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104 South Sugar St.
St. Clairsville, OH 43950
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Certified Public Accountants, A.C.

**CITY OF WILLIAMSTOWN
WOOD COUNTY
Regular Audit
For the Fiscal Year Ended June 30, 2015**

RFP #14-240

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...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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Members: American Institute of Certified Public Accountants

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- Association of Certified Anti - Money Laundering Specialists •

**CITY OF WILLIAMSTOWN
WOOD COUNTY**

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**CITY OF WILLIAMSTOWN
WOOD COUNTY**

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**CITY OF WILLIAMSTOWN
WOOD COUNTY**

**SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

GOVERNMENTAL FUND TYPES

General Fund

Special Revenue Funds

Coal Severance Tax Fund

Park Fund

Street Fund

Employment Security Fund

PROPRIETARY FUND TYPES

Enterprise Funds

Water Fund

Sewer Fund

Stormwater Fund

Pool Fund

**CITY OF WILLIAMSTOWN
WOOD COUNTY**

**CITY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Elected Officials:

Mayor	Jean Ford	07/01/14 – 06/30/16
City Council	Marty Seufer	07/01/14 – 06/30/18
	Ron Erb	07/01/14 – 06/30/18
	Barbara Lewis	07/01/12 – 06/30/16
	Gene Duncan	07/01/12 – 06/30/16

Appointed Officials:

Treasurer / City Clerk	Susan Knopp
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INDEPENDENT AUDITOR'S REPORT

September 30, 2016

City of Williamstown
Wood County
100 West Fifth St.
Williamstown, WV 26187

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Williamstown**, Wood County, West Virginia (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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 City'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 City'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 opinions.

...***"bringing more to the table"***...

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- Association of Certified Anti - Money Laundering Specialists •

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Williamstown, Wood County, West Virginia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require this presentation to include the required budgetary comparison schedules and schedules of net pension liabilities and pension 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 City's basic financial statements taken as a whole.

The financial section's combining statements present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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 30, 2016, on our consideration of the City'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 City's internal control over financial reporting and compliance.



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

City of Williamstown, West Virginia
STATEMENT OF NET POSITION
June 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
ASSETS			
Current:			
Cash and cash equivalents	\$ 819,239	\$ 354,558	\$ 1,173,797
Receivables, net of allowances:			
Taxes	127,640	-	127,640
Accounts	16,330	89,692	106,022
Restricted assets	-	134,077	134,077
Total current assets	<u>963,209</u>	<u>578,327</u>	<u>1,541,536</u>
Capital assets:			
Capital assets, nondepreciable	115,000	299,949	414,949
Capital assets, depreciable, net	<u>496,444</u>	<u>4,572,330</u>	<u>5,068,774</u>
Total capital assets	<u>611,444</u>	<u>4,872,279</u>	<u>5,483,723</u>
Total assets	<u>1,574,653</u>	<u>5,450,606</u>	<u>7,025,259</u>
DEFERRED OUTFLOWS			
Changes in employer proportion and differences between contributions and proportionate share of contributions			
	27,241	22,288	49,529
Employer contributions to pension plan subsequent to measurement date	<u>48,852</u>	<u>39,970</u>	<u>88,822</u>
Total deferred outflows of resources	<u>76,093</u>	<u>62,258</u>	<u>138,351</u>
Total assets and deferred outflows	<u>\$ 1,650,746</u>	<u>\$ 5,512,864</u>	<u>\$ 7,163,610</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Current liabilities			
Accounts payable	\$ 15,240	\$ 19,415	\$ 34,655
Refunds due to customer	-	7,286	7,286
Accrued payroll liabilities	32,940	12,130	45,070
OPEB liability	331,117	211,698	542,815
Accrued compensated absences	13,697	9,999	23,696
Customer deposits	-	13,367	13,367
Current portion of long-term debt	<u>24,286</u>	<u>85,195</u>	<u>109,481</u>
Total current liabilities	<u>417,280</u>	<u>359,090</u>	<u>776,370</u>
Long-term liabilities (net of current portion):			
Long Term Debt	58,720	1,297,746	1,356,466
Net Pension Liability	<u>92,689</u>	<u>75,837</u>	<u>168,526</u>
Total long-term liabilities	<u>151,409</u>	<u>1,373,583</u>	<u>1,524,992</u>
Total liabilities	<u>568,689</u>	<u>1,732,673</u>	<u>2,301,362</u>
DEFERRED INFLOWS			
Differences between projected and actual investment earnings			
	98,056	80,229	178,285
Total deferred inflows of resources	<u>98,056</u>	<u>80,229</u>	<u>178,285</u>
Net Position:			
Net investment in capital assets	528,438	3,489,338	4,017,776
Restricted for debt	-	134,077	134,077
Unrestricted	<u>455,563</u>	<u>76,547</u>	<u>532,110</u>
Total net position	<u>984,001</u>	<u>3,699,962</u>	<u>4,683,963</u>
Total liabilities, deferred inflows, and net position	<u>\$ 1,650,746</u>	<u>\$ 5,512,864</u>	<u>\$ 7,163,610</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 200,681	\$ -	\$ -	\$ -	\$ (200,681)	\$ -	\$ (200,681)
Public safety	584,561	109,596	-	-	(474,965)	-	(474,965)
Streets and transportation	406,884	70,957	-	-	(318,055)	-	(318,055)
Culture and recreation	108,250	-	7,830	3,300	(97,120)	-	(97,120)
Health and sanitation	2,000	-	-	-	(2,000)	-	(2,000)
Social Services	16,066	-	-	-	(16,066)	-	(16,066)
Total governmental activities	<u>1,318,442</u>	<u>180,553</u>	<u>7,830</u>	<u>3,300</u>	<u>(1,108,887)</u>	<u>-</u>	<u>(1,108,887)</u>
Business-type activities:							
Water	385,985	358,638	-	-	-	(27,347)	(27,347)
Sewer	516,176	550,384	-	-	-	34,208	34,208
Stormwater	26,388	21,458	-	-	-	(4,930)	(4,930)
Pool	95,277	52,189	-	-	-	(43,088)	(43,088)
Total business-type activities	<u>1,023,826</u>	<u>982,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,157)</u>	<u>(41,157)</u>
Total primary government	<u>\$ 2,342,268</u>	<u>\$ 1,163,222</u>	<u>\$ 7,830</u>	<u>\$ 3,300</u>	<u>(1,108,887)</u>	<u>(41,157)</u>	<u>(1,150,044)</u>
General revenues:							
Taxes					861,290	-	861,290
Licenses and permits					21,170	-	21,170
Discounts and penalties					-	16,047	16,047
Fines, fees and court costs					70,507	-	70,507
Gaming income					14,829	-	14,829
Video lottery					18,803	-	18,803
Rents and concessions					8,323	-	8,323
Interest income					838	390	1,228
Miscellaneous					13,553	3,299	16,852
Total general revenues					<u>1,009,313</u>	<u>19,736</u>	<u>1,029,049</u>
Change in net position					(99,574)	(21,421)	(120,995)
Total net position at beginning of year (Restated - See Note 11)					<u>1,083,575</u>	<u>3,721,383</u>	<u>4,804,958</u>
Total net position at end of year					<u>\$ 984,001</u>	<u>\$ 3,699,962</u>	<u>\$ 4,683,963</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL FUND	COAL SEVERANCE FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS				
Cash and cash equivalents	\$ 707,981	\$ 13,705	\$ 97,553	\$ 819,239
Receivables, net of allowances:				
Taxes	122,258	2,820	2,562	127,640
Accounts	10,323	-	6,007	16,330
Total assets	\$ 840,562	\$ 16,525	\$ 106,122	\$ 963,209
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable	\$ 11,940	\$ 3,300	\$ -	\$ 15,240
Accrued payroll liabilities	32,940	-	-	32,940
OPEB liability	331,117	-	-	331,117
Total liabilities	375,997	3,300	-	379,297
Fund balances				
Committed	-	-	106,122	106,122
Assigned	-	13,225	-	13,225
Unassigned	464,565	-	-	464,565
Total fund balances	464,565	13,225	106,122	583,912
Total liabilities and fund balances	\$ 840,562	\$ 16,525	\$ 106,122	
Capital assets used in governmental activities are not financial resources and therefore are not in the funds (net of accumulated depreciation)				611,444
Long term debt is not recognized in governmental funds				(83,006)
The net pension liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in the funds				
Employer contributions to pension plan subsequent to measurement date				48,852
Changes in employer proportion and differences between contributions and proportionate share of contributions				27,241
Differences between projected and actual earnings on pension plan				(98,056)
Net pension liability				(92,689)
Compensated absences are not included in the governmental activities				(13,697)
Net position of governmental activities				\$ 984,001

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2015

	GENERAL FUND	COAL SEVERANCE FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES				
Taxes	\$ 823,099	\$ 9,761	\$ 28,430	\$ 861,290
Intergovernmental:				
State	3,300	-	-	3,300
Donations and contributions	1,500	-	6,330	7,830
Licenses and permits	21,170	-	-	21,170
Charges for services	109,596	-	70,957	180,553
Rent and concessions	8,323	-	-	8,323
Interest income	768	30	40	838
Gaming income	14,829	-	-	14,829
Video lottery	18,803	-	-	18,803
Fines, fees and court costs	70,507	-	-	70,507
Miscellaneous	12,286	-	1,267	13,553
Total revenues	1,084,181	9,791	107,024	1,200,996
EXPENDITURES				
General government	212,758	-	-	212,758
Public safety	564,331	3,000	-	567,331
Streets and transportation	247,988	-	141,024	389,012
Culture and recreation	77,334	1,500	23,118	101,952
Health and sanitation	-	2,000	-	2,000
Social Services	-	16,066	-	16,066
Capital Projects	82,185	-	-	82,185
Debt Service:				
Principal	17,571	-	-	17,571
Interest	1,072	-	-	1,072
Total expenditures	1,203,239	22,566	164,142	1,389,947
OTHER FINANCING SOURCES				
Debt proceeds	82,235	-	-	82,235
Total other financing sources	82,235	-	-	82,235
Net change in fund balance	(36,823)	(12,775)	(57,118)	(106,716)
Fund balance at beginning of year - (Restated - See Note 11)	501,388	26,000	163,240	690,628
Fund balance at end of year	<u>\$ 464,565</u>	<u>\$ 13,225</u>	<u>\$ 106,122</u>	<u>\$ 583,912</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Fiscal Year Ended June 30, 2015

Net change in fund balance - total governmental funds		\$ (106,716)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlays	82,185	
Depreciation expense	<u>(43,500)</u>	
Amount capital outlays exceed depreciation		38,685
Increase in compensated absences		(1,843)
<p>Notes payable provide current financial resources to governmental funds but entering into notes payable increase long-term liabilities in the Statement of Net Position. Repayment of notes payable is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>		
Proceeds from debt issuance	(82,235)	
Repayment of notes payable	<u>17,571</u>	
		(64,664)
<p>Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68</p>		
		<u>34,964</u>
Change in net position of governmental activities		<u>\$ (99,574)</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2015

	Water Fund	Sewer Fund	Stormwater Fund	Pool Fund	Totals
ASSETS					
Current:					
Cash and cash equivalents	\$ 156,616	\$ 170,044	\$ 21,901	\$ 5,997	\$ 354,558
Receivables, net of allowances	35,601	52,004	2,087	-	89,692
Total current assets	<u>192,217</u>	<u>222,048</u>	<u>23,988</u>	<u>5,997</u>	<u>444,250</u>
Restricted:					
Municipal bond commission	-	134,077	-	-	134,077
Total restricted assets	<u>-</u>	<u>134,077</u>	<u>-</u>	<u>-</u>	<u>134,077</u>
Capital Assets:					
Capital assets, nondepreciable	26,400	212,700	-	60,849	299,949
Capital assets, depreciable, net	579,753	2,945,920	11,789	1,034,868	4,572,330
Total capital assets	<u>606,153</u>	<u>3,158,620</u>	<u>11,789</u>	<u>1,095,717</u>	<u>4,872,279</u>
Total assets	<u>798,370</u>	<u>3,514,745</u>	<u>35,777</u>	<u>1,101,714</u>	<u>5,450,606</u>
DEFERRED OUTFLOWS					
Changes in employer proportion and differences between contributions and proportionate share of contributions					
	11,367	10,921	-	-	22,288
Employer contributions to pension plan subsequent to measure date					
	20,385	19,585	-	-	39,970
Total deferred outflows or resources	<u>31,752</u>	<u>30,506</u>	<u>-</u>	<u>-</u>	<u>62,258</u>
Total assets and deferred outflows	<u>\$ 830,122</u>	<u>\$ 3,545,251</u>	<u>\$ 35,777</u>	<u>\$ 1,101,714</u>	<u>\$ 5,512,864</u>
CURRENT LIABILITIES					
Accounts payable	\$ 4,392	\$ 11,120	\$ -	\$ 3,903	\$ 19,415
Accrued payroll	6,219	5,911	-	-	12,130
Refunds due	7,276	10	-	-	7,286
Accrued compensated absences	3,698	6,301	-	-	9,999
Customer deposits	13,367	-	-	-	13,367
OPEB liability	108,563	103,135	-	-	211,698
Notes payable - current	16,214	9,707	-	-	25,921
Bonds payable - current	-	59,274	-	-	59,274
Total current liabilities	<u>159,729</u>	<u>195,458</u>	<u>-</u>	<u>3,903</u>	<u>359,090</u>
LONG-TERM LIABILITIES					
Net pension liability	38,677	37,160	-	-	75,837
Notes payable (net of current)	11,892	823	-	-	12,715
Bonds payable (net of current)	-	1,285,031	-	-	1,285,031
Total long-term liabilities	<u>50,569</u>	<u>1,323,014</u>	<u>-</u>	<u>-</u>	<u>1,373,583</u>
Total liabilities	<u>210,298</u>	<u>1,518,472</u>	<u>-</u>	<u>3,903</u>	<u>1,732,673</u>
DEFERRED INFLOWS					
Differences between projected and actual investment earnings					
	40,917	39,312	-	-	80,229
Total deferred inflows of resources	<u>40,917</u>	<u>39,312</u>	<u>-</u>	<u>-</u>	<u>80,229</u>
NET POSITION					
Net investment in capital assets	578,047	1,803,785	11,789	1,095,717	3,489,338
Restricted for debt service	-	134,077	-	-	134,077
Unrestricted	860	49,605	23,988	2,094	76,547
Total net position	<u>578,907</u>	<u>1,987,467</u>	<u>35,777</u>	<u>1,097,811</u>	<u>3,699,962</u>
Total liabilities, deferred inflows, and net position	<u>\$ 830,122</u>	<u>\$ 3,545,251</u>	<u>\$ 35,777</u>	<u>\$ 1,101,714</u>	<u>\$ 5,512,864</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Water Fund	Sewer Fund	Stormwater Fund	Pool Fund	Total Fund
OPERATING REVENUES					
Charges for services	\$ 358,638	\$ 550,384	\$ 21,458	\$ 52,189	\$ 982,669
Discounts and penalties	6,539	9,508	-	-	16,047
Miscellaneous revenues	2,250	387	532	130	3,299
	<u>367,427</u>	<u>560,279</u>	<u>21,990</u>	<u>52,319</u>	<u>1,002,015</u>
OPERATING EXPENSES					
Collection	91,406	80,511	25,639	-	197,556
Pumping	29,799	70,972	-	-	100,771
Treatment and disposal	57,205	79,809	-	-	137,014
Transmission and distribution	12,575	-	-	-	12,575
Customer accounts	17,209	27,293	-	-	44,502
Material and supplies	-	-	-	13,584	13,584
Maintenance	29,488	-	-	2,762	32,250
Pool operations	-	-	-	31,614	31,614
Administrative and general	123,822	83,479	-	17,110	224,411
Depreciation and amortization	24,481	128,105	749	30,207	183,542
	<u>385,985</u>	<u>470,169</u>	<u>26,388</u>	<u>95,277</u>	<u>977,819</u>
Income (loss) from operations	(18,558)	90,110	(4,398)	(42,958)	24,196
OTHER INCOME (EXPENSE)					
Interest income	386	4	-	-	390
Interest expense	-	(46,007)	-	-	(46,007)
	<u>386</u>	<u>(46,003)</u>	<u>-</u>	<u>-</u>	<u>(45,617)</u>
Net income (loss)	(18,172)	44,107	(4,398)	(42,958)	(21,421)
Total net position, beginning of year (Restated - See Note 11)	<u>597,079</u>	<u>1,943,360</u>	<u>40,175</u>	<u>1,140,769</u>	<u>3,721,383</u>
Net position, end of year	<u>\$ 578,907</u>	<u>\$ 1,987,467</u>	<u>\$ 35,777</u>	<u>\$ 1,097,811</u>	<u>\$ 3,699,962</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Water Fund	Sewer Fund	Stormwater Fund	Pool Fund	Total Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 332,902	\$ 559,581	\$ 21,433	\$ 52,189	\$ 966,105
Cash payments for operation and maintenance expenses	(335,252)	(344,954)	(26,725)	(65,947)	(772,878)
Other Income Received	2,250	387	532	130	3,299
Net cash provided by (used in) operations	<u>(100)</u>	<u>215,014</u>	<u>(4,760)</u>	<u>(13,628)</u>	<u>196,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	386	4	-	-	390
Additions to utility plant	(9,119)	(26,356)	-	-	(35,475)
Net cash provided by (used in) investing activities	<u>(8,733)</u>	<u>(26,352)</u>	<u>-</u>	<u>-</u>	<u>(35,085)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Expense	-	(46,007)	-	-	(46,007)
Proceeds from debt	-	11,398	-	-	11,398
Retirement of long term debt	(6,718)	(89,603)	-	-	(96,321)
Increase (Decrease) in deposits with West Virginia Bond Commission	-	(4,156)	-	-	(4,156)
Net cash provided by (used in) capital and related financing activities	<u>(6,718)</u>	<u>(128,368)</u>	<u>-</u>	<u>-</u>	<u>(135,086)</u>
Net increase (decrease) in cash and cash equivalents	(15,551)	60,294	(4,760)	(13,628)	26,355
Cash and Equivalents, Beginning	<u>172,167</u>	<u>109,750</u>	<u>26,661</u>	<u>19,625</u>	<u>328,203</u>
Cash and Equivalents, Ending	<u>\$ 156,616</u>	<u>\$ 170,044</u>	<u>\$ 21,901</u>	<u>\$ 5,997</u>	<u>\$ 354,558</u>
RECONCILIATION OF OPERATING INCOME					
Operating income (loss)	\$ (18,558)	\$ 90,110	\$ (4,398)	\$ (42,958)	\$ 24,196
Adjustments:					
Depreciation and amortization expense	24,481	128,105	749	30,208	183,543
Due to prior period adjustments	(45,927)	(101,988)	-	-	(147,915)
(Increase) Decrease in:					
Receivables	(4,395)	(311)	(25)	-	(4,731)
Other accrued rev. & assets	-	-	-	-	-
Deferred outflows of resources	(31,752)	(30,506)	-	-	(62,258)
Increase (Decrease) in:					
Refunds due	819	2	-	-	821
Accounts payable	1,479	7,477	(1,086)	(877)	6,993
Accrued compensated absences	1,654	(1,919)	-	-	(265)
Accrued payroll	260	(1,227)	-	-	(967)
Other post employment benefits payable	19,648	48,799	-	-	68,447
Deferred inflows of resources	11,892	39,312	-	-	51,204
Net pension liability	38,677	37,160	-	-	75,837
Customer deposits	1,622	-	-	-	1,622
Total Adjustments	<u>18,458</u>	<u>124,904</u>	<u>(362)</u>	<u>29,331</u>	<u>172,331</u>
Net cash provided by (used in) operating activities	<u>\$ (100)</u>	<u>\$ 215,014</u>	<u>\$ (4,760)</u>	<u>\$ (13,627)</u>	<u>\$ 196,527</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION					
Interest Paid	<u>\$ -</u>	<u>\$ 46,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,007</u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The City of Williamstown, West Virginia (the City), complies with accounting principles generally accepted in the United States of America. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of these Notes. The remainder of the notes provides explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2015.

The City did not present the Management's Discussion and Analysis for the fiscal year ended June 30, 2015.

B. Component Unit / Reporting Entity

The City is a municipal corporation governed by an elected mayor and four council members. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The criteria for inclusion or exclusion from the financial reporting entity is outlined in GASB Statement Number 61 and includes oversight responsibility over agencies, boards and commissions by the City's Council. Oversight responsibilities include financial accountability (including selection of the governing authority), fiscal dependence and the ability for the Council to impose its will on the potential component unit. The City had no component units to report as of June 30, 2015.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* includes, (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide Statement of Net Position and Statement of Activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Types

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements are recorded only when payment is due.

Within the governmental fund financial statements, property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The City uses the following governmental funds:

General Fund: The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds considered to be major funds consist of the Coal Severance.

Coal Severance Fund: Accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia municipalities.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund net position is segregated into net investment in capital assets, restricted for debt service and unrestricted. The City's proprietary funds consist of the following:

Enterprise Funds: Enterprise funds are used to account for operations that: (a) are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City uses the following proprietary (enterprise) funds:

The *Water Fund* is an enterprise fund meeting the classification requirements of a major fund. It is used to account for the economic resource measurement of the City's water operations.

The *Sewer Fund* is an enterprise fund meeting the classification requirements of a major fund. It is used to account for the economic resource measurement of the City's sewer operations.

The *Stormwater Fund* is an enterprise fund the City has elected to report as a major fund. It is used to account for the economic resource measurement of the City's Stormwater operations.

The *Pool Fund* is an enterprise fund the City has elected to report as a major fund. It is used to account for the economic resource measurement of the City's pool operations.

E. Budget Policy and Practice

The Mayor submits the annual budget for the General Fund and Coal Severance Tax Fund to the City Council in accordance with the Municipal Charter and State Law. The budgets are prepared on prescribed forms and submitted for approval to the State Tax Commissioner. These budgets are prepared in accordance with the following procedures:

1. The governing body of the municipality is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the municipality and to prepare the levy estimate (budget) for the fiscal year commencing July 1st.
2. The budget is then submitted to the State Tax Commissioner for approval.
3. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

Revisions are authorized only with the prior written approval of the State Tax Commissioner. The budgeted amounts reflected in the accompanying financial statements are such approved amounts.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgeting and Budgetary Control

The General Fund and Coal Severance Tax Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel services, contractual commodities, capital outlay, and contributions. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council and approval by the State Tax Commissioner. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget were made throughout the year and the budgeted amounts reflected in the accompanying financial statements are such approved amounts.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of the formal budgetary process for the fiscal year ended June 30, 2015.

H. Accounting Estimates

The preparation of basic financial statements in conformance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

I. Cash and Cash Equivalents and Investments

For the purpose of the Statement of Cash Flows, the proprietary fund type considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value, which is determined using selected basis. Short-term investments are reported as cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States of any agency thereof; certificates of deposit (which mature in less than one year); general and direct obligations of the State of West Virginia; obligations of the Federal National Mortgage Association; indebtedness secured by first lien deed of trusts for properly situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits, which are fully insured or collateralized; and mutual funds registered with the S.E.C., which have fund assets over three hundred million dollars.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Cash and Cash Equivalents and Investments (Continued)

State statute limitation concerning the aforementioned investments include the following: At no time can investment portfolios consist of more than 75 percent of the indebtedness of any private corporation nor can the portfolio have over 25 percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than 60 percent of the portfolio be invested in equity mutual funds.

J. Restricted Assets

The City's restricted assets in the Sewer Enterprise Fund includes cash totaling \$134,077, which is held in separate accounts with the West Virginia Municipal Bond Commission until monies are spent according to the bond covenants.

K. Receivables

The City's governmental funds taxes receivable totaled \$127,640. Additionally, the General Fund reported accounts receivable of Police Protection Fees, Ambulance Fees and other miscellaneous receivables of \$10,323 and the Street Fund reported accounts receivable of Street Fees of \$6,007.

Management periodically analyzes delinquent accounts of the Water, Sewer and Stormwater Funds and uses the allowance method for accounting for bad debt. Accounts receivable on the financial statements are shown net of allowance for uncollectibles of \$35,601 for the Water Fund, \$52,004 for the Sewer Fund, and \$2,087 for the Stormwater Fund.

L. Inventories

The City considers inventories of materials and supplies utilized in governmental fund types to be immaterial and, therefore, expended at the time of purchase. As a result, they do not appear in the City's financial statements.

M. Capital Assets

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on the balance sheets. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Land, buildings, and equipment of the proprietary funds are stated on the basis of historical cost. The City capitalizes expenses of \$5,000 and greater with a useful life of two years or more. Assets acquired by gifts or donations are recorded at estimated fair value at the time of acquisition. In accordance with accounting principles generally accepted in the United States of America, interest is capitalized during the construction phase and included in the fixed assets depreciable basis.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Capital Assets (Continued)

Buildings	25 – 100 years
Improvements	10 – 20 years
Utility Plant	10 – 50 years
Equipment	3 – 20 years

N. Compensated Absences

Compensated absences are those for which employees have a right to receive consideration for expected future absences. In governmental funds, since the primary emphasis is on the flow of financial resources, only the current portion of the liability should be reported in the fund. The amount attributable to proprietary funds is charged to expense with a corresponding liability recorded in the applicable fund.

Full-time, permanent employees are granted benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees up to 90 days. Generally, after one year of service, all qualified employees are entitled to all accrued vacation leave upon termination. No liability is reported for unpaid sick leave. Accrued compensated absences totaled \$13,697 for the governmental funds, \$3,698 for the Water Fund, and \$6,301 for the Sewer Fund at June 30, 2015.

O. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

P. Fund Balance Classification

The governmental fund financial statements present fund balances based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

1. **Nonspendable** – This amount cannot be spent either because it is in a nonspendable form or because it is legally or contractually required to be maintained intact.
2. **Restricted** – This amount can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. **Committed** – This amount can be spent only for a specific purpose determined by a formal action of City Council. City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance Classification (Continued)

4. **Assigned** – This amount does not meet the criteria to be classified as restricted or committed but is intended to be used for a specific purpose. Under the City's adopted policy, only City Council may assign an amount for a specific purpose.
5. **Unassigned** – This amount includes all other spendable amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Q. Net Position

Net position represents the difference between all other elements on the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing 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 constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. An example of net position restricted for other purposes includes activities for various federal grants and programs. Net position is reported as unrestricted when the net position does not meet the definition of "net investment in capital assets" or "restricted net position". The City'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. As of June 30, 2015 the City had net position reported as restricted as required by debt covenants.

R. Interfund Transactions

All interfund services provided and used are reported as transfers.

S. 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 City reported deferred inflows and outflows of resources for 2015.

T. Net Pension Liability

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 City'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.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Adoption of Accounting Pronouncement

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of these statements is to improve decision-usefulness of information in employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability will also be enhanced through new note disclosure and required supplementary information.

V. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Commission, these revenues are sports dues and subscription revenues, corporate sponsorships, and other miscellaneous revenue.

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

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2015, were as follows:

Cash deposits in bank accounts	\$1,173,797
Restricted cash	<u>134,077</u>
Total	<u>\$1,307,874</u>

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned. The City's deposits at June 30, 2015, were fully covered by FDIC insurance or collateral on deposit in excess of FDIC insurance coverage.

NOTE 3. PROPERTY TAXES

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of a county may distraint for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September 1st of the year for which the assessment is made, and becomes delinquent on October 1st, and the second installment is payable on the first day of the following March and becomes delinquent on April 1st. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100.00 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); on Class II property, twenty-five cents (25.0 cents); and on Class IV property, fifty cents (50.0 Cents).

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 3. PROPERTY TAXES (Continued)

In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City of Williamstown, West Virginia, per \$100.00 of assessed valuation for each class of property for the fiscal year ended June 30, 2015, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Rates Levied
Class I	\$ --	12.50 Cents
Class II	\$ 79,866,140	25.00 Cents
Class IV	\$ 36,673,091	50.00 Cents

NOTE 4. CAPITAL ASSETS

Changes in governmental activities capital assets during the year were as follows:

	<u>Balance 6/30/2014</u>		<u>Additions</u>		<u>Disposals</u>		<u>Balance 6/30/2015</u>
Non Depreciable:							
Land	\$ 115,000		\$ -		\$ -		\$ 115,000
Total Non Depreciable	<u>115,000</u>		<u>-</u>		<u>-</u>		<u>115,000</u>
Depreciable:							
Buildings and Structures	138,065 *		-		-		138,065
Infrastructure	256,191 *		-		-		256,191
Vehicles and Equipment	533,448 *		82,185		-		615,633
Total Depreciable	<u>927,704</u>		<u>82,185</u>		<u>-</u>		<u>1,009,889</u>
Total Capital Assets	<u>\$ 1,042,704</u>		<u>\$ 82,185</u>		<u>\$ -</u>		<u>\$ 1,124,889</u>
Accumulated Depreciation:							
Buildings and Structures	\$ 54,262 *		\$ 2,311		\$ -		\$ 56,573
Infrastructure	79,819 *		12,829		-		92,648
Vehicles and Equipment	335,864 *		28,360		-		364,224
Total Accumulated Depreciation	<u>469,945</u>		<u>43,500</u>		<u>-</u>		<u>513,445</u>
Capital Assets, Net	<u>\$ 572,759</u>		<u>\$ 38,685</u>		<u>\$ -</u>		<u>\$ 611,444</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 2,100
Public safety	17,230
Streets & Transportation	17,872
Culture and recreation	<u>6,298</u>
Total	<u>\$ 43,500</u>

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 4. CAPITAL ASSETS (Continued)

Changes in business-type activities capital assets during the year were as follows:

Water Fund

	<u>Balance 6/30/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/2015</u>
Non Depreciable:				
Land	\$ 26,400	\$ -	\$ -	\$ 26,400
Total Non Depreciable	<u>26,400</u>	<u>-</u>	<u>-</u>	<u>26,400</u>
Depreciable:				
Buildings and Structures	333,667 *	9,118	-	342,785
Vehicles and Equipment	1,119,811 *	-	-	1,119,811
Total Depreciable	<u>1,453,478</u>	<u>9,118</u>	<u>-</u>	<u>1,462,596</u>
Total Capital Assets	<u>\$ 1,479,878</u>	<u>\$ 9,118</u>	<u>\$ -</u>	<u>\$ 1,488,996</u>
Accumulated Depreciation:				
Buildings and Structures	\$ 260,191 *	\$ 3,539	\$ -	\$ 263,730
Vehicles and Equipment	598,171 *	20,942	-	619,113
Total Accumulated Depreciation	<u>858,362</u>	<u>24,481</u>	<u>-</u>	<u>882,843</u>
Capital Assets, Net	<u>\$ 621,516</u>	<u>\$ (15,363)</u>	<u>\$ -</u>	<u>\$ 606,153</u>

Sewer Fund

	<u>Balance 6/30/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/2015</u>
Non Depreciable:				
Land	\$ 212,700	\$ -	\$ -	\$ 212,700
Construction in Progress	8,769 *	5,309	-	14,078
Total Non Depreciable	<u>221,469</u>	<u>5,309</u>	<u>-</u>	<u>226,778</u>
Depreciable:				
Buildings and Structures	3,237,697 *	9,118	-	3,246,815
Vehicles and Equipment	2,125,698 *	11,928	-	2,137,626
Total Depreciable	<u>5,363,395</u>	<u>21,046</u>	<u>-</u>	<u>5,384,441</u>
Total Capital Assets	<u>\$ 5,584,864</u>	<u>\$ 26,355</u>	<u>\$ -</u>	<u>\$ 5,611,219</u>
Accumulated Depreciation:				
Buildings and Structures	\$ 1,215,929 *	\$ 86,533	\$ -	\$ 1,302,462
Vehicles and Equipment	1,108,564 *	41,573	-	1,150,137
Total Accumulated Depreciation	<u>2,324,493</u>	<u>128,106</u>	<u>-</u>	<u>2,452,599</u>
Capital Assets, Net	<u>\$ 3,260,371</u>	<u>\$ (101,751)</u>	<u>\$ -</u>	<u>\$ 3,158,620</u>

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 4. CAPITAL ASSETS (Continued)

Stormwater Fund

	Balance 6/30/2014	Additions	Disposals	Balance 6/30/2015
Non Depreciable:				
Construction in Progress	\$ 4,257	\$ -	\$ -	\$ 4,257
Total Non Depreciable	4,257	-	-	4,257
Depreciable:				
Buildings and Structures	5,931	-	-	5,931
Vehicles and Equipment	6,301	-	-	6,301
Total Depreciable	12,232	-	-	12,232
Total Capital Assets	\$ 16,489	\$ -	\$ -	\$ 16,489
Accumulated Depreciation:				
Buildings and Structures	\$ 801	\$ 119	\$ -	\$ 920
Vehicles and Equipment	3,150	630	-	3,780
Total Accumulated Depreciation	3,951	749	-	4,700
Capital Assets, Net	\$ 12,538	\$ (749)	\$ -	\$ 11,789

Pool Fund

	Balance 6/30/2014	Additions	Disposals	Balance 6/30/2015
Non Depreciable:				
Land	\$ 60,849	\$ -	\$ -	\$ 60,849
Total Non Depreciable	60,849	-	-	60,849
Depreciable:				
Buildings and Structures	1,148,099	-	-	1,148,099
Infrastructure	18,067	-	-	18,067
Vehicles and Equipment	48,044	-	-	48,044
Total Depreciable	1,214,210	-	-	1,214,210
Total Capital Assets	\$ 1,275,059	\$ -	\$ -	\$ 1,275,059
Accumulated Depreciation:				
Buildings and Structures	\$ 114,810	* \$ 22,962	\$ -	\$ 137,772
Infrastructure	9,034	1,807	-	10,840
Vehicles and Equipment	25,291	* 5,439	-	30,730
Total Accumulated Depreciation	149,135	30,207	-	179,342
Capital Assets, Net	\$ 1,125,924	\$ (30,207)	\$ -	\$ 1,095,717

In accordance with Governmental Accounting Standards Board Statement No. 34, the City has elected not to report infrastructure assets retroactively.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 5. LONG TERM DEBT

Governmental activities long-term debt at June 30, 2015, consisted of the following:

Long-term debt activity for the governmental activities as of June 30, 2015 was as follows:

Name/ Description	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015	Amounts Due Within One Year
2014 Dodge Charger (3.25%)	\$ -	\$ 26,547	\$ (3,713)	\$ 22,834	\$ 5,093
2015 Dodge Durango (3.25%)	-	29,141	(2,252)	26,889	5,530
2014 Dodge Charger (3.25%)	-	26,547	(3,296)	23,251	5,079
2014 Ford Taurus (3.25%)	18,342	-	(8,310)	10,032	8,584
Net Pension Liability	193,381	-	(100,692)	92,689	-
Compensated Absences	11,854	1,843	-	13,697	-
Total	\$ 223,577	\$ 84,078	\$ (118,263)	\$ 189,392	\$ 24,286

As of June 30, 2015, the maturities of long-term debt for the years ending:

	2014 Dodge Charger		2014 Dodge Durango		2014 Dodge Charger		2014 Ford Taurus	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 5,093	\$ 667	\$ 5,530	\$ 794	\$ 5,079	\$ 681	\$ 8,584	\$ 200
2017	5,261	499	5,713	611	5,247	513	1,448	6
2018	5,434	326	5,900	424	5,419	341	-	-
2019	5,614	146	6,096	228	5,599	161	-	-
2020	1,432	9	3,650	39	1,907	14	-	-
Total	\$ 22,834	\$ 1,647	\$ 26,889	\$ 2,096	\$ 23,251	\$ 1,710	\$ 10,032	\$ 206

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 5. LONG TERM DEBT (Continued)

Business-type activities long-term debt at June 30, 2015, consisted of the following:

Name/ Description	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015	Amounts Due Within One Year
2009 The Fields Note (0%)	\$ 44,266	\$ -	\$ (22,132)	\$ 22,134	\$ 11,066
Sewer 1987A Bonds (9.75%)	10,806	-	(513)	10,293	563
Sewer 1987A1 Bonds (8.38%)	449,012	-	(20,376)	428,636	22,083
Sewer 1987B Bonds (0%)	57,863	-	(4,467)	53,396	4,467
Sewer 2005A Bonds (2%)	146,256	-	(11,156)	135,100	11,381
Sewer 2009A Bonds (0%)	737,660	-	(20,780)	716,880	20,780
2014 GMC 3500 Note (3.25%)	22,001	-	(10,058)	11,943	10,296
Coopers Ridge Note (0%)	-	11,398	(6,839)	4,559	4,559
Net Pension Liability	158,222	-	(82,385)	75,837	-
Compensated Absences	10,264	-	(265)	9,999	-
Total	\$ 1,636,350	\$ 11,398	\$ (178,971)	\$ 1,468,777	\$ 85,195

As of June 30, 2015, the maturities of long-term debt for the years ending:

	1987A Bonds		1987A1 Bonds		1987B Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 563	\$ 976	\$ 22,083	\$ 34,994	\$ 4,467	\$ -
2017	618	918	23,943	33,066	4,467	-
2018	678	855	25,939	30,977	4,467	-
2019	744	786	28,113	28,712	4,467	-
2020	817	710	30,469	26,257	4,467	-
2021-2025	5,445	2,122	195,200	86,634	22,335	-
2026-2030	1,428	70	102,889	8,796	8,726	-
Total	\$ 10,293	\$ 6,437	\$ 428,636	\$ 249,437	\$ 53,396	\$ -

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 5. LONG TERM DEBT (Continued)

	2005A Bonds		2009A Bonds		2014GMC 3500	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 11,381	\$ 2,617	\$ 20,780	\$ -	\$ 10,296	\$ 40
2017	11,610	2,388	20,780	-	1,647	7
2018	11,845	2,154	20,780	-	-	-
2019	12,082	1,915	20,780	-	-	-
2020	12,327	1,672	20,780	-	-	-
2021-2025	65,460	4,529	103,900	-	-	-
2026-2030	10,395	752	103,900	-	-	-
2031-2035	-	-	103,900	-	-	-
2036-2040	-	-	103,900	-	-	-
2041-2045	-	-	103,900	-	-	-
2046-2050	-	-	93,480	-	-	-
Total	\$ 135,100	\$ 16,027	\$ 716,880	\$ -	\$ 11,943	\$ 47

	Coopers Ridge		The Fields Note	
	Principal	Interest	Principal	Interest
2016	\$ 4,559	\$ -	\$ 11,066	\$ -
2017			11,068	
	\$ 4,559	\$ -	\$ 22,134	\$ -

Revenues derived from the respective proprietary funds are pledged for the payment of revenue bond debt service. Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts.

The Sewer Fund has various revenue bonds. For the revenue bonds, the City's bond covenants state that the schedule of rates be sufficient, together with other revenues of the system, to provide for all reasonable expenses of operation, repair and maintenance of the system, and to leave a balance each year equal to at least 110 percent of the maximum amount required in any year for principal and interest.

NOTE 6. EMPLOYEES' RETIREMENT PLAN

Plan Description

City employees participate in the West Virginia Public Employees Retirement System (PERS). This plan is a cost sharing multiple-employer public employee retirement system created by the State of West Virginia.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 6. EMPLOYEES' RETIREMENT PLAN (Continued)

All eligible full-time employees must participate. Among those employees not eligible for plan membership are members and retirees of other state retirement systems. Employees may retire with full benefits at age 60 with a minimum of 5 years of credited service or when the member's age plus his/her years of service is equal to or greater than 80 provided that the employee has reached age 55. An individual with 5 or more consecutive years of service who terminates employment prior to retirement can choose to leave contributions with the system and will be eligible for retirement benefits at age 62. Members are entitled to a yearly retirement benefit of 2% of their highest averaged salary over 3 consecutive years out of the last 10 years of earnings multiplied by the years of service. Payments are made monthly to the retiree and the retiree can choose from 3 retirement options.

In accordance with Chapter 5, Article 10 of the West Virginia State Code, employees are required to contribute 4.5% of their annual salary to PERS with the City contributing 14.0%.

<u>Year</u>	<u>Employer Contributions</u>	<u>Percentage Contributed</u>
2015	\$ 88,822	100%
2014	\$ 88,664	100%
2013	\$ 72,270	100%

Further benefit, trend and other information regarding this plan is presented in the PERS annual financial report, which 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 City reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liabilities were determined by the actuarial assumptions and methods described in the appropriate section of this note. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2014, the City reported the following proportions and increase/decreases from its proportion measured as of June 30, 2013.

	<u>PERS</u>
Amount for proportionate share of net pension liability	\$ 168,526
Percentage for proportionate share of net pension liability	0.045663%
Increase/(decrease) % from prior proportion measured	0.00709%

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 6. EMPLOYEES' RETIREMENT PLAN (Continued)

For the year ended June 30, 2015, the City recognized the following pension expenses:

	PERS
Pension Expense	\$ 34,343

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 178,277
Changes in proportion and differences between contributions and proportionate share of contributions	49,529	-
Contributions subsequent to measurement date	88,822	-
Totals	\$ 138,351	\$ 178,277

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:			
2016	\$	(29,423)	
2017		(29,423)	
2018		(29,423)	
2019		(40,479)	
Total	\$	(128,748)	

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.2 percent
Salary increases:	4.25-6.0 percent, including inflation
Investment rate of return:	7.5 percent, net of pension plan investment expenses, Including inflation

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 6. EMPLOYEES' RETIREMENT PLAN (Continued)

Actuarial Assumptions (Continued)

Mortality rates for non-disabled participants were based on the 1983 Group Annuity Mortality Table for males and the 1971 Group annuity Table for females, as appropriate. Mortality rates for disabled participants were based on the 1983 Group annuity Mortality Table for Males and Revenue Ruling 96-7 for Females.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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. Rates summarized in the following table include the inflation component and were used for the following defined benefit plan:

Investment	Long-term Expected Real Rate of Return	PERS Target Asset Allocation
US Equity (Russell 3000)	7.6%	27.5%
International Equity (ACWI ex US)	8.5%	27.5%
Fixed Income	2.9%	15.0%
High Yield	4.8%	0.0%
TPS	2.9%	0.0%
Real Estate	6.8%	10.0%
Private Equity	9.9%	10.0%
Hedge Funds	5.0%	10.0%
Inflation (CPI)	2.2%	0.0%
		100.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rate 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:

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 6. EMPLOYEES' RETIREMENT PLAN (Continued)

Discount Rate (Continued)

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate Share of PERS's Net Pension Liability	\$ 476,198	\$ 168,526	\$ (93,638)

Detailed information about the pension plan's 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 7. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City of Williamstown, West Virginia, contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the West Virginia Public Employees Insurance agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia.

Corporation Establishing the Plan and Funding Policy

Chapter 5, Article 16D, of the West Virginia State Code assigns the authority to establish and amend benefits and provisions to the RHBT. Plan members are currently required to contribute monthly per active health policy. Participating employers are contractually required to contribute at a rate assessed each year by RHBT. The RHBT Board sets the employers' contribution rate based on the annual required contributions of the plan (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. Reported trend information percentage contributions include monies deposited into this restricted account.

Trend Information

Fiscal Year	Annual OPEB Cost	Percentage Contributed
2015	\$25,200	0%
2014	\$12,032	0%
2013	\$11,613	0%

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 8. CONTINGENT LIABILITIES

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liabilities for reimbursement which may arise as the result of these audits are not believed to be material.

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries umbrella (general liability) insurance.

The City provides insurance coverage to employees for job-related injuries through Brickstreet Mutual Insurance Company.

The City offers health insurance to all eligible employees through the West Virginia Public Employee Insurance Agency (PEIA).

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 10. SALES TAX IMPLEMENTED

The City of Williamstown, beginning in fiscal year 2013 implemented a 1.0 percent sales tax on all goods bought within city limits. The tax is collected by the State of West Virginia and distributed back to the City of Williamstown in full less an operations charge.

NOTE 11. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT AND CORRECTION OF AN ERROR

In prior years the Other Post-Employment Benefits (OPEB) liability had been allocated General Fund 72%, Water 17%, and Sewer 11%. The allocation did not follow the actual departments the salary was paid from. The correct allocation should have been General Fund 61%, Water 20%, and Sewer 19%.

For the fiscal year 2015, the City has implemented the following:

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions: an amendment of GASB Statement No. 27" requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

City of Williamstown, West Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 11. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT AND CORRECTION OF AN ERROR (Continued)

The implementation of this statement and correction of an error noted above had the following impact on the 2015 beginning net pension of the City:

	Governmental Activities	Business Activities	Water Fund	Sewer Fund
Net Position, as Previously Stated	\$ 1,174,572	\$ 3,898,325	\$ 672,032	\$ 2,045,349
Deferred Outflow of Resources-Employer Contributions Made Subsequent to the Measurement Date	48,765	39,899	20,349	19,550
Changes in OPEB Allocation	58,619	(58,619)	(14,608)	(44,011)
Net Pension Liability at June 30, 2014	(198,381)	(158,222)	(80,694)	(77,528)
Net Position at June 30, 2014 as restated	<u>\$ 1,083,575</u>	<u>\$ 3,721,383</u>	<u>\$ 597,079</u>	<u>\$ 1,943,360</u>

	General Fund
Net Position, as Previously Stated	\$ 442,769
Add:	
Changes in OPEB Allocation	58,619
Net Position at June 30, 2014 as restated	<u>\$ 501,388</u>

City of Williamstown, West Virginia
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL, STREET, PARK
AND EMPLOYMENT SECURITY FUND
For the Fiscal Year Ended June 30, 2015

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 798,511	\$ 798,511	\$ 851,529	\$ 53,018
Intergovernmental:				-
Federal	-	-	-	-
State	-	3,300	3,300	-
Donations and Contributions	-	-	7,830	7,830
Licenses and permits	12,000	12,000	21,170	9,170
Charges for service	159,333	159,333	180,553	21,220
Rents and concessions	26,000	8,323	8,323	-
Interest Income	150	150	808	658
Gaming Income	16,000	16,000	14,829	(1,171)
Video Lottery	19,000	19,000	18,803	(197)
Fines, fees, and court costs	59,800	63,105	70,507	7,402
Miscellaneous	3,000	3,000	13,553	10,553
Total revenues	<u>1,093,794</u>	<u>1,082,722</u>	<u>1,191,205</u>	108,483
Expenditures:				
General government	203,053	153,724	212,758	(59,034)
Public Safety	586,484	613,810	564,331	49,479
Streets and transportation	342,760	480,545	389,012	91,533
Culture and recreation	111,426	119,158	100,452	18,706
Capital Projects	-	201,449	82,185	119,264
Debt Service:				
Principal	-	-	1,072	(1,072)
Interest	-	-	17,571	(17,571)
Total Expenditures	<u>1,243,723</u>	<u>1,568,686</u>	<u>1,367,381</u>	<u>201,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,929)</u>	<u>(485,964)</u>	<u>(176,176)</u>	<u>309,788</u>
Other Financing Sources				
Debt Proceeds	-	-	82,235	82,235
Total other financing services	<u>-</u>	<u>-</u>	<u>82,235</u>	<u>82,235</u>
Net change in fund balance	(149,929)	(485,964)	(93,941)	392,023
Fund balances at beginning of year (Restated note 11)	<u>149,929</u>	<u>485,964</u>	<u>664,628</u>	<u>178,664</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 570,687</u></u>	<u><u>\$ 570,687</u></u>

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL, STREET, PARK
AND EMPLOYMENT SECURITY FUND**
For the Fiscal Year Ended June 30, 2015

See the accompanying notes to the basic financial statements.

City of Williamstown, West Virginia
**STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
COAL SEVERANCE FUND**
For the Fiscal Year Ended June 30, 2015

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 11,200	\$ 11,200	\$ 9,761	\$ (1,439)
Interest Income	20	20	30	10
Total revenues	<u>11,220</u>	<u>11,220</u>	<u>9,791</u>	<u>(1,429)</u>
Expenditures:				
General Government	7,200	7,200	-	7,200
Public Safety	3,000	3,000	3,000	-
Streets and transportation	-	-	-	-
Health and sanitation	9,300	9,300	2,000	7,300
Culture and recreation	1,500	1,500	1,500	-
Social services	10,220	16,220	16,066	154
Total expenditures	<u>31,220</u>	<u>37,220</u>	<u>22,566</u>	<u>14,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,000)</u>	<u>(26,000)</u>	<u>(12,775)</u>	<u>13,225</u>
Fund balances at beginning of year	<u>20,000</u>	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,225</u>	<u>\$ 13,225</u>

See the accompanying notes to the basic financial statements.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the Year Ended June 30, 2015

Public Employees Retirement System

	<u>2014</u>	<u>2013</u>
Commission's proportion of the net pension liability (asset) (percentage)	0.045663%	0.038569%
Commission's proportionate share of the net pension liability (asset)	\$ 168,526	\$ 351,603
Commission's covered-employee payroll	\$ 611,476	\$ 498,414
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.56%	70.54%
Plan fiduciary net position as a percentage of the total pension liability	93.98%	79.70%

City of Williamstown, West Virginia

SCHEDULE OF CONTRIBUTIONS

For the Year Ended June 30, 2015

Public Employees Retirement System

	2015	2014	2013	2012
Contractually required contribution	\$ 88,822	\$ 88,664	\$ 72,270	\$ 79,643
Contributions in relation to contractually required contribution	<u>(88,822)</u>	<u>(88,664)</u>	<u>(72,270)</u>	<u>(79,643)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 634,443	\$ 611,476	\$ 498,414	\$ 549,262
Contributions as a percentage of covered-employee payroll	14.00%	14.50%	14.50%	14.50%

Information prior to 2012 is not available

OTHER SUPPLEMENTARY INFORMATION

City Of Williamstown, West Virginia
Combining Balance Sheet - Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	<u>Street Fund</u>	<u>Park Fund</u>	<u>Employment Security</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 61,301	\$ 24,179	\$ 12,073	\$ 97,553
Taxes Receivable	-	2,562	-	2,562
Accounts Receivable	6,007	-	-	6,007
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>67,308</u>	<u>26,741</u>	<u>12,073</u>	<u>106,122</u>
FUND BALANCES:				
Committed	<u>67,308</u>	<u>26,741</u>	<u>12,073</u>	<u>106,122</u>
Total Fund Balances	<u>\$ 67,308</u>	<u>\$ 26,741</u>	<u>\$ 12,073</u>	<u>\$ 106,122</u>

City of Williamstown, West Virginia
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor
Governmental Funds**
For the Fiscal Year Ended June 30, 2015

	Street Fund	Park Fund	Employment Security	Total
REVENUES:				
Taxes	\$ -	\$ 28,430	\$ -	\$ 28,430
Charges for services	70,957	-	-	70,957
Donations	-	6,330	-	6,330
Interest	20	5	15	40
Miscellaneous	-	1,267	-	1,267
Total Revenues	<u>70,977</u>	<u>36,032</u>	<u>15</u>	<u>107,024</u>
EXPENDITURES:				
Streets and transportation	141,024	-	-	141,024
Culture and recreation	-	23,118	-	23,118
Total expenditures	<u>141,024</u>	<u>23,118</u>	<u>-</u>	<u>164,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,047)</u>	<u>12,914</u>	<u>15</u>	<u>(57,118)</u>
Fund balances at beginning of year	<u>137,355</u>	<u>13,827</u>	<u>12,058</u>	<u>163,240</u>
Fund balances at end of year	<u>\$ 67,308</u>	<u>\$ 26,741</u>	<u>\$ 12,073</u>	<u>\$ 106,122</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 30, 2016

City of Williamstown
Wood County
100 West Fifth St.
Williamstown, WV 26187

To the Members of Council:

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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Williamstown**, Wood County, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 30, 2016, wherein we noted the Board adopted Governmental Accounting Standard Board (GASB) Statement No. 68, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City'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 City'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the City'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*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 30, 2016.

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 City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2015-001

Controls over Financial Statement Preparation

CONDITION:

We noted during our audit of the City of Williamstown that employees or management did not adequately review the financial statements in order to prevent, detect and correct material misstatements in the financial statements prepared in accordance with generally accepted accounting principles.

CRITERIA:

Paragraph 6 of AU-C 250, *Communicating Internal Control Related Matters Identified in an Audit*, states in part:

"For purposes of generally accepted auditing standards, the following terms have the meanings attributed as follows:

Deficiency in internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Material weakness. A deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant deficiency. 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. "

Furthermore, paragraph .A11 states;

" Indicators of material weaknesses in internal control include

- identification of fraud, whether or not material, on the part of senior management;
- restatement of previously issued financial statements to reflect the correction of a material misstatement due to fraud or error;
- identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity's internal control; and
- ineffective oversight of the entity's financial reporting and internal control by those charged with governance."

City of Williamstown, West Virginia
Schedule of Audit Findings
For the Fiscal Year Ended June 30, 2015

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2015-001 (Continued)

Controls Over Financial Statement Preparation (Continued)

CONTEXT:

We noted the following in relation to the financial statements presented for audit:

1. The City does not maintain a trial balance for its government-wide financial statements. Its accounting system maintains balances on a fund basis and the Clerk performs closing entries at year end, but no formal trial balance is completed;
2. The Street, Parks and Employment Security Funds, which meet the definition of a special revenue fund because the City has committed those funds to a specific purpose, had fund balance displayed as assigned rather than committed;
3. The Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds did not include the new debt proceeds for the year and recorded principal and interest payments on debt as capital outlay;
4. The Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds recorded interest expense on vehicle notes as principal reduction;
5. Errors in GASB 68 calculations were made which caused material adjustments to the City's financial statements;
6. The City changed the allocation percentages when compared to prior years for the Other Post-Employment Benefits liability. The change was made retrospectively and instead of doing a prior period adjustment to restate the Other Post Employment Benefit Liability adjustment was made to current year expenditures for prior year amounts;
7. Amounts presented in the Entity Wide Statements of Net Position for short and long term debt did not match the amounts confirmed with debtor agencies, was not properly allocated between current and long term and did not match the amounts presented in the notes to the financial statements.
8. The Statement of Cash Flows was not presented in proper format and the amounts included on the statement were from the City's WV Public Service Commission Reports and not the financial statements presented for audit;
9. There were required notes to the financial statements which were not included;
10. Per GASB 34 the basic financial statements should be preceded by Management's Discussion and Analysis (MD&A), which is required supplementary information (RSI). MD&A should provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The financial managers of governments are knowledgeable about the transactions, events, and conditions that are reflected in the government's financial report and of the fiscal policies that govern its operations. MD&A provides financial managers with the opportunity to present both a short- and a long-term analysis of the government's activities. The City does not include MD&A in the financial statements.

CAUSE:

Inadequate policies and procedures related to controls necessary to minimize the risk of a material misstatement of financial statements prepared in accordance with generally accepted accounting principles. In addition, the financial statements have not been prepared on a timely basis, which is necessary to give management enough time to thoroughly review the statements prior to audit.

EFFECT:

A significant potential exists for misstatements to occur in the financial statements without being detected by employees or management in a timely manner. Material audit adjustments were necessary to properly reflect the activity of City. All adjustments have been recorded and reflected in the financial statements.

City of Williamstown, West Virginia
Schedule of Audit Findings
For the Fiscal Year Ended June 30, 2015

FINDING NUMBER 2015-001 (Continued)

Controls over Financial Statement Preparation (Continued)

RECOMMENDATION:

The City of Williamstown should develop policies and procedures to ensure financial information is accurately reflected in the accounting system (including correcting misstatements as they are noted). All financial statements, whether prepared by the City or an outside firm, should be thoroughly reviewed to ensure completeness, accuracy and consistency of information.

AUDITED AGENCY'S RESPONSE:

We have not received a response from Officials to this finding.

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	Controls Over Financial Statement Preparation	No	Reissued as Finding 2015-001