Certified Public Accountants, A.C.

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA
Regular Audit
For the Fiscal Years Ended June 30, 2019 and 2018

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
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PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
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INDEPENDENT AUDITOR'S REPORT

September 13, 2019

Public Defender Corporation for the Fifteenth Judicial Circuit
203 West Main Street
Clarksburg, WV 26301

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Public Defender Corporation for the Fifteenth Judicial Circuit**, West Virginia, a component unit of the State of West Virginia (the Corporation), as of and for the years ended June 30, 2019 and 2018, 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 such 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.

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 Fifteenth Judicial Circuit, West Virginia, as of June 30, 2019 and 2018, 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.

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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2019, 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.

Perry & Associates CPA's A.C.

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

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
MANAGEMENT'S DISCUSSION & ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018
UNAUDITED

This discussion and analysis of the Public Defender Corporation of the Fifteenth 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, 2019 and 2018, and identifies changes in the Corporation's financial position.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

These statements are in three parts — management's discussion and analysis (this section), the basic financial statements, and the required supplementary information related to the Corporation's pension and OPEB plans. 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 discern the health of the Corporation by subtracting the liabilities and deferred inflows from the assets and deferred outflows. 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 of 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.

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
MANAGEMENT'S DISCUSSION & ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018
UNAUDITED

Financial Analysis of the Corporation

	2019	2018	2017
Assets			
Capital assets	$ 20,409	$ 4,267	$ 654
Other assets	422,369	373,371	283,967
Total Assets	$ 442,778	$ 377,638	$ 284,621
Deferred outflow of resources	$ 96,161	$ 104,494	$ 247,795
Liabilities			
Long-term liabilities	$ 335,112	$ 439,736	$ 854,953
Short-term liabilities	36,302	47,682	39,154
Total Liabilities	$ 371,414	$ 487,418	$ 894,107
Deferred inflow of resources	$ 151,223	$ 134,491	$ 31,361
Net Position			
Investment in capital assets	$ 20,409	$ 4,267	$ 654
Unrestricted (Deficit)	(4,107)	(144,044)	(393,706)
Total net position (Deficit)	$ 16,302	$ (139,777)	$ (393,052)

The Corporation's revenues are derived from funding from West Virginia Public Defender Services (WVPDS) and accordingly 99% of the Corporation's operating revenues were derived from this funding for the years ended June 30, 2019, 2018, and 2017.

	2019	2018	2017
Operating revenues	$ 1,074,834	$ 1,002,679	$ 1,019,958
Operating expenses	921,213	877,726	945,384
Operating (loss) income	153,621	124,953	74,574
Non-operating revenues (expenses)	2,458	8,069	347
Change in net position	156,079	133,022	74,921
Net position beginning of year (2018 as restated)	(139,777)	(272,799)	(467,973)
Net position at end of year	$ 16,302	$ (139,777)	$ (393,052)

Detailed Financial Analysis of the Corporation

Grant income increased approximately $72,000, cash held by the Corporation increased by approximately $189,000 and grants receivable decreased by approximately $141,000. Other post-employment benefit liability (OPEB), included in long-term liabilities, decreased by approximately $22,000 from the previously-reported amount primarily due to the Corporation's changing its method of accounting for OPEB in accordance with new accounting standards. The net pension liability decreased approximately $81,000, deferred outflows decreased by $8,000, and deferred inflows increased by $17,000, mostly due to the good investment performance of pension plan assets as well as adoption of the new accounting standard. All other assets and liabilities remained basically consistent with the prior period.

Operating expenses for the fiscal year increased by approximately $44,000. This increase is mostly attributable to a $39,000 decrease in employee benefits expense, a $65,000 increase in support services, and a $14,000 increase in personal services that have a net increase in operating expenses.

Capital Asset and Debt Activity

As of June 30, 2019, 2018, and 2017, the Corporation had capital assets costing approximately $58,000, $39,000, and $34,000, respectively. The Corporation's capital assets include furniture and fixtures, and office and computer equipment. The assets were being depreciated over useful lives of three to seven years. The accumulated depreciation on the assets amounted to approximately $38,000, $34,000, and $33,000, respectively. There were no asset disposals during the current year. During the years ended June 30, 2019, 2018 and 2017, the corporation purchased approximately $19,000, $5,000 and $-0- of fixed asset additions, respectively. The Corporation also had an approximate $3,000 loss due to theft. The Corporation has no long term debt obligations other than the other post-employment benefit liability and the net pension liability. More detailed information is presented in the notes to the financial statements.

Cash Management

The Corporation's funds are deposited into a checking account at a national banking institution. Interest earned on the account for the years ended June 30, 2019, 2018, and 2017 amounted to $1,759, $1,170, and $347, respectively.

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, 2020. 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, 2020, the Corporation has an approved budget of $1,034,053. This represents a budget increase of approximately 4.2 percent or $41,219 from the prior year. Individual budget categories are generally comparable to financial statement line items of the 2019 fiscal year, with no significant changes for any specific item.

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 203 Main Street, Clarksburg, WV 26301.

PUBLIC DEFENDER CORPORATION FOR THE FIFTEENTH JUDICIAL CIRCUIT
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 421,898	$ 232,092
Grants receivable	-	140,894
Prepaid expenses	471	385
Total current assets	422,369	373,371
Capital assets		
Computer and equipment	25,630	14,898
Furniture and fixtures	32,377	23,830
Total capital assets	58,007	38,728
Less: accumulated depreciation	(37,598)	(34,461)
Total net capital assets	20,409	4,267
Total assets	442,778	377,638
DEFERRED OUTFLOWS		
OPEB deferred outflows	30,092	21,240
Pension deferred outflows	66,069	83,254
Total deferred outflows of resources	96,161	104,494
Total assets and deferred outflows of resources	$ 538,939	$ 482,132

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

PUBLIC DEFENDER CORPORATION FOR THE
FIFTEENTH JUDICIAL CIRCUIT
STATEMENTS OF NET POSITION (Continued)
JUNE 30, 2019 AND 2018

	2019	2018
LIABILITIES		
Current liabilities		
Accrued expenses	$ 6,960	$ 19,157
Compensated absences accrued	29,342	28,525
Total Current Liabilities	36,302	47,682
Long term liabilities		
Net other post employment benefit liability	222,996	245,685
Net pension liability	112,116	194,051
Total long term liabilities	335,112	439,736
Total Liabilities	371,414	487,418
DEFERRED INFLOWS		
OPEB deferred inflows	70,756	60,938
Pension deferred inflows	80,467	73,553
Total deferred inflows of resources	151,223	134,491
NET POSITION		
Net investment in capital assets	20,409	4,267
Unrestricted (deficit)	(4,107)	(144,044)
Total Net Position (Deficit)	16,302	(139,777)
Total Liabilities, Deferred Inflows, and Net Position	$ 538,939	$ 482,132

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

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Operating revenues		
WV Public Defender Services Grant Revenue	$ 1,049,834	$ 999,929
WVU Law Grant	25,000	2,750
Total operating revenues	1,074,834	1,002,679
Operating expenses		
Personal services	638,354	624,541
Employee benefits	109,768	149,146
Support services	77,074	12,544
Administrative support	9,525	8,478
Office	79,575	78,553
Other	968	3,256
Acquisition	2,812	93
Depreciation	3,137	1,115
Total operating expenses	921,213	877,726
Operating income (loss)	153,621	124,953
Nonoperating revenues (expenses)		
Interest income	1,759	1,170
Loss due to theft	(3,144)	-
OPEB nonemployer contributing entity support	3,843	6,899
Total nonoperating revenues	2,458	8,069
Change in net position	156,079	133,022
Net position, beginning of year	(139,777)	(272,799)
Net position (deficit), end of year	$ 16,302	$ (139,777)

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

PUBLIC DEFENDER CORPORATION FOR
THE FIFTEENTH JUDICIAL CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	$ 1,215,728	$ 861,785.00
Cash paid for expenses	(173,184)	(103,068)
Cash paid to employees	(835,218)	(806,793)
	207,326	(48,076)
Net cash provided (used in) by operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	(19,279)	(4,728)
Net cash provided by (used in) capital and related financing activities	(19,279)	(4,728)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received as interest	1,759	1,170
Net cash provided by investing activities	1,759	1,170
Net increase (decrease) in cash and cash equivalents	189,806	(51,634)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	232,092	283,726
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 421,898	$ 232,092
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 153,621	$ 124,953
Adjustments to reconcile operating (loss) income to net cash provided by (used by) operating activities:		
Depreciation	3,137	1,117
Loss due to theft	(3,144)	-
OPEB nonemployer contributing entity support	3,843	6,899
(Increase) decrease in operating assets		
Prepaid expenses	(86)	(144)
Deferred outflows	8,333	163,823
Grants receivable	140,894	(140,894)
Increase (decrease) in operating liabilities		
Accrued expenses	(12,197)	6,583
Compensated absences	817	1,945
Pension liability	(81,935)	(241,730)
Deferred inflows	16,732	103,130
Net other postemployment benefit liability	(22,689)	(73,758)
Total adjustments	53,705	(173,029)
Net cash provided by (used in) operating activities	$ 207,326	(48,076)

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

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - ORGANIZATION

The Public Defender Corporation for the Fifteenth 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.

Approximately 96% of the Corporation's revenues are utilized for program related purposes and 4% are for management and general purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"), including Statement No. 34, *Basic Financial Statements — and Management 's Discussion and Analysis — for State and Local Governments*. The financial statement presentation required by GASB Statements No. 34 provides a comprehensive, entity- wide perspective of the Corporation's assets, revenues, expenses, changes in net position and cash flows.

Reporting Entity

The Corporation is a component unit of the State of West Virginia and is funded by West Virginia Public Defender Services. The West Virginia Public Defender Services is part of the general fund of the state's comprehensive annual financial report. The Corporation is a separate entity and is considered a discretely presented component unit of the State of West Virginia.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Basis of Accounting

For financial accounting purposes, the Corporation is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the Corporation’s financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses when materials or services are received.

Cash and Cash Equivalents

For purposes of the statement of net position, the Corporation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets include furniture, fixtures and computer equipment. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using accelerated and straight-line methods over the estimated useful lives of the assets, generally 3 to 7 years. The Corporation’s capitalization threshold is $1,000. Depreciation expense for the years ended June 30, 2019 and 2018 was $3,137 and $1,115, respectively.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences and Other Post Employment Benefits (OPEB)

GAAP requires entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment becomes probable. Estimated obligations arise for vacation leave at the current rate of employee pay. Employees earn vacation leave based on years of service. 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, and employees with more than 10 years of full-time employment during any continuous period of 10 years or more, earn 21 days per year. Employees vest in a maximum of 20 days of unused vacation leave which is paid at the time of separation of employment.

Additionally, the Corporation grants sick leave based on time worked. Full-time employees earn 18 sick leave 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. The liability is now provided for under the multiple employer cost-sharing plan sponsored by the State.

The expenses incurred for the vacation leave and OPEB benefits are recorded as a component of employee benefits on the statement of revenues, expenses and changes in net position.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management

The State's Board of Risk and Insurance Management ("BRIM") provides general and liability coverage to the Corporation and its employees. Such coverage may be provided to the Corporation by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the Corporation or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the Corporation is currently charged by BRIM and the ultimate cost of that insurance based on the Corporation's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the Corporation and the Corporation's ultimate actual loss experience, the difference will be recorded, as the change in estimate becomes known.

The Corporation obtained property and casualty coverage for itself and its employees through a third-party insurance company. Any loss in excess of $1,000,000 will be the responsibility of the Corporation.

In addition, through its participation in the West Virginia Public Employees Insurance Agency (PEIA) and a third-party insurer, the Corporation has obtained health, life, prescription drug coverage, and coverage for job related injuries for its employees. In exchange for payment of premiums to PEIA and the third-party insurer, the Corporation has transferred its risks related to health, life, prescription drug coverage, and job related injuries.

West Virginia had a single private insurance company, BrickStreet Insurance, which provided workers' compensation coverage to all employers in the state. Other private insurance companies began to offer coverage to private-sector employers July 1, 2008 and began to offer coverage to government employers beginning July 1, 2010. Nearly every employer in the State, who has a payroll, must have coverage. The cost of all coverage is paid by the employers. BrickStreet retains the risk related to the compensation of injured employees under the program.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

The Corporation has classified its revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as most federal, state, local, and nongovernmental grants and contracts.

Nonoperating revenues — Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 34, such as state appropriations and investment income.

Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation is classified by the Internal Revenue Service as a non-private foundation. The Corporation adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect and the Corporation is no longer subject to federal or state tax examinations for the years prior to 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Pensions

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 Plan's 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.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Postemployment Benefits Other Than Pensions (OPEB)
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 Retiree Health Benefit Trust Fund (RHBT) and additions to/deductions from RHBT's fiduciary net position have been determined on the same basis as they are reported by RHBT. For this purpose, RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN

Plan Descriptions, Contribution Information, and Funding Policies

The Public Defender Corporation participates in the Public Employees Retirement System (PERS), a statewide, cost-sharing, multiple-employer defined benefit plan, on behalf of its 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 plan, 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:

Public Employees Retirement System (PERS)

Eligibility to participate	All full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate:	
Member hired on or before June 30, 2015	4.5%
Member hired on or after July 1, 2015	6.0%
Employer's contribution rate	11.0% for FY 2018 and 10% for FY 2019
Period request to vest	5 Years (Employees hired before July 1, 2015) 10 Years (Employees hired after July 1, 2015)

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

Benefit and eligibility for distribution:

Member hired on or before June 30, 2015	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.
Member hired on or after July 1, 2015	A member who has attained age 62 and has earned 10 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 (five highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement option	No
Provisions for	
Cost of living	No
Death benefit	Yes

Trend Information

Public Employees Retirement System (PERS)

Fiscal Year	Annual Pension Contribution	Percentage Contributed
2019	$ 60,506	100%
2018	$ 65,984	100%
2017	$ 74,515	100%

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

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 June 30, 2019 and 2018, the Corporation reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2017 and 2016, and rolled forward to June 30, 2018 and 2017, using the actuarial assumptions and methods described in the appropriate section of this note. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined.

At June 30, 2019 and 2018, the Corporation reported the following proportions, and increase/decreases from its proportion reported as of June 30, 2018 and 2017:

	2019		2018	
Amount for proportionate share of net pension liability	$ 112,116		$ 194,051	
Percent for proportionate share of net pension liability	0.043413	%	0.044956	%
Increase (decrease) % from prior proportion measured	-0.001543	%	-0.002457	%

For the years ended June 30, 2019 and 2018, the Corporation recognized the following pension expenses.

	2019	2018
Pension expense	$ 2,278	$ 30,988

The Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

The Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

As of June 30, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -0-	$ -0-
Differences between expected and actual experience	5,563	277
Net difference between projected and actual earnings on pension plan investments	-0-	65,975
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	-0-	14,215
Corporation contributions subsequent to the measurement date	60,506	-0-
	$ 66,069	$ 80,467

As of June 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -0-	$ 10,065
Differences between expected and actual experience	17,270	429
Net difference between projected and actual earnings on pension plan investments	-0-	47,177
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	-0-	15,882
Corporation’s contributions subsequent to the measurement date	65,984	-0-
	$ 83,254	$ 73,553

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

The amount reported as of June 30, 2019, as deferred outflows of resources related to pensions resulting from the Corporation's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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		
2020	$	2,322
2021		(15,575)
2022		(50,486)
2023		(11,165)
2024		-0-
Thereafter		-0-
Total	$	(74,904)

The amount reported as of June 30, 2018, as deferred outflows of resources related to pensions resulting from the Corporations ccontributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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		
2019	$$	(25,823)
2020		14,283
2021		(4,251)
2022		(40,492)
2023		--0-
TThereafter		$-0-
TTotal	$$	(56,283)

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

Actuarial assumptions
The total pension liability was determined by actuarial valuations as of July 1, 2017 and 2016, and rolled forward to June 30, 2018 and 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System
Actuarial assumptions

Measurement Date of June 30,	2018	2017
Inflation rate	3.00%	3.00%
Salary increases	3.35%-6.00%	3.35%-6.00%
Investments Rate of Return	7.50%	7.50%
Mortality rate	Active – 100% of RP-2000 Non-Annuitant, Scale AA fully generational Healthy males – 110% of RP-2000 Non-Annuitant, Scale AA, fully generational Healthy females – 101% of RP-2000 Non-Annuitant, Scale AA, fully generational Disabled males – 96% of RP-2000 Disabled Annuitant, Scale AA, fully generational Disabled Females – 107% of RP-2000 Disabled Annuitant, Scale AA, fully generational	Active – 100% of RP-2000 Non-Annuitant, Scale AA fully generational Healthy males – 110% of RP-2000 Non-Annuitant, Scale AA, fully generational Healthy females – 101% of RP-2000 Non-Annuitant, Scale AA, fully generational Disabled males – 96% of RP-2000 Disabled Annuitant, Scale AA, fully generational Disabled Females – 107% of RP-2000 Disabled Annuitant, Scale AA, fully generational
Date range in most recent experience study	2009-2014	2009-2014

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

The long-term expected rate of return on pension plan investments was 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. Geometric rates of return summarized in the following table include the inflation component and were used for the PERS defined benefit plan:

Measurement date of June 30,	2018		2017	
	Long-term expected Real Rate of Return	PERS Target Asset Allocation	Long-term expected Real Rate of Return	PERS Target Asset Allocation
Investment				
Domestic Equity	4.5 %	27.5%	7.0%	27.5%
International Equity (ACWI ex US)	8.6 %	27.5%	7.7%	27.5%
Fixed income	3.3 %	15.0%	2.7%	7.5%
High Yield	0.0 %	0.0%	5.5%	7.5%
Real Estate	6.0 %	10.0%	7.0%	10.0%
Private Equity	6.4 %	10.0%	9.4%	10.0%
Hedge Fund	4.0 %	10.0%	4.7%	10.0%
		100.0%		100.0%

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.

NOTE 3- DEFINED BENEFIT RETIREMENT PLAN (Continued)

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 l- percentage point higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Corporation's proportionate share of PERS's net pension liability (asset) as of the reporting date of:			
June 30, 2019	$ 451,509	$ 112,116	$ (175,008)
June 30, 2018	$ 537,217	$ 194,051	$ (96,094)

Amounts payable to the plan. The Corporation reported accrued pension contributions payable to the Plan of $4,737 and $5,129 at June 30, 2019 and 2018, respectively.

Pension plans' fiduciary net position. 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 4 - CONCENTRATIONS

The Corporation maintains its account balances in a national financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. The Corporation's bank balance at June 30, 2019 and 2018 was $451,881 and $232,092 respectively. The Corporation had uninsured deposits of $201,881 and $-0- as of June 30, 2019 and 2018, respectively.

The Corporation receives virtually all of its funding from West Virginia Public Defender Services. A significant reduction in this level of support would have a significant adverse effect on the Corporation.

NOTE 5 – OPERATING LEASES

The Corporation leases copiers and a facility under operating lease agreements. Aggregate payments under these agreements were $44,250 and $48,000 for the years ended June 30, 2019 and 2018, respectively. Future minimum rental commitments under the leases are as follows:

Year Ended June 30:		Amount
2020	$	45,000
2021		15,000
Total	$	60,000

NOTE 6 - CONTINGENCIES

The Corporation is on a reimbursement plan with the State of West Virginia, WorkforceWV, 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 7 - CASH HELD AT FISCAL YEAR END

At June 30, 2019 and 2018, the Corporation held cash and cash equivalents of $421,898 and $232,092, respectively, consisting of unexpended West Virginia Public Defender Service grant funds. West Virginia Public Defender Services considered this amount in determining the succeeding fiscal year budget necessary to fund the Corporation's normal operating activities.

NOTE 8 – CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Computer Equipment	$ 14,898	$ 10,732	$ -	$ 25,630
Furniture and Fixtures	23,830	8,547	-	32,377
Total Capital Assets	38,728	19,279	-	58,007
Less: Accumulated Depreciation				
Computer Equipment	(10,631)	(2,652)	-	(13,283)
Furniture and Fixtures	(23,830)	(485)	-	(24,315)
Total Accumulated Depreciation	(34,461)	(3,137)	-	(37,598)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	4,267	16,142	-	20,409
Total Capital Assets Net Accumulated Depreciation	$ 4,267	$ 16,142	$ -	$ 20,409

NOTE 8 – CAPITAL ASSETS (Continued)

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	$ 10,171	$ 4,727	$ -	$ 14,898
Furniture and Fixtures	23,827	3	-	23,830
Total Capital Assets	33,998	4,730	-	38,728
Less: Accumulated Depreciation				
Computer Equipment	(9,514)	(1,117)	-	(10,631)
Furniture and Fixtures	(23,830)	-	-	(23,830)
Total Accumulated Depreciation	(33,344)	(1,117)	-	(34,461)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	654	3,613	-	4,267
Total Capital Assets Net Accumulated Depreciation	$ 654	$ 3,613	$ -	$ 4,267

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Corporation during the year ended June 30, 2019 were as follows:

	Balance at June 30, 2018	Additions	Retirements	Balance at June 30, 2019	Due Within One Year
OPEB	$ 245,685	$ -	$ 22,689	$ 222,996	$ -
Compensated Absences	28,525	817	-	29,342	29,342
Net Pension Liability	194,051	-	81,935	112,116	-
Total	$ 468,261	$ 817	$ 104,624	$ 364,454	$ 29,342

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

	Balance at June 30, 2017 (Restated)	Additions	Retirements	Balance at June 30, 2018	Due Within One Year
OPEB	$ 319,441	$ -	$ 73,756	$ 245,685	$ -
Compensated Absences	26,580	1,945	-	28,525	28,525
Net Pension Liability	435,781	-	241,730	194,051	-
Total	$ 781,802	$ 1,945	$ 315,486	$ 468,261	$ 28,525

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The West Virginia Other Postemployment Benefit Plan (the 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 5-160-2 (the Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. West Virginia Code section 5-16D-6 also assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the Plan members and the participating employers. The State of West Virginia also funds the Plan as a nonemployer contributing entity in accordance with State legislation.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with the Public Employees Insurance Agency (PEIA). Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. For additional financial information, including detailed information about the OPEB plan's fiduciary net position, refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. Questions can be submitted in writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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
- External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses

Contributions

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for June 30, 2019 and 2018, respectively, were:

	2019	2018	2017
			1/1/17 - 6/30/17
Paygo premium	$ 183	$ 177	$ 135

The Corporation contributed $22,326 to the plan during the year ended June 30, 2019.

A non-Medicare plan member, or beneficiaries receiving benefits, contributes monthly health care premiums ranging from $291 to $1,160 per month for retiree-only coverage and from $582 to $2,760 per month for retiree and spouse coverage. Medicare covered retirees are charged health care premiums ranging from $88 to $458 per month for retiree-only coverage and from $145 to $943 per month for retiree and spouse coverage. Monthly premiums vary based on years of service and choice of coverage.

Net OPEB Liability

The net OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2017, rolled forward to June 30, 2018, which is the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

Inflation	2.75 percent
Salary increases	Dependent upon pension system ranging from 3.00% to 6.50%, including inflation
Investment rate of return	7.15 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS. RP-2000 Healthy Annuitant Mortality Table projected to 2025 with scale BB for Troopers A and 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, 2017 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 WV Investment Management Board and an expected short-term rate of return of 3.0% for assets invested with the West Virginia Board of Treasury Investments.

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.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

The long-term rates of return on OPEB plan investments are 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) 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 percentages and by adding expected inflation. Best estimates of long-term geometric rates for 2018 and 2017 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 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. 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.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates

The following presents the net OPEB liability of the Corporation, as well as what the Corporation's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current discount rate:

Net OPEB liability (asset)	*1% Decrease (6.15%)*	*Current Discount Rate (7.15%)*	*1% Increase (8.15%)*
June 30, 2019	$262,087	222,996	$190,409
June 30, 2018	$286,072	245,685	$212,112

The following presents the net OPEB liability of the Corporation, as well as what the Corporation's 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 healthcare cost trend rates:

Net OPEB liability (asset)	*1% Decrease*	*Current Healthcare Cost Trend Rates*	*1% Increase*
June 30, 2019	$184,517	$222,996	$269,881
June 30, 2018	$206,379	$245,685	$293,759

Financial Statement Items Related to OPEB

At June 30, 2019, the Corporation reported a liability of $222,996 for its proportionate share of the net OPEB liability. The portion of nonemployer contributing entities' total proportionate share of the collective net OPEB liability that was associated with the Corporation was $63,928, for a total net OPEB liability of $286,924 related to the Corporation. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018 using the actuarial assumptions described in the appropriate section of this note.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

The Corporation's proportion of the net OPEB liability was based on a projection of the Corporation's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers and nonemployer contributing entities, actuarially determined. At June 30, 2019, the Corporation's proportion was 0.010393962% percent, an increase of 0.000402645% from the prior year's proportion.

For the year ended June 30, 2019, the Corporation recognized an OPEB expense of $4,446. For the same year, the Corporation also recognized $3,843 non-operating revenue for the contributions of nonemployer contributing entities to the Plan. At June 30, 2019, the Corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -0-	$ 22,266
Differences between expected and actual experience	-0-	3,299
Net difference between projected and actual earnings on OPEB plan investments	-0-	4,128
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	7,766	41,063
Corporation's contributions subsequent to the measurement date	22,326	-0-
	$ 30,092	$ 70,756

2018,

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ -
Differences between expected and actual experience	-	823
Net difference between projected and actual earnings on OPEB plan investments	-	3,921
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	-	56,194
Corporation's contributions subsequent to the measurement date	21,240	-
	$ 21,240	$ 60,938

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS (Continued)

The amount reported as of June 30, 2019, 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, 2020. 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		
2020	$	(21,369)
2021		(21,369)
2022		(16,978)
2023		(3,274)
Total	$	(62,990)

Payable to the OPEB Plan

At June 30, 2019, the Corporation reported a payable of $2,223 for the unpaid accrued amount of contributions to the OPEB plan required for the year ended June 30, 2019.

The amount reported as of June 30, 2018, 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	$	(16,332)
2020		(16,332)
2021		(16,332)
2022		(11,942)
2023		-
Thereafter		-
Total	$	(60,938)

NOTE 11-SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the organization through September 13, 2019, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
JUNE 30, 2019

Public Employees Retirement System

	2018	2017	2016	2015	2014	2013
Corporation's proportionate share of the net pension liability (asset) (percentage)	0.043413%	0.044956%	0.047413%	0.047890%	0.049364%	0.050192%
Corporation's proportionate share of the net pension liability (asset)	$ 112,116	$ 194,051	$ 435,781	$ 267,420	$ 182,185	$ 457,566
Corporation's covered payroll	$ 599,855	$ 620,958	$ 651,496	$ 649,457	$ 661,041	$ 648,621
Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.69%	31.25%	66.89%	41.18%	27.56%	70.54%
Plan fiduciary net position as a percentage of the total pension liability	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

Information prior to 2013 is not available This schedule will be built prospectively.

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2019

Public Employees Retirement System

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 60,506	$ 65,984	$ 74,515	$ 87,952	$ 90,924	$ 95,851	$ 94,050
Contributions in relation to the contractually required contribution	(60,506)	(65,984)	(74,515)	(87,952)	(90,924)	(95,851)	(94,050)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporation's covered payroll	$ 605,060	$ 599,855	$ 620,958	$ 651,496	$ 649,457	$ 661,041	$ 648,621
Contribution as a percentage of covered payroll	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%	14.50%

Information prior to 2013 is not available This schedule will be built prospectively.

PUBLIC DEFENDER CORPORATION
FOR THE FIFTEENTH JUDICIAL CIRCUIT
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
JUNE 30, 2019

West Virginia Other Postemployment Benefit Plan

	2018	2017	2016 (Restated)
Corporation's proportionate share of the net OPEB liability (asset) (percentage)	0.010393962%	0.009991317%	0.012863422%
Corporation's proportionate share of the net OPEB liability (asset)	$ 222,996	$ 245,685	$ 419,172
Portion of nonemployer contributing entities' total proportionate share of the collective net OPEB liability (asset) that is associated with the employer	63,928	74,390	-
Total	$ 286,924	$ 320,075	$ 419,172
Corporation's covered-employee payroll	$ 599,855	$ 620,958	$ 651,496
Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	37.18%	39.57%	64.34%
Plan fiduciary net position as a percentage of the total OPEB liability	30.98%	25.10%	21.64%

Information prior to 2016 is not available This schedule will be built prospectively.

PUBLIC DEFENDER CORPORATION FOR THE
FIFTEENTH JUDICIAL CIRCUIT
SCHEDULE OF OPEB CONTRIBUTIONS
JUNE 30, 2019

West Virginia Other Postemployment Benefit Plan

	2019	2018	2017	2016
Contractually required contribution	$ 22,326	$ 21,240	$ 20,522	$ 22,005
Contributions in relation to the contractually required contribution	(22,326)	(21,240)	(20,522)	(22,005)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Corporation's covered-employee payroll	$ 605,060	$ 599,855	$ 620,958	$ 651,496
Contribution as a percentage of covered-employee payroll	3.68%	3.54%	3.30%	3.38%

Information prior to 2016 is not available This schedule will be built prospectively.

Note 1 - Changes in Assumptions PERS

Changes in the assumptions between the 2015 and 2014 valuations:

Projected salary increases went from 4.25-6% in 2014 to 3-6% in 2015; the inflation rate went from 2.2% in 2015 to 1.9% in 2015; mortality rates changed due to from the Gam model to RP-2000 model; withdrawal rates went form 1-31.2% in 2014 to 1.75-35.8% in 2015; disability rates went from 0-.8% in 2014 to 0-.675% in 2015;. The range of the experience study was 2004-2009 in 2014 and 2009-2014 in 2015. These changes in assumptions lead to deferred inflows of $89,556,000 in 2015.

There have been no changes in assumptions since 2015.

Note 2 – Changes in Assumptions OPEB

Changes in the assumptions between the 2018 and 2017 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately $17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately $68 million; a change in certain healthcare-related assumptions decreased the liability by approximately $232 million; and an update to the mortality tables increased the liability by approximately $25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

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.

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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 13, 2019

Public Defender Corporation for the Fifteenth Judicial Circuit
203 West Main Street
Clarksburg, WV 26301

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 Fifteenth Judicial Circuit**, a component unit of the State of West Virginia (the Corporation) as of and for the year ended June 30, 2019, 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 13, 2019.

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.

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 communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

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