



Financial Audit Presentation Year Ended June 30, 2017



2017 FINANCIAL AUDIT Town of Williamston, SC

OPINION

- The Town's responsibility:
 - Maintain effective internal controls
 - There are limitations on internal controls.
 - Regular risk assessment is important, including assessing the risk of fraud.



2017 FINANCIAL AUDIT
Town of Williamston, SC

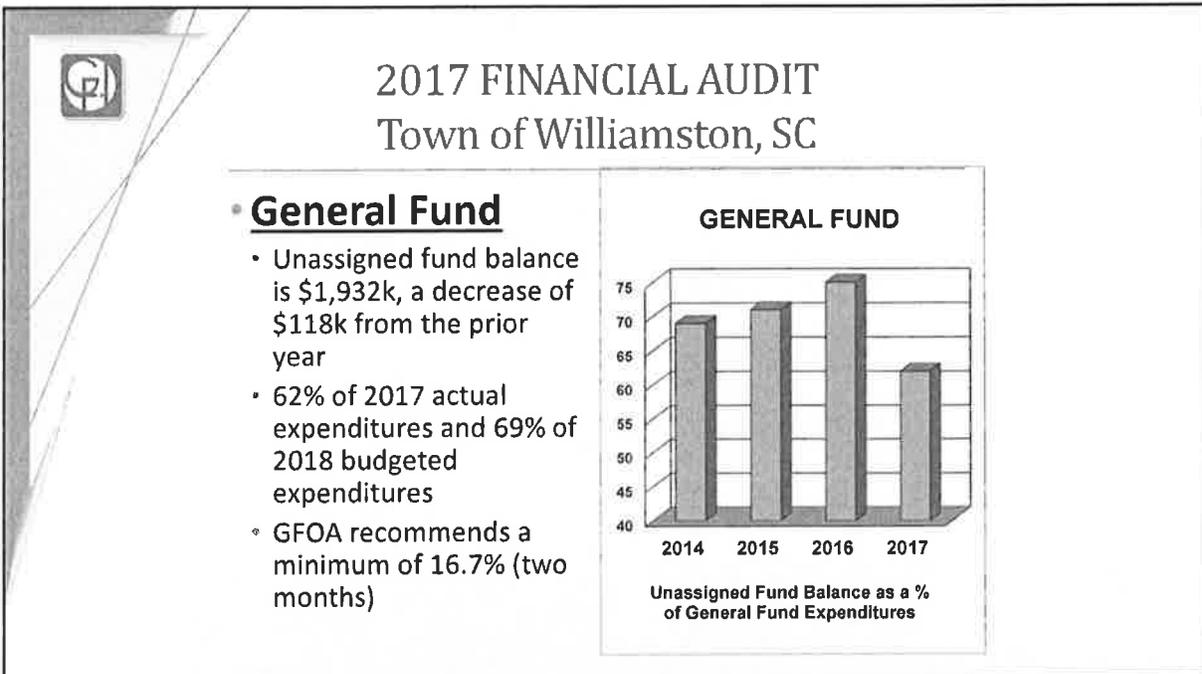
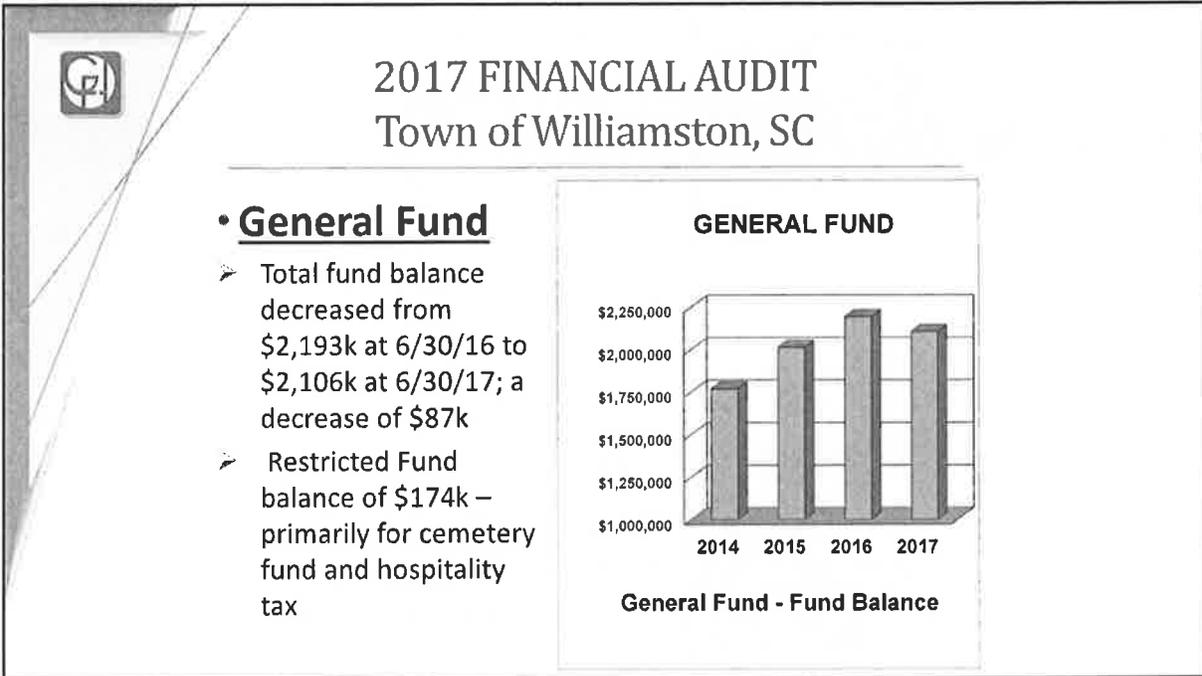
OPINION

- The Town's responsibility:
 - Financial Statements
 - Accuracy, completeness, and propriety of balances, amounts, and disclosures



2017 FINANCIAL AUDIT
Town of Williamston, SC

- GF&H responsibility:
 - Opinion – reasonable assurance that financial statements are materially correct
 - Does not address the financial condition of the Organization
 - Purpose of the audit is not to detect fraud. We cannot take responsibility for finding fraud, if it existed.
 - Issued unmodified opinion





2017 FINANCIAL AUDIT Town of Williamston, SC

• Major Reasons To Maintain An Adequate Fund Balance:

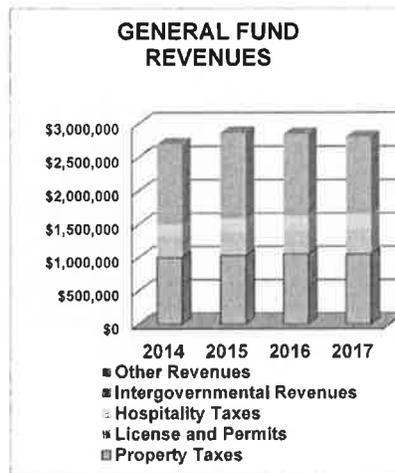
- Cash flow through second half of calendar year; property taxes, business licenses and franchise fees are cyclical
- Planned future capital expenditures and significant repairs and maintenance
- Significant emergencies and unanticipated expenditures
- Flexibility for discretionary funding needs
- Potential for better interest rates on debt issues (can save the Town money).
- To cover potential shortfalls from the state (a) due to budget cuts or (b) as a result of the change in legislation
- Extremely important given the uncertain economic times



2017 FINANCIAL AUDIT Town of Williamston, SC

General Fund Revenues:

- \$2,809k for 2017:
 - \$1,051k from property taxes
 - \$354k in franchise fees
 - \$375k in licenses and permits
 - \$236k in hospitality taxes
 - \$194k in sanitation fees
 - \$166k for resource officers
- \$44k (1.5%) decrease from 2016
 - Decrease in grants of \$164k
 - Increase in other charges for services of \$61k
 - Increase in other revenue of \$48k
- \$187k (7.1%) over budget
 - Hospitality taxes \$51k over budget
 - Licenses and permits \$50k over budget
 - Other charges for services \$48k over budget
 - Grant revenue \$29k (unbudgeted)





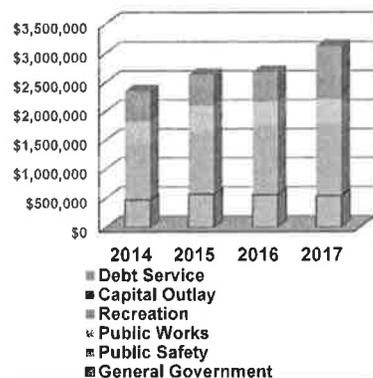
2017 FINANCIAL AUDIT

Town of Williamston, SC

General Fund Expenditures:

- \$3,123k for 2017:
 - \$1,241k in public safety
 - \$541k in general government
 - \$427k in public works
 - \$382k in recreation
 - \$504k in capital outlay
- \$445k increase from 2016
 - Recreation increased \$19k
 - Public safety increased \$43k
 - Public works increased \$20k
 - Capital outlay increased \$385k
 - General government decreased \$22k
- \$499k (19%) over budget
 - Capital outlay \$441k over budget

GENERAL FUND EXPENDITURES



Year	Debt Service	Capital Outlay	Recreation	Public Works	Public Safety	General Government
2014	~\$500k	~\$100k	~\$100k	~\$100k	~\$100k	~\$100k
2015	~\$500k	~\$100k	~\$100k	~\$100k	~\$100k	~\$100k
2016	~\$500k	~\$100k	~\$100k	~\$100k	~\$100k	~\$100k
2017	~\$500k	~\$100k	~\$100k	~\$100k	~\$100k	~\$100k



2017 FINANCIAL AUDIT

Town of Williamston, SC

Water Enterprise Fund

- **Revenues of \$1,026k for 2017, an increase of \$11k compared to 2016 revenues of \$1,015k**
 - Recurring water charges of \$979k were up \$6k (0.6%)
 - Other revenues increased \$6k to \$47k
- **Expenses of \$1,036k for 2017, compared to \$981k for 2016**
 - Increased pension costs (\$34k)
- **Change in Net Position of (\$10k) in 2017, compared to an increase of \$34k in 2016**
- **Net Position of \$2,745k at 6/30/17, compared to \$2,755k at 6/30/16**
 - Total of \$1,286k in Net Investment in Capital Assets
 - Total of \$1,459k in Unrestricted Net Position
- **Need a large net position for future infrastructure repairs and replacement (anticipate spending \$1MM over the next three years)**



2017 FINANCIAL AUDIT Town of Williamston, SC

Sewer Enterprise Fund

- **Operating revenues of \$1,057k for 2017, a decrease of \$49k compared to 2016 revenues of \$1,106k**
 - Recurring sewer charges of \$929k were down \$28k (2.9%)
- **Operating expenses of \$924k for 2017, compared to \$834k for 2016**
- **Operating income of \$133k for 2017, compared to \$271k in PY**
- **Non-operating income of \$331k for 2017; 2016 non-operating loss of \$105k**
 - Increase of \$436K due mainly to grant revenue received in the current year (\$433k)
- **Change in Net Position of \$464k for 2017, compared to \$166k in PY**
- **Net Position of \$7,100k at 6/30/17, compared to \$6,636k at 6/30/16**
 - Total of \$6,270k in Net Investment in Capital Assets
 - Total of \$353k in Restricted Net Position (primarily debt service)
 - Total of \$478k in Unrestricted Net Position
- **Need large net position for infrastructure repairs & replacement**
- **Consent Order executed in July 2016 – additional operating costs**



2017 FINANCIAL AUDIT Town of Williamston, SC

Town-Wide (GASB #34)

- Assets - \$20,055k
 - \$12,920k is capital assets
 - \$6,586k is cash and investments
 - \$549k in other assets
- Deferred Outflows of Resources - \$669k
- Liabilities - \$8,717k
 - \$5,227k is long-term obligations
 - \$2,967k is net pension liability
 - Accounts payable and other accrued liabilities of \$523k
- Deferred Inflows of Resources - \$1.9k

Town-Wide (GASB #34)

- Net Position - \$12,005k
 - \$9,219k Net investment in capital assets
 - \$526k Restricted
 - \$2,260k Unrestricted
- Revenues - \$5,343k
- Expenses - \$5,040k
 - - \$619k is non-cash depreciation



2017 FINANCIAL AUDIT Town of Williamston, SC

Long-Term Debt:

- The Town's total outstanding long-term debt at 6/30/17 was \$5,164k – increase of \$1,640k from 6/30/16:
 - 2010A & 2010B Revenue Bonds (Sewer) - \$3,414k, matures in 2051, with annual debt service of \$162k
 - 2017 Water Meter Lease (Water) - \$1,500k, matures in 2027, with annual debt service of \$171k
 - 2017 Fire Truck Lease - \$224k, matures in 2025, with annual debt service of \$31k
- Total debt service payments for FY 2018 is expected to be \$388k



2017 FINANCIAL AUDIT Town of Williamston, SC

Internal Control

- Collateralization of Deposits
 - uncollateralized amount of less than \$1k

Management Letter

- Required communications to management and those charged with governance



2017 FINANCIAL AUDIT Town of Williamston, SC

Summary

- Unmodified opinion on the Financial Statements from GF&H
- General Fund and Water Fund are in very good financial condition as of June 30, 2017; Sewer Fund is in adequate financial condition
- The Town should begin developing long-range plans, such as a five-year plan for capital expenditures and related funding