

RFP #07-027

**CITY OF RANSON
Ranson, West Virginia**

**FINANCIAL STATEMENTS
(with Supplemental Information)**

For the year ended June 30, 2005

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City of Ranson, West Virginia
SCHEDULE OF FUNDS INCLUDED IN REPORT
June 30, 2005

GOVERNMENTAL FUND TYPES

Major Funds

General

Nonmajor Funds

Coal Severance Fund

Parks and Recreation Fund

Police Building Fund

Capital 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, 2005, 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, 2005, 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.

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.

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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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.E. KUNKLE & ASSOCIATES, A.C.

Martinsburg, West Virginia
December 15, 2008

City of Ranson, West Virginia
STATEMENT OF NET ASSETS
June 30, 2005

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	BUILDING COMMISSION	CONVENTION AND VISITORS BUREAU
ASSETS					
Current:					
Cash	\$ 444,822	\$ 178,154	\$ 622,976	\$ 242	\$ 10,301
Receivables, net of allowances:					
Taxes	28,059	15,000	43,059	-	-
Accounts	139,373	-	139,373	-	-
Internal balances	296,953	(296,953)	-	-	-
Total current assets	<u>909,207</u>	<u>(103,799)</u>	<u>805,408</u>	<u>242</u>	<u>10,301</u>
Capital assets:					
Land	119,183	-	119,183	37,000	-
Building	-	-	-	122,000	-
Building improvements	-	-	-	413,332	-
Leasehold improvements	3,135	-	3,135	-	-
Roads	171,868	-	171,868	-	-
Equipment	47,343	-	47,343	-	3,718
Vehicles	455,992	-	455,992	-	-
Utility plant in service	-	1,762,542	1,762,542	-	-
Less: accumulated depreciation	(302,175)	(802,571)	(1,104,746)	(28,780)	(186)
Total capital assets	<u>495,346</u>	<u>959,971</u>	<u>1,455,317</u>	<u>543,552</u>	<u>3,532</u>
Other:					
Unamortized bond issue costs	-	-	-	-	-
Future utility plant design charges	-	23,474	23,474	-	-
Total other	<u>-</u>	<u>23,474</u>	<u>23,474</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,404,553</u>	<u>\$ 879,646</u>	<u>\$ 2,284,199</u>	<u>\$ 543,794</u>	<u>\$ 13,833</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	4,109	-	4,109	-	-
Notes payable	-	-	-	558	-
Capital leases payable (current portion)	65,110	31,196	96,306	-	-
Bonds payable (current portion)	-	-	-	22,648	-
Total current liabilities	<u>69,219</u>	<u>31,196</u>	<u>100,415</u>	<u>23,206</u>	<u>-</u>
Long-term liabilities (net of current portion):					
Bonds payable	-	-	-	379,598	-
Capital leases payable	12,912	25,240	38,152	-	-
Notes payable	-	-	-	11,860	-
Accrued expenses	106,368	-	106,368	-	-
Total long-term liabilities	<u>119,280</u>	<u>25,240</u>	<u>144,520</u>	<u>391,458</u>	<u>-</u>
Total liabilities	<u>188,499</u>	<u>56,436</u>	<u>244,935</u>	<u>414,664</u>	<u>-</u>
Net Assets:					
Invested in capital assets, net of related debt	417,324	927,010	1,344,334	128,889	-
Restricted for debt and construction	-	-	-	-	-
Unrestricted	798,730	(103,800)	694,930	241	13,833
Total net assets	<u>1,216,054</u>	<u>823,210</u>	<u>2,039,264</u>	<u>129,130</u>	<u>13,833</u>
Total liabilities and net assets	<u>\$ 1,404,553</u>	<u>\$ 879,646</u>	<u>\$ 2,284,199</u>	<u>\$ 543,794</u>	<u>\$ 13,833</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, 2005

FUNCTIONS/PROGRAMS	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 VISITORS BUREAU		
										PRIMARY GOVERNMENT	
PRIMARY GOVERNMENT											
Governmental activities:											
General government	\$ 1,088,871	\$ 624,510	\$ 37,047	\$ -	\$ (427,314)	\$ (427,314)	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	810,416	209,450	-	-	(600,966)	(600,966)	-	-	-	-	-
Highways and streets	374,526	-	-	-	(374,526)	(374,526)	-	-	-	-	-
Sanitation	365,801	183,063	-	-	(182,738)	(182,738)	-	-	-	-	-
Culture and Recreation	19,883	-	-	-	(19,883)	(19,883)	-	-	-	-	-
Total governmental activities	2,659,497	1,017,023	37,047	-	(1,605,427)	(1,605,427)	-	-	-	-	-
Business-type activities:											
Sewer	611,444	523,232	-	106,928	-	18,716	18,716	-	-	-	-
Total business-type activities	611,444	523,232	-	106,928	-	18,716	18,716	-	-	-	-
Total primary government	\$ 3,270,941	\$ 1,540,255	\$ 37,047	\$ 106,928	\$ (1,605,427)	\$ (1,586,711)	\$ -	\$ -	\$ -	\$ -	\$ -
COMPONENT UNITS											
Building Commission	\$ 29,727	\$ 35,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,125	\$ -	\$ -	1,471
Convention and Visitors Bureau	10,265	11,167	569	-	-	-	-	-	-	-	-
Total component units	\$ 39,992	\$ 47,019	\$ 569	\$ -	\$ -	\$ -	\$ -	\$ 6,125	\$ -	\$ -	1,471
General revenues:											
Taxes:											
Property taxes, levied for general purposes					373,493	373,493					
Business and occupation tax					373,496	373,496					
Alcoholic beverage tax					28,746	28,746					
Utility services tax					77,930	77,930					
Hotel/motel tax					5,544	5,544					
Other taxes					6,766	6,766					
Miscellaneous					70,607	70,607		117,350			6,784
Interest income					1,436	1,436					
Video lottery					1,054,980	1,054,980					
Transfers					(230,853)	(230,853)					
Total general revenues					1,762,145	1,762,145		117,350			6,784
Change in net assets					156,718	156,718		123,475			8,255
Total net assets at beginning of year					1,059,336	1,059,336		5,655			5,578
Total net assets at end of year					\$ 1,216,054	\$ 1,216,054		\$ 129,130			\$ 13,833

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2005

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS			
Cash	\$ 416,029	\$ 28,794	\$ 444,823
Receivables, net of allowances:			
Taxes	28,059	-	28,059
Accounts	139,373	-	139,373
Due from other funds	296,953	-	296,953
 Total assets	 \$ 880,414	 \$ 28,794	 \$ 909,208
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenues	-	-	-
Other accrued expenses	4,112	-	4,112
Due to other funds	-	-	-
 Total liabilities	 4,112	 -	 4,112
 Fund balances:			
Reserved for capital improvements	-	194	194
Unreserved			
Designated	-	-	-
Undesignated	876,302	28,600	904,902
 Total fund balances	 876,302	 28,794	 905,096
 Total liabilities and fund balances	 \$ 880,414	 \$ 28,794	

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.	495,346
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	-
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(184,388)

Net assets of governmental activities.	\$ 1,216,054
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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, 2005

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES			
Taxes (including interest and penalties)	\$ 869,037	\$ -	\$ 869,037
Licenses and permits	554,710	-	554,710
Intergovernmental:			
Federal	37,047	-	37,047
State	-	8,237	8,237
Charges for services	184,472	-	184,472
Fines and forfeits	209,450	-	209,450
Franchise fees	29,446	-	29,446
Interest	1,436	-	1,436
Video lottery	1,054,979	-	1,054,979
Charges to other funds	38,945	-	38,945
Miscellaneous	61,234	1,136	62,370
	<u>3,040,756</u>	<u>9,373</u>	<u>3,050,129</u>
Total revenues			
EXPENDITURES			
General government	1,097,789	-	1,097,789
Public safety	876,956	-	876,956
Highways and streets	532,597	-	532,597
Sanitation	376,249	-	376,249
Culture and recreation	6,784	22,615	29,399
	<u>2,890,375</u>	<u>22,615</u>	<u>2,912,990</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>150,381</u>	<u>(13,242)</u>	<u>137,139</u>
Other financing sources (uses):			
Transfers in	-	22,615	22,615
Transfers out	<u>(253,468)</u>	<u>-</u>	<u>(253,468)</u>
Total other financing sources (uses)	<u>(253,468)</u>	<u>22,615</u>	<u>(230,853)</u>
Net change in fund balance	(103,087)	9,373	(93,714)
Fund balance at beginning of year	<u>979,389</u>	<u>19,421</u>	<u>998,810</u>
Fund balance at end of year	<u>\$ 876,302</u>	<u>\$ 28,794</u>	<u>\$ 905,096</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, 2005

Net change in fund balance - total governmental funds		\$ (93,714)
<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	228,084	
Depreciation expense	<u>(63,334)</u>	
Amount depreciation exceeds capital outlays in the current period		164,750
<p>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.</p>		
		70,171
<p>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.</p>		
		(3,063)
<p>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.</p>		
		<u>18,574</u>
Change in net assets of governmental activities.		<u><u>\$ 156,718</u></u>

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2005

ASSETS	<u>Sewer Fund</u>
Current:	
Cash	\$ 178,154
Receivables, net of allowances	15,000
Due from other funds	<u>-</u>
Total current assets	<u>193,154</u>
Capital Assets:	
Utility plant in service	1,762,542
Less: accumulated depreciation and amortization	<u>(802,571)</u>
Net utility plant in service	<u>959,971</u>
Total capital assets	<u>959,971</u>
Other:	
Future utility plant design fees	<u>23,474</u>
Total other	<u>23,474</u>
Total assets	<u><u>\$ 1,176,599</u></u>
CURRENT LIABILITIES	
Accounts payable	\$ -
Accrued expenses	-
Due to general fund	296,953
Capital leases payable (current portion)	<u>31,196</u>
Total current liabilities	<u>328,149</u>
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)	
Capital leases payable	<u>25,240</u>
Total long-term liabilities	<u>25,240</u>
Total liabilities	<u>353,389</u>
NET ASSETS	
Invested in capital assets, net of related debt	927,010
Restricted	-
Unrestricted	<u>(103,800)</u>
Total net assets	<u>823,210</u>
Total liabilities and net assets	<u><u>\$ 1,176,599</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, 2005

	<u>Sewer Fund</u>
OPERATING REVENUES	
Sales and services to customers	<u>\$ 523,232</u>
Total operating revenues	<u>523,232</u>
EXPENSES	
Collection	34,040
Pumping	28,585
Treatment and disposal	301,067
Billing and accounting	23,774
Administrative and general	170,684
Taxes	2,287
Depreciation and amortization	47,643
Interest	<u>3,364</u>
Total expenses	<u>611,444</u>
Income (loss) from operations	(88,212)
OTHER INCOME (EXPENSE)	
Transfers in	<u>230,853</u>
Total other income (expense)	<u>230,853</u>
Income before contributed capital	142,641
CONTRIBUTED CAPITAL	<u>106,928</u>
Net income (loss)	249,569
Total net assets at beginning of year	<u>573,641</u>
Total net assets at end of year	<u><u>\$ 823,210</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, 2005

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 521,765
Cash payments for goods and services	(560,437)
Net cash provided by (used in) operations	(38,672)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(73,540)
Principal paid on long-term debt	(3,900)
Interest paid on leases	(3,364)
Contributed capital	106,928
Advances from general fund	143,740
Net cash provided by (used in) capital and related financing activities	169,864
Net increase (decrease) in cash and cash equivalents	131,192
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	46,962
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 178,154

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATIONS

Operating income	\$ (88,212)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	47,643
Interest expense	3,364
Decrease (increase) in receivables	(1,467)
Increase (decrease) in accounts payable	-
Increase (decrease) in accrued expenses	-
Net cash provided by (used in) operating activities	\$ (38,672)

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, 2005

	<u>School Proffers Trust</u>
ASSETS	
Cash	<u>\$ 522,990</u>
Total assets	<u><u>\$ 522,990</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>522,790</u>
Total liabilities and net assets	<u><u>\$ 522,990</u></u>

The accompanying notes are an integral part of this statement.