



**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA
Regular Audit
For the Years Ended June 30, 2018 and 2017**

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**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
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INDEPENDENT AUDITOR'S REPORT

September 14, 2018

Public Defender Corporation for the Fifth Judicial Circuit
PO Box 797
214 Main Street
Ripley, WV 25271

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Public Defender Corporation for the Fifth Judicial Circuit**, West Virginia, a component unit of the State of West Virginia (the Corporation), as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Defender Corporation for the Fifth Judicial Circuit, West Virginia, as of June 30, 2018 and 2017, and the changes in financial position and cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during fiscal year ended June 30, 2018, the Corporation adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, schedules of net pension liabilities and OPEB liabilities and pension and OPEB contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Corporation's basic financial statements taken as a whole.

The Schedule of Budget to Actual Expenses – Cash Basis presents additional analysis and is not a required part of the basic financial statements.

The schedule is management's responsibility and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2018, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017
UNAUDITED**

This discussion and analysis of the Public Defender Corporation for the Fifth Judicial Circuit of the State of West Virginia's financial performance provides an overview of the Corporation's financial activities for the fiscal years ended June 30, 2018 and 2017 and identifies changes in the Corporation's financial position.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

These statements are in two parts — management's discussion and analysis (this section) and the basic financial statements. The Corporation's financial statements are prepared on the accrual basis of accounting and are reported in accordance with accounting principles generally accepted in the United States of America. These statements include the statements of net position, the statements of revenues, expenses and changes in net position, the statements of cash flows and the notes to the financial statements.

The Statement of Net Position presents the Corporation's assets, deferred outflows, liabilities, deferred inflows and net position as of the date of the financial statements. Through this presentation one can decipher the health of the Corporation by taking the difference between the assets and liabilities. An increase or decrease in the Corporation's net position from one year to the next is an indicator of whether its financial health is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position reports revenues when earned and expenses when incurred. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, thus providing a view of financial position that is similar to that presented by most private-sector companies. This statement summarizes the cost of providing legal defense services to those individuals charged with a violation of the law but who cannot afford an attorney to defend themselves or to represent indigent persons or juveniles and mental hygiene cases as appointed by the court.

Financial Analysis of the Corporation

	<u>2018</u>	<u>2017 Restated</u>	<u>2016</u>
Assets			
Capital Assets	\$ 410	\$ 3,908	\$ 8,442
Other Assets	263,098	239,474	228,179
Total Assets	<u>\$ 263,508</u>	<u>\$ 243,382</u>	<u>\$ 236,621</u>
Deferred Outflow of Resources	125,873	247,767	130,286
Liabilities			
Long-term Liabilities	\$ 403,398	\$ 634,415	\$ 388,737
Short-term Liabilities	85,609	65,047	60,768
Total Liabilities	<u>\$ 489,007</u>	<u>\$ 699,462</u>	<u>\$ 449,505</u>
Deferred Inflow of Resources	104,986	18,511	73,635
Net Position			
Net Investment in Capital Assets	410	3,908	8,442
Unrestricted (Deficit)	(205,022)	(230,732)	(164,675)
Total Net Position	<u>\$ (204,612)</u>	<u>\$ (226,824)</u>	<u>\$ (156,233)</u>

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017
UNAUDITED**

The Corporation's revenues are derived from funding from West Virginia Public Defender Services (WVPDS) and accordingly 97% of the Corporation's revenues were derived from this funding for the years ended June 30, 2018, 2017 and 2016.

	2018	2017 Restated	2016
Operating Revenue	\$ 922,000	\$ 895,424	\$ 910,151
Operating Expenses	913,237	966,015	791,218
Operating Income (Loss)	<u>\$ 3,720</u>	<u>\$ (70,591)</u>	<u>\$ 118,933</u>
Non-Operating Revenue	13,492	-	-
Change in Net Position	22,212	(70,591)	118,933
Net Position at Beginning of Year	(226,824)	(156,233)	(275,166)
Net Position at End of Year	<u>\$ (204,612)</u>	<u>\$ (226,824)</u>	<u>\$ (156,233)</u>

Detailed Financial Analysis of the Corporation

Cash held by the Corporation decreased by approximately \$78,000 as a result of accounts receivable amounts uncollected at year end. The Net OPEB Liability and Net Pension Liability, included in long-term liabilities, decreased by approximately \$231,000 primarily due to new actuarial valuations of the West Virginia PERS and Retirement Health Benefit Trust Fund. Deferred Outflows decreased and Deferred Inflows increased due to changes related to the adoption of GASB 75.

Grant income increased approximately \$16,000. Operating expenses for the fiscal year decreased by approximately \$53,000. This decrease is mostly attributable to a decrease in employee benefits attributable to adjustments related to net pension and net OPEB liabilities. Non-Operating revenue increase by approximately \$13,000 due to payments made on behalf of the Corporation as part of the adoption of GASB 75.

Capital Asset and Debt Activity

As of June 30, 2018, 2017, and 2016, the Corporation had capital assets costing approximately \$57,600, \$57,600, and \$57,600, respectively. The Corporation's capital assets include furniture and fixtures, and office and computer equipment. The assets are being depreciated over useful lives of three to seven years. The accumulated depreciation on the assets amounted to approximately \$57,200, \$53,700, and \$49,200, respectively. There were no asset disposals during the current year. There were no purchases of capital assets for the years ended June 30, 2018, 2017, and 2016. More detailed information is presented in Note 8 to the financial statements. The Corporation had no debt for the years ended June 30, 2018, 2017, or 2016.

Cash Management

The Corporation's funds are deposited into a checking account at a national banking institution. The account earns no interest.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017
UNAUDITED**

Economic Factors and Next Year's Budget

The West Virginia Public Defender Services, the Corporation's oversight agency, looked at various factors when approving the budget for the year ending June 30, 2018. Such factors considered include: the Corporation's case load in comparison to the number of professional and nonprofessional staff, the type, amount and rate of employee benefits, the anticipation of large or unusual cases which require additional resources, capital needs, as well as the operating environment and its operation needs.

For the year ending June 30, 2019, the Corporation has an approved budget of \$901,837. This represents a budget decrease of approximately 1.85 percent or \$17,036 from the prior year. Individual budget categories have comparable decreases to budgeted categories of the prior budget year.

Requests for Information

The financial report is designed to provide an overview of the finances of the Corporation for those with an interest in the organization. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Corporation at P.O. Box 797, 214 Main Street, Ripley, WV, 25271.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2018 AND 2017**

	2018	2017 Restated
ASSETS		
Current assets		
Cash and cash equivalents	\$ 161,131	\$ 239,307
Grant receivable	101,815	-
Prepaid expenses	152	167
Total current assets	<u>263,098</u>	<u>239,474</u>
Capital assets		
Computer and equipment	48,593	48,593
Furniture and fixtures	8,998	8,998
	<u>57,591</u>	<u>57,591</u>
Less accumulated depreciation	<u>(57,181)</u>	<u>(53,683)</u>
Capital assets, net	<u>410</u>	<u>3,908</u>
Total assets	<u>263,508</u>	<u>243,382</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	108,527	229,893
OPEB	17,346	17,874
Total deferred outflows	<u>125,873</u>	<u>247,767</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 389,381</u>	<u>\$ 491,149</u>
LIABILITIES		
Current liabilities		
Accrued expenses	\$ 19,260	\$ 19,613
Compensated absences	51,766	45,434
Deferred revenue	14,583	-
Total current liabilities	<u>85,609</u>	<u>65,047</u>
Long term liabilities		
Other post employment benefit liability	213,984	272,116
Net pension liability	189,414	362,299
Total long term liabilities	<u>403,398</u>	<u>634,415</u>
Total liabilities	<u>489,007</u>	<u>699,462</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	56,722	18,511
OPEB	48,264	-
Total deferred inflows	<u>104,986</u>	<u>18,511</u>
NET POSITION		
Net investment in capital assets	410	3,908
Unrestricted (deficit)	<u>(205,022)</u>	<u>(230,732)</u>
Total net position (deficit)	<u>(204,612)</u>	<u>(226,824)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 389,381</u>	<u>\$ 491,149</u>

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

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017 Restated
OPERATING REVENUES		
WV Public Defender Services Grant Revenue	\$ 911,583	\$ 895,424
Other revenues	10,417	-
Total operating revenues	<u>922,000</u>	<u>895,424</u>
OPERATING EXPENSES		
Personal services	619,785	607,867
Employee benefits	150,113	242,353
Support services	44,755	16,107
Administrative support	16,080	16,167
Office	77,146	77,987
Other	-	1,000
Acquisition	1,903	-
Depreciation	3,498	4,534
Total operating expenses	<u>913,280</u>	<u>966,015</u>
Operating income (loss)	<u>8,720</u>	<u>(70,591)</u>
NONOPERATING REVENUES		
Payments on behalf of the Corporation	<u>13,492</u>	<u>-</u>
Total nonoperating revenues	<u>13,492</u>	<u>-</u>
Change in net position	22,212	(70,591)
Net position, beginning of year	<u>(226,824)</u>	<u>(156,233)</u>
Net position, end of year	<u><u>\$ (204,612)</u></u>	<u><u>\$ (226,824)</u></u>

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

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 834,768	\$ 971,269
Cash paid for goods and services	(300,748)	(280,663)
Cash paid to employees	(612,196)	(603,504)
Net cash provided (used in) by operating activities	(78,176)	87,102
Net increase (decrease) in cash and cash equivalents	(78,176)	87,102
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	239,307	152,205
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 161,131	\$ 239,307
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 8,720	\$ (70,591)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation	3,498	4,534
Other postemployment benefits expense - special funding situation	13,492	-
(Increase) decrease in operating assets		
Prepaid expenses	15	(38)
Deferred outflows	121,894	(117,481)
Grant receivable	(101,815)	75,845
Increase (decrease) in operating liabilities		
Accrued expenses	(353)	(84)
Compensated absences	6,332	4,363
Deferred revenue	14,583	-
Pension liability	(172,885)	149,251
Deferred inflows	86,475	(55,124)
Other postemployment benefit liability	(58,132)	96,427
Total adjustments	(86,896)	157,693
Net cash provided by (used in) operating activities	\$ (78,176)	\$ 87,102

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

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity

The Public Defender Corporation for the Fifth Judicial Circuit (the 'Corporation') is a not-for-profit Corporation created under authority of Article 21, Chapter 29 of the West Virginia State Code. The Corporation is a discretely presented component unit of the State of West Virginia and is funded by West Virginia Public Defender Services. The purpose of the Corporation is to provide high quality legal assistance to indigent persons, at no cost, who would be otherwise unable to afford adequate legal counsel.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization's resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Corporation has no component units.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

Enterprise Funds

Enterprise funds are accounted for in a manner similar to private business enterprises where the intent of management is that the costs and expenses, including depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges and/or where management has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control and accountability.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accounting policies of the Corporation conform to accounting policies generally accepted in the United States of America. For financial statement presentation purposes, the Corporation utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned. Expenses are recognized under the accrual basis of accounting when the liability is incurred.

The Corporation's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with operations are included on the statement of net position. Net position is segregated based on restrictions imposed. The categories of net position are net investment in capital assets, restricted and unrestricted. The statement of revenues, expenses and changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows and for the presentation on the statement of net position, the Corporation considers all highly liquid investments with a maturity when purchased of three months or less to be cash equivalents.

Capital Assets

Capital assets are stated at cost. The Corporation provides for depreciation of capital assets on the straight-line method based upon estimated service lives. The Corporation's threshold for asset capitalization is \$1,500.

Estimated useful lives of the assets are as follows:

Structures and Improvements	3-40 years
Office Equipment	3-10 years
Furniture and Fixtures	3-10 years

Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. No portion of the Corporation's net position was restricted at June 30, 2018 or 2017.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Inventory

Materials and supplies are expensed at the time of purchase. Therefore, no inventory amounts are reflected in the accompanying financial statements.

Insurance

Property and liability insurance coverage is considered adequate in the circumstances. See Note 7.

Budgetary

The Corporation is not legally required to establish an annual budget; however, the Corporation does approve a budget and monitor it internally.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of the Corporation's Public Employee Retirement System (PERS), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

It is the Corporation's policy to permit employees to accumulate earned but unused sick pay benefits. Sick benefits can be accumulated for unlimited days and carried forward to the subsequent fiscal year. When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board. The payment of health insurance premiums must be absorbed by the last agency employing the retiree and is included as part of the OPEB liability.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost. See Note 6 for further discussion.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Corporation, these revenues are grants from West Virginia Public Defender Services.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Corporation, these expenses are primarily administrative, benefits, maintenance and operations, depreciation, and travel expenses.

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income tax has been recorded in the accompanying financial statements.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Corporation, and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Corporation is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Corporation's Federal Return of Organization Exempt from Income Tax (Federal Form 990) for 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Corporation reported deferred inflows and outflows of resources for 2018 and 2017.

NOTE 2 NEWLY ADOPTED STATEMENTS ISSUED BY GASB

The Governmental Accounting Standards Board has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of GASB Statement No. 75 has required a restatement of beginning net position for its financial statements. See Note 12.

The Governmental Accounting Standards Board has also issued Statement No. 85, *Omnibus 2017*, effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The adoption of GASB Statement No. 85 had no impact on the June 30, 2018 financial statements.

NOTE 3 CASH HELD AT FISCAL YEAR END

At June 30, 2018 and 2017, the Corporation held cash and cash equivalents of \$161,131 and \$239,307, respectively, consisting of unexpended West Virginia Public Defender Service grant funds. West Virginia Public Defender Services considered this amount in determining the appropriate level of disbursements in the succeeding fiscal year necessary to fund the Corporation's normal operating activities.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 4 COMPENSATED ABSENCES

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation balances. Estimated obligations arise for vacation leave at the current rate of employee pay. Employees with less than 5 years of continuous full-time employment during any period earn 15 days per year. Employees with 5 years, but less than 10 years of full-time employment during any continuous 10-year period, earn 18 days per year. Employees with 10 years, but less than 15 years of full-time employment during any continuous 15-year period, earn 21 days per year. Employees with 15 years or more of full-time employment earn 24 days per year.

Also, the Corporation grants sick leave based on time worked. Full-time employees earn 18 sick days for each year of service with no maximum accumulation. The Corporation does not accrue any liability for sick leave because no amount is paid at the time of separation of employment. Upon retirement an employee may elect to use any accrued sick leave balances to increase their years of service at retirement but do not have the option for the Corporation to pay them a cash payout.

NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Public Employee Retirement System (PERS)

The Corporation participates in a statewide, cost-sharing, multiple employer defined benefit plan on behalf of the general Corporation employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The Corporation's cost-sharing multiple-employer plan is administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods, and benefit provisions:

The following is a summary of eligibility factors, contribution methods, and benefits provisions:

Eligibility to participate:	All Corporation full-time employees, except those covered by other pension plans
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Authority establishing contribution obligations and benefit provisions:	State statute
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Tier 1 Plan member's contribution rate:	4.50% (Employees hired before July 1, 2015)
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Tier 2 Plan member's contribution rate:	6.00% (Employee hired after July 1, 2015)
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Corporation's contribution rate:	11.00% (2018); 12.00% (2017)
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Period required to vest:	5 years – Tier 1, 10 years – Tier 2
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Benefits and eligibility for distribution:

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

Tier 1

A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

Tier 2

Qualification for normal retirement is age 62 with 10 years of services or at least age 55 with and service equal to 80 or greater. The average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings) times the years of service times 2% equals the retirement benefit.

Deferred portion No

Provision for:

Cost of living No
Death benefits Yes

The Corporation's contributions to the West Virginia Public Employees Retirement System for the year ended June 30, 2018 is as follows:

Percentage of Payroll	Total Wages	Covered Wages	Amount Contributed
Employer Share – 11.00%	\$ 612,196	\$ 598,800	\$ 65,868
Tier 1 Employee Share – 4.50%	\$ 436,902	\$ 436,902	\$ 19,661
Tier 2 Employee Share – 6.00%	\$ 175,294	\$ 161,898	\$ 9,714

The Corporation's contributions to the West Virginia Public Employees Retirement System for the year ended June 30, 2017 is as follows:

Percentage of Payroll	Total Wages	Covered Wages	Amount Contributed
Employer Share – 12.00%	\$ 604,303	\$ 602,453	\$ 72,294
Tier 1 Employee Share – 4.50%	\$ 457,750	\$ 455,899	\$ 20,515
Tier 2 Employee Share – 6.00%	\$ 146,553	\$ 146,554	\$ 8,793

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

Trend Information

Fiscal Year	Annual Pension Cost	Percent Contributed
2018	\$65,868	100.00%
2017	\$72,294	100.00%
2015	\$73,242	100.00%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the Corporation reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017 and 2016 for the Corporation fiscal years ended June 30, 2018 and 2017, respectively. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017 using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liabilities was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2018 and 2017, the Corporation reported the following proportions and increase/decreases from its proportion measured as of June 30, 2017 and 2016:

	2018 PERS	2017 PERS
Amount for proportionate share of net pension liability	\$ 189,414	\$ 362,299
Percentage for proportionate share of net pension liability	0.043882%	0.039418%
Change in proportionate share percentage from prior year	0.004464%	0.001265%

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

For the years ended June 30, 2018 and 2017, the Corporation recognized the following pension expense:

	<u>2018 PERS</u>	<u>2017 PERS</u>
Pension Expense	\$ 52,994	\$ 67,203

The Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the year ended June 30, 2018:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual Earnings on pension plan investments	\$ -	\$ 46,050
Changes in proportion and differences between contributions and proportionate share of contributions	25,803	428
Differences between expected and actual experience	16,856	419
Changes of assumption	-	9,825
Contributions subsequent to measurement date	<u>65,868</u>	<u>-</u>
Totals	<u>\$ 108,527</u>	<u>\$ 56,722</u>

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

The Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the year ended June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual Earnings on pension plan investments	\$ 113,848	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	13,604	860
Differences between expected and actual experience	30,213	-
Changes of assumption	-	17,651
Contributions subsequent to measurement date	<u>72,227</u>	<u>-</u>
Totals	<u>\$ 229,892</u>	<u>\$ 18,511</u>

For the year ended June 30, 2018 the amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	2018	Year Ended June 30:	2017
2019	(7,955)	2018	27,117
2020	26,820	2019	22,799
2021	6,335	2020	53,909
2022	(39,263)	2021	35,329
Total	<u>\$ (14,063)</u>	Total	<u>\$ 139,154</u>

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016 and rolled forward to June 30, 2017 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

PERS	June 30, 2017	June 30, 2016
Actuarial Cost Method	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll
Asset Valuation Method	Fair value	Fair value
Amortization Method	Level dollar, fixed period	Level dollar, fixed period
Amortization Period	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Projected Salary Increases:		
PERS:		
State	3.0-4.6%	3.0-4.6%
Nonstate	3.35-6%	3.35-6%
Inflation Rate	3.00%	3.00%
Discount Rate	7.50%	7.50%
Mortality Rates	Active-100% of RP-200 Non-Annuitant, Scale AA fully generational, Retired health males 110% of RP-2000 Healthy Annuitant, Scale AA fully generational, Retired healthy females-101% of RP-200 Healthy Annuitant, Scale AA fully generational, Disabled Males-96	Active-100% of RP-200 Non-Annuitant, Scale AA fully generational, Retired health males 110% of RP-2000 Healthy Annuitant, Scale AA fully generational, Retired healthy females-101% of RP-200 Healthy Annuitant, Scale AA fully generational, Disabled Males-96
Withdrawal Rates:		
State	1.75-35.1%	1.75-35.1%
Nonstate	2-35.8%	2-35.8%
Disability Rates	0-.675%	0-.675%
Retirement Rates	12-100%	12-100%
Date Range in Most Recent Experience Study	2009-2014	2009-2014

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following tables:

2017

Asset Class	Long-term Expected Rate of Return	PERS Target Asset Allocation
US Equity	7.0%	27.5%
International Equity	7.7%	27.5%
Core Fixed Income	2.7%	7.5%
High Yield Fixed Income	5.5%	7.5%
Real Estate	7.0%	10.0%
Private Equity	9.4%	10.0%
Hedge Funds	4.7%	10.0%
		<u>100.0%</u>

2016

Asset Class	Long-term Expected Rate of Return	PERS Target Asset Allocation
US Equity	7.0%	27.5%
International Equity	7.7%	27.5%
Core Fixed Income	2.7%	7.5%
High Yield Fixed Income	5.5%	7.5%
Real Estate	7.0%	10.0%
Private Equity	9.4%	10.0%
Hedge Funds	4.7%	10.0%
		<u>100.0%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

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NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PLANS (CONTINUED)

Public Employee Retirement System (PERS) (Continued)

2018

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase
Proportionate share of PERS net pension asset (liability)	\$ (524,382)	\$ (189,414)	\$ 93,798

2017

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase
Proportionate share of PERS net pension asset (liability)	\$ (655,817)	\$ (362,299)	\$ (113,024)

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

West Virginia Retiree Health Benefit Trust Fund (RHBT)

Plan Description

The West Virginia Other Postemployment Benefit Plan (the OPEB Plan) is a cost-sharing, multiple-employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the OPEB Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The OPEB Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. OPEB Plan benefits are established and revised by PEIA and the RHBT management with approval of their Finance Board. The PEIA issues a publicly available financial report of the RHBT that can be obtained at www.peia.wv.gov or by writing to the West Virginia Public Employees Insurance Agency, 601 571h Street, SE Suite 2, Charleston, WV 25304.

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

Benefits Provided

The Corporation's employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the PERS or meet certain other eligibility requirements of other CPRB sponsored retirement plans. RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is fully funded by member contributions. The medical and prescription drug insurance is provided through two options; Self-Insured Preferred Provider Benefit Plan - primarily for non-Medicare-eligible retirees and spouses or External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses.

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Plan. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (MCO) participants and remits capitation payments to the MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

Contributions

West Virginia Code section 5-16D-6 assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the plan members and the participating employers. Participating employers are required by statute to contribute at a rate assessed each year by the RHBT. The annual contractually required rate is the same for all participating employers. Employer contributions represent what the employer was billed during the respective year for their portion of the pay as you go premiums, commonly referred to as paygo, retiree leave conversion billings, and other matters, including billing adjustments. The annual contractually required per active policyholder per month rates for State non-general funded agencies and other participating employers effective June 30, 2018, 2017, and 2016, respectively, were:

	<u>2018</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>
		1/1/17 – 6/30/17	7/1/16-12/31/16	
Paygo Premium	\$ 177	\$ 135	\$ 196	\$ 163

Contributions to the OPEB plan from the Corporation were \$17,346 for the year ended June 30, 2018.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below;

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.

- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

Contributions by Non-employer Contributing Entities in Special Funding Situations

The State of West Virginia is a non-employer contributing entity that provides funding through SB 419, effective July 1, 2012, amended by West Virginia Code §11-21-96. The State provides a supplemental pre-funding source dedicating \$30 million annually to the RHBT Fund from annual collections of the Personal Income Tax Fund and dedicated for payment of the unfunded liability of the RHBT. The \$30 million transferred pursuant to this Code shall be transferred until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of RHBT has been provided for in its entirety or July 1, 2037, whichever date is later. This funding is to the advantage of all RHBT contributing employers.

The State is a non-employer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020. This funding is to the advantage of all RHBT contributing employers.

The State is a non-employer contributing entity that provides funding through SB 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. The public school support plan (PSSP) is a basic foundation allowance program that provides funding to the local school boards for "any amount of the employer's annual required contribution allocated and billed to the county boards for employees who are employed as professional employees, employees who are employed as service personnel and employees who are employed as professional student support personnel", within the limits authorized by the State Code. This special funding under the school aid formula subsidizes employer contributions of the county boards of education.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Corporation reported a liability for its proportionate share of the RHBT net OPEB liability that reflected a reduction for State OPEB support provided to the Corporation. The amount recognized by the Corporation as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Corporation was as follows:

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

The Corporation's proportionate share of the net OPEB liability	\$ 213,984
State's special funding proportionate share of the net OPEB liability associated with the Corporation.	<u>43,953</u>
Total portion of net OPEB liability associated with the Corporation	\$ 257,937

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Corporation's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date. At June 30, 2017, the Corporation's proportion was 0.008702115 percent, which is a decrease of 0.002255615 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Corporation recognized OPEB expense of \$21,455 and for support provided by the State under special funding situations revenue of \$13,492. At June 30, 2018, the Corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 717
Net difference between projected and actual earnings on OPEB plan investments	-	3,415
Changes in proportion and differences between the Corporation's contributions and proportionate share of contributions	-	44,132
The Corporation's contributions subsequent to the measurement date	17,346	-
Total	<u>\$ 17,346</u>	<u>\$ 48,264</u>

The amount of \$17,346 reported as deferred outflows of resources related to OPEB resulting from the Corporation's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	(\$12,930)
2020	(12,930)
2021	(12,930)
2022	(9,474)

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Dependent upon pension system ranging from 3.00% to 6.50%, including inflation
Investment rate of return	7.15%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 21 year closed period
Remaining amortization period	21 years closed as of June 30, 2016

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and Teachers' Retirement System (TRS). RP-2000 Healthy Annuitant Mortality Table projected to 2025 with scale BB for West Virginia Death, Disability, and Retirement Fund (Troopers A) and West Virginia State Police Retirement System (Troopers B). Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Non-Annuitant Mortality Table projected to 2020 with Scale BB for Troopers A and B.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010- June 30, 2015.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the West Virginia Investment Management Board (WVIMB) and an expected short-term rate of return of 3.0% for assets invested with the WVBTI. Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

The long-term rate of return on OPEB plan investments were determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of long-term geometric rates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2036, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates. The discount rate used to measure the total OPEB liability at June 30, 2016 is a 0.45% increase from the June 30, 2015 valuation.

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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

West Virginia Retiree Health Benefit Trust Fund (RHBT) (Continued)

Other Key Assumptions

The projection assumes that the capped subsidy aggregate contribution limit of \$150 million for 2017 would increase by \$10 million per year on and after 2018. Additionally, the per member subsidy is projected to increase by at least 3.0% per year but no more than the healthcare trend inflation assumption such that the product of the projected subsidy and projected members is less than the projected aggregated capped costs; and the member's share of plan costs is expected remain stable as a percentage of total costs following the year that the program is fully funded. After 2035, the program is projected to be fully funded and the sponsor is assumed to contribute the residual portion of normal cost and operational expenses needed to maintain a funded ratio of 100% in future years. In addition, after 2035, the member's share of total plan costs is assumed to remain stable at approximately 61% of total plan costs. These assumptions produced per member annual capped subsidy increases of 3.0% per year from 2018 to 2023 and 4.5% per year after 2023.

Members hired on or after July 1, 2010, are required to pay 100% of expected cost of coverage, resulting in no implicit or explicit employer cost. Consequently, these members are excluded from the actuarial valuation.

Sensitivity of the Corporation's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the Corporation's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the Corporation's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
The Corporation's proportionate share of the net OPEB liability	\$ 249,160	\$ 213,984	\$ 184,743

Sensitivity of the Corporation's proportionate share of net OPEB liability to changes in the healthcare cost trend rates.

The following presents the Corporation's proportionate share of the net OPEB liability, as well as what the Corporation's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
The Corporation's proportionate share of the net OPEB liability	\$ 179,750	\$ 213,984	\$ 255,855

**PUBLIC DEFENDER CORPORATION
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NOTE 7 RISK MANAGEMENT

The Corporation has obtained general, property, casualty and liability coverage for itself and its employees through third party insurance companies. Any loss in excess of the \$500,000 policy limit will be the responsibility of the Corporation.

Public Employees Insurance Agency (PEIA)

The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage. Members may purchase up to an additional \$500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

Workers Compensation Fund (WCF)

West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the state. Other private insurance companies began offering coverage to private-sector employers beginning July 1, 2008 and to government employers July 1, 2012. Nearly every employer in the State, including all boards of education, which have a payroll, must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Other Commercial Coverage

The Corporation is exposed to various other risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; terrorism; natural disasters; and employee dishonesty for which the Corporation purchases commercial insurance coverage.

During the year ended June 30, 2018 the Corporation did not reduce insurance coverages from coverage levels in place as of June 30, 2017. No settlements have exceeded coverage levels in place during the past three years.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 8 CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended June 30, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Computer Equipment	\$ 48,593	-	\$ -	\$ 48,593
Furniture and Fixtures	8,998	-	-	8,998
Less Accumulated Depreciation:				
Computer Equipment	(45,155)	(3,438)	-	(48,593)
Furniture and Fixtures	(8,528)	(60)	-	(8,588)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	3,908	(3,498)	-	410
Total Capital Assets Net Accumulated Depreciation	3,908	(3,498)	\$ -	\$ 410

The following is a summary of the changes in capital assets for the year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Computer Equipment	\$ 48,593	\$ -	\$ -	\$ 48,593
Furniture and Fixtures	8,998	-	-	8,998
Less Accumulated Depreciation:				
Computer Equipment	(40,681)	(4,474)	-	(45,155)
Furniture and Fixtures	(8,468)	(60)	-	(8,528)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	8,442	(4,534)	-	3,908
Total Capital Assets Net Accumulated Depreciation	\$ 8,442	\$ (4,534)	\$ -	\$ 3,908

NOTE 9 LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Corporation during the year ended June 30, 2018 were as follows:

	Balance at June 30, 2017	Additions	Retirements	Balance at June 30, 2018	Due Within One Year
Compensated Absences	\$ 45,434	\$ 6,332	\$ -	\$ 51,766	\$ 51,766
OPEB	272,116	-	(58,132)	213,984	-
Net Pension Liability	362,299	-	(172,885)	189,414	-
Total	\$ 679,849	\$ 6,332	\$ (231,017)	\$ 455,164	\$ 51,766

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations of the Corporation during the year ended June 30, 2017 were as follows:

	Balance at June 30, 2016	Additions	Retirements	Balance at June 30, 2017	Due Within One Year
Compensated Absences	\$ 41,071	\$ 4,363	\$ -	\$ 45,434	\$ 45,434
OPEB	175,689	96,427	-	272,116	-
Net Pension Liability	<u>213,048</u>	<u>149,251</u>	<u>-</u>	<u>362,299</u>	<u>-</u>
Total	<u>\$ 429,808</u>	<u>\$250,041</u>	<u>\$ -</u>	<u>\$ 679,849</u>	<u>\$ 45,434</u>

NOTE 10 OPERATING LEASES

The Corporation leases facilities under operating lease agreements. Aggregate payments under these agreements were \$42,655 and \$42,655 for the years ended June 30, 2018 and 2017.

NOTE 11 CONTINGENCIES

The Corporation is on a reimbursement plan with the State of West Virginia, Workforce WV, Unemployment Compensation Division, (Workforce) whereby they no longer pay quarterly premiums. When a liability arises regarding the payment of unemployment, the Corporation will be assessed 100% of the awarded claim filed and payment to Workforce would be made at that time. Any liability arising from the dismissal of employment is uncertain at this time; however, management believes such amounts if any to be immaterial.

The Corporation's programs are funded from state sources, principal of which is programs of the West Virginia Public Defender Services. State grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 12 RESTATEMENT FOR CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2017, the Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement addresses accounting and financial reporting for other post-employment benefits (OPEB) provided to employees who participate in the State OPEB plan. The Statement also requires various note disclosures and required supplementary information. As a result, beginning net position has been restated as follows:

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 RESTATEMENT FOR CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

Net position as previously reported at June 30, 2017	\$ (156,407)
Prior period adjustment	
Removal of prior year GASB 45 OPEB liability	183,825
Beginning new OPEB liability	(272,116)
Deferred outflows of resources – 2017 OPEB contributions	17,874
Total prior period adjustment	<u>(70,417)</u>
Net position as restated, June 30, 2017	<u>\$ (226,824)</u>

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through September 14, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through September 14, 2018 that would require adjustment or disclosure in the financial statements.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
JUNE 30, 2018**

	Public Employees Retirement System				
	2017	2016	2015	2014	2013
Corporation's proportion of the net pension liability (asset) (percentage)	0.043882%	0.039418%	0.038153%	0.038380%	0.035600%
Corporation's proportionate share of the net pension liability (asset)	\$ 189,414	\$ 362,299	\$ 213,048	\$ 141,648	\$ 198,792
Corporation's covered-employee payroll	\$ 602,453	\$ 542,533	\$ 533,836	\$ 518,448	\$ 476,479
Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.44%	66.78%	39.91%	27.32%	41.72%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	86.11%	94.23%	91.29%	79.70%

Information prior to 2013 is not available.

This information is presented as of the measurement date.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Public Employees Retirement System

	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 65,868	\$ 72,294	\$ 73,242	\$ 74,737	\$ 75,175	\$ 66,707
Contributions in relation to contractually required contribution	(65,868)	(72,294)	(73,242)	(74,737)	(75,175)	(66,707)
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Corporation's covered-employee payroll	\$ 598,800	\$ 602,453	\$ 542,533	\$ 533,836	\$ 518,448	\$ 476,479
Contributions as a percentage of covered-employee payroll	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%

This chart will be built prospectively.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
JUNE 30, 2018**

Retiree Health Benefit Trust

	<u>2017</u>	<u>2016</u>
Corporation's proportion of the net OPEB liability (asset) (percentage)	0.008702115%	0.001095773%
Corporation's proportionate share of the net OPEB liability (asset)	\$ 213,984	\$ 272,116
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	<u>43,953</u>	<u>-</u>
Total	<u><u>\$ 257,937</u></u>	<u><u>\$ 272,116</u></u>
Corporation's covered-employee payroll	\$ 510,750	\$ 535,289
Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	41.90%	50.84%
Plan fiduciary net position as a percentage of the total OPEB liability	25.10%	21.64%

Information prior to 2016 is not available.

This schedule will be built prospectively

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Retiree Health Benefit Trust

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 17,346	\$ 17,874
Contributions in relation to contractually required contribution	<u>(17,346)</u>	<u>(17,874)</u>
Contribution deficit (surplus)	<u>0</u>	<u>0</u>
Corporation's covered-employee payroll	\$ 462,544	\$ 510,750
Contributions as a percentage of covered-employee payroll	3.75%	3.50%

The schedule will be built prospectively

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

Note 1 – Trend Information & Changes in Assumptions PERS

Trend Information Presented

The accompanying schedules of the Corporation's proportionate share of the net pension liability and contributions to PERS are required supplementary information to be presented for 10 years. However, until a full 10 year trend is compiled, information is presented in the schedules for those years for which information is available.

Plan Amendment

The PERS was amended to make changes which apply to new employees hired on or after July 1, 2015 as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For employees hired on or after July 1, 2015, qualification for normal retirement is 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater.
- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015 average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.
- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64.
- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

Changes in Assumption

An experience study, which was based on the years 2009 through 2014, was completed prior to the 2015 actuarial valuation. As a result, several assumptions were changed for the actuarial valuations as follows:

PERS	2017, 2016 and 2015	2014
Projected Salary Increases:		
PERS:		
State	3.0-4.6%	4.25-6.0%
Nonstate	3.35-6%	4.25-6.0%
Inflation Rate	3.0% (2017 & 2016); 1.9% (2015)	2.20%

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

Note 1 – Trend Information & Changes in Assumptions PERS (Continued)

	Healthy males 110% of RP-2000 Healthy Annuitant, Scale AA Healthy females-101% of RP- 2000 Healthy Annuitant, Scale AA Disabled males-96% of RP-2000 Disabled Annuitant, Scale AA Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA	Healthy males - 1983 GAM Healthy females - 1971 GAM Disabled males - 1971 GAM Disabled females - Revenue ruling 96-7
Mortality Rates		
Withdrawal Rates:		
State	1.75-35.1%	1 - 26%
Nonstate	2-35.8%	2-31.2%
Disability Rates	0-.675%	0-.8%

Note 2 – Changes in Assumptions OPEB

Changes in the assumptions between the 2016 and 2015 valuations:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

**PUBLIC DEFENDER CORPORATION
FOR THE FIFTH JUDICIAL CIRCUIT
SCHEDULE OF BUDGET TO ACTUAL EXPENSES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget	Actual	Under/(Over) Budget to Actual
Personal services	\$ 607,953	\$ 612,196	\$ (4,243)
Employee benefits	165,000	157,186	7,814
Support services	46,970	46,355	615
Administrative support	16,820	16,080	740
Office	77,500	77,146	354
Other	2,080	2,078	2
Acquisition	2,550	1,903	647
Total operating expenses	<u>\$ 918,873</u>	<u>\$ 912,944</u>	<u>\$ 5,929</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

September 14, 2018

Public Defender Corporation for the Fifth Judicial Circuit
PO Box 797
214 Main Street
Ripley, WV 25271

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Public Defender Corporation for the Fifth Judicial Circuit** (the Corporation), a component unit of the State of West Virginia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 14, 2018, wherein we noted the Corporation adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio