Audited Schedule of Pension Amounts

West Virginia State Police Retirement System
Administered by
The West Virginia Consolidated Public Retirement Board

As of and for the Year Ended June 30, 2015
West Virginia State Police Retirement System

Audited Schedule of Pension Amounts

As of and for the Year Ended June 30, 2015

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INDEPENDENT AUDITOR’S REPORT

To the Members of the
West Virginia Consolidated Public
Retirement Board
Charleston, West Virginia

Report on the Schedule

We have audited the total pension liability, fiduciary net position, net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions included in the accompanying schedule of pension amounts of the West Virginia State Police Retirement System, administered by the West Virginia Consolidated Public Retirement Board, as of and for the year ended June 30, 2015, and the related notes.

Management’s Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the schedule of pension amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the schedule of pension amounts is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of pension amounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the schedule of pension amounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the schedule of pension amounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluating the overall presentation of the schedule of pension amounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the total pension liability, fiduciary net position, net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the West Virginia State Police Retirement System, as of and for the year ended June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the West Virginia Consolidated Public Retirement Board as of and for the year ended June 30, 2015, and our report thereon dated March 30, 2016, expressed an unmodified opinion on those financial statements.

Restrictions on Use

Our report is intended solely for the information and use of the West Virginia Consolidated Public Retirement Board, the West Virginia State Police Retirement System’s participating employer and their auditor and is not intended to be used by anyone other than these specified parties.

Charleston, West Virginia
December 16, 2016
## SCHEDULE OF PENSION AMOUNTS

WEST VIRGINIA STATE POLICE RETIREMENT SYSTEM

As of and for the Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Total Pension Liability</th>
<th>Fiduciary Net Position</th>
<th>Net Pension Asset</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
<th>Pension Expense Excluding That Attributable to Employer-Paid Member Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 128,610,000</td>
<td>$ 132,117,000</td>
<td>$ 3,507,000</td>
<td>$ 3,491,000</td>
<td>$ 3,491,000</td>
<td>$ 6,151,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 178,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 6,329,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 1,260,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this schedule.
1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB 68 requires governmental employers to recognize pension expense and related net pension liability and/or a net pension asset as employees earn pension benefits.

Basis of Accounting

The schedule of pension amounts of the West Virginia State Police Retirement System (the Plan) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for governmental units.

Accounting Estimates

The preparation of the schedule of pension amounts in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the total pension liability, fiduciary net position, net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense as of the measurement date. Actual amounts could differ from those estimates.

Measurement Date

Total pension liability, net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense were determined by actuarial valuations as of June 30, 2014 rolled forward to June 30, 2015, which is the measurement date.

2 - AMORTIZATION

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in these schedules are amortized and included in pension expense over the average remaining service life, rounded to the nearest whole year, of 9 years.

3 - ACTUARIAL REVISIONS

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board’s June 30, 2015 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 were revised. The amounts revised as of June 30, 2015 were used to prepare these schedules and are described below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$128,610,000</td>
</tr>
<tr>
<td>Plan fiduciary net position</td>
<td>(132,117,000)</td>
</tr>
<tr>
<td>Net pension (asset)</td>
<td>$3,507,000</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>102.73%</td>
</tr>
</tbody>
</table>
3 - ACTUARIAL REVISIONS (Continued)

<table>
<thead>
<tr>
<th>Sensitivity of Discount Rate</th>
<th>1% Decrease (6.5%)</th>
<th>Current Discount Rate (7.5%)</th>
<th>1% Increase (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net pension liability (asset)</td>
<td>$20,943,000</td>
<td>$(3,507,000)</td>
<td>$(23,043,000)</td>
</tr>
</tbody>
</table>