

Audited Financial Statements
With Other Financial Information

West Virginia Municipal Pensions Oversight Board

Years Ended June 30, 2015 and 2014

Audited Financial Statements
With Other Financial Information

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

Years Ended June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
West Virginia Municipal Pensions Oversight Board
Charleston, West Virginia

We have audited the accompanying financial statements of the West Virginia Municipal Pensions Oversight Board (the Board), a component unit of the State of West Virginia, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 and the schedule of the proportionate share of the net pension liability and the schedule of contributions to the PERS on pages 20 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

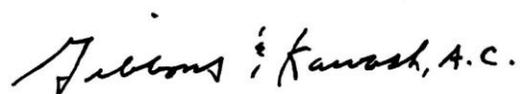
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Board's basic financial statements. The accompanying schedules as listed in the table of contents on pages 23 through 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying information on pages 23 through 27 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion 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 Board's internal control over financial reporting and compliance.



Charleston, West Virginia
November 6, 2015

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS-(Unaudited)

Our discussion and analysis of the Municipal Pensions Oversight Board's (the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Board's financial statements, which begin on page 6.

Financial Highlights

- The Insurance Premium Tax increased by \$590,260 or about 3% during fiscal year 2015.
- Distributions to municipal pension plans through June 30, 2015 from the September 2014 allocations remained at 86% as compared to last year.
- The Board's net position increased during fiscal year 2015 in the amount of \$752,671.
- Implemented Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions*.

Using This Report

This report consists of a series of financial statements. The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Fund Net Position display and report the Board's net position and changes in their position. The Board's net position, which is the difference between assets and liabilities, is normally how one would measure the Board's financial health or financial position.

The Board as a Whole

The Municipal Pensions Oversight Board is accounted for as a proprietary fund engaged in business-type activities. The Board is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a discretely presented component unit.

During the third month of each quarter the Board receives from the West Virginia Insurance Commission a portion of the Casualty & Fire insurance premiums to distribute, net of operating expenses, to the municipal police and fire pension plans. In order to receive the premium distribution there must be an actuarial study of the pension plan, the employer must make the required contributions and an annual report must be provided to the Board.

Duties of the Board include assisting municipal pension funds' boards of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing tax revenues to the funds, initiating or joining legal actions on behalf of active or retired pension fund members or municipal pension funds' boards of trustees to protect the interests of the members in the funds, and taking other actions as may be reasonably necessary to provide for the security and fiscal integrity of the pension funds.

Our analysis below focuses on the Board's net position as of June 30, 2015 and 2014 (Table 1) and changes in the Board's net position for the years then ended (Table 2).

**Table 1
Net Position**

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 28,204,958	\$ 27,426,882
Capital assets, net	<u>13,446</u>	<u>20,029</u>
	<u>\$ 28,218,404</u>	<u>\$ 27,446,911</u>
<u>Deferred outflows of resources related to pensions</u>	<u>\$ 30,342</u>	<u>\$ -</u>

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS-(Unaudited)

<u>LIABILITIES</u>	<u>2015</u>	<u>2014</u>
Current liabilities	\$ 62,265	\$ 128,469
Non-current liabilities:		
Net pension liability	<u>56,062</u>	<u>-</u>
Total liabilities	<u>\$ 118,327</u>	<u>\$ 128,469</u>
<u>Deferred inflows of resources related to pension</u>	<u>\$ 59,306</u>	<u>\$ -</u>
<u>NET POSITION</u>		
Net investment in capital assets	\$ 13,446	\$ 20,029
Restricted by enabling legislation	<u>28,057,667</u>	<u>27,298,413</u>
Total net position	<u>\$ 28,071,113</u>	<u>\$ 27,318,442</u>

**Table 2
Changes in Net Position**

Operating revenues:		
Insurance premium tax	\$ 17,775,787	\$ 17,185,527
Operating expenses:		
Distributions to municipal pension plans	16,243,374	18,064,122
Administrative expense	<u>704,917</u>	<u>526,887</u>
	<u>16,948,291</u>	<u>18,591,009</u>
Operating income (loss)	827,496	(1,405,482)
Non-operating revenues:		
Interest and other income	<u>32,522</u>	<u>32,943</u>
Change in net position	860,018	(1,372,539)
Net position, beginning of period	27,318,442	28,690,981
Cumulative effect of adoption of accounting principle	<u>(107,347)</u>	<u>-</u>
Net pension, beginning of year, as restated	<u>27,211,095</u>	<u>28,690,981</u>
Net position, end of period	<u>\$ 28,071,113</u>	<u>\$ 27,318,442</u>

Changes in Net Position

As is noted in Table 2 the Board had an increase in net position in the amount of \$752,671, after adjusting the beginning net position to reflect the cumulative effect of the adoption of GASB 68. Several other factors contributed to both a negative and positive effect on net position. First, the Board experienced an increase in the insurance premium tax revenue in the amount of \$590,260 for fiscal year 2015. While the Board has no control over the premium tax revenue as it is subject to economic and market conditions, an increase in revenue to the Board directly benefits the local police and fire pension plans. Second, operating expenses

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS-(Unaudited)

decreased in the amount of \$1,642,718 for fiscal year 2015. Ideally, the Board would prefer to distribute the current fiscal year allocations to all pension plans by June 30, however, it is the responsibility of the municipalities of the plans to make the required contributions and request the allocations from the Board. Despite the decrease in distributions to municipal pension plans, the Board distributed 86% of the September 2014 allocation to the plans as of June 30, 2015, which was the same as the distributions for the September 2013 allocation last year. Moreover, part of the increased distributions to pension plans for fiscal year 2014 was because 26% of the September 2012 allocation was not drawn down until after June 30, 2013. Distributions to pension plans decreased for fiscal year 2015, while administrative expenses increased. This was due to the Board expanding the existing actuarial contract to allow special reports to be prepared to bring the municipal police and fire pension plans and their respective municipalities into compliance with GASB 67, *Financial Reporting for Pension Plans*, and GASB 68. Other factors which contributed to the increase were the timing of actuarial payments along with an increase in disability exams. Finally, as was noted earlier, because of the implementation of GASB 68, a July 1, 2014 adjustment in the amount of (\$107,347) was made to net position. This entry reflects the cumulative effect of the net pension liability for the Municipal Pensions Oversight Board to implement GASB 68.

Currently Known Facts and Conditions

The Board's financial position remains stable and does not foresee or plan to engage in any activities that will have a negative impact on its financial stability.

Requests for Information

This financial report is designed to provide a general overview of the Board's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Blair Taylor, Executive Director, Municipal Pensions Oversight Board, and 1700 MacCorkle Avenue, SE, Charleston, WV 25314.

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

STATEMENTS OF NET POSITION

June 30, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 28,204,958	\$ 27,426,882
Capital assets, net	<u>13,446</u>	<u>20,029</u>
Total assets	<u>\$ 28,218,404</u>	<u>\$ 27,446,911</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows of resources related to pensions	<u>\$ 30,342</u>	<u>\$ -</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 35,245	\$ 104,206
Accrued payroll liabilities	<u>27,020</u>	<u>24,263</u>
Total current liabilities	62,265	128,469
Noncurrent Liabilities:		
Net pension liability	<u>56,062</u>	<u>-</u>
Total liabilities	<u>\$ 118,327</u>	<u>\$ 128,469</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows of resources related to pensions	<u>\$ 59,306</u>	<u>\$ -</u>
 <u>NET POSITION</u>		
Net position:		
Net investment in capital assets	\$ 13,446	\$ 20,029
Restricted by enabling legislation	<u>28,057,667</u>	<u>27,298,413</u>
Total net position	<u>\$ 28,071,113</u>	<u>\$ 27,318,442</u>

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

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Insurance premium tax	\$ 17,775,787	\$ 17,185,527
Operating expenses:		
Distributions to municipal pension plans	16,243,374	18,064,122
Administrative:		
Salaries and wages	207,833	204,968
Employee benefits	36,939	57,563
Professional fees	378,859	195,514
Depreciation	9,709	8,524
Miscellaneous	71,577	60,318
	<u>16,948,291</u>	<u>18,591,009</u>
Operating income (loss)	<u>827,496</u>	<u>(1,405,482)</u>
Non-operating revenues:		
Interest and other income	<u>32,522</u>	<u>32,943</u>
Change in net position	860,018	(1,372,539)
Net position, beginning of year	27,318,442	28,690,981
Cumulative effect of adoption of accounting principle	<u>(107,347)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>27,211,095</u>	<u>28,690,981</u>
Net position, end of year	<u>\$ 28,071,113</u>	<u>\$ 27,318,442</u>

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

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from insurance premium taxes	\$ 17,775,787	\$ 17,185,527
Cash paid to municipal pension plans	(16,347,207)	(17,960,289)
Cash paid to employees	(264,336)	(259,847)
Cash paid to suppliers	<u>(415,564)</u>	<u>(325,331)</u>
Net cash provided by (used in) operating activities	<u>748,680</u>	<u>(1,359,940)</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	<u>(3,126)</u>	<u>(3,438)</u>
Cash flows from investing activities:		
Investment earnings	<u>32,522</u>	<u>32,943</u>
Net increase (decrease) in cash and cash equivalents	778,076	(1,330,435)
Cash and cash equivalents, beginning of year	<u>27,426,882</u>	<u>28,757,317</u>
Cash and cash equivalents, end of year	<u>\$ 28,204,958</u>	<u>\$ 27,426,882</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating income (loss)	\$ 827,496	\$ (1,405,482)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
Depreciation	9,709	8,524
Pension expense	6,768	-
Changes in operating accounts:		
Increase (decrease) in accounts payable	(68,961)	34,334
Increase (decrease) in accrued payroll liabilities	2,757	2,684
Increase in deferred outflows of resources - pension contributions	<u>(29,089)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 748,680</u>	<u>\$ (1,359,940)</u>

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

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS

1 - REPORTING ENTITY

The West Virginia Legislature passed Senate Bill 4007 on November 19, 2009, creating the West Virginia Municipal Pensions Oversight Board (the Board). The Board was created for the purpose of monitoring and improving the performance of municipal policemen's and firemen's pension and relief funds to assure prudent administration, investment and management of their funds. Duties of the oversight board include assisting municipal boards of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing tax revenues to the funds, initiating or joining legal actions on behalf of active or retired pension fund members or municipal boards of trustees to protect the interests of the members in the funds, and taking other actions as may be reasonably necessary to provide for the security and fiscal integrity of the pension funds. The oversight board also monitors the performance required of the various funds to qualify to receive distributions of insurance premium tax revenues pursuant to the West Virginia Code. The Board is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a discretely presented component unit.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of Presentation

The Board is accounted for as a proprietary fund engaged in business-type activities. In accordance with accounting principles generally accepted in the United States of America for governmental entities, the financial statements are prepared on the economic resources measurement focus and the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits with the West Virginia State Treasurer's Office (STO) and short-term interest-earning investments in a State internal investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7-like pool carried at amortized cost which approximates the fair value of the underlying securities.

Capital Assets

The Board has adopted a policy of capitalizing assets for individual items exceeding \$1,000 in historical cost value and a useful life greater than one year. These assets include leasehold improvements and furnishings and equipment. Depreciation is computed using the straight-line method over the estimated economic useful lives of the assets, which are as follows:

Leasehold improvements	5 years
Furnishings & equipment	5 years

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Accrued Employee Benefits

In accordance with State policy, the Board permits employees to accumulate earned but unused vacation and sick pay benefits. A liability for vacation pay is accrued when earned. To the extent that accumulated sick leave is expected to be converted to benefits on retirement, the benefits are funded by the Board's participation in the West Virginia Retiree Health Benefit Trust.

Deferred Outflows of Resources / Deferred Inflows of Resources

The statement of net position reports a separate financial statement element called *deferred outflows of resources*. This financial statement element represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense) until that time. The Board reports deferred outflows of resources related to pensions as deferred outflows of resources on the statement of net position.

The statement of net position reports a separate financial statement element called *deferred inflows of resources*. This financial statement element represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The Board reports deferred inflows of resources related to pensions as deferred inflows of resources on the statement of net position.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by 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.

Net Position

Net position is presented as restricted by enabling legislation, or as the net investment in capital assets, which represents the net book value of all capital assets of the Board. Net position restricted by enabling legislation is required to first be used for the administrative expenses of the Board, with all remaining net position available for disbursement to the municipal policemen's and firemen's pension and relief funds. All expenses are incurred for restricted purposes.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds such as the Board are revenues and expenses that result from providing services and producing goods and/or services. Operating revenues include premium tax revenues. Operating expenses of the Board include administrative expenses and pension distributions. All revenues not meeting this definition are reported as nonoperating revenues.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**3 - CUMULATIVE EFFECT OF ADOPTION OF ACCOUNTING PRINCIPLE**

Effective July 1, 2014, the Board adopted the provisions of Governmental Accounting Standards Board (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 Board determined that it was not practical to restate all periods presented and has recorded the cumulative effect of the decrease to beginning net position of implementing this change of \$107,347 as of July 1, 2014, which is the net pension liability of \$136,842 less deferred outflows of resources related to pension plan contributions of \$29,495 as of that date. The Board further determined that it was not practical to determine the amounts of all deferred inflows of resources and deferred outflows of resources related to pensions as of July 1, 2014 and these amounts are not reported.

4 - CASH AND CASH EQUIVALENTS

At June 30, 2015 and 2014, the carrying amounts of deposits with the STO and the BTI are as follows:

	<u>2015</u>	<u>2014</u>
Cash on hand at STO	\$ 13,481	\$ 28,268
Investments with BTI reported as cash equivalents	<u>28,191,477</u>	<u>27,398,614</u>
	<u>\$ 28,204,958</u>	<u>\$ 27,426,882</u>

The State Treasurer has statutory responsibility for the daily cash management activities of the State's agencies, departments, boards and commissions and transfers funds to the BTI for investment in accordance with West Virginia statutes, policies set by the BTI and by provisions of bond indentures and trust agreements when applicable.

The Board's cash balances are invested by the BTI in the BTI's West Virginia Money Market Pool. Investment income is pro-rated to the Board at rates specified by the BTI based on the balance of the deposits maintained by the Board in relation to the total deposits of all participants in the pool. Such funds are available to the Board with overnight notice.

Credit risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WV Money Market has been rated AAAM by Standard & Poor's. A fund rated "AAAM" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAM" is the highest principal stability fund rating assigned by Standard & Poor's. The BTI itself has not been rated for credit risk by any organization.

The BTI limits the exposure to credit risk in the West Virginia Money Market Pool by requiring all corporate bonds to be rated AA- by Standard & Poor's (or its equivalent) or higher. Commercial paper must be rated A-1 by Standard & Poor's and P1 by Moody's. Additionally, the pool must have at least 15% of its assets in United States Treasury issues.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**4 - CASH AND CASH EQUIVALENTS (Continued)**

The following table provides information on the credit ratings of the West Virginia Money Market Pool's investments (in thousands):

Security Type	Credit Rating		Carrying Value	Percent of Assets
	Moody's	S&P		
Commercial paper	P-1	A-1+	\$ 186,737	9.88%
	P-1	A-1	660,027	34.91
Corporate bonds and notes	Aa3	A+	10,005	0.53
	Aa3	AA-	10,000	0.53
	Aa3	NR	10,000	0.53
U.S. agency bonds	Aaa	AA+	81,994	4.34
U.S. Treasury notes*	Aaa	AA+	229,760	12.15
U.S. Treasury bills *	P-1	A-1+	92,059	4.87
Negotiable certificates of deposit	Aa2	AA-	10,000	0.53
	P-1	A-1+	51,000	2.70
	P-1	A-1	142,000	7.51
U.S. agency discount notes	P-1	A-1+	304,342	16.10
Money market funds	Aaa	AAA m	90,017	4.76
Repurchase agreements (underlying securities):				
U.S. Treasury notes*	Aaa	AA+	1,323	0.07
U.S. agency notes	Aaa	AA+	11,200	0.59
			<u>\$ 1,890,464</u>	<u>100.00%</u>

NR = Not Rated

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The weighted average maturity of the investments of the West Virginia Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides the weighted average maturities for the various asset types in the West Virginia Money Market Pool.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**4 - CASH AND CASH EQUIVALENTS (Continued)**

<u>Security Type</u>	<u>Carrying Value (In Thousands)</u>	<u>Weighted Average Maturity In Days</u>
Repurchase agreements	\$ 12,523	1
US Treasury notes	229,760	75
US Treasury bills	92,059	123
Commercial paper	846,764	30
Certificates of deposit	203,005	51
U.S. Agency discount notes	304,342	60
Corporate bonds and notes	30,000	75
U.S. agency bonds	81,994	58
Money market funds	<u>90,017</u>	1
Total assets	<u>\$ 1,890,464</u>	

The weighted average maturity of the investments of the West Virginia Money Market Pool as of June 30, 2015, is 47 days.

Concentration of credit risk - West Virginia statutes prohibit the West Virginia Money Market Pool from investing more than 5% of its assets in securities issued by one corporate name or corporate issue. At June 30, 2015, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk - The risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2015, the West Virginia Money Market Pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102%, and the collateral is held in the name of the BTI.

Foreign currency risk - The West Virginia Money Market Pool has no securities that are subject to foreign currency risk, which is the risk that volatility in exchange rates will adversely affect the value of an asset.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**5 - CAPITAL ASSETS**

A summary of capital asset activity is as follows:

	Historical cost at June 30, 2013	Additions	Historical cost at June 30, 2014	Additions	Historical cost at June 30, 2015
Leasehold improvements	\$ 16,405	\$ 2,188	\$ 18,593	\$ -	\$ 18,593
Furnishings and equipment	18,598	1,250	19,848	3,126	22,974
	<u>\$ 35,003</u>	<u>\$ 3,438</u>	<u>\$ 38,441</u>	<u>\$ 3,126</u>	<u>\$ 41,567</u>
	Accumulated Depreciation June 30, 2013	Additions	Accumulated Depreciation June 30, 2014	Additions	Accumulated Depreciation June 30, 2015
Leasehold improvements	\$ 6,292	\$ 4,157	\$ 10,449	\$ 4,832	\$ 15,281
Furnishings and equipment	3,596	4,367	7,963	4,877	12,840
	<u>\$ 9,888</u>	<u>\$ 8,524</u>	<u>\$ 18,412</u>	<u>\$ 9,709</u>	<u>\$ 28,121</u>
Total	<u>\$ 25,115</u>	<u>\$ (5,086)</u>	<u>\$ 20,029</u>	<u>\$ (6,583)</u>	<u>\$ 13,446</u>

6 - EMPLOYEE BENEFITSPension Plan*Plan Description*

The Board contributes to the PERS, a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board (CPRB). PERS covers substantially all employees of the State and its component units, as well as employees of participating non-state governmental entities who are not participants of another state or municipal system. Benefits under PERS include retirement, death and disability benefits, and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at www.wvretirement.com.

Benefits Provided

PERS provides retirement benefits as well as death and disability benefits. Qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. Average salary is the average of the highest annual compensation during any period of three consecutive years within the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**6 - EMPLOYEE BENEFITS (Continued)***Contributions*

Although contributions are not actuarially determined, actuarial valuations are performed to assist the Legislature in establishing appropriate contribution rates. Current funding policy requires contributions, consisting of member contributions of 4.5% of covered payroll and employer contributions of 14.0%, 14.5%, and 14.0% for the years ended June 30, 2015, 2014, and 2013, respectively.

During the years ended June 30, 2015, 2014, and 2013, the Board's contributions to PERS required and made were approximately \$29,089, \$29,495, and \$28,127, respectively.

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

At June 30, 2015, the Board reported a liability of \$56,062 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to the measurement date of June 30, 2014. The Board's proportion of the net pension liability was based on the Board's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2014. At June 30, 2014, the Board's proportion was 0.015190 percent, which was an increase of 0.000179 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Board recognized pension expense of \$6,678. At June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 59,306
Changes in proportion and differences between Board's contributions and proportionate share of contributions	1,253	-
Board's contributions made subsequent to the measurement date of June 30, 2014	<u>29,089</u>	<u>-</u>
Total	<u>\$ 30,342</u>	<u>\$ 59,306</u>

The Board reported \$29,089 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date, which 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:

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**6 - EMPLOYEE BENEFITS (Continued)**Year ended June 30,

2016	\$	(14,443)
2017		(14,443)
2018		(14,443)
2019		(14,724)

Actuarial Assumptions

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

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

Mortality rates were based on the 1983 GAM for healthy males, 1971 GAM for healthy females, 1971 GAM for disabled males, and Revenue Ruling 96-7 for disabled females.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 through June 30, 2009.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	15.0%	2.9 - 4.8%
Domestic equity	27.5%	7.6%
International equity	27.5%	8.5%
Real estate	10.0%	6.8%
Private equity	10.0%	9.9%
Hedge funds	10.0%	5.0%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will continue to be made at statutorily required rates, which are determined annually based on actuarial valuations. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**6 - EMPLOYEE BENEFITS (Continued)***Discount Rate (Continued)*

of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Although discount rates are subject to change between measurement dates, there were no changes in the discount rate in the current period.

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
WVMPOB's proportionate share of the net pension liability (asset)	\$ 158,409	\$ 56,062	\$ (31,149)

7 - OTHER POSTEMPLOYMENT BENEFITSPlan Description

The Board participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th St., S.E., Suite 2, Charleston, West Virginia, 25304, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The Board's contributions to the trust fund for the years ended June 30, 2015 and 2014 and 2013 were \$1,968, \$2,112, and \$2,136, respectively, and the billed ARC's were \$4,668, 3,240, and \$3,084. The contributions represent 57.8%, 65.2%, and 69.3% of the ARC for the years and period ended June 30, 2015, 2014, and 2013, respectively. As of June 30, 2015, 2014, and 2013, the Board has recorded a liability of \$7,158, \$4,458, and \$3,330, respectively for post employment benefits other than pensions.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**8 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters.

The Board has obtained coverage for job-related injuries of employees (workers compensation) and health coverage for its employees through a commercial insurer and WVPEIA. In exchange for the payment of premiums, the Board has transferred its risks related to health coverage for employees and job-related injuries of employees.

The Board participates in the West Virginia Board of Risk and Insurance Management to obtain coverage for general liability, personal injury liability, professional liability, stop gap liability, wrongful act liability, and comprehensive auto liability. There have been no reductions in insurance coverage from the prior year and no settlements in the past three years.

9 - TRANSACTIONS WITH THE STATE OF WEST VIRGINIA

Pursuant to West Virginia Code, the West Virginia Insurance Commission (the Commission) collects a 1% premium tax on fire and casualty insurance policies. The Commission distributes 65% of the premium tax receipts to the Board. The distributions from the Commission are reported as insurance premium tax revenues on the Board's Statements of Revenues, Expenses, and Changes in Fund Net Position.

10 - COMMITMENTS

The Board is required by its enabling legislation to allocate certain tax and other revenues, net of administrative expenses, to the municipal policemen's and firemen's pension and relief funds (the Funds) by September 1st of each year. The amount to be allocated to the Funds is calculated based upon the Board's prior calendar year insurance premium tax revenues, interest, and other income, less its administrative expenses for the same period. The amounts allocated to each Fund are paid after the allocation date as eligibility requirements to receive the payments are met by each of the Funds. Amounts allocated expire in 18 months if eligibility requirements are not met and the allocated amounts are not paid. Any expired allocation is re-allocated to all other eligible Funds at the next allocation date. The amount committed for payment to the Funds that remain on hand from the September 1, 2014 allocation, but have not been disbursed as of June 30, 2015 is \$2,253,375.

The amount available to the Board for allocation to the pension plans in September 2015 is \$16,903,317.

11 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Management has not determined the effect, if any, this statement will have on its financial statements.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTES TO FINANCIAL STATEMENTS
(Continued)**11 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

The GASB has issued three statements relating to accounting and financial reporting for pension and postemployment benefit plans: Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of Statements No. 73 and 74 are effective for financial statements for periods beginning after June 15, 2016, and the provisions of Statement No. 75 are effective for periods beginning after June 15, 2017. Management has not determined the effect, if any, this statement will have on its financial statements.

The GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which identifies the hierarchy of generally accepted accounting principles used to prepare financial statements of state and local governments. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Management has not determined the effect, if any, this statement will have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD
 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Public Employees Retirement System Plan

	<u>Year Ended June 30</u> <u>2015</u>
Board's proportion (percentage) of the net pension liability	0.015190%
Board's proportionate share of the net pension liability	\$ 56,062
Board's covered employee payroll	\$ 203,412
Board's proportionate share of the net pension liability as a percentage of its covered employee payroll	27.56%
Plan fiduciary net position as a percentage of the total pension liability	93.98%

Note: All amounts presented are as of the measurement date,
 which is one year prior to the fiscal year end date.

THE WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD
SCHEDULE OF CONTRIBUTIONS TO THE PERS

	Years Ended June 30		
	2015	2014	2013
Statutorily required contribution	\$ 29,089	\$ 29,495	\$ 28,127
Contributions in relation to the statutorily required contribution	<u>29,089</u>	<u>29,495</u>	<u>28,127</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 The Board's covered employee payroll	 \$ 207,776	 \$ 203,412	 \$ 200,906
Contributions as a percentage of covered- employee payroll	14.00%	14.50%	14.00%

See Independent Auditor's Report and the Note to Required Supplementary Information.

WEST VIRGINIA MUNICIPAL PENSION OVERSIGHT BOARD

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

1 - TREND INFORMATION PRESENTED

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

OTHER FINANCIAL INFORMATION

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

SCHEDULE OF STATUTORY COMMITMENTS

June 30, 2015

<u>Department</u>	<u>September 1, 2014 Allocation</u>	<u>Distributed</u>	<u>Balance of Allocation as of June 30, 2015</u>
<u>Full-Time Police Departments</u>			
Beckley	\$ 450,841	\$ 450,841	\$ -
Belle	31,825	31,825	-
Bluefield	206,773	206,773	-
Charleston	1,580,088	1,580,088	-
Charles Town	12,362	12,362	-
Chester	43,847	-	43,847
Clarksburg	400,623	400,623	-
Dunbar	108,758	108,758	-
Elkins	91,260	-	91,260
Fairmont	326,196	326,196	-
Grafton	52,129	-	52,129
Huntington	1,034,332	601,567	432,765
Logan	51,795	-	51,795
Martinsburg	420,921	420,921	-
Morgantown	578,714	578,714	-
Moundsville	145,165	145,165	-
Nitro	139,517	139,517	-
Oak Hill	103,905	-	103,905
Parkersburg	597,021	597,021	-
Princeton	180,537	-	180,537
Point Pleasant	79,007	-	79,007
Saint Albans	195,694	195,694	-
South Charleston	360,124	300,128	59,996
Star City	46,175	46,175	-
Vienna	152,150	152,150	-
Weirton	339,332	339,332	-
Welch	49,228	-	49,228
Weston	55,183	-	55,183
Westover	69,532	-	69,532
Wheeling	789,613	789,613	-
Williamson	44,316	40,620	3,696
<u>Full-Time Fire Departments</u>			
Beckley	\$ 394,051	\$ 394,051	-
Bluefield	204,901	204,901	-
Charleston	1,586,890	1,586,890	-
Clarksburg	421,288	421,288	-
Fairmont	416,791	416,791	-
Huntington	1,101,445	641,702	459,743
Martinsburg	328,336	328,336	-

(Continued)

WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD

SCHEDULE OF STATUTORY COMMITMENTS
(Continued)

June 30, 2015

Department	September 1, 2014 Allocation	Distributed	Balance of Allocation as of June 30, 2015
<u>Full-Time Fire Departments (Continued)</u>			
Morgantown	\$ 451,492	\$ 451,492	\$ -
Moundsville	66,778	66,778	-
Parkersburg	610,944	610,944	-
South Charleston	375,730	313,133	62,597
Wheeling	895,690	715,029	180,661
<u>Part Paid/Part Volunteer Fire Departments</u>			
Dunbar	143,711	143,711	-
Elkins	29,765	-	29,765
Grafton	31,909	-	31,909
Logan	60,908	-	60,908
Nitro	121,208	121,208	-
Princeton	121,807	-	121,807
Saint Albans	206,423	206,423	-
Weirton	200,118	200,118	-
Weston	26,485	-	26,485
Williamson	79,374	72,754	6,620
Totals	<u>\$ 16,613,007</u>	<u>\$ 14,359,632</u>	<u>\$ 2,253,375</u>

See Independent Auditor's Report.

GAAP REPORTING FORM - DEPOSIT DISCLOSURE

Audited Agency West Virginia Municipal Pensions Oversight Board - June 30, 2015

Per GASB Statement 40 the Agency must disclose its deposit policy. The deposit policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the Agency's deposit policy.

See Footnote 4 to the financial statements

	Carrying Amount	Restricted Carrying Amount	Total Carrying Amount	Bank Balance	FDIC Insured Amount	Collateralized Amount	2	3A	3B	3C	Foreign Currency Risk					
							Amount Collateralized with securities held by the pledging financial institution's trust department or agent in the government's name	Amount Uninsured and Uncollateralized	Collateralized with securities held by the pledging financial institution but not in the name of the depositor	Collateralized with securities held by the pledging financial institution trust department or agency but not in the name of the depositor	Currency Type	Maturity	Fair Value			
Balances as of June 30, 2015																
Cash with Treasurer																
Per WVOASIS Opening Balance Report	\$ -	\$ 13,481	\$ 13,481													
Cash with Municipal Bond Commission	-	-	-													
Cash on Hand	-	-	-													
Cash in Transit to WVOASIS	-	-	-													
Cash with Board of Trustees	-	-	-													
Cash in Outside Bank Accounts	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-	-	-
Cash in Escrow	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-	-	-
Certificates of Deposits (Non-Negotiable)	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-	-	-
Other:	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a	-	-	-
Total	\$ -	\$ 13,481	\$ 13,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$ -

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

Telephone Number (304) 558-4083
Fax Number (304) 558-4084

GAAP REPORTING FORM - INVESTMENT DISCLOSURE

Audited Agency West Virginia Municipal Pensions Oversight Board - June 30, 2015

Per GASB Statement 40 the Agency must disclose its investment policy. The investment policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the Agency's investment policy

See Footnote 4 to the financial statements.

	Reported Amount Unrestricted	Reported Amount Restricted	Custodial Credit Risk				Fair Value	Credit Ratings			Interest Rate Risk - Segmented Time Distribution Investment Maturities (in years)				Foreign Currency Risk			
			Category 1 (Based on reported amounts)	Category 2	Category 3	Reported Amount**		Standard & Poor's	Moody's	Fitch	Less than 1	1 - 5	6 -10	More than 10	Currency Type	Maturity	Fair Value	
Investments with Investment Mgmt Board (IMB)																		
Per WVOASIS Opening Balance Report	\$ -	\$ -				\$ -	\$ -											
Investment Earnings not Posted to WVFIMS																		
As of 6/30/14	-	-				-	-											
Investments with Board of Treasury Investments (BTI)																		
Per Opening Balance Report	-	28,191,477				28,191,477	28,191,477											
Investment Earnings not Posted to WVOASIS																		
As of 6/30/14	-	-				-	-											
Investments Outside IMB:																		
U.S. Treasury Obligations	-	-	-	-	-	-	()					\$ -	\$ -	\$ -	\$ -			
U.S. Government Agencies	-	-	-	-	-	-	()											
Other Government Bonds	-	-	-	-	-	-	()											\$ -
Corporate Bonds	-	-	-	-	-	-	()											
Corporate Stocks	-	-	-	-	-	-	()											
Mutual Bond Funds	-	-	-	-	-	-	()											
Mutual Stock Funds	-	-	-	-	-	-	()											
Mutual Money Market Funds	-	-	-	-	-	-	()											
Commercial Paper	-	-	-	-	-	-	()											
Bank Investment Contract	-	-	-	-	-	-	()											
Guaranteed Investment Contract	-	-	-	-	-	-	()											
Repurchase Agreements ****	-	-	-	-	-	-	()											
State/Local Gov't Securities	-	-	-	-	-	-	()											
Certificate of Deposits (Negotiable)	-	-	-	-	-	-	()											
Other Investments (describe):	-	-	-	-	-	-	()											
	-	-	-	-	-	-	()											
	-	-	-	-	-	-	()											
	-	-	-	-	-	-	()											
Total	\$ -	\$ 28,191,477	\$ -	\$ -	\$ -	\$ 28,191,477	\$ 28,191,477					\$ -	\$ -	\$ -	\$ -			\$ -

**** MUST COMPLETE THE BELOW INFORMATION IF REPURCHASE AGREEMENTS WERE IDENTIFIED ABOVE:

Collateral Description on the Repurchase Agreements	Fair Market Value of Collateral
Not applicable	

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
 Financial Accounting and Reporting Section
 2101 Washington Street East
 Building 17, 3rd Floor
 Charleston, WV 25305
 Telephone Number (304) 558-4083
 Fax Number (304) 558-4084

**NOTE: THE REPORTED AMOUNTS SHOULD BE IDENTIFIED AS EITHER AMORTIZED COST (A) OR FAIR VALUE (F).

STATE OF WEST VIRGINIA
 DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
 FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8A

GAAP REPORTING FORM - DEPOSITS AND INVESTMENTS RECONCILIATION

Audited Agency West Virginia Municipal Pensions Oversight Board - June 30, 2015

Reconciliation of cash, cash equivalents and investments as reported in the financial statements to the amounts disclosed in the footnote:

Deposits:		
Cash and cash equivalents as reported on balance sheet		\$ -
Less: cash equivalents disclosed as investments		-
Add: restricted assets disclosed as deposits		-
Other (describe)	_____	

	_____	-
Carrying amount of deposits as disclosed on Form 7		\$ -
Investments:		
Investments as reported on balance sheet		\$ -
Add: restricted assets disclosed as investments		-
Add: cash equivalents disclosed as investments		-
Other (describe)	_____	

	_____	-
Reported amount of investments as disclosed on Form 8		\$ -

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
 Financial Accounting and Reporting Section
 2101 Washington Street East
 Building 17, 3rd Floor
 Charleston, WV 25305

Telephone Number (304) 558-4083
 Fax Number (304) 558-4084

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the
West Virginia Municipal Pensions Oversight Board
Charleston, West Virginia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Virginia Municipal Pensions Oversight Board (the Board), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 6, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's 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 *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

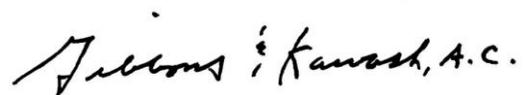
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charleston, West Virginia
November 6, 2015