

RFP #07-027

**CITY OF RANSON
Ranson, West Virginia
FINANCIAL STATEMENTS
(with Supplemental Information)
For the year ended June 30, 2004**

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City of Ranson, West Virginia
SCHEDULE OF FUNDS INCLUDED IN REPORT
June 30, 2004

GOVERNMENTAL FUND TYPES

Major Funds

General

Nonmajor Funds

Coal Severance Fund

Parks and Recreation Fund

Police Building Fund

BUSINESS-TYPE FUNDS

Major Funds

Sewer Fund

FIDUCIARY FUND TYPES

School Proffers Trust



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Honorable Mayor and Council
City of Ranson
Ranson, West Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ranson, West Virginia (City), as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ranson, West Virginia, as of June 30, 2004, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the Notes to the Financial Statements, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as of June 30, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2008, on our consideration of the City's internal control over financial reporting and 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 the results of that testing, and not to provide an overall opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on pages 32-33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Ranson has not presented a management discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ranson, West Virginia's basic financial statements. The introductory section and combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

J.C. KUNKLE & ASSOCIATES, A.C.

Martinsburg, West Virginia
December 15, 2008

City of Ranson, West Virginia
STATEMENT OF NET ASSETS
June 30, 2004

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	BUILDING COMMISSION	CONVENTION AND VISITORS BUREAU
ASSETS					
Current:					
Cash	\$ 467,880	\$ 46,962	\$ 514,842	\$ 239	\$ 5,578
Receivables, net of allowances:					
Taxes	35,311	-	35,311	-	-
Accounts	134,223	13,533	147,756	-	-
Internal balances	384,067	(384,067)	-	-	-
Total current assets	<u>1,021,481</u>	<u>(323,572)</u>	<u>697,909</u>	<u>239</u>	<u>5,578</u>
Capital assets:					
Land	119,183	-	119,183	37,000	-
Building	-	-	-	122,000	-
Building improvements	-	-	-	398,442	-
Leasehold improvements	3,135	-	3,135	-	-
Roads	-	-	-	-	-
Equipment	14,236	-	14,236	-	-
Vehicles	384,069	-	384,069	-	-
Utility plant in service	-	1,689,002	1,689,002	-	-
Less: accumulated depreciation	(238,841)	(754,928)	(993,769)	(15,448)	-
Total capital assets	<u>281,782</u>	<u>934,074</u>	<u>1,215,856</u>	<u>541,994</u>	<u>-</u>
Other:					
Unamortized bond issue costs	-	-	-	-	-
Future utility plant design charges	-	23,475	23,475	-	-
Total other	<u>-</u>	<u>23,475</u>	<u>23,475</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,303,263</u>	<u>\$ 633,977</u>	<u>\$ 1,937,240</u>	<u>\$ 542,233</u>	<u>\$ 5,578</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	29,609	-	29,609	-	-
Notes payable	-	-	-	550	-
Capital lease payable (current portion)	48,304	17,142	65,446	-	-
Bonds and notes payable (current portion)	-	-	-	17,447	-
Total current liabilities	<u>77,913</u>	<u>17,142</u>	<u>95,055</u>	<u>17,997</u>	<u>-</u>
Long-term liabilities (net of current portion):					
Revenue bonds payable	-	-	-	506,305	-
Capital lease payable	51,071	43,194	94,265	-	-
Notes payable	-	-	-	12,276	-
Accrued expenses	114,943	-	114,943	-	-
Total long-term liabilities	<u>166,014</u>	<u>43,194</u>	<u>209,208</u>	<u>518,581</u>	<u>-</u>
Total liabilities	<u>243,927</u>	<u>60,336</u>	<u>304,263</u>	<u>536,578</u>	<u>-</u>
Net Assets:					
Invested in capital assets, net of related debt	182,406	873,738	1,056,144	5,416	-
Restricted for debt and construction	-	-	-	-	-
Unrestricted	876,930	(300,097)	576,833	239	5,578
Total net assets	<u>1,059,336</u>	<u>573,641</u>	<u>1,632,977</u>	<u>5,655</u>	<u>5,578</u>
Total liabilities and net assets	<u>\$ 1,303,263</u>	<u>\$ 633,977</u>	<u>\$ 1,937,240</u>	<u>\$ 542,233</u>	<u>\$ 5,578</u>

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS				COMPONENT UNITS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	BUILDING COMMISSION	CONVENTION AND VISITORS BUREAU		
										PRIMARY GOVERNMENT	
FUNCTIONS/PROGRAMS											
PRIMARY GOVERNMENT											
Governmental activities:											
General government	\$ 784,493	\$ 155,833	\$ 147,576	\$ -	\$ (481,084)	\$ -	\$ (481,084)	\$ -	\$ -		
Public safety	765,575	181,427	-	-	(584,148)	-	(584,148)	-	-		
Highways and streets	538,300	-	-	-	(538,300)	-	(538,300)	-	-		
Sanitation	326,602	174,256	-	-	(152,346)	-	(152,346)	-	-		
Culture and Recreation	5,109	-	-	-	(5,109)	-	(5,109)	-	-		
Total governmental activities	2,420,079	511,516	147,576	-	(1,760,987)	-	(1,760,987)	-	-		
Business-type activities:											
Sewer	505,512	361,019	-	-	-	(144,493)	(144,493)	-	-		
Total business-type activities	505,512	361,019	-	-	-	(144,493)	(144,493)	-	-		
Total primary government	\$ 2,925,591	\$ 872,535	\$ 147,576	\$ -	\$ (1,760,987)	\$ (144,493)	\$ (1,905,480)	\$ -	\$ -		
COMPONENT UNITS											
Building Commission	\$ 141,854	\$ 10,541	\$ -	\$ -	\$ -	\$ -	\$ (131,313)	\$ -	\$ 3,622		
Convention and Visitors Bureau	4,661	8,283	-	-	-	-	-	-	-		
Total component units	\$ 146,515	\$ 18,824	\$ -	\$ -	\$ -	\$ -	\$ (131,313)	\$ -	\$ 3,622		
General revenues:											
Taxes:											
Property taxes, levied for general purposes					324,113		324,113				
Business and occupation tax					333,905		333,905				
Alcoholic beverage tax					24,993		24,993				
Utility services tax					91,158		91,158				
Hotel/motel tax					6,296		6,296				
Other taxes					11,889		11,889				
Miscellaneous					315,453		315,453				
Interest income					1,001		1,001				
Video lottery					899,491		899,491				
Total general revenues					2,008,299		2,008,299				
Change in net assets					247,312	(144,493)	102,819	(131,313)	3,622		
Total net assets at beginning of year as restated					812,024	718,134	1,530,158	136,968	1,956		
Total net assets at end of year					\$ 1,059,336	\$ 573,641	\$ 1,632,977	\$ 5,655	\$ 5,578		

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2004

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS			
Cash	\$ 448,460	\$ 19,421	\$ 467,881
Receivables, net of allowances:			
Taxes	35,311	-	35,311
Accounts	134,223	-	134,223
Due from other funds	384,067	-	384,067
 Total assets	 \$ 1,002,061	 \$ 19,421	 \$ 1,021,482
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenues	3,063	-	3,063
Other accrued expenses	19,609	-	19,609
Due to other funds	-	-	-
 Total liabilities	 22,672	 -	 22,672
Fund balances:			
Reserved for capital improvements	-	194	194
Unreserved			
Designated	-	-	-
Undesignated	979,389	19,227	998,616
 Total fund balances	 979,389	 19,421	 998,810
 Total liabilities and fund balances	 \$ 1,002,061	 \$ 19,421	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	281,782
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	3,062
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(224,318)
Net assets of governmental activities.	\$ 1,059,336

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS**
 For the year ended June 30, 2004

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES			
Taxes (including interest and penalties)	\$ 789,291	\$ -	\$ 789,291
Licenses and permits	130,015	-	130,015
Intergovernmental:			
Federal	132,841	-	132,841
State	7,000	7,735	14,735
Charges for services	177,390	-	177,390
Fines and forfeits	178,293	-	178,293
Franchise fees	25,818	-	25,818
Interest	1,001	-	1,001
Video lottery	899,491	-	899,491
Charges to other funds	158,459	-	158,459
Miscellaneous	156,994	-	156,994
	<u>2,656,593</u>	<u>7,735</u>	<u>2,664,328</u>
Total revenues			
EXPENDITURES			
General government	776,175	-	776,175
Public safety	769,817	-	769,817
Highways and streets	543,795	-	543,795
Sanitation	330,604	-	330,604
Culture and recreation	-	5,109	5,109
	<u>2,420,391</u>	<u>5,109</u>	<u>2,425,500</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>236,202</u>	<u>2,626</u>	<u>238,828</u>
Other financing sources (uses):			
Transfers in	1,555	5,109	6,664
Transfers out	<u>(5,109)</u>	<u>(1,555)</u>	<u>(6,664)</u>
	<u>(3,554)</u>	<u>3,554</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	232,648	6,180	238,828
Fund balance at beginning of year as restated	<u>746,741</u>	<u>13,241</u>	<u>759,982</u>
Fund balance at end of year	<u>\$ 979,389</u>	<u>\$ 19,421</u>	<u>\$ 998,810</u>

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the year ended June 30, 2004

Net change in fund balance - total governmental funds \$ 238,828

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlays	17,371	
Depreciation expense	<u>(45,052)</u>	
Amount depreciation exceeds capital outlays in the current period		(27,681)

Governmental funds report capital lease payments as expenditures. However, in the statement of activities these payments are not reported because they are a reduction in outstanding debt.		58,046
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. Deferred revenues increased by this amount in the current period.		3,062
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Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds. Accrued compensated absences increased by this amount in current period.		<u>(24,943)</u>
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Change in net assets of governmental activities.		<u><u>\$ 247,312</u></u>
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The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2004

ASSETS	<u>Sewer Fund</u>
Current:	
Cash	\$ 46,962
Receivables, net of allowances	13,533
Due from other funds	<u>-</u>
Total current assets	<u>60,495</u>
Capital Assets:	
Utility plant in service	1,689,002
Less: accumulated depreciation and amortization	<u>(754,928)</u>
Net utility plant in service	<u>934,074</u>
Total capital assets	<u>934,074</u>
Other:	
Future utility plant design fees	<u>23,475</u>
Total other	<u>23,475</u>
Total assets	<u><u>\$ 1,018,044</u></u>
CURRENT LIABILITIES	
Accounts payable	\$ -
Accrued expenses	-
Due to general fund	384,067
Capital leases payable (current portion)	<u>17,142</u>
Total current liabilities	<u>401,209</u>
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)	
Capital leases payable	<u>43,194</u>
Total long-term liabilities	<u>43,194</u>
Total liabilities	<u>444,403</u>
NET ASSETS	
Invested in capital assets, net of related debt	873,738
Restricted	-
Unrestricted	<u>(300,097)</u>
Total net assets	<u>573,641</u>
Total liabilities and net assets	<u><u>\$ 1,018,044</u></u>

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
For the year ended June 30, 2004

	<u>Sewer Fund</u>
OPERATING REVENUES	
Sales and services to customers	<u>\$ 361,019</u>
Total operating revenues	<u>361,019</u>
EXPENSES	
Collection	10,666
Pumping	24,104
Treatment and disposal	313,388
Billing and accounting	20,630
Administrative and general	82,654
Taxes	6,089
Depreciation and amortization	44,103
Interest	<u>3,878</u>
Total expenses	<u>505,512</u>
Income (loss) before contributed capital	(144,493)
CONTRIBUTED CAPITAL	
	<u>-</u>
Change in net assets	(144,493)
Total net assets at beginning of year	<u>718,134</u>
Total net assets at end of year	<u><u>\$ 573,641</u></u>

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended June 30, 2004

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 359,759
Cash payments for goods and services	457,531
Net cash provided by (used in) operations	(97,772)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(369,339)
Principal paid on long-term debt	(31,197)
Interest paid on leases	(3,878)
Advances from general fund	487,928
Net cash provided by (used in) capital and related financing activities	83,514
Net increase (decrease) in cash and cash equivalents	(14,258)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	61,220
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 46,962
 RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATIONS	
Operating income	\$ (144,493)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	44,103
Interest expense	3,878
Decrease (increase) in receivables	(1,260)
Increase (decrease) in accounts payable	-
Increase (decrease) in accrued expenses	-
Net cash provided by (used in) operating activities	\$ (97,772)

**SUPPLEMENTAL DISCLOSURES
OF CASH FLOW INFORMATION**

Noncash investing, capital, and financing transactions:
None

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2004

	<u>School Proffers Trust</u>
ASSETS	
Cash	<u>\$ 176</u>
Total assets	<u><u>\$ 176</u></u>
LIABILITIES AND NET ASSETS	
Liabilities:	
Deposit payable	<u>\$ 200</u>
Total liabilities	<u>\$ 200</u>
Net assets:	
Net assets held in trust for school development	<u>(24)</u>
Total liabilities and net assets	<u><u>\$ 176</u></u>

The accompanying notes are an integral part of this statement.