

RFP #07-027

**CITY OF RANSON
Ranson, West Virginia**

**FINANCIAL STATEMENTS
(with Supplemental Information)**

For the year ended June 30, 2006

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City of Ranson, West Virginia
SCHEDULE OF FUNDS INCLUDED IN REPORT
June 30, 2006

GOVERNMENTAL FUND TYPES

Major Funds

General

Capital

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, 2006, 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, 2006, 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 compliance 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.E. KUNKLE & ASSOCIATES, A.C.

Martinsburg, West Virginia
December 15, 2008

City of Ranson, West Virginia
STATEMENT OF NET ASSETS
June 30, 2006

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	BUILDING COMMISSION	CONVENTION AND VISITORS BUREAU
ASSETS					
Current:					
Cash	\$ 1,805,100	\$ 331,835	\$ 2,136,935	\$ 242	\$ 9,939
Receivables, net of allowances:					
Taxes	47,024	19,907	66,931	-	-
Accounts	242,901	-	242,901	-	-
Internal balances	(99,084)	99,084	-	-	-
Total current assets	<u>1,995,941</u>	<u>450,826</u>	<u>2,446,767</u>	<u>242</u>	<u>9,939</u>
Capital assets:					
Land	119,183	-	119,183	137,000	-
Building	-	-	-	122,000	-
Building improvements	-	-	-	901,927	-
Leasehold improvements	3,135	-	3,135	-	-
Roads	386,695	-	386,695	-	-
Equipment	214,407	-	214,407	-	3,718
Vehicles	588,692	-	588,692	-	-
Utility plant in service	-	1,787,836	1,787,836	-	-
Less: accumulated depreciation	(402,105)	(844,309)	(1,246,414)	(48,395)	(558)
Total capital assets	<u>910,007</u>	<u>943,527</u>	<u>1,853,534</u>	<u>1,112,532</u>	<u>3,160</u>
Other:					
Unamortized bond issue costs	-	-	-	13,167	-
Total other	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,167</u>	<u>-</u>
Total assets	<u>\$ 2,905,948</u>	<u>\$ 1,394,353</u>	<u>\$ 4,300,301</u>	<u>\$ 1,125,941</u>	<u>\$ 13,099</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Current liabilities					
Accounts payable	\$ 45,852	\$ -	\$ 45,852	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Notes payable	-	-	-	592	-
Capital leases payable (current portion)	51,884	17,934	69,818	-	-
Bonds payable (current portion)	-	-	-	44,799	-
Total current liabilities	<u>97,736</u>	<u>17,934</u>	<u>115,670</u>	<u>45,391</u>	<u>-</u>
Long-term liabilities (net of current portion):					
Bonds payable	-	-	-	766,358	-
Capital leases payable	84,779	7,307	92,086	-	-
Notes payable	-	-	-	11,268	-
Accrued expenses	112,204	-	112,204	-	-
Total long-term liabilities	<u>196,983</u>	<u>7,307</u>	<u>204,290</u>	<u>777,626</u>	<u>-</u>
Total liabilities	<u>294,719</u>	<u>25,241</u>	<u>319,960</u>	<u>823,017</u>	<u>-</u>
Net Assets:					
Invested in capital assets, net of related debt	773,344	918,286	1,691,630	289,515	3,160
Restricted for debt and construction	1,002,122	-	1,002,122	-	-
Unrestricted	835,763	450,826	1,286,589	13,409	9,939
Total net assets	<u>2,611,229</u>	<u>1,369,112</u>	<u>3,980,341</u>	<u>302,924</u>	<u>13,099</u>
Total liabilities and net assets	<u>\$ 2,905,948</u>	<u>\$ 1,394,353</u>	<u>\$ 4,300,301</u>	<u>\$ 1,125,941</u>	<u>\$ 13,099</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, 2006

	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		
FUNCTIONS/PROGRAMS											
PRIMARY GOVERNMENT											
Governmental activities:											
General government	\$ 1,057,314	\$ 609,969	\$ 123,755	\$ -	\$ (323,590)	\$ -	\$ (323,590)	\$ -	\$ -		
Public safety	1,034,014	207,602	-	-	(826,412)	-	(826,412)	-	-		
Highways and streets	358,858	-	-	-	(358,858)	-	(358,858)	-	-		
Sanitation	429,627	222,336	-	-	(207,291)	-	(207,291)	-	-		
Culture and Recreation	26,222	-	-	-	(26,222)	-	(26,222)	-	-		
Total governmental activities	2,906,035	1,039,907	123,755	-	(1,742,373)	-	(1,742,373)	-	-		
Business-type activities:											
Sewer	696,171	740,610	-	46,698	-	91,137	91,137	-	-		
Total business-type activities	696,171	740,610	-	46,698	-	91,137	91,137	-	-		
Total primary government	\$ 3,602,206	\$ 1,780,517	\$ 123,755	\$ 46,698	\$ (1,742,373)	\$ 91,137	\$ (1,651,236)	\$ -	\$ -		
COMPONENT UNITS											
Building Commission	\$ 43,719	\$ 48,994	\$ -	\$ 168,519	-	-	-	\$ 173,794	-		
Convention and Visitors Bureau	11,560	10,709	117	-	-	-	-	-	(734)		
Total component units	\$ 55,279	\$ 59,703	\$ 117	\$ 168,519	-	-	-	\$ 173,794	\$ (734)		
General revenues:											
Taxes:											
Property taxes, levied for general purposes					444,124		444,124				
Business and occupation tax					755,136		755,136				
Alcoholic beverage tax					33,676		33,676				
Utility services tax					99,571		99,571				
Hotel/motel tax					7,542		7,542				
Other taxes					5,639		5,639				
Miscellaneous					54,798		54,798				
Interest income					3,359		3,359				
Video lottery					1,218,877		1,218,877				
Proffer fees					969,591		969,591				
Transfers					(454,765)		(454,765)				
Total general revenues					3,137,548		3,137,548				
Change in net assets					1,395,175		1,395,175				
Total net assets at beginning of year					1,216,054		1,216,054				
Total net assets at end of year					\$ 2,611,229		\$ 2,611,229				
								\$ 302,924	\$ 13,833		\$ 13,099

The accompanying notes are an integral part of this statement.

City of Ranson, West Virginia
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2006

	GENERAL FUND	CAPITAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS				
Cash	\$ 765,451	\$ 1,002,122	\$ 37,527	\$ 1,805,100
Receivables, net of allowances:				
Taxes	47,024	-	-	47,024
Accounts	242,901	-	-	242,901
Due from other funds	-	-	-	-
	\$ 1,055,376	\$ 1,002,122	\$ 37,527	\$ 2,095,025
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 45,851	\$ -	\$ -	\$ 45,851
Deferred revenues	28,835	-	-	28,835
Other accrued expenses	-	-	-	-
Due to other funds	99,084	-	-	99,084
	173,770	-	-	173,770
Fund balances:				
Reserved for capital improvements	-	1,002,122	194	1,002,316
Unreserved	-	-	-	-
Designated	-	-	-	-
Undesignated	881,606	-	37,333	918,939
	881,606	1,002,122	37,527	1,921,255
Total liabilities and fund balances	\$ 1,055,376	\$ 1,002,122	\$ 37,527	

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.	910,007
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	28,834
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(248,867)
Net assets of governmental activities.	\$ 2,611,229

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, 2006

	GENERAL FUND	CAPITAL FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES				
Taxes (including interest and penalties)	\$ 1,316,853	\$ -	\$ -	\$ 1,316,853
Licenses and permits	555,563	-	-	555,563
Intergovernmental:				
Federal	123,755	-	-	123,755
State	-	-	9,869	9,869
Charges for services	225,401	-	-	225,401
Fines and forfeits	207,602	-	-	207,602
Franchise fees	15,259	-	-	15,259
Interest	3,359	-	-	3,359
Video lottery	1,218,877	-	-	1,218,877
Charges to other funds	36,082	-	-	36,082
Proffer fees	-	969,592	-	969,592
Miscellaneous	44,929	-	-	44,929
Total revenues	3,747,680	969,592	9,869	4,727,141
EXPENDITURES				
General government	1,127,434	-	-	1,127,434
Public safety	1,080,594	-	-	1,080,594
Highways and streets	589,580	-	-	589,580
Sanitation	434,422	-	-	434,422
Culture and recreation	116	-	24,071	24,187
Total expenditures	3,232,146	-	24,071	3,256,217
Excess (deficiency) of revenues over expenditures	515,534	969,592	(14,202)	1,470,924
Other financing sources (uses):				
Transfers in	-	31,394	24,071	55,465
Transfers out	(510,230)	-	-	(510,230)
Total other financing sources (uses)	(510,230)	31,394	24,071	(454,765)
Net change in fund balance	5,304	1,000,986	9,869	1,016,159
Fund balance at beginning of year	876,302	1,136	27,658	905,096
Fund balance at end of year	\$ 881,606	\$ 1,002,122	\$ 37,527	\$ 1,921,255

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, 2006

Net change in fund balance - total governmental funds	\$ 1,016,159
<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	379,208
Depreciation expense	<u>(99,930)</u>
Amount depreciation exceeds capital outlays in the current period	279,278
<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>	
	76,740
<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>	
	28,834
<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>(5,836)</u>
Change in net assets of governmental activities.	<u><u>\$ 1,395,175</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, 2006

ASSETS	<u>Sewer Fund</u>
Current:	
Cash	\$ 331,835
Receivables, net of allowances	19,907
Due from general fund	<u>99,084</u>
Total current assets	<u>450,826</u>
Capital Assets:	
Utility plant in service	1,787,836
Less: accumulated depreciation and amortization	<u>(844,309)</u>
Net utility plant in service	<u>943,527</u>
Total capital assets	<u>943,527</u>
Total assets	<u><u>\$ 1,394,353</u></u>
CURRENT LIABILITIES	
Accounts payable	\$ -
Accrued expenses	-
Due to general fund	-
Capital leases payable (current portion)	<u>17,934</u>
Total current liabilities	<u>17,934</u>
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)	
Capital leases payable	<u>7,307</u>
Total long-term liabilities	<u>7,307</u>
Total liabilities	<u>25,241</u>
NET ASSETS	
Invested in capital assets, net of related debt	918,286
Restricted	-
Unrestricted	<u>450,826</u>
Total net assets	<u>1,369,112</u>
Total liabilities and net assets	<u><u>\$ 1,394,353</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, 2006

	Sewer Fund
OPERATING REVENUES	
Sales and services to customers	\$ 740,610
Total operating revenues	740,610
EXPENSES	
Collection	13,271
Pumping	26,736
Treatment and disposal	478,312
Billing and accounting	23,076
Administrative and general	97,992
Taxes	5,314
Depreciation and amortization	49,264
Interest	2,206
Total expenses	696,171
Income (loss) from operations	44,439
OTHER INCOME (EXPENSE)	
Transfers in	454,765
Total other income (expense)	454,765
Income before contributed capital	499,204
CONTRIBUTED CAPITAL	46,698
Net income (loss)	545,902
Total net assets at beginning of year	823,210
Total net assets at end of year	\$ 1,369,112

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, 2006

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 735,703
Cash payments for goods and services	(644,701)
Net cash provided by (used in) operations	91,002
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(9,346)
Principal paid on long-term debt	(31,195)
Interest paid on leases	(2,206)
Contributed capital	46,698
Advances from general fund	58,728
Net cash provided by (used in) capital and related financing activities	62,679
Net increase (decrease) in cash and cash equivalents	153,681
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	178,154
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 331,835
 RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATIONS	
Operating income	\$ 44,439
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	49,264
Interest expense	2,206
Decrease (increase) in receivables	(4,907)
Increase (decrease) in accounts payable	-
Increase (decrease) in accrued expenses	-
Net cash provided by (used in) operating activities	\$ 91,002
 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, 2006

	<u>School Proffers Trust</u>
ASSETS	
Cash	<u>\$ 1,365,239</u>
Total assets	<u><u>\$ 1,365,239</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>1,365,039</u>
Total liabilities and net assets	<u><u>\$ 1,365,239</u></u>

The accompanying notes are an integral part of this statement.