	<u>16.03</u>	<u>2.01</u>	<u>8.01</u>
Excess Return			0.30	-0.63	-0.58	3.57	0.11	0.60	0.81
International Equity Composite	2,596,808	20.60	8.97	-10.39	-11.32	-2.70	18.09	2.45	8.85
<i>MSCI AC World ex US Index</i>			<u>10.54</u>	<u>-10.12</u>	<u>-11.32</u>	<u>-4.25</u>	<u>13.43</u>	<u>0.08</u>	<u>8.05</u>
Excess Return			-1.57	-0.27	0.00	1.55	4.66	2.37	0.80
Fixed Income Composite	3,469,152	27.52	0.99	0.44	1.52	4.06	11.91	5.45	5.72
<i>Fixed Income Policy</i>			<u>0.57</u>	<u>1.88</u>	<u>3.47</u>	<u>4.84</u>	<u>9.71</u>	<u>6.52</u>	<u>5.52</u>
Excess Return			0.42	-1.44	-1.95	-0.78	2.20	-1.07	0.20
Core Fixed Income	1,171,971	9.30	0.19	1.95	3.71	5.40			
<i>Barclays Capital Aggregate</i>			<u>0.11</u>	<u>2.31</u>	<u>3.93</u>	<u>5.00</u>			
Excess Return			0.08	-0.36	-0.22	0.40			
Total Return Fixed Income	2,297,181	18.22	1.40	-0.35	0.39	3.33	12.52	5.72	6.22
<i>Barclays Capital US Universal</i>			<u>0.57</u>	<u>1.88</u>	<u>3.47</u>	<u>4.84</u>	<u>9.71</u>	<u>6.37</u>	<u>5.73</u>
Excess Return			0.83	-2.23	-3.08	-1.51	2.81	-0.65	0.49
TIPS Composite	955,538	7.58	1.83	2.44	6.45	8.90			
<i>Barclays Capital U S TIPS</i>			<u>1.86</u>	<u>2.45</u>	<u>6.46</u>	<u>9.03</u>			
Excess Return			-0.03	-0.01	-0.01	-0.13			
TRS Annuity	105,402	0.84	0.37	1.12	1.49	4.49			
Cash Composite	204,218	1.62	0.01	0.02	0.02	0.10	0.28	1.83	2.10
<i>Citigroup 90 Day T-Bill + 15 bps</i>			<u>0.01</u>	<u>0.07</u>	<u>0.07</u>	<u>0.28</u>	<u>0.33</u>	<u>1.81</u>	<u>2.14</u>
Excess Return			0.00	-0.05	-0.05	-0.18	-0.05	0.02	-0.04
Private Equity Composite	978,856	7.77	2.19	1.28	6.01	12.71	15.35		
Real Estate Composite	296,232	2.35	2.91	0.03	0.99	9.53	5.65		
Hedge Funds Composite	1,077,090	8.54	1.37	-1.99	-1.71	2.05	7.79		
<i>LIBOR + 400 bps</i>			<u>0.36</u>	<u>1.08</u>	<u>1.44</u>	<u>4.31</u>	<u>4.52</u>		
Excess Return			1.01	-3.07	-3.15	-2.26	-3.27		

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

	Domestic Equity		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %

Pension Assets

Public Employees' Retirement System	27.0	25.0	23.8	25.0	26.6	27.0	9.9	10.0	3.0	3.0	9.2	10.0	0.5	0.0
Teachers' Retirement System	26.8	25.0	23.9	25.0	26.6	27.0	10.0	10.0	3.0	3.0	9.0	10.0	0.7	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	25.0	25.0	23.7	25.0	27.8	27.0	9.9	10.0	3.0	3.0	9.8	10.0	0.8	0.0
Public Safety Retirement System	26.4	25.0	24.0	25.0	26.6	27.0	10.0	10.0	3.0	3.0	9.4	10.0	0.6	0.0
Judges' Retirement System	26.6	25.0	23.9	25.0	26.7	27.0	10.0	10.0	3.0	3.0	9.5	10.0	0.3	0.0
State Police Retirement System	25.1	25.0	23.6	25.0	27.6	27.0	9.9	10.0	3.0	3.0	9.8	10.0	1.0	0.0
Deputy Sheriffs' Retirement System	26.5	25.0	23.7	25.0	26.7	27.0	9.9	10.0	3.0	3.0	9.6	10.0	0.6	0.0
Municipal Police & Firefighter Retirement System	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0

Insurance Assets

Workers' Compensation Old Fund	10.3	10.0	9.5	10.0	70.9	70.0	0.0	0.0	0.0	0.0	0.0	0.0	9.3	10.0
Workers' Comp Self-Insured Guaranty Risk Pool	10.6	10.0	9.3	10.0	55.4	55.0	0.0	0.0	0.0	0.0	19.1	20.0	5.6	5.0
Workers' Comp Uninsured Employers Fund	10.7	10.0	9.4	10.0	55.1	55.0	0.0	0.0	0.0	0.0	19.7	20.0	5.1	5.0
Pneumoconiosis	10.1	10.0	9.5	10.0	56.0	55.0	0.0	0.0	0.0	0.0	19.6	20.0	4.8	5.0
Board of Risk & Insurance Mgmt.	11.3	10.0	9.8	10.0	57.6	55.0	0.0	0.0	0.0	0.0	20.6	20.0	0.7	5.0
Public Employees' Insurance Agency	5.0	5.0	4.7	5.0	75.6	75.0	0.0	0.0	0.0	0.0	9.5	10.0	5.2	5.0
WV Retiree Health Benefit Trust Fund	18.4	17.5	16.6	17.5	45.8	45.0	0.0	0.0	0.0	0.0	19.2	20.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Endowment Assets

Wildlife Fund	26.7	25.0	23.6	25.0	27.0	27.0	9.9	10.0	3.0	3.0	9.6	10.0	0.2	0.0
Prepaid Tuition Trust	32.4	32.9	16.4	16.1	49.7	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.0	10.0	9.3	10.0	80.7	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	37.0	35.0	27.7	30.0	34.9	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0

Statutory Limitations

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

West Virginia Investment Management Board

Footnotes

As of October 31, 2011

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

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

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

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

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



Status Report: Workers' Compensation

Joint Committee on Government & Finance

December 2011

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

of gainful employment within a 75 mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

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

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

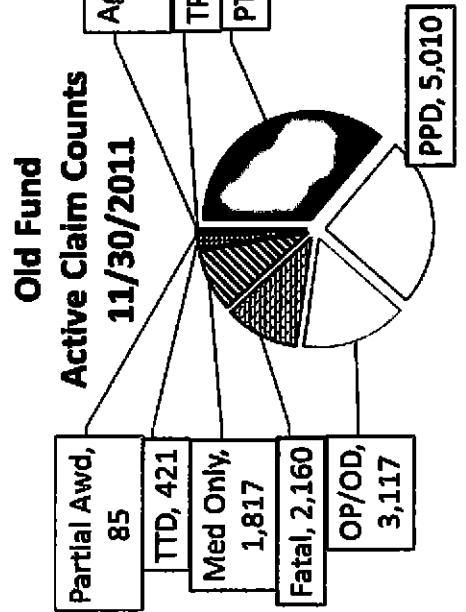
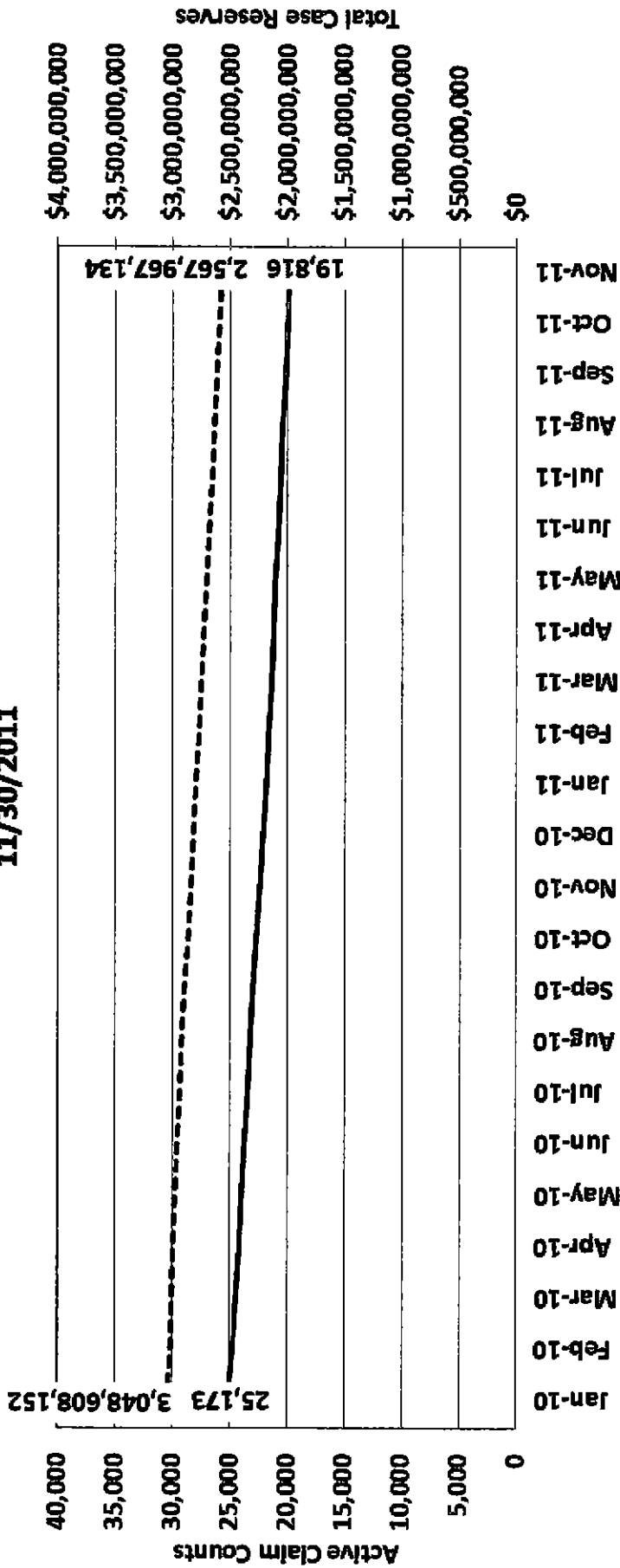
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to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

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

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

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

Old Fund Active Claim Counts and Case Reserves 11/30/2011



Agreements – a legal agreement to settle a payment issue

Fatal – worker died due to injury or illness

Med Only – payment of medical benefits without wage replacement

OP/OD - Occupational Pneumoconiosis or Occupational Disease

Partial Awd – benefits being paid without official awards

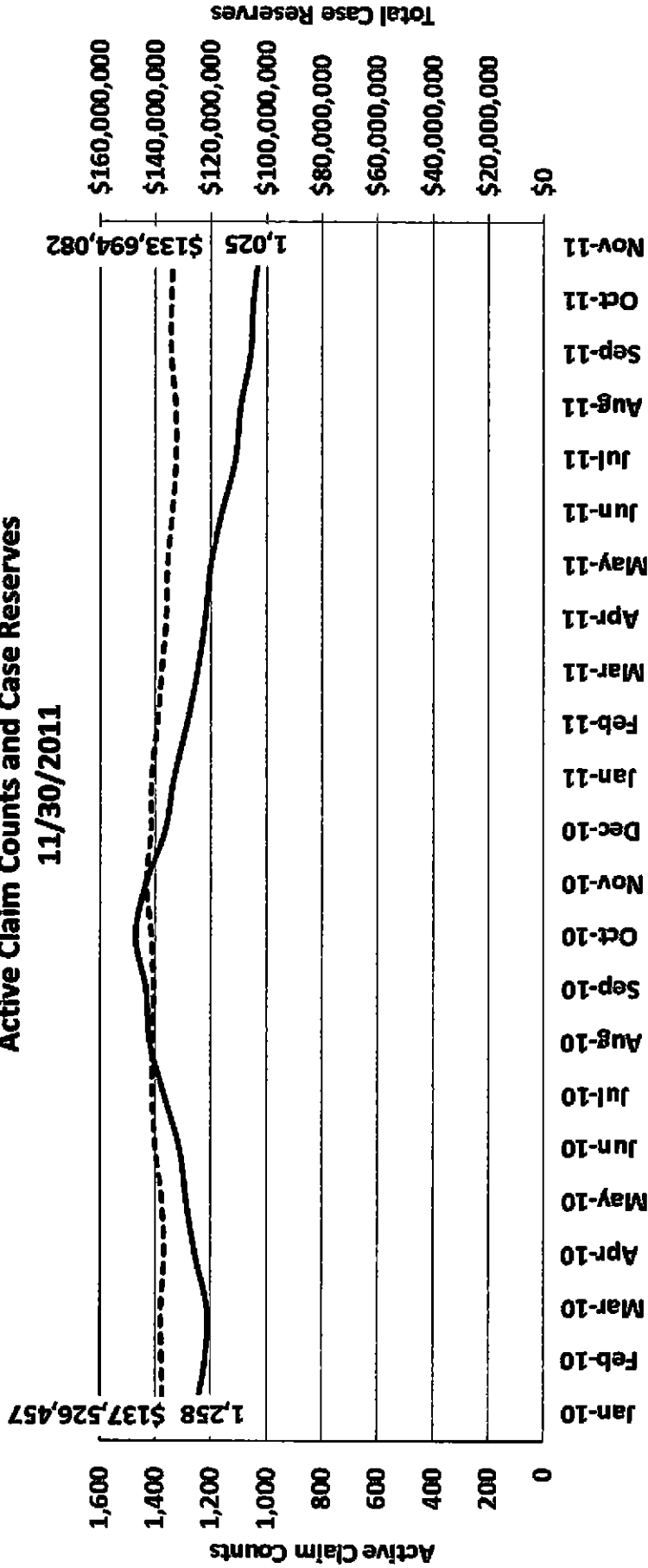
PPD - Permanent Partial Disability; unlikely to improve with treatment

PTD - Permanent Total Disability; unable to engage in employment

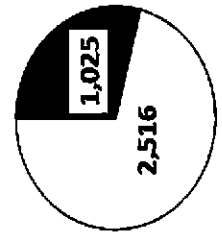
TPD - Temporary Partial Disability released to work with restrictions

TTD - Temporary Total Disability; unable to engage in employment

**CWP Fund (FBL)
Active Claim Counts and Case Reserves
11/30/2011**



**CWP Fund (FBL)
Active and Inactive Claims
11/30/2011**



■ Active □ Inactive

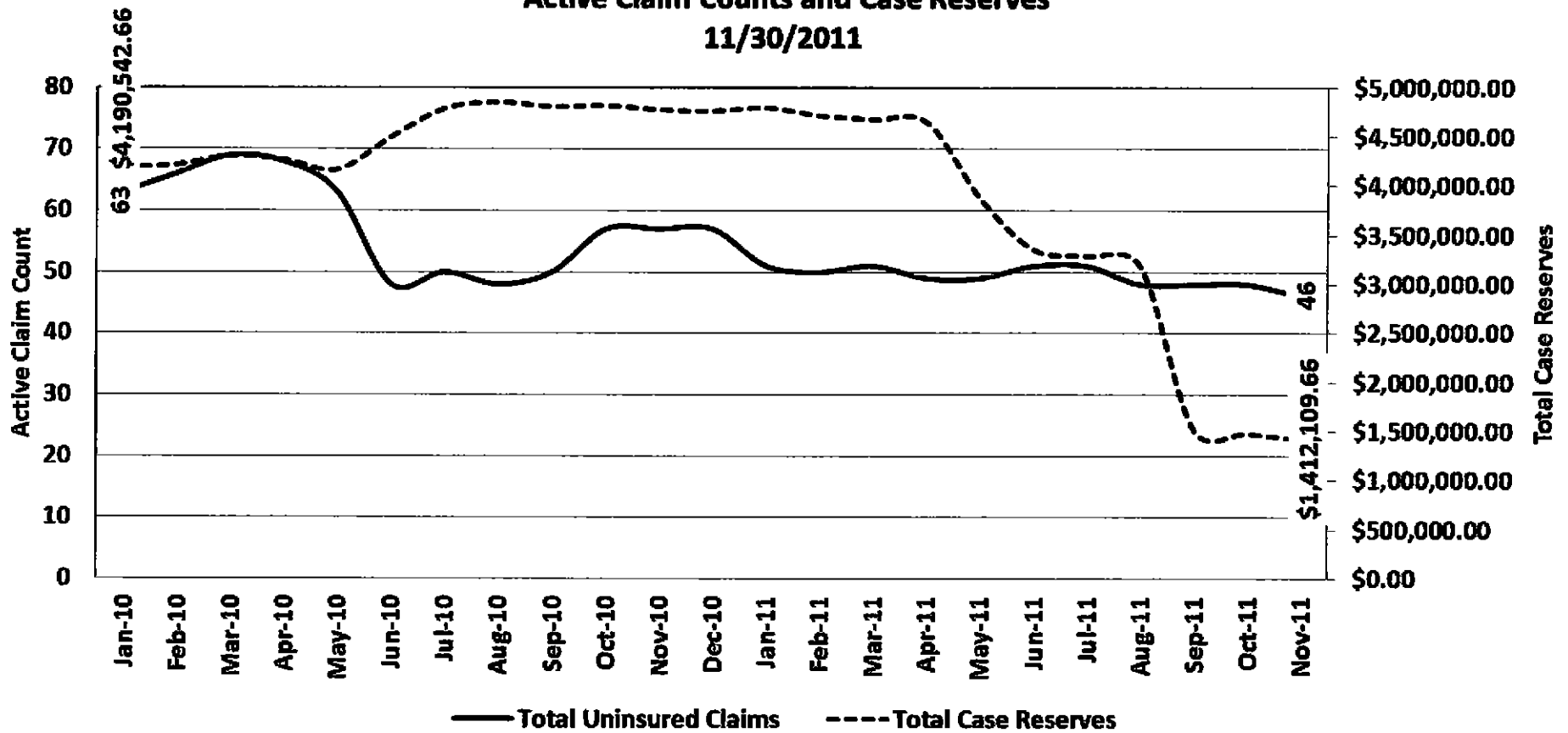
Active – Benefits being paid to claimant/beneficiary

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

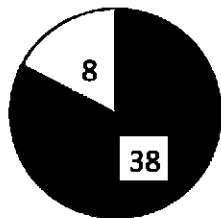
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

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

Uninsured Fund Active Claim Counts and Case Reserves 11/30/2011



Uninsured Fund Active Claim Counts 11/30/2011

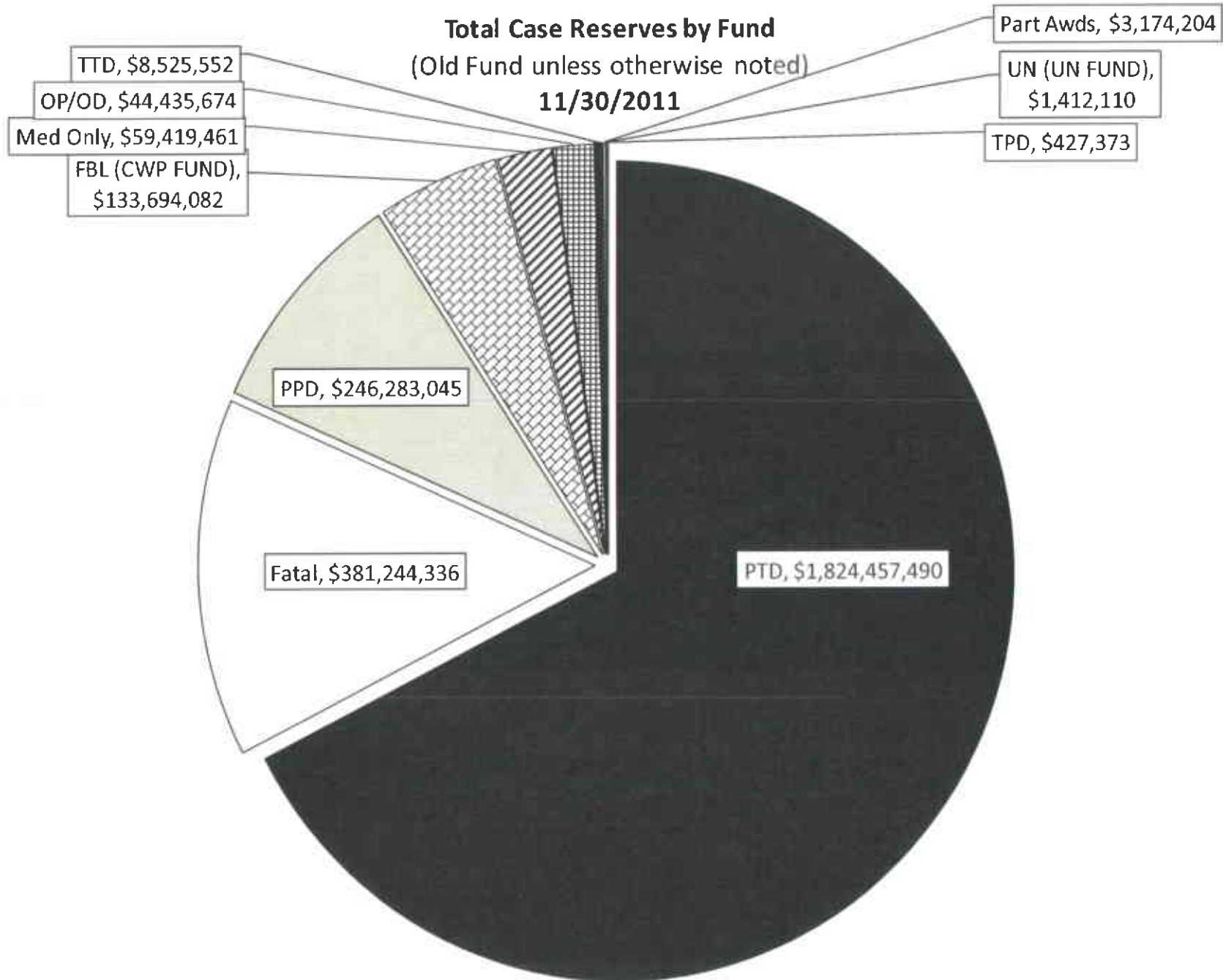


■ Indemnity □ Med Only

Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

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



OLD FUND CASH STATEMENT
November 30, 2011

	1st Quarter To Date	2nd Quarter To Date	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
						FY2011	FY2010	FY2009
Cash Beginning Balances	943,172,539	910,921,879	943,172,539	888,535,954	54,636,585	888,535,954	795,869,972	734,195,514
Revenues								
Personal Income Tax	-	21,200,000	21,200,000	21,200,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	22,788,115	16,204,672	38,992,787	36,485,554	2,507,233	93,112,747	91,573,307	125,672,963
Debt Reduction Surcharge	7,186,309	11,902,098	19,088,407	20,651,415	(1,563,008)	41,096,360	39,594,122	40,115,329
Self-Insured Debt Reduction Surcharge	2,048,300	2,540,628	4,588,928	3,282,619	1,306,309	8,058,590	6,562,051	6,566,235
Video Lottery	11,000,000	-	11,000,000	11,000,000	-	11,000,000	11,000,000	11,000,000
Employer Premium	147,817	52,694	200,511	2,586,792	(2,386,281)	3,120,389	1,783,840	2,945,069
Other Income - Return of Unclaimed Property	44,160	1,764	45,924	15,487	30,437	191,860	95,620	39,392
Operating Revenues	43,214,701	51,901,856	95,116,557	95,221,866	(105,310)	251,979,946	246,008,940	281,740,988
Surplus Note Principal Payments	-	-	-	-	-	-	43,500,000	145,000,000
Investment / Interest Earnings (Losses)	(10,660,824)	6,278,482	(4,382,342)	46,520,703	(50,903,045)	88,270,887	102,218,697	(94,861,549)
Total Revenues	32,553,877	58,180,338	90,734,215	141,742,569	(51,008,354)	340,250,833	391,727,637	331,879,439
Expenditures								
Claims Benefits Paid:								
Medical	9,371,214	6,561,473	15,932,687	18,767,669	(2,834,982)	41,972,430	55,134,617	49,512,377
Permanent Total Disability	32,450,414	21,129,716	53,580,130	58,094,288	(4,514,158)	136,800,060	152,789,051	150,152,910
Permanent Partial Disability	605,151	357,027	962,178	1,248,629	(286,450)	2,513,255	4,890,325	8,171,853
Temporary Disability	75,843	19,865	95,708	203,490	(107,781)	384,571	1,322,403	2,033,710
Fatals	7,239,636	4,704,067	11,943,703	12,544,002	(600,299)	29,994,599	34,822,223	32,537,625
104 weeks death benefit	1,669,209	1,321,467	2,990,677	2,593,466	397,211	6,321,554	6,394,618	6,615,381
Settlements	12,826,183	11,078,859	23,905,042	24,793,604	(888,622)	50,628,569	24,145,535	3,219,641
Loss Adjustment Expenses	523,464	401,268	924,732	2,127,323	(1,202,592)	4,514,323	3,794,198	2,047,418
Total	64,761,114	45,573,742	110,334,856	120,372,530	(10,037,674)	273,129,360	283,292,970	254,290,915
Less: Claims credits and overpayments	2,747,747	1,519,552	4,267,299	3,338,450	928,849	7,666,404	4,327,846	2,612,892
Total Benefits Paid	62,013,367	44,054,190	106,067,557	117,034,080	(10,966,523)	265,462,956	278,965,124	251,678,023
Administrative Expenses	2,791,170	4,673,143	7,464,312	7,938,017	(473,705)	20,151,292	20,096,531	20,473,309
Total Expenditures	64,804,537	48,727,333	113,531,869	124,972,097	(11,440,227)	285,614,248	299,061,655	272,151,332
Closing Transfer from Private Carrier Fund								1,946,351
Excess (Deficiency) of Revenues over Expenditures	(32,250,660)	9,453,005	(22,797,655)	16,770,472	(39,568,127)	54,636,585	92,665,982	61,674,458
Cash Ending Balances	910,921,879	920,374,884	920,374,884	905,306,426	15,068,458	943,172,539	888,535,954	795,869,972

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

COAL WORKERS PNEUMOCONIOSIS FUND

November 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	262,926,105	244,074,613	18,851,492	244,074,613	221,866,212	261,695,430
Revenues						
Investment Earnings (Losses)	(3,044,714)	16,096,751	(19,141,465)	29,283,335	32,224,147	(28,434,390)
Other Income - Return of Unclaimed Property	-	-	-	-	899	132
Total Revenues	(3,044,714)	16,096,751	(19,141,465)	29,283,335	32,225,046	(28,434,258)
Expenditures						
Payment of Claims	4,535,214	4,284,763	250,451	10,415,160	9,978,121	11,395,319
Contractual / Professional	16,920	13,391	3,529	16,683	38,524	(359)
Total Expenditures	4,552,133	4,298,154	253,980	10,431,843	10,016,645	11,394,960
Excess (Deficiency) of Revenues over Expenditures	(7,596,847)	11,798,597	(19,395,445)	18,851,492	22,208,401	(39,829,218)
Cash Ending Balances	255,329,258	255,873,210	(543,952)	262,926,105	244,074,613	221,866,212

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

SELF-INSURED GUARANTY RISK POOL
November 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	9,744,809	8,112,918	1,631,891	8,112,918	6,969,307	5,177,977
Revenues						
Guaranty Risk Pool Assessments	558,441	565,994	(7,553)	1,119,674	1,283,687	1,767,189
Investment Earnings (Losses)	(106,752)	133,120	(239,872)	592,165	9,237	68,517
Total Revenues	451,689	699,114	(247,425)	1,711,839	1,292,924	1,835,706
Expenditures						
Payment of Claims	9,577	14,914	(5,337)	28,707	104,821	44,376
Contractual / Professional	59,607	8,407	51,200	51,241	44,492	-
Total Expenditures	69,184	23,321	45,863	79,948	149,313	44,376
Excess (Deficiency) of Revenues over Expenditures	382,505	675,792	(293,287)	1,631,891	1,143,611	1,791,330
Cash Ending Balances	10,127,314	8,788,710	1,338,603	9,744,809	8,112,918	6,969,307

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

SELF-INSURED SECURITY RISK POOL
November 30, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended:		
				FY2011	FY2010	FY2009
Cash Beginning Balances	205,705	173,041	32,664	173,041	-	-
Revenues						
Security Risk Pool Assessments	-	101,644	(101,644)	115,568	173,041	-
Total Revenues	<u>-</u>	<u>101,644</u>	<u>(101,644)</u>	<u>115,568</u>	<u>173,041</u>	<u>-</u>
Expenditures						
Payment of Claims	1,708	73,580	(71,872)	73,649	-	-
Contractual / Professional	-	9,255	(9,255)	9,255	-	-
Total Expenditures	<u>1,708</u>	<u>82,835</u>	<u>(81,127)</u>	<u>82,904</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,708)</u>	<u>18,809</u>	<u>(20,517)</u>	<u>32,664</u>	<u>173,041</u>	<u>-</u>
Cash Ending Balances	<u>203,997</u>	<u>191,850</u>	<u>12,147</u>	<u>205,705</u>	<u>173,041</u>	<u>-</u>

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

UNINSURED EMPLOYERS FUND
November 30, 2011

Three Year History for years ended:

	YTD FY2012	YTD FY2011	Change	FY2011	FY2010	FY2009
Cash Beginning Balances	9,086,330	8,905,444	180,886	8,905,444	8,588,268	8,164,225
Revenues						
Fines and Penalties	423,559	361,553	62,006	939,626	892,806	977,167
Investment Earnings (Losses)	(101,970)	4,947	(106,917)	474,728	10,923	100,907
Total Revenues	321,589	366,500	(44,911)	1,414,354	903,729	1,078,074
Expenditures						
Payment of Claims	259,126	262,830	(3,704)	1,224,982	577,819	654,031
Contractual/Professional	7,237	2,673	4,564	8,486	8,734	-
Total Expenditures	266,363	265,503	860	1,233,468	586,553	654,031
Excess (Deficiency) of Revenues over Expenditures	55,226	100,997	(45,771)	180,886	317,176	424,043
Cash Ending Balances	9,141,556	9,006,441	135,115	9,086,330	8,905,444	8,588,268

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

West Virginia Offices of the Insurance Commissioner

OFFICE OF JUDGES' REPORT

TO INDUSTRIAL COUNCIL – December 5, 2011

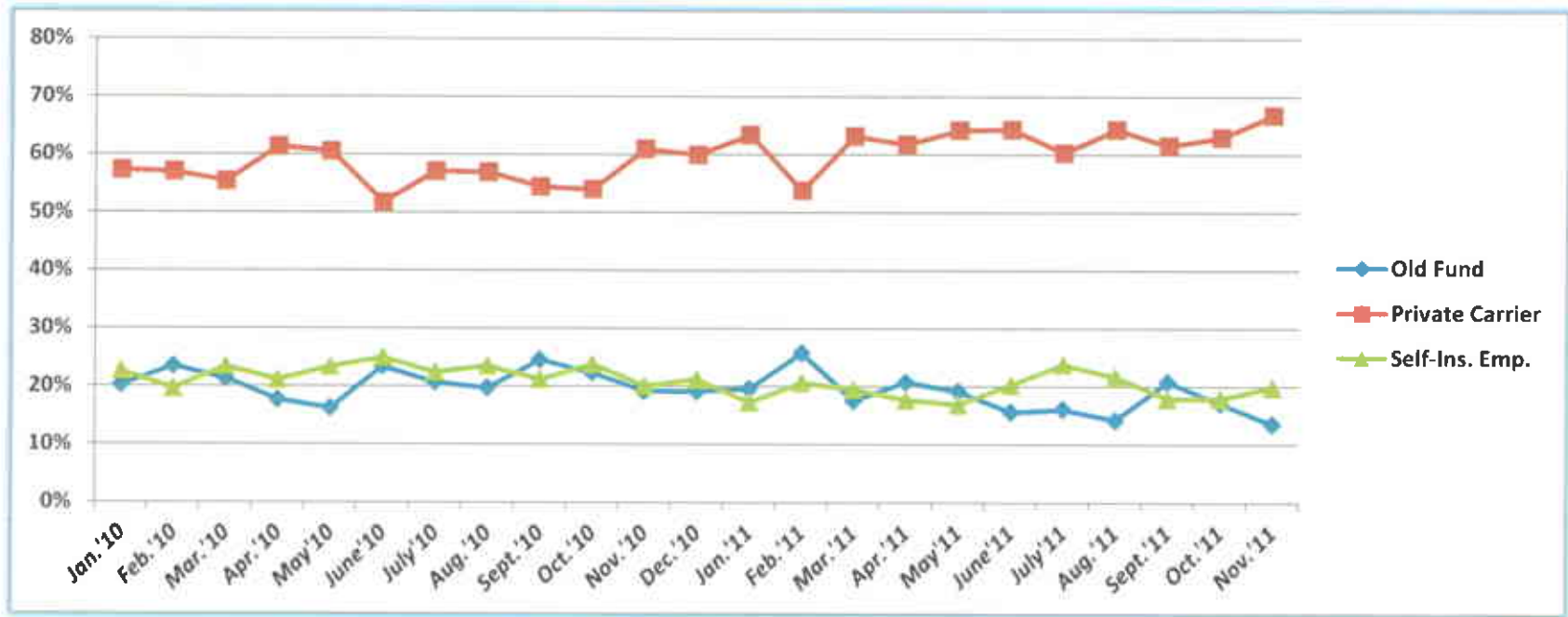
Rebecca A. Roush, Chief Administrative Law Judge

Statistical Analysis

A. Protests Acknowledged: 2010 Nov. 2011
 5052 409 4668

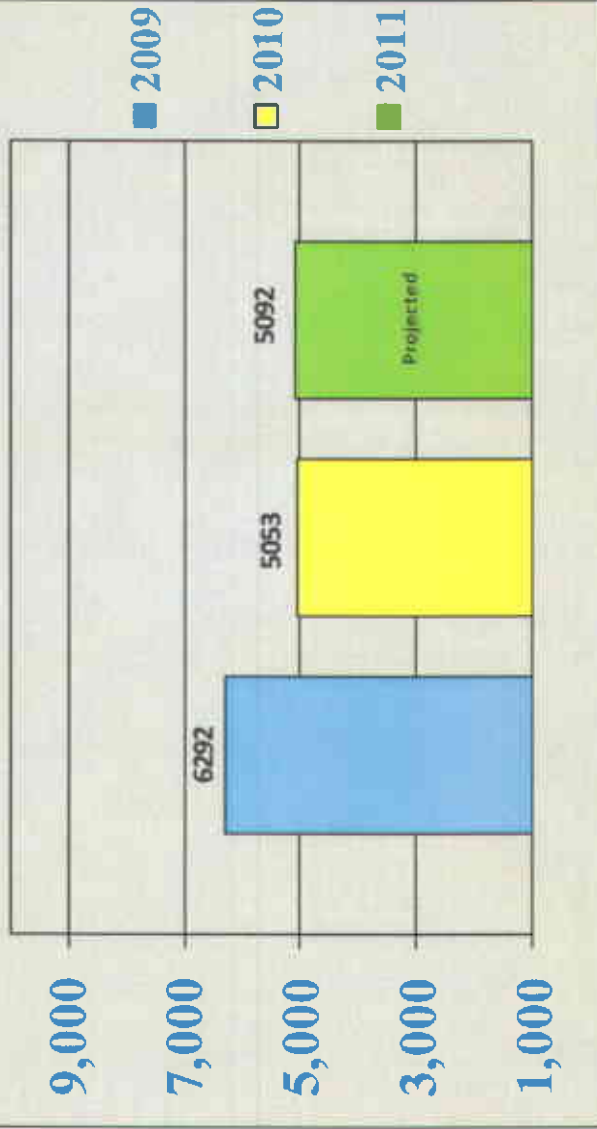
Fund Involved:

FUND	2010	% of protests	Nov.'11 2011	% of protests	2011	% of protests
Old Fund	1045	20.68%	55	13.45%	842	18.04%
Private Carrier	2885	57.11%	273	66.75%	2932	62.81%
Self-Insured	1122	22.21%	81	19.80%	894	19.15%
Subtotal	5052		409		4668	
Temporary	997		56		959	
Total	6049		465		5627	

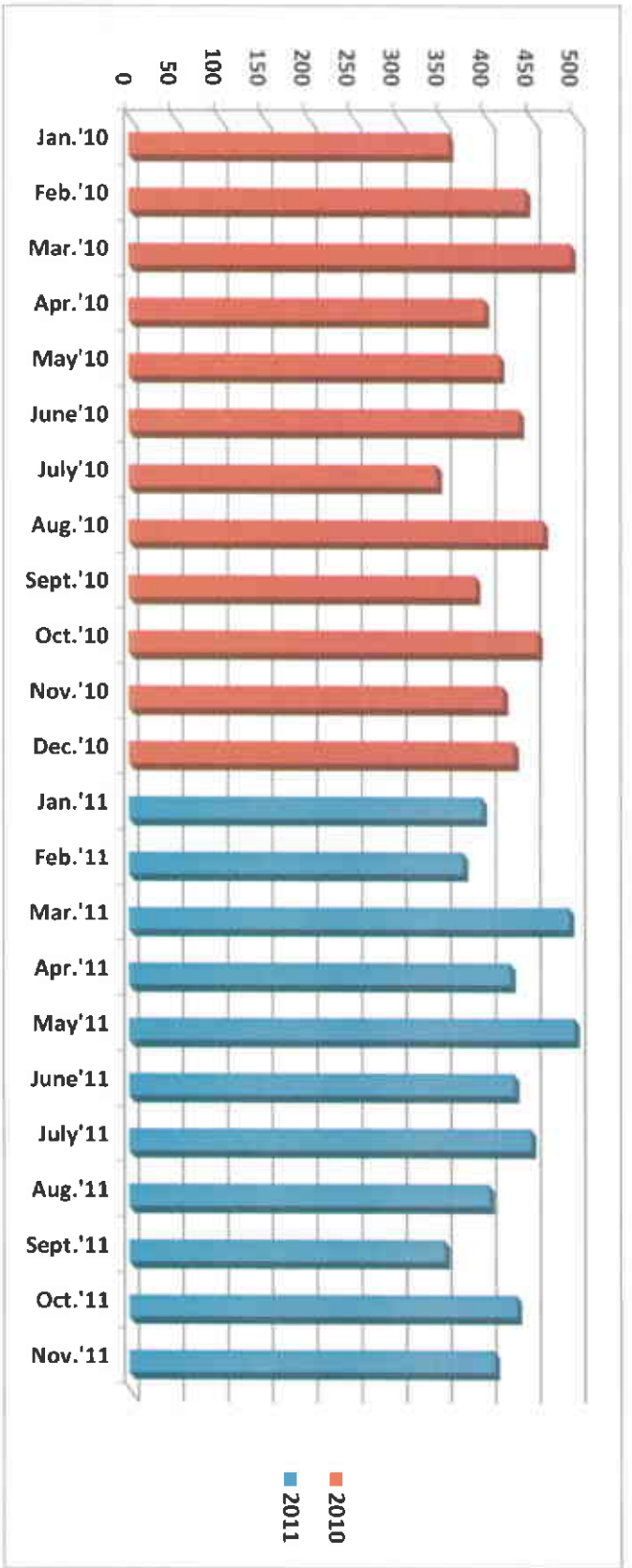


Protests Acknowledged by Carrier Type

PROTESTS PER CALENDAR YEAR



Protests Including Projection for 2011



Protests Acknowledged by Month

Nov. '11

2011

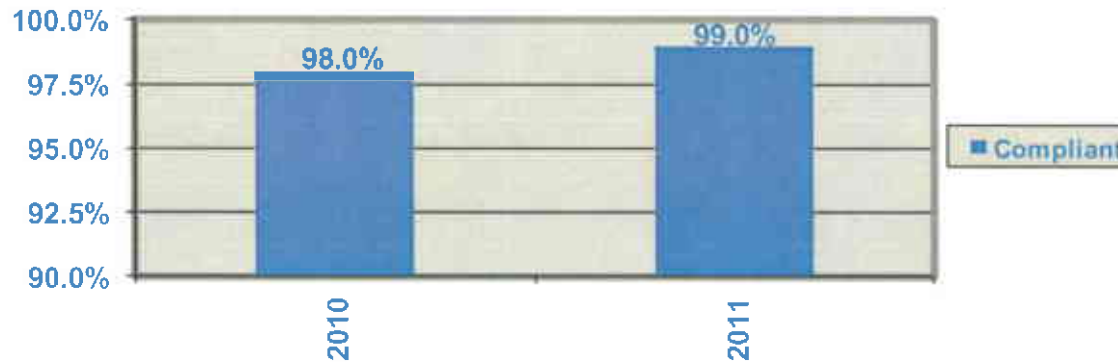
E. Protests Resolved:

1. Protests decided:	239	3095
2. Withdrawals:	54	744
3. "No Evidence" Dismissals:	47	571

F. Final Decision Timeliness

	<u>2010</u>	<u>Nov. '11</u>	<u>2011</u>
1. <30 days:	45.4%	39.4%	43.3%
2. 30-60 days:	34.2%	58.7%	49.3%
3. 60-90 days:	18.4%	0.8%	6.5%
4. +90 days:	2.0%	1.2%	1.0%

Decision Within Rule's Time Limits



G. Time Standard Compliance

<u>2010</u>	<u>Nov.</u>	<u>2011</u>
88.2%	93.2%	92.1%

Friday, December 02, 2011

Time Standard Compliance

Report Dates: From 11/1/2011 thru 11/30/2011

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	30	28	93.3%	2	6.7%
OP NON-MED	2	0	0%	2	100%
OPBD	12	12	100%	0	0%
PPD	44	43	97.7%	1	2.3%
REOPENING	7	7	100%	0	0%
TRMT/EQUIP CL	50	46	92%	4	8%
TTD	13	12	92.3%	1	7.7%
DEP BEN FATAL	2	1	50%	1	50%
IEB DETERMINATION	1	1	100%	0	0%
Total	161	150	93.2%	11	6.8%

Friday, December 02, 2011

Final Decision Compliance

Report Dates: From 11/1/2011 thru 11/30/2011

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	63	26	41.3%	35	55.6%	1	1.6%	1	1.6%
OP NON-MED	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
PPD	37	10	27.0%	27	73.0%	0	0.0%	0	0.0%
TTD	22	7	31.8%	15	68.2%	0	0.0%	0	0.0%
DEP BEN FATAL	6	3	50.0%	3	50.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	3	2	66.7%	1	33.3%	0	0.0%	0	0.0%
IEB DETERMINATION	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
OPBD	14	8	57.1%	6	42.9%	0	0.0%	0	0.0%
PTD ONSET DATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
REOPENING	15	4	26.7%	11	73.3%	0	0.0%	0	0.0%
TRMT/EQUIP CL	88	37	42.0%	50	56.8%	1	1.1%	0	0.0%
Totals	254	100	39.4%	149	58.7%	2	0.8%	3	1.2%

Friday, December 02, 2011

Motion Resolution Compliance

Report Dates: From 11/1/2011 thru 11/30/2011

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	1	1	100%	0	0%
BENEFIT OVERPAYMENT	3	3	100%	0	0%
DEP BEN FATAL	18	17	94.4%	1	5.6%
FAILURE TO ACT 15 DAY	2	2	100%	0	0%
IEB DETERMINATION	7	7	100%	0	0%
OPBD	42	39	92.9%	3	7.1%
TRMT/EQUIP CL	266	261	98.1%	5	1.9%
TTD	100	98	98%	2	2%
BENEFIT RATE	2	2	100%	0	0%
COMPENSABILITY	200	192	96%	8	4%
FAILURE TO ACT 10 DAY	1	1	100%	0	0%
PPD	189	186	98.4%	3	1.6%
PTD ENTITLEMENT	8	8	100%	0	0%
PTD ONSET DATE	1	1	100%	0	0%
REOPENING	48	47	97.9%	1	2.1%
TEMP	4	4	100%	0	0%
Total	892	869	97.4%	23	2.6%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 11/1/2011 thru 11/30/2011

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CFA - CL APP.THRESHOLD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
BENEFIT OVERPAYMENT	Total: 3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CBO - CL BEN. OVERPAYMENT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBP - CL SI BEN. OVR PAYMT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
BENEFIT RATE	Total: 3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CBR - CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CS2 - CL SI PRSTS BEN RATE	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
COMPENSABILITY	Total: 71	3	4.2%	3	4.2%	33	46.5%	32	45.1%
C8A - CL OIC REJECT CLAIM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CCS - CL SEC.CONDITION	16	1	6.3%	0	0.0%	3	18.8%	12	75.0%
CHC - CL COMPENSABILITY	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CIM - CL SI COMPENSABLE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIS - CL SI SEC.CONDITION	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPI - CL SI REJECT CLAIM	6	0	0.0%	0	0.0%	3	50.0%	3	50.0%
CPJ - CL REJECT CLAIM	40	1	2.5%	3	7.5%	23	57.5%	13	32.5%
CRZ - CL REJ OCC DISEASE	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
E8C - EM OIC COMPENSABLE	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
DEP BEN FATAL	Total: 5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CDF - CL DENY/GRNT DTH BEN	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIF - CL SI DY/GNT DTH BEN	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
FAILURE TO ACT 10 DAY	Total: 2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
C5N - CL FTA NOT COVERED	2	2	100.0%	0	0.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 4	0	0.0%	0	0.0%	3	75.0%	1	25.0%
C01 - CL FTA INJ COMPENSAB	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
C03 - CL FTA TREATMENT	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 9	1	11.1%	5	55.6%	1	11.1%	2	22.2%
C6A - CL FTA ACT UPON PPD	3	0	0.0%	1	33.3%	1	33.3%	1	33.3%
C7D - CL FTA REF FOR EXAM	4	1	25.0%	2	50.0%	0	0.0%	1	25.0%
C7E - CL FTA CPLY OJ/BR/SC	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
IEB DETERMINATION	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CEB - CL IEB DETERMINATION	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OP NON-MED	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CNR - CL NON-MED ORDER	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OPBD	Total: 28	1	3.6%	0	0.0%	15	53.6%	12	42.9%
CAO - CL ADD BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBF - CL % BOARD FINDING	7	0	0.0%	0	0.0%	3	42.9%	4	57.1%
CSF - CL% SI BOARD FINDING	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
CSO - CL SI AD.BRD FINDING	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
EAO - EM ADD BOARD FINDING	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
EBF - EM % BOARD FINDING	7	0	0.0%	0	0.0%	7	100.0%	0	0.0%
ESF - EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
PPD	Total: 100	6	6.0%	1	1.0%	37	37.0%	56	56.0%
C8P - CL OIC %AWRD DNY/GNT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CAA - CL ADDL % AWARD D/G	10	1	10.0%	0	0.0%	1	10.0%	8	80.0%
CAD - CL % AWARD DENY/GRNT	66	5	7.6%	1	1.5%	27	40.9%	33	50.0%
CIE - CL SI ADD% AWARD D/G	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CIG - CL SI %AWARD DNY/GNT	21	0	0.0%	0	0.0%	7	33.3%	14	66.7%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CKC - CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REOPENING	Total: 15	2	13.3%	0	0.0%	6	40.0%	7	46.7%
CIQ - CL SI DY/GNT R/O PPD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CIY - CL SI DY/GNT R/O TTD	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CJV - CL DNY/GRNT R/O PPD	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
CRD - CL DENY/GRNT R/O TTD	9	1	11.1%	0	0.0%	2	22.2%	6	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
TRMT/EQUIP CL	Total: 125	6	4.8%	0	0.0%	31	24.8%	88	70.4%
CBX - CL TRMT DENY	90	5	5.6%	0	0.0%	19	21.1%	66	73.3%
CHH - CL AUTH HA/RPR D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CSX - CL SI TRMT DENY	30	1	3.3%	0	0.0%	10	33.3%	19	63.3%
CYY - CL TRMT GRANT	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
TTD	Total: 40	5	12.5%	0	0.0%	10	25.0%	25	62.5%
CCC - CL CLOSING THE CLAIM	26	3	11.5%	0	0.0%	7	26.9%	16	61.5%
CIC - CL SI CLSING THE CLM	5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CJS - CL TTD	6	1	16.7%	0	0.0%	1	16.7%	4	66.7%
CPX - CL INITIAL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
E8J - EM OIC TTD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
Totals: Claims 340	409	26	6.4%	9	2.2%	142	34.7%	232	56.7%

Friday, December 02, 2011

Resolution of Issues

Report Dates: Decision Date from 11/1/2011 thru 11/30/2011

Time Standard	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	76	22	28.9	32	42.1	5	6.6	11	14.5	4	5.3	0	0	2	2.6	0	0
DEP BEN FATAL	6	2	33.3	4	66.7	0	0	0	0	0	0	0	0	0	0	0	0
OPBD	21	0	0	14	66.7	1	4.8	6	28.6	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PTD ONSET DATE	1	0	0	0	0	0	0	0	0	1	100	0	0	0	0	0	0
TTD	47	3	6.4	13	27.7	10	21.3	19	40.4	2	4.3	0	0	0	0	0	0
IEB DETERMINATION	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
OP NON-MED	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
PPD	89	14	15.7	19	21.3	19	21.3	35	39.3	1	1.1	0	0	1	1.1	0	0
REOPENING	17	5	29.4	8	47.1	0	0	3	17.6	1	5.9	0	0	0	0	0	0
TRMT/EQUIP CL	129	19	14.7	50	38.8	12	9.3	35	27.1	8	6.2	1	0.8	4	3.1	0	0
Totals	390	65	16.7	143	36.7	47	12.1	110	28.2	17	4.4	1	0.3	7	1.8	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 11/30/11	78
Petitions denied on face:	23
Petitions denied by ALJ Decision:	32
Petitions granted:	10
Petitions withdrawn through settlement:	3
Petitions currently pending:	10

Failure to Timely Act Process

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

Filed:	292
Denied/dismissed:	119
Withdrawn:	12
Reports to OIC:	141
Pending	20

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7	12	8	11	10	15	15	112
2011	10	16	11	15	21	16	11	13	9	8	12		142

Pro Se Claimant Information as of November 30, 2011

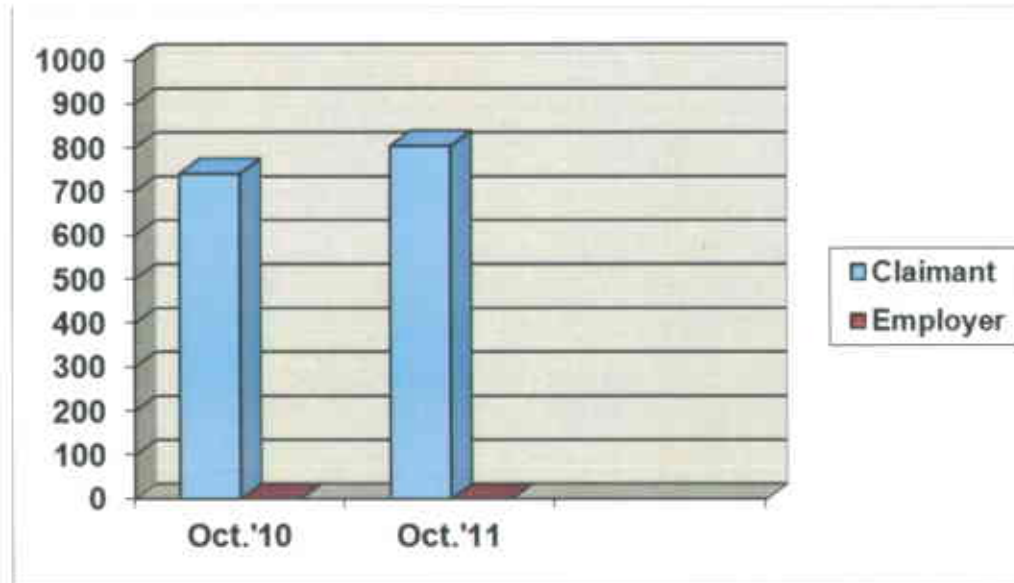
Pending Protests Involving Pro Se Claimants: 589

Pending Claims Involving Pro Se claimants: 534

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Nov.'11	% Protests	Month Nov.'10	% Protests
Claimant Employer	804	22.68%	741	20.54%
Total	804		741	

Pending Treatment Issues



Earl Ray Tomblin
Governor

W. Jack Stevens
Member

James D. Gray
Member

Rita Hedrick-Helmick
Chairperson

Workers' Compensation Board of Review

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

MEMORANDUM

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

From: Rita Hedrick-Helmick, Chairperson

Date: Dec 2, 2011

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's November 2011 monthly report.

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

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

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

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

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

Appellant	Count
Claimant Only	22
Commission Only	2
Old Fund Total	24

Old Fund Appeals by Appellant

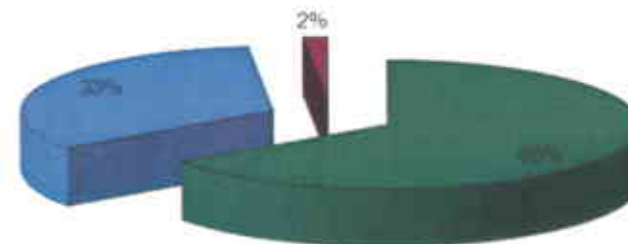


■ Claimant Only □ Commission Only

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

Appellant	Count
Claimant Only	41
Employer Only	21
Claimant and Employer	1

Privately Insured Appeals by Appellant



■ Claimant Only ■ Employer Only ■ Claimant and Employer

Privately Insured Total 63

Total Appeals 87

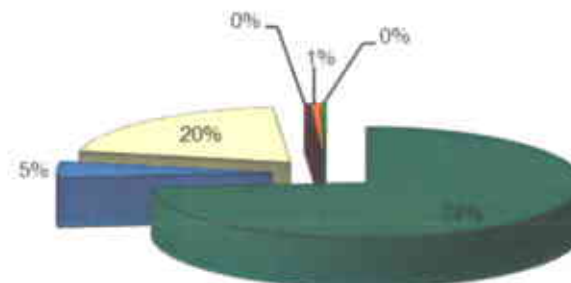
Appeals counted more than once:

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

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

Appellant	Count
Claimant Only	274
Employer Only	18
Commission Only	76
Claimant and Employer	1
Claimant and Commission	3
Employer and Commission	1
Old Fund Total	373

Old Fund Appeals by Appellant

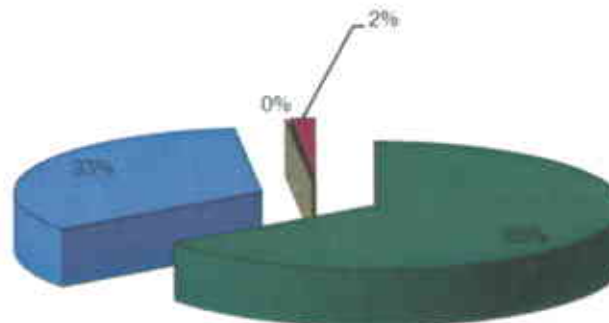


Claimant Only
 Employer Only
 Commission Only
 Claimant and Employer
 Claimant and Commission
 Employer and Commission

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

Appellant	Count
Claimant Only	516
Employer Only	265
Commission Only	1
Claimant and Employer	13
Privately Insured Total	795
Total Appeals	1168

Privately Insured Appeals by Appellant

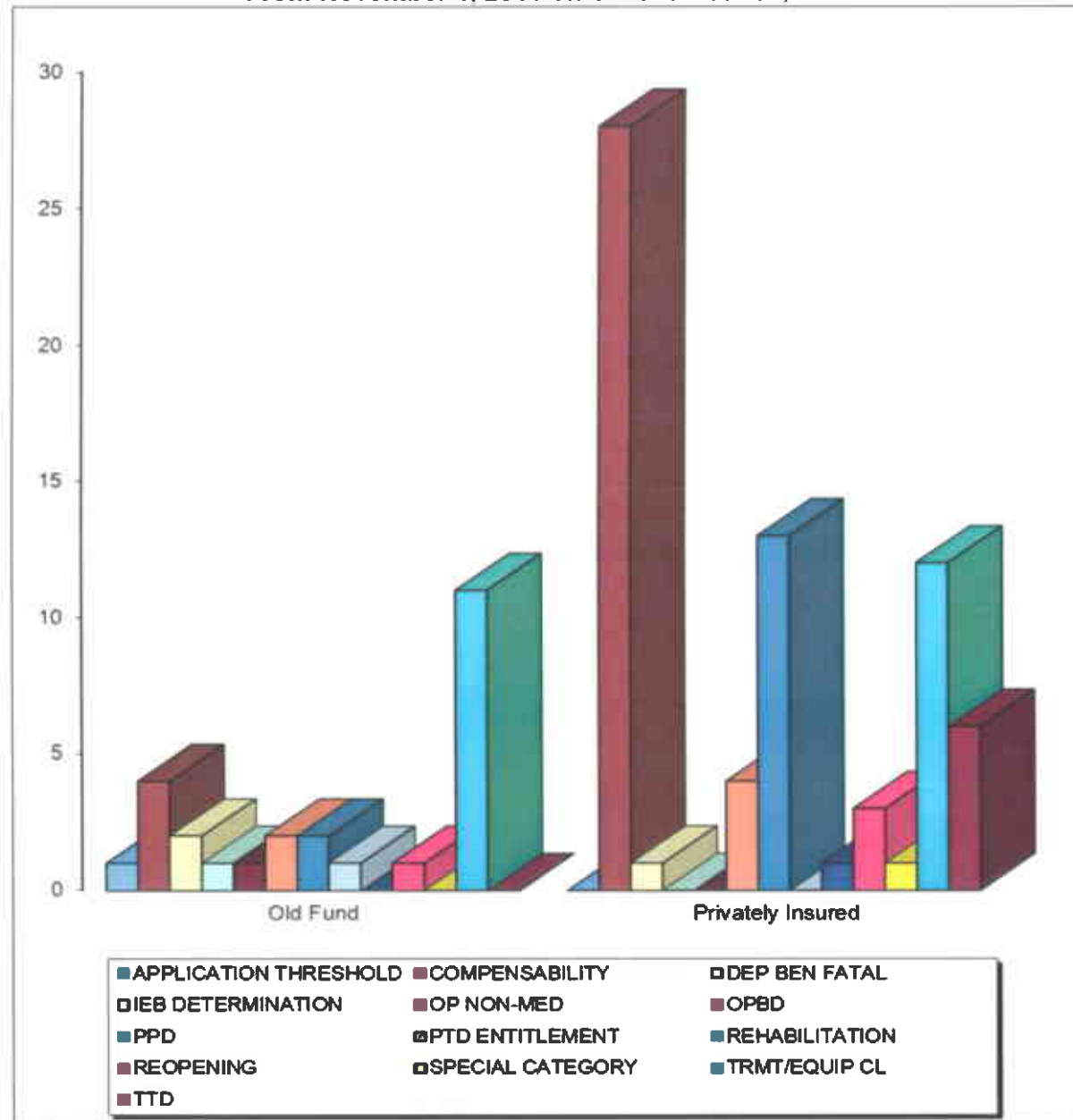


Claimant Only
 Employer Only
 Commission Only
 Claimant and Employer

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

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0
COMPENSABILITY	32	4	12.5	28	87.5
DEP BEN FATAL	3	2	66.7	1	33.3
IEB DETERMINATION	1	1	100.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0
OPBD	6	2	33.3	4	66.7
PPD	15	2	13.3	13	86.7
PTD ENTITLEMENT	1	1	100.0	0	0.0
REHABILITATION	1	0	0.0	1	100.0
REOPENING	4	1	25.0	3	75.0
SPECIAL CATEGORY	1	0	0.0	1	100.0
TRMT/EQUIP CL	23	11	47.8	12	52.2
TTD	6	0	0.0	6	100.0
Totals	95	26	27.4	69	72.6

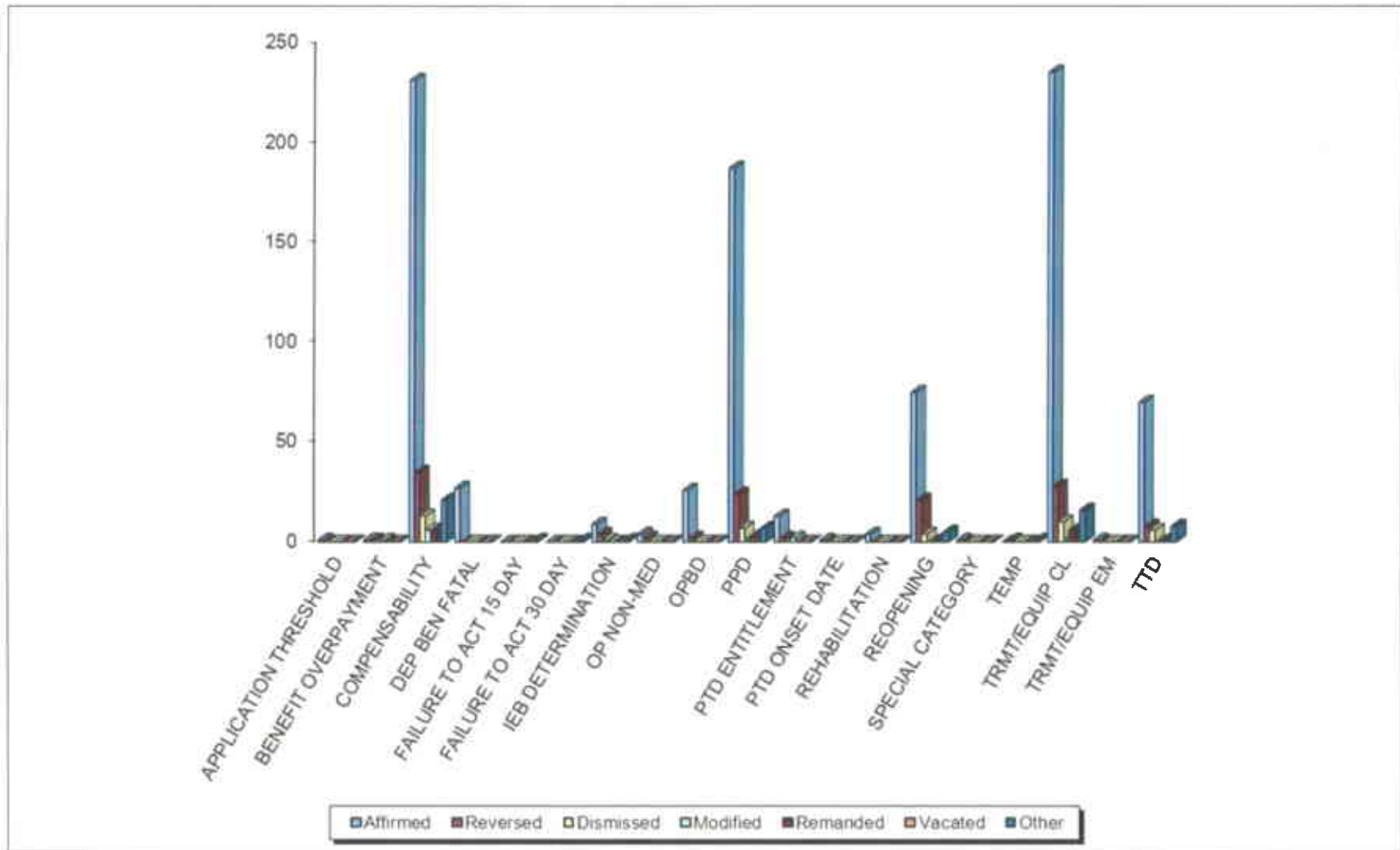
Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From November 1, 2011 Thru November 30, 2011



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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	3	1	33.3	1	33.3	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
COMPENSABILITY	313	231	73.8	35	11.2	13	4.2	6	1.9	6	1.9	1	0.3	21	6.7
DEP BEN FATAL	27	27	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
IEB DETERMINATION	15	9	60.0	4	26.7	1	6.7	0	0.0	0	0.0	0	0.0	1	6.7
OP NON-MED	6	4	66.7	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	28	26	92.9	2	7.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	229	187	81.7	24	10.5	7	3.1	1	0.4	3	1.3	0	0.0	7	3.1
PTD ENTITLEMENT	17	13	76.5	2	11.8	0	0.0	2	11.8	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	106	75	70.8	21	19.8	4	3.8	0	0.0	1	0.9	0	0.0	5	4.7
SPECIAL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	2	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0
TRMT/EQUIP CL	296	235	79.4	28	9.5	10	3.4	1	0.3	6	2.0	0	0.0	16	5.4
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	93	70	75.3	8	8.6	6	6.5	0	0.0	1	1.1	0	0.0	8	8.6
Totals	1145	886	77.4	128	11.2	41	3.6	11	1.0	17	1.5	1	0.1	61	5.3

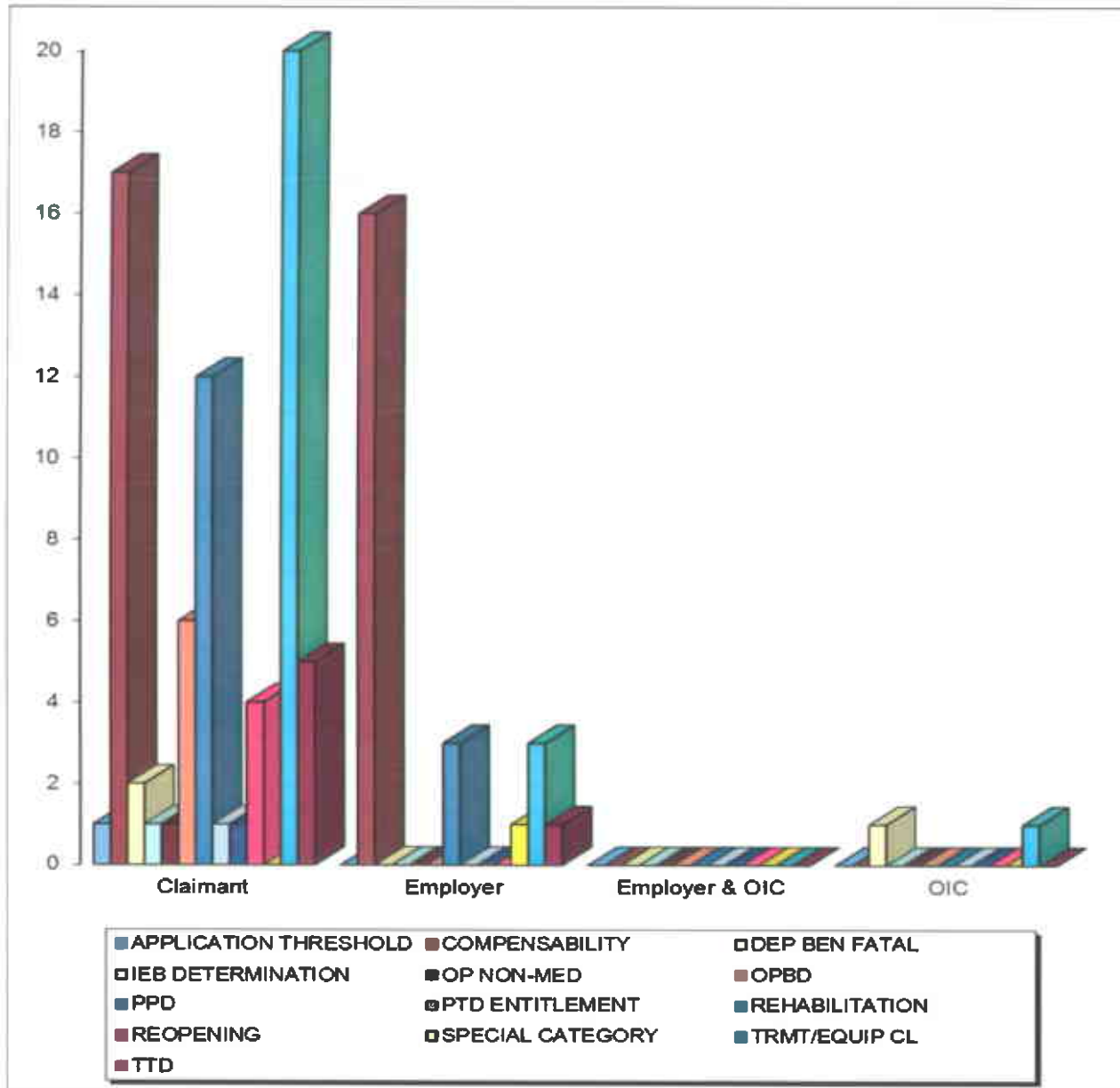
Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2011 Thru November 30, 2011



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

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	33	17	51.5	16	48.5	0	0.0	0	0.0
DEP BEN FATAL	3	2	66.7	0	0.0	0	0.0	1	33.3
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0
OPBD	6	6	100.0	0	0.0	0	0.0	0	0.0
PPD	15	12	80.0	3	20.0	0	0.0	0	0.0
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0
REOPENING	4	4	100.0	0	0.0	0	0.0	0	0.0
SPECIAL CATEGORY	1	0	0.0	1	100.0	0	0.0	0	0.0
TRMT/EQUIP CL	24	20	83.3	3	12.5	0	0.0	1	4.2
TTD	6	5	83.3	1	16.7	0	0.0	0	0.0
Totals	97	71	73.2	24	24.7	0	0.0	2	2.1

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



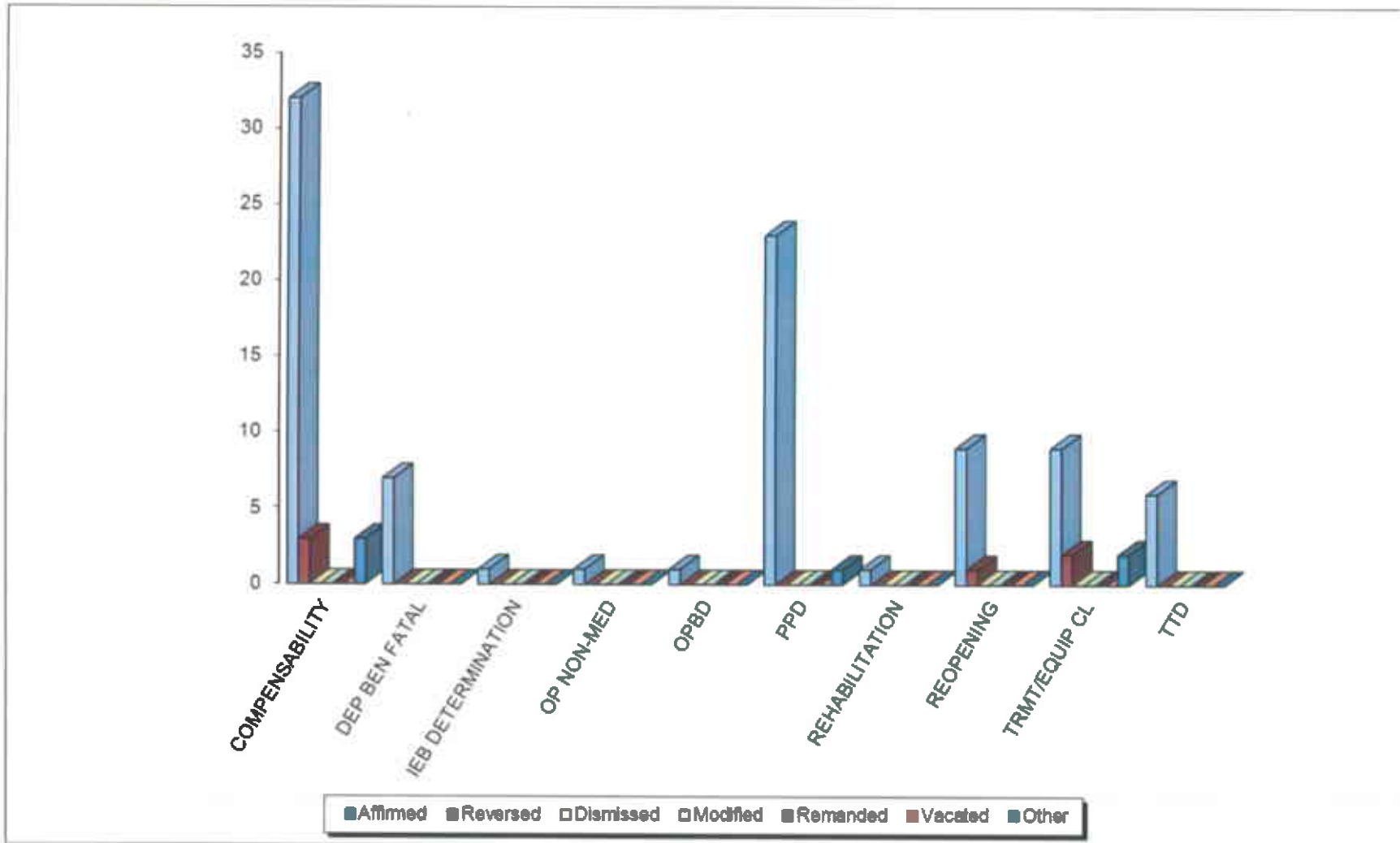
**WORKER COMPENSATION BOARD OF REVIEW
FOR NOVEMBER 2011**

Appealed By	BOR Disposition	Disposition			Year to Date		
		Count	Disp %	Total %	Date	Disp %	Total %
CLAIMANT	AFFIRMED	71	95.9%	71.7%	636	89.1%	61.6%
	DISMISSED	1	1.4%	1.0%	29	4.1%	2.8%
	MODIFY				4	0.6%	0.4%
	REMAND				9	1.3%	0.9%
	REVERSE	2	2.7%	2.0%	35	4.9%	3.4%
	VACATE				1	0.1%	0.1%
	Total Dispositions	74			714		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	1.0%	3	60.0%	0.3%
	DISMISSED				1	20.0%	0.1%
	MODIFY				1	20.0%	0.1%
	Total Dispositions	1			5		
EMPLOYER	AFFIRMED	12	60.0%	12.1%	156	63.7%	15.1%
	DISMISSED	5	25.0%	5.1%	19	7.8%	1.8%
	MODIFY				7	2.9%	0.7%
	REMAND				6	2.4%	0.6%
	REVERSE	3	15.0%	3.0%	57	23.3%	5.5%
	Total Dispositions	20			245		
DIVISION/OIC	AFFIRMED	3	75.0%	3.0%	36	52.2%	3.5%
	DISMISSED				2	2.9%	0.2%
	MODIFY				2	2.9%	0.2%
	REMAND				2	2.9%	0.2%
	REVERSE	1	25.0%	1.0%	27	39.1%	2.6%
	Total Dispositions	4			69		
Grand Totals		99			1033		

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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	38	32	84.2	3	7.9	0	0.0	0	0.0	0	0.0	0	0.0	3	7.9
DEP BEN FATAL	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	24	23	95.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	4.2
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	10	9	90.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	13	9	69.2	2	15.4	0	0.0	0	0.0	0	0.0	0	0.0	2	15.4
TTD	6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	102	90	88.2	6	5.9	0	0.0	0	0.0	0	0.0	0	0.0	6	5.9

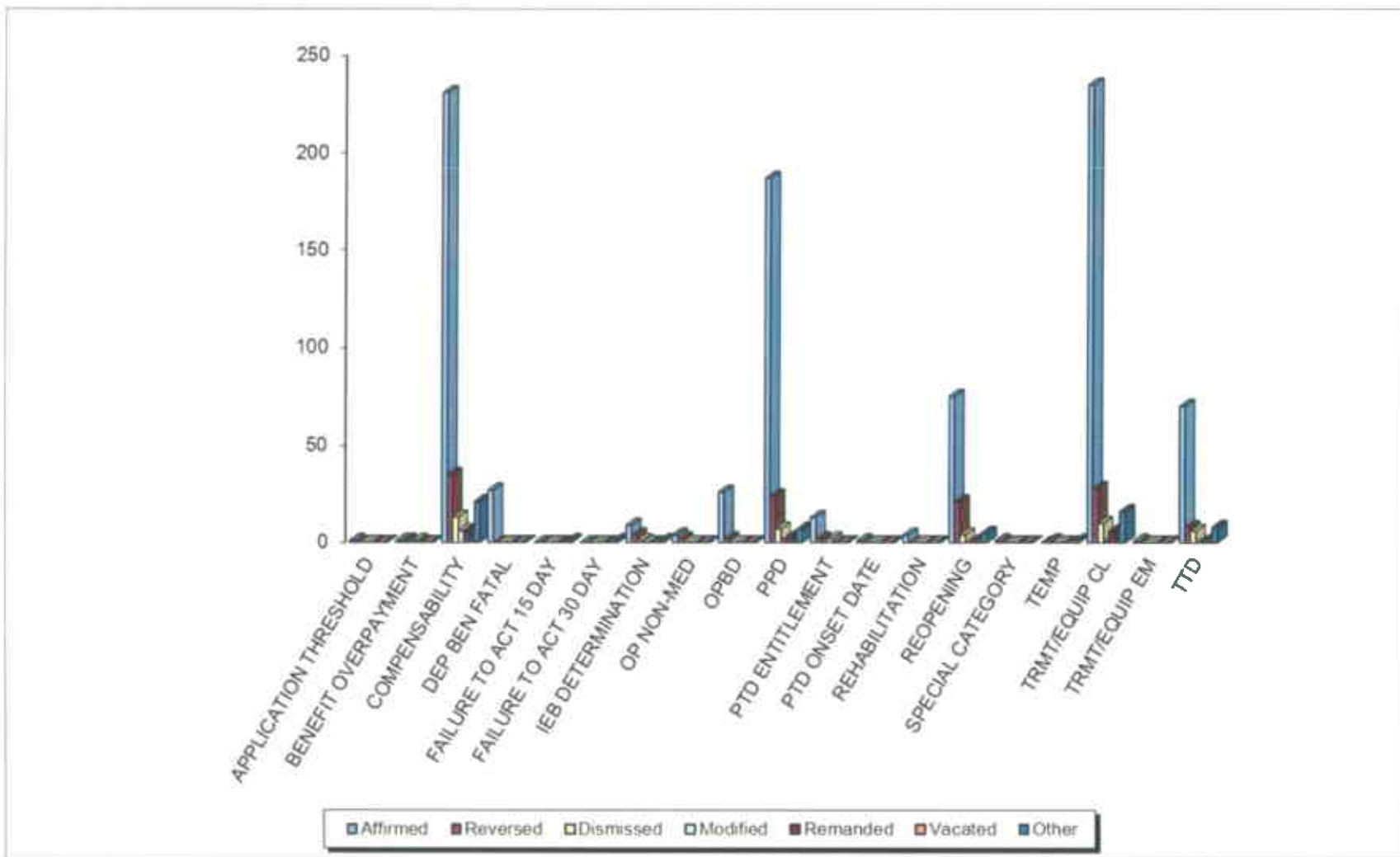
Dispositions By Issues
BOR Orders Mailed From November 1, 2011 Thru November 30, 2011



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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	3	1	33.3	1	33.3	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
COMPENSABILITY	313	231	73.8	35	11.2	13	4.2	6	1.9	6	1.9	1	0.3	21	6.7
DEP BEN FATAL	27	27	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
IEB DETERMINATION	15	9	60.0	4	26.7	1	6.7	0	0.0	0	0.0	0	0.0	1	6.7
OP NON-MED	6	4	66.7	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	28	26	92.9	2	7.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	229	187	81.7	24	10.5	7	3.1	1	0.4	3	1.3	0	0.0	7	3.1
PTD ENTITLEMENT	17	13	76.5	2	11.8	0	0.0	2	11.8	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	106	75	70.8	21	19.8	4	3.8	0	0.0	1	0.9	0	0.0	5	4.7
SPECIAL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	2	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0
TRMT/EQUIP CL	296	235	79.4	28	9.5	10	3.4	1	0.3	6	2.0	0	0.0	16	5.4
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	93	70	75.3	8	8.6	6	6.5	0	0.0	1	1.1	0	0.0	8	8.6
Totals	1145	886	77.4	128	11.2	41	3.6	11	1.0	17	1.5	1	0.1	61	5.3

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



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

COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 5,279.50
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 56,892.05
Receipts - Payment Agreements	\$ 14,095.54
# of active accounts uninsured (cumulative)	639
\$ of active accounts uninsured (cumulative)	\$ 2,407,105.09
Telephone contacts	1,622
Walk-ins	13

LIENS	
Liens sent to county clerks for recordation	115
Liens sent to county clerks for release	41
Intent to lien letters sent to employer/owner/officer/member	109

Uninsured Policies Resolved	227
All Cash Receipts from WC accounts	\$ 76,267.09

INJUNCTIONS	
Affidavits for injunction submitted to legal	6
Hearings attended	1
# of injunction complaints filed	0
# of injunctions granted	2
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	3
Agreements set up	5
Total # of agreements on system (cumulative)	76
Intent to void letters mailed	7
Agreements voided	2

MISCELLANEOUS	
Terminations Processed	59
Rule 11 Letters Mailed	228
Rule 11 hearings	0

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

Board Meeting
November 30, 2011

CD Auction
January 11, 2012

OPERATING REPORT

OCTOBER 31, 2011

Board of Treasury Investments

1900 Kanawha
Boulevard East
Suite E-122
Charleston WV
25305

(304) 340-1578

www.wvbtli.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.,
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

Chief Financial
Officer

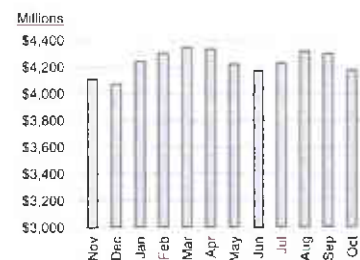
Kara K. Hughes,
CPA, MBA

Total Net Assets Under Management

\$4,176,011,000

Last Month
\$4,300,400,000

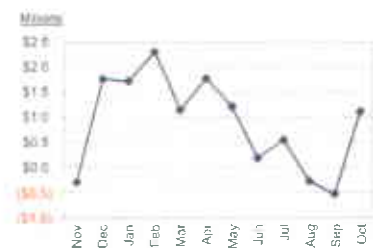
Beginning of Fiscal Year
\$4,172,779,000



Net Assets for the Past 12 Months

Total Net Income & Gains

Fiscal Year
\$857,000



Net Income (Loss) for the Past 12 Months

Money Market Pools

As of October 31, 2011

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.0978%	.0945%	.0964%	44 Days	\$3.2 Billion
WV Gov't Money Market	.0405%	.0278%	.0384%	50 Days	\$312.4 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

OCTOBER 2011

Stocks Rally, Bonds Waver

Economic Conditions

Stocks staged a breathtaking rally in the month of October, shaking off the gloom of the third quarter to bask in the reassurances of European leaders and recession-dispelling economic reports in the US. Investors favored riskier assets during this period with US small cap stocks outpacing large caps and emerging markets rising more than developed markets. The robust, month-long rally raised the S&P 500 back into positive territory for the year, although small caps and foreign markets remained mired in negative territory. Even as Treasury yields rose (the 10 year US Treasury moved back above 2%, finishing October at 2.17%), credit markets rallied during October with high yield bonds and emerging market debt up strongly. Commodities also rose in price, as investors re-focused on economic growth, and gold recouped some of its September losses.

November markets opened with a steep price decline, highlighting that volatility still stalks the environment. Driving the price movement was the announcement that Greece would present their austerity and 50% debt haircut plan to a popular referendum. This places the European peripheral debt crisis bailout plan, and potentially the fate of the Euro, in the hands of the disgruntled electorate of a small, deeply-troubled country, casting a long shadow over this week's G-20 summit in Cannes. In the US, the congressional "super committee" is scheduled to reveal its budget cutting plan by November 23rd. As a result, we expect markets to continue to be heavily influenced by headlines in the near-term. We remind our clients that it remains important to maintain a risk-balanced approach to asset allocation. Attractive opportunities at this juncture appear to exist in emerging markets stock and bond markets, as well as in less-liquid investments positioned to take advantage of dislocations in the current environment such as private debt, distressed, and event-driven strategies.

Bond Markets

Bond investors faced mixed results during the month. Investor preference for riskier bonds during October drove returns in the fixed income market. Corporate bonds, as measured by the Barclays Capital Credit Index, rose 1.46%. High yield bonds posted returns just shy of 6% during the month. Long Treasuries, last month's darling, declined nearly 4% as the flight to quality abated in October. Short duration investments, once again, provided investors with little returns, evidenced by the 0.00% return from 3-month Treasury Bills.

Equity Markets

Returns from riskier assets were even more evident in equities where U.S. large cap stocks returned nearly 11% while their smaller brethren climbed more than 15%. Developed international markets posted respectable returns of 9.6%, as measured by the MSCI EAFE Index. Emerging markets rallied nearly as strongly as U.S. small caps, with the MSCI Emerging Markets Index generating a 13.1% return during October.

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

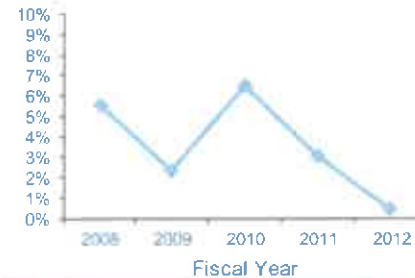
WV Short Term Bond Pool

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

November 1 - October 31	Return	Net Assets At October 31 <i>(In Millions)</i>
2011	0.4%	\$ 455.7
2010	3.0%	\$ 462.2
2009	6.5%	\$ 338.2
2008	2.3%	\$ 342.9
2007	5.5%	\$ 235.0

WV Short Term Bond Pool Rates of Return

*Past 12 Months
November 1 - October 31*



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

Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	Oct. Net Income <i>(Loss)</i>	Fiscal YTD Net Income
WV Money Market	\$ 3,199,156	\$ 269	\$ 1,072
WV Gov't Money Market	312,704	11	61
WV Short Term Bond	455,681	729	(1,092)
WV Bank	53,035	11	45
Loss Amortization *	-	-	13
Loans	120,651	110	466
Reserve	18,990	6	26
Participant Accounts	15,794	(25)	266
	<u>\$ 4,176,011</u>	<u>\$1,111</u>	<u>\$857</u>

* Closed in August 2011

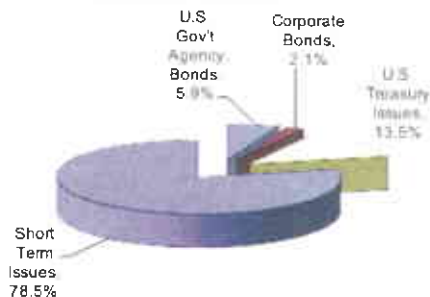
Percent of Total Net Asset Value



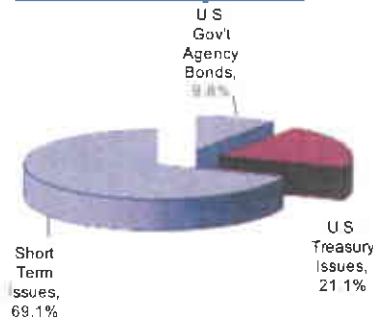
- Participant Accounts, 0.4%
- Reserve, 0.4%
- Loans 2.9%
- WV Bank 1.3%
- WV Short Term Bond, 10.9%
- WV Gov't Money Market, 7.5%
- WV Money Market 76.6%

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

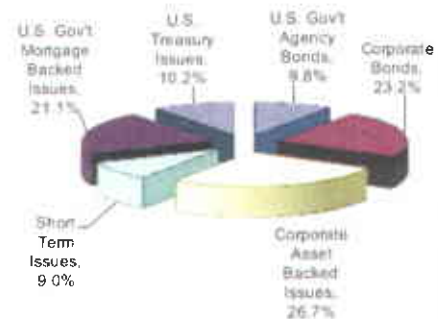
WV Money Market



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

OCTOBER 31, 2011

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 3,198,009	\$ 312,429		\$ 53,014	\$ 139,525	\$ 12,413
At fair value	-	-	\$ 457,675	-	-	3,216
Cash	-	-	-	-	-	-
Other assets	1,524	319	595	22	119	165
Total assets	<u>3,199,533</u>	<u>312,748</u>	<u>458,270</u>	<u>53,036</u>	<u>139,644</u>	<u>15,794</u>
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	377	44	2,589	1	3	-
Total liabilities	<u>377</u>	<u>44</u>	<u>2,589</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net Assets	<u>\$ 3,199,156</u>	<u>\$ 312,704</u>	<u>\$ 455,681</u>	<u>\$ 53,035</u>	<u>\$ 139,641</u>	<u>\$ 15,794</u>
Investment income						
Interest and dividends	\$ 647	\$ 119	\$ 575	\$ 12	\$ 119	\$ 35
Net accretion (amortization)	(225)	(89)	(153)	-	-	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>422</u>	<u>30</u>	<u>422</u>	<u>12</u>	<u>119</u>	<u>22</u>
Expenses						
Fees	153	19	42	1	3	-
Total expenses	<u>153</u>	<u>19</u>	<u>42</u>	<u>1</u>	<u>3</u>	<u>-</u>
Net investment income	<u>269</u>	<u>11</u>	<u>380</u>	<u>11</u>	<u>116</u>	<u>22</u>
Net realized gain (loss) from investments	-	-	70	-	-	-
Net increase (decrease) in fair value of investments	-	-	279	-	-	(47)
Net gain (loss) from investments	-	-	349	-	-	(47)
Net increase (decrease) in net assets from operations	<u>269</u>	<u>11</u>	<u>729</u>	<u>11</u>	<u>116</u>	<u>(25)</u>
Distributions to participants	269	11	450	11	116	-
Participant activity						
Purchases, reinvestment of units and contributions	671,828	63,432	1,012	11	216	87
Redemptions and withdrawals	748,788	102,049	86	-	10,266	40
Inter-pool transfers in	20,027	-	-	13,000	-	-
Inter-pool transfers out	13,000	-	-	20,027	-	-
Net increase (decrease) in net assets from participant activity	<u>(69,933)</u>	<u>(38,617)</u>	<u>926</u>	<u>(7,016)</u>	<u>(10,050)</u>	<u>47</u>
Increase (decrease) in net assets	(69,933)	(38,617)	1,205	(7,016)	(10,050)	22
Net assets at beginning of period	3,269,089	351,321	454,476	60,051	149,691	15,772
Net assets at end of period	<u>\$ 3,199,156</u>	<u>\$ 312,704</u>	<u>\$ 455,681</u>	<u>\$ 53,035</u>	<u>\$ 139,641</u>	<u>\$ 15,794</u>