

THE CITY OF RANSON
Ranson, West Virginia

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



AHMAD ASSOCIATES, LTD (AAL)
A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
MEMBER AICPA

TABLE OF CONTENTS

INTRODUCTORY SECTION

Schedule of Funds Included in Report	1
Municipal Officials	2

FINANCIAL SECTION

Independent Auditor's Report	3
Management's Discussion and Analysis	6

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	13
Statement of Activities	14

Fund Financial Statements:

Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Notes to the Financial Statements	19

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	37
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Coal Severance Tax Fund	38

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	40
Statement of Net Position - Component Units	41
Statement of Revenues, Expenses and Changes in Net Position - Component Units	42
Statement of Cash Flows - Component Units	43

ACCOMPANYING INFORMATION

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	44
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

INTRODUCTORY SECTION

THE CITY OF RANSON, WEST VIRGINIA

SCHEDULE OF FUNDS INCLUDED IN REPORT For the Year ended June 30, 2022

GOVERNMENTAL FUND TYPES

Major Funds

General Fund
Coal Severance Tax Fund
Capital Improvement Fund
Sales Tax Fund
American Rescue Plan Act Fund
Cares Grant Fund

Nonmajor Funds

City of Ranson Building Commission
Law Enforcement Investigative Fund

BUSINESS-TYPE FUNDS

None

COMPONENT UNITS

Blended

City of Ranson Building Commission

Discretely Presented

City of Ranson Convention and Visitor's Bureau, Inc.
City of Ranson Parks and Recreation, Inc.

THE CITY OF RANSON, WEST VIRGINIA

MUNICIPAL OFFICIALS For the Year ended June 30, 2022

OFFICE	NAME	TERM
Mayor	Keith D.Pierson	07/01/21-06/30/25
City Council	Michael Anderson	07/01/21-06/30/25
	David Cheshire	07/01/18-06/30/22
	Scott Coulter	07/01/18-06/30/22
	Amanda Stroud	07/01/21-06/30/25
	Donnie Haines	07/01/18-06/30/22
	Gene Taylor	07/01/18-06/30/22
Appointed Officials:		
City Manager	Stephanie Grove	

FINANCIAL SECTION



TYSONS CORNER
8230 OLD COURTHOUSE ROAD
SUITE 210
VIENNA, VA 22182

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
MEMBER AICPA

TEL: (703) 893-9644
FAX: (703) 893-0069
EMAIL: AALCPAS@AOL.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of Ranson
Ranson, West Virginia

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Ranson, West Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Ranson, West Virginia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ranson, West Virginia, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a

INDEPENDENT AUDITOR'S REPORT (Continued)

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-12 and 37-38, respectively, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The fund financial statements for the discreetly presented

INDEPENDENT AUDITOR'S REPORT (Continued)

components units and the introductory section are presented for purposes of additional analysis and are not required part of the basic financial statements.

The fund financial statements for the discreetly presented component units are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City of Ranson, West Virginia'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 City of Ranson, West Virginia's internal control over financial reporting and compliance

AAL, P.C.

Vienna, VA
December 11, 2024

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

The discussion and analysis of the City of Ranson's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's net position increased by \$4.0 million or 16 percent as a result of this year's operations. Unrestricted net position decreased by \$0.7 million, or 5 percent.

During the year, the City had expenses for governmental programs that were \$3.6 million more than the \$3.4 million generated by governmental program revenues, which includes fees for services and intergovernmental aid. The remaining cost of governmental activities was financed with general revenues, which totaled \$7.6 million for the year.

The diminishing impact of the COVID-19 pandemic had a positive effect on consumer based taxes and other consumer based revenues during 2022. Business and occupation taxes, sales taxes, hotel/motel taxes, and video lottery and table gaming revenues increased significantly. The City also received \$2.3 million of American Rescue Plan Act grant revenues to provide for the negative effects related to the COVID-19 pandemic.

The City is a participant in an intergovernmental project to construct Fairfax Blvd. improvements. Phase 1 of the project was completed in 2017 and the City placed in service \$2.4 million of improvements. Phase 2 of the project was completed in 2022 and the City placed in service \$2.0 million of improvements. Phase 3 of the project was on-going as of June 30, 2022, and the City has incurred \$2.7 million of Phase 3 costs (design and construction) as of June 30, 2022.

The City had an on-going stormwater project for Mildred Street during 2022. The Mildred Street project was in progress at the end of 2022. Costs incurred as of June 30, 2022, amounted to \$0.3 million.

The general fund ended the year with a fund balance of \$3.8 million, a \$1.1 million decrease from the previous year. The decrease resulted from increased transfers to other funds in 2022.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements present a shorter term view and tell how governmental services were financed in the near term as well as funds remaining for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

Reporting the City as a Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. You can think of the City's net position-the difference between assets and liabilities-as one way to measure whether the City's financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net position and the Statement of Activities, the City reports its Governmental Activities.

All of the City's basic services are reported here, including the police, streets, sanitation, and general administration. Property taxes, business and occupation taxes, sales taxes, and general revenues finance most of these activities.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds-not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in the reconciliations following each of the fund financial statements.

The City funds represent governmental activities. The City had no business-type activities except through the Convention and Visitor's Bureau and Parks and Recreation component units.

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

The City's combined net position increased \$4.0 million from a year ago increasing from \$25.4 million to \$29.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities.

Table 1
Comparative Statement of Net Position
(In thousands)

	<u><i>FY 2022</i></u>	<u><i>FY 2021</i></u>	<u><i>Change \$</i></u>	<u><i>Change %</i></u>
Assets:				
Total current assets	\$16,900	\$18,200	(\$1,300)	-7.1%
Total non-current assets	<u>13,400</u>	<u>11,300</u>	<u>2,100</u>	18.6%
Total assets	<u>30,300</u>	<u>29,500</u>	<u>800</u>	2.7%
Liabilities:				
Total current liabilities	100	300	(200)	-66.7%
Total non-current liabilities	<u>800</u>	<u>3,800</u>	<u>(3,000)</u>	-78.9%
Total liabilities	<u>900</u>	<u>4,100</u>	<u>(3,200)</u>	-78.0%
Net position:				
Net investment in capital assets	13,400	11,000	2,400	21.8%
Restricted	2,300	-	2,300	
Unrestricted	<u>13,700</u>	<u>14,400</u>	<u>(700)</u>	-4.9%
Total net position	<u>29,400</u>	<u>25,400</u>	<u>4,000</u>	15.7%
Total liabilities and net position	<u>\$30,300</u>	<u>\$29,500</u>	<u>\$800</u>	2.7%

Net position of the City's governmental activities increased by 16 percent (\$4.0 million). Unrestricted net position-the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements- increased from \$14.4 million at June 30, 2022, to \$13.7 million at the end of this year.

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

Table 2
Changes in Net Position
(In thousands)

	<u><i>FY 2022</i></u>	<u><i>FY 2021</i></u>	<u><i>Change \$</i></u>	<u><i>Change %</i></u>
Revenues				
Program revenues:				
Charges for services	\$900	\$500	\$400	80.0%
Operating grants and contributions	2,400	600	1,800	300.0%
Capital grants and contributions	100	-	100	0.0%
General revenues:				
Property taxes	1,300	1,300	-	0.0%
Business and occupation tax	2,400	2,100	300	14.3%
Sales tax	1,900	1,700	200	11.8%
Alcoholic beverage tax	100	100	-	0.0%
Hotel/motel tax	600	400	200	50.0%
Utility services tax	200	200	-	0.0%
Video lottery/table gaming	900	700	200	28.6%
Other general revenues	200	400	(200)	-50.0%
<i>Total Revenues</i>	<u>\$11,000</u>	<u>\$8,000</u>	<u>\$3,000</u>	<u>37.5%</u>
Expenditures				
General government	\$2,600	\$2,000	\$600	30.0%
Public safety	2,200	1,900	300	15.8%
Streets and transportation	1,600	1,500	100	6.7%
Health and sanitation	-	-	-	0.0%
Culture and recreation	600	400	200	50.0%
<i>Total Expenditures</i>	<u>\$7,000</u>	<u>\$5,800</u>	<u>\$1,200</u>	<u>20.7%</u>
Net Change in Fund Balance	<u>\$4,000</u>	<u>\$2,200</u>	<u>\$1,800</u>	<u>81.8%</u>

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

Governmental Activities

The City's total revenues increased by \$3.0 million during the year or 38 percent, primarily because of the City receiving a nonrecurring American Rescue Plan Act grant funding of \$2.3 million. The total cost of all programs and services increased by 21 percent (\$1.2 million).

The cost of all governmental activities was \$7.0 million for 2022. However, as shown in the Statement of Activities, the 2022 amount that taxpayers ultimately financed for these activities through City general revenues was \$3.6 million because some of the cost was paid by those who directly benefitted from the programs (\$3.4 million). Overall, the City's governmental program revenues, including intergovernmental aid and fees for services, increased \$2.3 million to \$3.4 million. The remaining "public benefit" portion of governmental activities was financed with \$3.6 million in taxes (some of which could only be used for certain programs) and general revenues, such as video lottery/table gaming revenues, and developer fees.

THE CITY'S FUNDS

As the City completed the year, the governmental funds reported a combined fund balance of \$16.2 million, which is an increase of 12 percent (\$1.8 million).

General Fund Budgetary Highlights

Over the course of the year, the City Council made occasional revisions to the City budget. These budget amendments were made to reflect anticipated funding changes in the City's operations.

The City's actual revenues exceeded budgeted revenues by \$1.2 million and actual expenditures were \$1.1 million less than reflected budgeted expenditures. Actual ending general fund balance exceeded budgeted ending general fund balance by \$3.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the City had \$13.4 million invested in a broad range of capital assets, including land, buildings and improvements, roads, equipment, and vehicles. (See Table 3 below). This amount represents a net increase (including accumulated depreciation) of \$2.1 million, or 19 percent.

THE CITY OF RANSON, WEST VIRGINIA
Management's Discussion and Analysis
For the Year ended June 30, 2022

Table 3
Capital Assets at Year-End, Net of Depreciation
(In thousands)

	<u><i>FY 2022</i></u>	<u><i>FY 2021</i></u>	<u><i>Change \$</i></u>	<u><i>Change %</i></u>
Land	\$1,600	\$1,600	\$0	0.0%
Building	100	100	-	0.0%
Building improvements	2,800	2,800	-	0.0%
Roads	8,900	8,600	300	3.5%
Equipment, vehicles, and software	4,300	4,100	200	4.9%
Construction in progress	3,100	700	2,400	342.9%
Total	<u>20,800</u>	<u>17,900</u>	<u>2,900</u>	<u>16.2%</u>
Accumulated depreciation	<u>(7,400)</u>	<u>(6,600)</u>	<u>(800)</u>	<u>12.1%</u>
Capital assets, net of accumulated depreciation	<u>\$13,400</u>	<u>\$11,300</u>	<u>\$2,100</u>	<u>18.6%</u>

This year's major additions included (In thousands)

Governmental

Fairfax Blvd. Phase III	\$2,400
GIP Various Equipment	100
Street improvements - repaving, sidewalks, lights, other Vehicles and heavy equipment	300
	<u>100</u>
Total	<u>\$2,900</u>

Debt and Long-term Liabilities

At year-end, the City had a line of credit outstanding of \$0.2 million. The line-of-credit provides interim, fully reimbursable financing of economic and infrastructure development projects administered by the City. Other long-term liabilities represent accrued compensated absences for employees and building commission bonds outstanding that were used to finance facility improvements.

THE CITY OF RANSON, WEST VIRGINIA
Management’s Discussion and Analysis
For the Year ended June 30, 2022

Table 4
Outstanding Long-Term Liabilities at Year-End
(In thousands)

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change \$</u>	<u>Change %</u>
Accrued compensated absences	\$200	\$200	\$0	0.0%
Bonds payable	100	300	(200)	-66.7%
Total	<u>\$300</u>	<u>\$500</u>	<u>(\$200)</u>	-40.0%

ECONOMIC FACTORS

The City's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates, and fees. Those factors include the potential financial effects of the COVID-19 pandemic and the general economy. A related factor is the County's increasing population.

The City of Ranson is cautiously optimistic about its potential for economic growth in the future. Significant financial uncertainty had existed because of the COVID-19 pandemic but the City has successfully addressed that uncertainty through grant awards and ARPA funding. The increasing population, infrastructure improvements, annexation, and procurement of grants and other funding sources are all positive indicators for continued economic growth in the City of Ranson.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money its receives. If you have questions about this report or need additional financial information, contact the Director of Finance at City Hall 312 S. Mildred Street, Ranson, West Virginia.

THE CITY OF RANSON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2022

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Convention and Visitors Bureau</u>	<u>Parks and Receptions</u>
Assets			
Current assets:			
Cash and Equivalents (Note 4)	\$15,094,266	\$671,438	\$652,001
Restricted cash	54,408	-	-
Receivables, Net (Note 7)			
Taxes	1,319,606	-	-
Accounts	75,461	-	-
Grants	20,991	-	-
Construction advances (Note 17)	306,470	-	-
Prepaid expenses	17,544	-	-
Due from component unit	286	-	-
Due from primary government (Note 6)	-	93,986	84,670
<i>Total Current Assets</i>	<u>16,889,032</u>	<u>765,424</u>	<u>736,671</u>
Noncurrent Assets:			
Capital assets, net	10,309,713	12,295	163,798
Construction in progress	3,127,266	-	-
<i>Total Noncurrent Assets (Note 8)</i>	<u>13,436,979</u>	<u>12,295</u>	<u>163,798</u>
Total Assets	<u>\$30,326,011</u>	<u>\$777,719</u>	<u>\$900,469</u>
Liabilities			
Current Liabilities:			
Accounts Payable	\$74,479	\$2,495	\$7,627
Accrued expenses	157,180	4,876	2,481
Due from component units (Note 6)	178,656	-	-
Development bond held (Note 9)	48,962	-	286
Construction line of credit (Note 17)	183,321	-	-
Bond Payable (Current portion) (Note 10)	81,157	-	-
<i>Total Current Liabilities</i>	<u>723,755</u>	<u>7,371</u>	<u>10,394</u>
Noncurrent Liabilities:			
Accrued Compensated Absences (Note 11)	164,829	4,048	1,150
Bond Payable	-	-	-
<i>Total Noncurrent Liabilities</i>	<u>164,829</u>	<u>4,048</u>	<u>1,150</u>
Total Liabilities	<u>888,584</u>	<u>11,419</u>	<u>11,544</u>
Net Position			
Investment in Capital Assets, net of related debt	13,355,822	12,295	163,798
Restricted	2,321,379	-	-
Unrestricted	13,760,226	754,005	725,127
Total Net Position	<u>29,437,427</u>	<u>766,300</u>	<u>888,925</u>
Total Liabilities and Net Position	<u>\$30,326,011</u>	<u>\$777,719</u>	<u>\$900,469</u>

**THE CITY OF RANSON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Year ended June 30, 2022**

	Program Revenues				Net (Expenditures) and Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Primary Government	Component Units	
					Governmental Activities	Convention and Visitors Bureau	Parks and Recreation
Functions/Programs:							
Primary Government							
Governmental Activities:							
General government	\$2,593,333	\$383,173	\$2,315,835	\$0	\$105,675	\$0	\$0
Public safety	2,167,126	509,078	84,993	-	(1,573,055)	-	-
Streets and transportation	1,589,434	3,071	21,229	70,184	1,494,950	-	-
Health and sanitation	-	400	-	-	400	-	-
Cultural and Recreation	635,973	-	-	-	(635,973)	-	-
<i>Total Governmental Activities</i>	<u>\$6,985,866</u>	<u>\$895,722</u>	<u>\$2,422,057</u>	<u>\$70,184</u>	<u>(\$608,003)</u>	<u>-</u>	<u>-</u>
Component Units:							
Convention and Visitors	\$182,432	\$188,950	\$8,910	\$0		\$15,428	\$0
Parks and Recreation	194,159	211,960	5,000	-		-	22,801
<i>Total Component Units</i>	<u>\$376,591</u>	<u>\$400,910</u>	<u>\$13,910</u>	<u>\$0</u>		<u>\$15,428</u>	<u>\$22,801</u>

General Revenues

Taxes

Property taxes, levied for general purposes	\$1,344,554	\$0	\$0
Business and occupation tax	2,343,240	-	-
Sales tax	1,915,168	-	-
Alcoholic beverage tax	82,510	-	-
Utility services tax	245,628	-	-
Hotel/Motel tax	609,912	-	-
Other taxes	11,279	-	-
Developer fees	19,500	-	-
Franchise fees	61,682	-	-
Interest income	2,832	126	92
Video lotter/Table gaming	880,536	-	-
Reimbursements and refunds	44,095	-	-
Miscellaneous	73,218	-	-
Total General Revenues	<u>7,634,154</u>	<u>126</u>	<u>92</u>
Change in Net Position	4,036,251	(1,916)	135,626
Net Position, Beginning of Year	25,401,176	768,216	753,299
Net Position, End of Year	<u>\$29,437,427</u>	<u>\$766,300</u>	<u>\$888,925</u>

THE CITY OF RANSON, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Coal Severance Fund	Capital Improvement Fund	Sales Tax Fund	American Rescue Plan Act Fund	Cares Grant Fund	Other Non-Major Governmental Fund	Totals
Assets								
Current Assets:								
Cash and Equivalents (Note 4)	\$3,300,934	\$263,208	\$6,083,991	\$2,096,694	\$2,315,933	\$1,033,377	\$129	\$15,094,266
Restricted cash	-	-	51,358	-	-	-	3,050	54,408
Receivables, Net (Note 7)								
Taxes	782,317	-	-	537,289	-	-	-	1,319,606
Accounts	25,713	7,170	42,578	-	-	-	-	75,461
Grants	20,991	-	-	-	-	-	-	20,991
Construction advances	-	-	-	306,470	-	-	-	306,470
Prepaid expenses	-	-	-	-	-	-	17,544	17,544
Due from other funds (Note 6)	54,048	-	-	243,613	-	-	-	297,661
Due from component unit	286	-	-	-	-	-	-	286
<i>Total Current Assets</i>	<u>4,184,289</u>	<u>270,378</u>	<u>6,177,927</u>	<u>3,184,066</u>	<u>2,315,933</u>	<u>1,033,377</u>	<u>20,723</u>	<u>17,186,693</u>
Total Assets	<u>\$4,184,289</u>	<u>\$270,378</u>	<u>\$6,177,927</u>	<u>\$3,184,066</u>	<u>\$2,315,933</u>	<u>\$1,033,377</u>	<u>\$20,723</u>	<u>\$17,186,693</u>
Liabilities								
Current Liabilities:								
Accounts Payable	\$26,189	\$0	\$10,105	\$38,186	\$0	\$0	\$0	\$74,480
Construction line of credit	-	-	-	183,321	-	-	-	183,321
Development bond held (Note 9)	-	-	48,962	-	-	-	-	48,962
Due to other funds (Note 6)	-	-	296,411	1,050	-	-	200	297,661
Due from component units (Note 6)	178,656	-	-	-	-	-	-	178,656
Other accrued expenses	156,925	-	-	-	-	-	255	157,180
<i>Total Current Liabilities</i>	<u>361,770</u>	<u>-</u>	<u>355,478</u>	<u>222,557</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>940,260</u>
<i>Deferred inflows of resources</i>								
Unavailable revenue - property tax	58,603	-	-	-	-	-	-	58,603
Total deferred inflows resources	<u>58,603</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,603</u>
Fund Balance (Note 16)								
Nonspendable	-	-	-	-	-	-	17,544	17,544
Restricted	-	-	2,396	-	2,315,933	-	3,050	2,321,379
Committed	-	-	5,820,053	2,961,509	-	-	-	8,781,562
Assigned	3,763,916	270,378	-	-	-	1,033,377	-	5,067,671
Unassigned	-	-	-	-	-	-	(326)	(326)
<i>Total Fund Balances</i>	<u>3,763,916</u>	<u>270,378</u>	<u>5,822,449</u>	<u>2,961,509</u>	<u>2,315,933</u>	<u>1,033,377</u>	<u>20,268</u>	<u>16,187,830</u>
Total Liabilities and Fund Balances	<u>\$4,184,289</u>	<u>\$270,378</u>	<u>\$6,177,927</u>	<u>\$3,184,066</u>	<u>\$2,315,933</u>	<u>\$1,033,377</u>	<u>\$20,723</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,436,979
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds	58,604
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(81,157)
Compensated absences	(164,829)
Net position of governmental activities	<u>\$29,437,427</u>

THE CITY OF RANSON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year ended June 30, 2022

Total fund balances on the governmental funds balance sheet		\$16,187,830
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(81,157)	
Compensated absences	<u>(164,828)</u>	(245,985)
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds		
		58,603
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
		13,436,979
Net position of governmental activities		<u>\$29,437,427</u>

THE CITY OF RANSON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
For the Year ended June 30, 2022

	General Fund	Coal Severance Fund	Capital Improvement Fund	Sales Tax Fund	American Rescue Plan Act Fund	Cares Grant Fund	Other Non-Major Governmental Fund	Totals
Revenues								
Taxes (including interest and penalties)	\$4,672,234	\$0	\$0	\$1,915,168	\$0	\$0	\$0	\$6,587,402
Licenses, permits and miscellaneous fees	321,738	-	-	-	-	-	-	321,738
Intergovernmental:								
Federal	84,993	-	-	-	2,315,835	-	-	2,400,828
State	-	21,229	-	-	-	-	-	21,229
Local	-	-	70,184	-	-	-	-	70,184
Charges for services	400	-	64,506	-	-	-	-	64,906
Fines and Forfeits	509,078	-	-	-	-	-	-	509,078
Developer fees	-	-	19,500	-	-	-	-	19,500
Franchise fees	61,682	-	-	-	-	-	-	61,682
Interest	753	51	1,445	392	108	81	2	2,832
Video lottery/table gaming	-	-	880,536	-	-	-	-	880,536
Reimbursements/Refunds	44,095	-	-	-	-	-	-	44,095
Gain on insurance settlement	-	-	-	-	-	-	-	-
<i>Miscellaneous</i>	73,219	-	-	-	-	-	-	73,219
Total Revenues	5,768,192	21,280	1,036,171	1,915,560	2,315,943	81	2	11,057,229
Expenditures								
General government	2,365,369	-	140,889	-	10	-	-	2,506,268
Public safety	2,027,569	-	105,498	-	-	-	-	2,133,067
Streets and transportation	1,041,147	-	2,746,755	-	-	-	-	3,787,902
Health and Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	599,945	-	54,110	-	-	-	-	654,055
Bond Principal and Interest	-	-	-	-	-	-	209,896	209,896
Total expenditures	6,034,030	-	3,047,252	-	10	-	209,896	9,291,188
Excess (deficiency) of revenues over expenditures	(265,838)	21,280	(2,011,081)	1,915,560	2,315,933	81	(209,894)	1,766,041
Other financing sources (uses)								
Transfers in	1,500,101	-	1058493	-	-	1033296	210529	3,802,419
Transfers out	(2,302,318)	-	-	(1,500,000)	(100)	-	(1)	(3,802,419)
Total other financing sources	(802,217)	-	1,058,493	(1,500,000)	(100)	1,033,296	210,528	-
Net Change in Fund Balance	(1,068,055)	21,280	(952,588)	415,560	2,315,833	1,033,377	634	1,766,041
Fund Balance Beginning of Year	4,831,971	249,098	6,776,037	2,545,949	100	-	19,634	14,421,789
Fund Balance End of Year	\$3,763,916	\$270,378	\$5,823,449	\$2,961,509	\$2,315,933	\$1,033,377	\$20,268	\$16,187,830

THE 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, 2022

Net change in fund balance - total governmental fund		\$1,766,041
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital Outlays	2,915,054	
Depreciation expense	<u>(806,380)</u>	
Amount capital outlays exceed depreciation		2,108,674
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
Deffered revenues decreased by this amount in the current period		(35,111)
<p>Expenses in the statement of activities that do not provide current financial resources are not reported as expenditures in governmental funds.</p>		
Deffered revenues decreased by this amount in the current period		(6,625)
<p>The repayment of long-term debt (e.g. bonds, leases) uses financial resources of governmental funds, however, this has no effect on net position. Also, governmental funds report the effect of insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deffered and amortized in the statement of activities. Principal paid in the current period, and additions and reductions to deferred discounts, premiums and insurance on long-term debt represent this amount.</p>		
		<u>203,272</u>
Change in net position of governmental activities		<u>\$4,036,251</u>

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Ranson, West Virginia (the City), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

A. Reporting Entity

The City of Ranson, West Virginia is a municipal corporation in which citizens elect the mayor at large and six council members. The City engages in a comprehensive range of services, including general government administration, public safety and administration of justice, street maintenance, recreation, and cultural and historic activities.

The accounting policies and the presentation of the financial report of the City have been designed to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB).

The City follows the GASB Standards for financial reporting. Certain significant components of the Standards include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities.
- Fund financial statements that focus on major funds.

These financial statements present all fund types of the City and its blended and discreetly presented component units.

B. Individual Component Unit Disclosure

In determining whether to include a governmental department, agency, Commission or organization as a component unit, the City must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of (1) its corporate name, (2) the right to sue and be sued, and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on (1) the appointment of the governing authority, and (2) the ability to impose will, or the providing of specific financial benefit or imposition of specific financial burden. Another factor considered in this evaluation is whether an entity is fiscally dependent on the City.

Blended Component Unit

The entity below is legally separate from the City and meets GAAP criteria for a component unit. This entity is blended with the primary government because it provides services entirely or almost entirely to the City.

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Building Commission* serves the City and is governed by a Board comprised of three members appointed by the City for a term of five years each. The Building Commission acquires property and debt on behalf of the City. The Building Commission is reported as a governmental fund.

Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from the City, but are financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Because of the nature of services they provide and the City's ability to impose its will on them or a financial benefit/burden relationship exists, the following component units are discretely presented in accordance with GASB Standards. The discretely presented component units are presented on the government-wide financial statements.

The *Ranson Parks and Recreation Board* serves all citizens of the City by providing recreational services and is governed by a five member Board appointed by the City. The City provides financial support to the Board on an annual basis.

The *Ranson Convention and Visitor's Bureau* serves all citizens of the City by promoting tourism, cultural activities, and recreation and is governed by a seven member Board comprised of four members appointed by the City. The City provides financial support to the Bureau on an annual basis.

C. Related Organizations

The City's officials are also responsible for appointing the members of the board of various organizations, but the City's accountability for these organizations does not significantly extend beyond making the appointments. The City is not financially accountable for the organizations to which these appointments are made. The City appoints board members to the following organizations:

Charles Town Utility Board,
Hagerstown/Eastern Panhandle MPO,
Jefferson County Development Authority,
Region 9.

D. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Under this reporting model, the focus is on both the City as a whole and the fund financial statements, including the major funds of the governmental and business-type categories, as well as the component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected in a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. The City did not have business-type activities during the year except through the City's discretely presented component units.

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, public safety, highways and streets, sanitation, culture and recreation, etc.) that are otherwise being supported by general government revenues (property, business and occupation taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants and contributions. The program revenues must be directly associated with the function (general government, public safety, highways and streets, culture and recreation, etc.) or a business-type activity. Program revenues include 1) charges to customers for applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating - specific and discretionary (either operating or capital) grants while the capital grants column reflects capital - specific grants and contributions.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resources and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The emphasis in fund financial statements is on major funds in the governmental categories. Non-major funds by category are summarized into a single column. GASS Standards set forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental categories combined) for the determination of major funds.

City management may electively add funds as major funds, when it is determined the funds have specific community or management focus.

The following is a brief description of the specific funds used by the City:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures,

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General Fund

The general fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service and interest income.

Special Revenue Funds

Special revenue funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. Special revenue funds considered to be major funds consist of the Coal Severance, Capital Improvements, Sales Tax, American Rescue Plan Act, and Cares Grant funds.

Proprietary Funds

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent is that the cost of providing goods and services to the general public, on a continuing basis, be financed or recovered primarily through user charges. The City has no proprietary funds.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the fund's statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditure and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities and all proprietary component units are accounted for on a flow of economic resources measurement focus.

The statement of net position, statement of activities, and statement of cash flows of the discretely presented component units are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then the unrestricted resources as needed.

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting

All municipalities within West Virginia are required by statute to prepare annual budgets (levy estimates) on prescribed forms and submit these for approval to the State Tax Commissioner. These budgets are prepared in accordance with the following procedures:

1. The governing body of the City is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the City and to prepare the levy estimate (budget) for the fiscal year commencing July 1.
2. The budget is then forthwith submitted to the State Tax Commissioner for approval.
3. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

The annual budget for the General Fund is prepared on a basis consistent with U.S. generally accepted accounting principles.

Budget revisions are authorized only with the prior written approval of the West Virginia State Auditor's office. The budgeted amounts reflected in the accompanying financial statements represent those adopted by the City's Council and approved by the West Virginia State Auditor's office.

G. Encumbrances

Encumbrance accounting, under which purchase orders are issued but are not considered expenditure until liabilities for payments are incurred, is not employed as an extension of the formal budgetary process.

H. Customer Receivables

The City uses the reserve method of providing for possible losses in the collection of its accounts receivable.

I. Inventories

The City considers inventories of materials and supplies as expended at the time of purchase. Therefore, they do not appear in the City's financial statements.

J. Restricted Cash

Restricted cash of the Capital Improvement Fund consists of development bond funds that will be either refunded to the developers or expended as phases of the related development projects are completed. These funds had an outstanding balance of \$48,962 at June 30, 2022.

Restricted cash of the Law Enforcement Investigative Fund consists of funds whose use is limited by

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

state law or regulation. Restricted cash of the Law Enforcement Investigative Fund amounted to \$3,050 at June 30, 2022.

K. Stabilization Arrangements

The City has created a stabilization arrangement in accordance with West Virginia Code §8-37-3. The City may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for short falls in future periods.

L. Capital Assets

Capital outlays are recorded as expenditures of the general and special revenue funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold of \$5,000 is met. Depreciation is recorded on general fixed assets on a government- Wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-40 years
Improvements	10-40 years
EquipmenUSoftware	3-10 years
Vehicles	5 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and or balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City had no items that qualify for reporting in this category.

In addition to liabilities, the statements of net position and or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's only deferred inflow of resources is for unavailable property taxes as reported in the governmental funds balance sheet.

N. Compensated Absences

The City's policy is to permit employees to accumulate earned but unused vacation benefits. The City fully recognizes the liability related to compensated absences in the government-wide financial statements and proprietary fund financial statements.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Component Unit Charges

The City allocates the Parks and Recreation component unit and the Convention and Visitor's Bureau component unit certain costs that are paid out of the general fund. These costs are reimbursed on a periodic basis.

P. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Q. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental/business type activities.

R. Fund Balances

In accordance with GASB Standards, the City classifies governmental fund balances within the following categories: Non-spendable fund balance, which includes amounts that cannot be spent because it is not in spendable form; restricted fund balance, which includes amounts constrained for specific purposes that are externally imposed by the resource providers; committed fund balance, which includes amounts constrained for specific purposes that are internally imposed through formal action of the City Council; assigned fund balance, which includes amounts intended to be used for specific purposes that are neither restricted or committed, however, assigned by non-formal action by City Council or finance department; and unassigned fund balance, which is the residual classification for amounts in the general fund that have not been classified within the other categories and special revenue funds with deficit fund balances.

S. Net Position

Net position is classified into the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.

Restricted net position - This amount is restricted by external creditors, granters, contributors, laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS For the Year ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Statement of Cash Flows

For purposes of the Statement of Cash Flows for component units, all highly liquid investments (including restricted assets) with a maturity of 3 months or less when purchased are considered to be cash equivalents.

NOTE 2: NEW ACCOUNTING PRONOUNCEMENTS

GASS Statement No. 91, *Conduit Debt Obligations* seeks to provide a single method of reporting

conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement 91 will be effective for fiscal year ending June 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. Statement 94 will be effective for fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Statement 96 will be effective for fiscal year ending June 30, 2023.

GASB Statement No. 100, *Summary of Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, aims to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions of assessing accountability. Statement 100 will be effective for fiscal year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 will be effective for fiscal year ending June 30, 2025.

The City has not yet determined the effect these Statements will have on its financial statements.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 3: PROPERTY TAXES

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distraint delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments: the first installment is payable on September first of the year for which the assessment is made and becomes delinquent on October first: the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are due, including both the first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All municipalities within the state are authorized to levy taxes not in excess of the maximum levies per \$100 of assessed valuation. In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per \$100 of assessed valuation for each class of property for the year ended June 30, 2022, were as follows:

<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>
Class I	\$0	12.50¢
Class II	\$164,587,290	25.00¢
Class III	\$195,510,357	50.00¢

NOTE 4: CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments represent amounts being held at banks and consist of the following accounts and amounts at June 30, 2022:

Municipalities are authorized by statute to provide excess funds to the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements.

The market value of the above cash and temporary investments approximates cost at June 30, 2022.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 4: CASH AND TEMPORARY INVESTMENTS (CONTINUED)

	Primary Government	Component Units
Unrestricted accounts		
Bank accounts	\$15,094,266	\$1,323,439
Total Unrestricted accounts	\$15,094,266	\$1,323,439
Restricted accounts		
Development bond funds	\$51,358	\$0
Law enforcement investigative fund	3,050	-
Total restricted accounts	\$54,408	\$0

NOTE 5: COLLATERALIZATION OF DEPOSITS

The City maintains its cash accounts at one financial institution. City deposits held by financial institutions are insured up to \$250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2022, the carrying amount of the City deposits (including component units) was \$16,472,113 and the bank balance was \$17,199,673. The bank balance in excess of FDIC insurance of \$16,949,673 was collateralized with securities held by the financial institution.

**NOTE 6: INTERNAL BALANCES, INTERFUND TRANSFERS AND DUE TO / FROM
COMPONENT UNITS**

Receivable Fund	Payable Fund	Amount
General	Sales Tax	\$1,050
General	Capital Improvement	52,798
General	Law Enforcement Investigative	200
Sales Tax	Capital Improvement	243,613
	Total	\$297,661

These balances represent timing differences due to routine advances between the City's General Fund and other funds and a reclassification of a capital expenditure from the Sales Tax Fund to the Capital Improvement Fund. Internal receivables and payables are expected to be substantially extinguished on an annual basis.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 6: INTERNAL BALANCES, INTERFUND TRANSFERS AND DUE TO/FROM COMPONENT UNITS (CONTINUED)

Interfund transfers for the year ended June 30, 2022 are as follows:

<u>Transferor Fund</u>	<u>Transferee Fund</u>	<u>Amount</u>
Sales Tax	General	\$1,500,000
American Rescue Plan Act	General	100
Investigative Services	General	1
General	Cares act	1,033,296
General	Capital Improvement	1,058,493
General	Building Commission	210,529
Total	Total	<u>\$3,802,419</u>

Sales tax fund transfers to the general fund were for operational purposes. General fund transfers to the capital improvement fund were to fund anticipated capital projects, general fund transfers to Cares Act fund were to segregate grant funding general fund transfers to the building commission were to provide for debt service payments, and general fund transfers from the American Rescue Plan Act fund were to reimburse for fund establishment.

Amounts due to/from component units at June 30, 2022 are as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
Convention and Visitors Bureau	General	\$93,986
Parks and Recreation	General	84,670
	Total	<u>\$178,656</u>

The component unit balances were extinguished during the year ending June 30, 2023. Amounts due represent hotel/motel tax allocations.

NOTE 7. RECEIVABLES, NET

The City's governmental funds' receivables at June 30, 2022 consisted of accounts receivable, taxes receivable and grants receivable of \$75,461, \$1,319,606, \$20,991 respectively.

The City periodically analyzes delinquent accounts and use the allowance method for accounting for bad debt.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 8: CHANGES IN CAPITAL ASSETS

The following is a summary of the changes in governmental type capital assets:

	<u>Balance at June 30,2021</u>	<u>Additions</u>	<u>Written-Off / Disposals</u>	<u>Balance at June 30,2022</u>
Governmental Activities :				
Capital Assets not being depreciated:				
Land	\$1,620,374	\$0	\$0	\$1,620,374
Construction in progress	743,730	2,383,536	-	3,127,266
Total Capital Assets not being depreciated	<u>2,364,104</u>	<u>2,383,536</u>	-	<u>4,747,640</u>
Capital Assets being depreciated:				
Building	122,000	-	-	122,000
Land improvements	2,802,133	11,676	-	2,813,809
Buildings improvements	52,666	-	-	52,666
Streets/Roads	8,529,621	327,340	-	8,856,961
Equipment	1,609,341	27,771	-	1,637,112
Software	217,029	-	-	217,029
Vehicles	2,245,759	164,731	-	2,410,490
Total	15,578,549	531,518	-	16,110,067
Less: accumulated depreciation	<u>(6,614,348)</u>	<u>(806,380)</u>		<u>(7,420,728)</u>
Capital Assets being depreciated, net	<u>8,964,201</u>	<u>(274,862)</u>	-	<u>8,689,339</u>
Total Governmental Activities Capital Assets	<u>\$11,328,305</u>	<u>\$2,108,674</u>	<u>\$0</u>	<u>\$13,436,979</u>

Depreciation was charged to function as follows:

Governmental Activities :	
General government	\$106,819
Public safety	117,507
Highways and Streets	546,026
Culture and recreation	36,028
Total Governmental Activities depreciation expense	<u>\$806,380</u>

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 8: CHANGES IN CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in component unit capital assets:

	<u>Balance at June 30,2021</u>	<u>Additions</u>	<u>Written-Off / Disposals</u>	<u>Balance at June 30,2022</u>
Convention and Visitors Bureau :				
Capital Assets not being depreciated:				
None	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets being depreciated:				
Equipment	8,986	-	-	8,986
Vehicles	24,591	-	-	24,591
Less:				
Accumulated depreciation	<u>(16,364)</u>	<u>(4,918)</u>	<u>-</u>	<u>(21,282)</u>
Capital Assets being depreciated, net	<u>17,213</u>	<u>(4,918)</u>	<u>-</u>	<u>12,295</u>
Total Convention and Visitors Bureau capital assets	<u>\$17,213</u>	<u>(\$4,918)</u>	<u>\$0</u>	<u>\$12,295</u>
Depreciation was charged as follows:				
Component Unit : Convention and Visitors Bureau	<u>\$4,918</u>			
	<u>Balance at June 30,2021</u>	<u>Additions</u>	<u>Written-Off / Disposals</u>	<u>Balance at June 30,2022</u>
Parks and Recreation :				
Capital Assets not being depreciated:				
None	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets being depreciated:				
Building	43,416	-	-	43,416
Land improvements	18,229	-	-	18,229
Equipment	177,356	53,689	-	231,045
Vehicles	26,367	-	-	26,367
Less:				
Accumulated depreciation	<u>(131,694)</u>	<u>(23,565)</u>	<u>-</u>	<u>(155,259)</u>
Capital Assets being depreciated, net	<u>133,674</u>	<u>30,124</u>	<u>-</u>	<u>163,798</u>
Total Parks and Recreation capital assets	<u>\$133,674</u>	<u>\$30,124</u>	<u>\$0</u>	<u>\$163,798</u>
Depreciation was charged as follows:				
Component Unit : Parks and Recreation	<u>\$23,565</u>			

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 9: CAPITAL IMPROVEMENT FUND DEVELOPER BONDS

The City requires certain developer bonds to assure that projects are completed in accordance with City policies and procedures. These bonds are refunded upon completion of satisfactory project construction. Total outstanding developer bonds amounted to \$48,962 at June 30, 2022.

NOTE 10: LONG TERM DEBT

Lease Revenue Bond Payable Ranson Building Commission (Blended Component Unit):

Series 2008 City of Ranson Building Commission Lease Revenue Improvement and Refunding Bonds in the original amount of \$2,500,000 with an outstanding balance of \$81,157 at June 30, 2022. The bond bears interest at 3.747% and matures November 2022.

Scheduled maturities of the bonds for years succeeding June 30, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$81,157	\$725	\$81,882
Total	\$81,157	\$725	\$81,882

Bond debt service is payable solely from lease rental payments pursuant to an agreement and lease between the Building Commission and the City. Lease rentals are subject to annual appropriation by the City. The bonds are secured by a lease assignment and deed of trust.

NOTE 11: CHANGES IN LONG-TERM LIABILITIES

	Balance at June 30, 2021	Additions	Payments	Balance at June 30, 2022	Due within One Year
Compensated absences	\$158,204	\$6,625	\$0	\$164,829	\$0
2008 Bond	284,429	-	203,272	81,157	81,157
Total Long-Term Liabilities	\$442,633	\$6,625	\$203,272	\$245,986	\$81,157

NOTE 12: LEASE AGREEMENTS

Operating Lease

The City and the Building Commission entered into Leases whereby the City leases from the Building Commission certain improved real estate in consideration for the issuance by the Building Commission of Lease Revenue Bonds.

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 12: LEASE AGREEMENTS (CONTINUED)

The lease term corresponds to the related bond terms. The City has pledged to pay lease rentals to the Building Commission consisting of amounts sufficient to promptly pay principal and interest due on the Building Commission's Lease Revenue Bonds, Series 2008. The City is responsible for all operation and maintenance costs associated with the leased property.

No lease revenue or expense is recognized in the financial statements because the Ranson Building Commission is a blended component unit in the governmental fund financial statements.

NOTE 13: EMPLOYEES' RETIREMENT PLAN

The City has established a combined 401a/457b retirement plan. All full time employees are eligible to participate in the plan. The City makes a contribution to the 401a plan equal to 5% of eligible employee compensation. In addition, the City matches employee contributions to the 457b plan up to 5% of eligible compensation. The City's contributions for the years ended June 30, 2022, 2021, and 2020 amounted to \$218,434, \$188,846, and \$174,954, respectively.

The retirement plan is administered by John Hancock Life Insurance Company (John Hancock). Plan assets are maintained by John Hancock through a record keeping agreement with the City. John Hancock maintains all assets and makes all investment decisions in coordination with plan participants. Plan participant loan eligibility is determined by John Hancock. The City's sole responsibility is to fund the plan in accordance with City resolutions establishing the plan.

NOTE 14: COMMITMENTS AND CONTINGENCIES

Litigation

The City is routinely a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City, when considered in relation to insurance coverage in force.

Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Fairfax Boulevard Improvement Project

The City is a participant in an intergovernmental project to construct improvements to Fairfax Boulevard. Phase 1 construction was completed at a cost of \$2,382,817. Phase 2 was completed at a cost of \$1,929,694. Phase 3 of the Fairfax Blvd. project had commenced during the year ended June 30, 2020. The City has incurred costs of \$2,690,951 as of June 30, 2022. Phase 3 amounts are recorded as construction in progress at June 30, 2022.

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 14: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Stormwater Projects

During the year ended June 30, 2020, the City commenced the Mildred Street stormwater project. The City has incurred \$252,256 of costs associated with this project which are included in construction in progress at June 30, 2022.

NOTE 15: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries umbrella (general liability) insurance for these various risks.

The City provides insurance coverage to employees for job-related injuries through Travelers' Casualty Insurance Co. of America and offers health insurance to all eligible employees through Public Employees Insurance Agency (PEIA).

Liabilities are reported when it is probable a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE 16: FUND BALANCE

Fund balance is classified as non-spendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds are presented below:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>Capital Improvement Fund</u>	<u>Sales Tax Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Cares Grant Fund</u>	<u>Other Funds</u>
NonSpendable for:							
Prepaid debt service payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,544
Restricted for:							
Law enforcement	-	-	-	-	-	-	3,050
Developer bond repayment			2,396				
ARPA funding					2,315,933		
Committed for:							
Capital outlays/debt service on capital projects	-	-	5,820,053	2,961,509	-	-	-
Assigned for:							
Carryover to fiscal year June 30, 2023 budget	3,763,916	-	-	-	-	-	-
Streets and transportation operations/capital outlay	-	270,378	-	-	-	-	-
Cares Grant funding	-	-	-	-	-	1,033,377	-
Unassigned for:							
Special revenue fund deficit	-	-	-	-	-	-	(326)
Total fund balance	<u>\$ 3,763,916</u>	<u>\$ 270,378</u>	<u>\$ 5,822,449</u>	<u>\$ 2,961,509</u>	<u>\$ 2,315,933</u>	<u>\$ 1,033,377</u>	<u>\$ 20,268</u>

THE CITY OF RANSON, WEST VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended June 30, 2022

NOTE 17: ECONOMIC DEVELOPMENT ACTIVITIES

On July 18, 2017, the City entered into a memorandum of understanding with Roxul USA, Inc. ("Company") to increase the employment base, economic development and related revenues for the City and promote investment on the Route 9 corridor. The Company has constructed and operates, within the City municipal limits, a state-of-the-art manufacturing facility along with necessary infrastructure and improvements.

The City has agreed to the following:

- a. Cap all one-time City related and imposed land development fees, building permit fees, city service fees, and one-time B&O taxes on contracting to 1% of the total capital investment spent by the Company within the envelope of existing Company property (approximately 130 acres). The fee cap on one-time fees and taxes will not exceed \$1.5 million. One-half of the fee, amounting to \$750,000 was paid to the City during the year ended June 30, 2018. The remaining \$750,000 was paid to the City during the year ended June 30, 2019.
- b. The City has agreed to work cooperatively with the Company, the West Virginia Development Office, the Jefferson County Development Office and other agencies to secure funding, coordinate with off-site utility providers and administer contracts where necessary.

As part of the City's administration of road, water, and sewer utility design and construction contracts, the City has obtained a line of credit from a local financial institution in the amount of \$5,000,000. The line of credit has a variable interest rate based on the Lender's Prime Rate Index (4.5% at June 30, 2022) and the note matures on November 15, 2022, and is payable in full at that time. The outstanding balance of the line of credit is \$183,321 as of June 30, 2022. The loan is unsecured.

The City has the following assets and obligations related to contract administration at June 30, 2022:

Assets

Administrative fees receivable	\$ 102,667
Road design and construction funding receivable	<u>203,803</u>
Total advance funding receivable	<u><u>\$ 306,470</u></u>

Liabilities

Bank line of credit outstanding	<u><u>\$ 183,321</u></u>
---------------------------------	--------------------------

The City has an enforceable guarantee of repayment of these economic development expenditures, including those drawn from the line of credit.

THE CITY OF RANSON, WEST VIRGINIA

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2022**

NOTE 17: ECONOMIC DEVELOPMENT ACTIVITIES (continued)

A multi-jurisdictional payment in lieu of taxes agreement (PILOT) has been executed regarding the development project. The City is a party to the agreement. The agreement calls for payments to be made by the Company in lieu of property tax assessments. The following is a schedule of expected payments in lieu of taxes.

<u>Payment Date</u>	<u>Real Estate</u>	<u>Personal Property</u>
September 1, 2020	\$ 225,000	\$ -
September 1, 2021	\$ -	\$ -
September 1, 2022	\$ -	\$ -
September 1, 2023	\$ -	\$ -
September 1, 2024	\$ -	\$ -
September 1, 2025	\$ -	\$ -
September 1, 2026	\$ 90,000	\$ -
September 1, 2027	\$ 180,000	\$ -
September 1, 2028	\$ 725,000	EPPT*
September 1, 2029	\$ 815,000	EPPT*

*Equivalent Personal Property Tax (EPPT) which shall be equal to the amount of ad valorem property tax chargeable against the tangible personal property of the Project were it fully taxable and appraised at salvage value based on 5% of its book value.

The Jefferson County Sheriff is responsible for allocating the PILOT payments among the entities that would, except for this agreement, receive assessed property taxes from the Company.

NOTE 18: AMERICAN RESCUE PLAN ACT GRANT

The City received \$2,315,835 of ARPA grant proceeds during the year ended June 30, 2022. As of June 30, 2022, the City had not expended any of those funds.

NOTE 19: SUBSEQUENT EVENTS

The City has evaluated all subsequent events through November 4, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF RANSON, WEST VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - GENERAL FUND**

For the Year ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
Revenues				
Taxes (including interest and penalties)				
General property tax	\$1,269,255	\$1,269,255	\$1,379,665	\$110,410
Business and occupation tax	1,737,992	1,767,992	2,343,240	575,248
Alcoholic beverages tax	65,000	65,000	82,510	17,510
Utility services tax	160,000	160,000	245,628	85,628
Hotel/motel tax	350,000	680,000	609,912	(70,088)
Other taxes	6,000	6,000	11,279	5,279
Total taxes	<u>3,588,247</u>	<u>3,948,247</u>	<u>4,672,234</u>	<u>723,987</u>
Licenses, permits and miscellaneous fees	164,000	244,000	321,738	77,738
Intergovernmental:				
Federal	83,300	83,300	84,993	1,693
State	-	-	-	-
Charges for services		-	400	400
Fines and Forfeits	125,000	218,000	509,078	291,078
Franchise fees	35,000	35,000	61,682	26,682
Interest	1,000	1,000	753	(247)
Reimbursements/Refunds	45,000	45,000	44,095	(905)
Miscellaneous	4,000	4000	73,219	69,219
Total Revenues	<u>4,045,547</u>	<u>4,578,547</u>	<u>5,768,192</u>	<u>1,189,645</u>
Expenditures				
General government	2,176,027	3,196,204	2,365,369	830,835
Public safety	1,953,540	2,115,420	2,027,569	87,851
Streets and transportation	1,090,980	1,142,420	1,041,147	101,273
Health and Sanitation	-	-	-	-
Culture and recreation	350,000	680,000	599,945	80,055
Total expenditures	<u>5,570,547</u>	<u>7,134,044</u>	<u>6,034,030</u>	<u>1,100,014</u>
Excess (deficiency) of revenues over expenditures	<u>(1,525,000)</u>	<u>(2,555,497)</u>	<u>(265,838)</u>	<u>2,289,659</u>
Other financing sources (uses)				
Transfers in	1,525,000	1,575,000	1,500,101	(74,899)
Transfers out	<u>(200,000)</u>	<u>(2,104,308)</u>	<u>(2,302,318)</u>	<u>(198,010)</u>
Total other financing sources	<u>1,325,000</u>	<u>(529,308)</u>	<u>(802,217)</u>	<u>(272,909)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(200,000)	(3,084,805)	(1,068,055)	2,016,750
Fund Balance Beginning of Year	<u>200,000</u>	<u>3,084,805</u>	<u>4,831,971</u>	<u>1,747,166</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$3,763,916</u>	<u>\$3,763,916</u>

THE CITY OF RANSON, WEST VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – COAL SEVERANCE TAX FUND
For the Year ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
Revenues				
Intergovernmental:				
Federal	\$6,000	\$6,000	\$21,229	\$15,229
State	-	-	51	51
<i>Total Revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>21,280</u>	<u>15,280</u>
 Expenditures				
Streets and transportation	186,000	257,069	-	257,069
<i>Total expenditures</i>	<u>186,000</u>	<u>257,069</u>	<u>-</u>	<u>257,069</u>
 Excess (deficiency) of revenues over expenditures	(180,000)	(251,069)	21,280	272,349
 Other financing sources (uses)				
Operating Transfers out	-	-	-	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(180,000)	(251,069)	21,280	272,349
 <i>Fund Balance Beginning of Year</i>	<u>180,000</u>	<u>251,069</u>	<u>249,098</u>	<u>(1,971)</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$270,378</u>	<u>\$270,378</u>

SUPPLEMENTARY INFORMATION

THE CITY OF RANSON, WEST VIRGINIA

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022**

	Building Commission Blended Component Unit	Law Enforcement Investigative Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Equivalents	\$129	\$0	\$129
Restricted cash	-	3,050	3,050
Prepaid expenses	17,544	-	17,544
Total assets	<u>\$17,673</u>	<u>\$3,050</u>	<u>\$20,723</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Other accrued expenses	\$255	\$0	\$255
Due to other funds	-	200	200
Total liabilities	<u>255</u>	<u>200</u>	<u>455</u>
Fund balances:			
Nonspendable	17,544	-	17,544
Restricted	-	2,850	2,850
Committed	-	-	-
Assigned	-	-	-
Unassigned	(126)	-	(126)
Total fund balances	<u>17,418</u>	<u>2,850</u>	<u>20,268</u>
Total liabilities and fund balances	<u>\$17,673</u>	<u>\$3,050</u>	<u>\$20,723</u>

THE CITY OF RANSON, WEST VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2022**

	Building Commission Blended Component Unit	Law Enforcement Investigative Fund	Totals
REVENUES			
Charges for services	\$0	\$0	\$0
Interest	1	1	2
Confiscated property	-	-	-
Other	-	-	-
Total revenues	<u>1</u>	<u>1</u>	<u>2</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Debt service:			
Principal	203,272	-	203,272
Interest	6,624	-	6,624
Total expenditures	<u>209,896</u>	<u>-</u>	<u>209,896</u>
Excess (deficiency) of revenues over expenditures	(209,895)	1	(209,894)
Other financing sources (uses)			
Transfers from other funds	210,529	-	210,529
Transfers to other funds	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>210,529</u>	<u>(1)</u>	<u>210,528</u>
Net change in fund balance	634	-	634
Fund Balance Beginning of Year	<u>16,784</u>	<u>2,850</u>	<u>19,634</u>
Fund Balance End of Year	<u>\$17,418</u>	<u>\$2,850</u>	<u>\$20,268</u>

THE CITY OF RANSON, WEST VIRGINIA

STATEMENT OF NET POSITION – COMPONENT UNITS
June 30, 2022

	Convention and Visitors Bureau	Parks and Recreations
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash (Note 4)	\$671,438	\$652,001
Due from Primary Government (Note 6)	93,986	84,670
<i>Total Current Assets</i>	<u>765,424</u>	<u>736,671</u>
Capital Assets:		
Land improvements	-	18,229
Buildings	-	43,416
Equipment	8,986	231,045
Vehicles	24,591	26,367
Less: accumulated depreciation	<u>(21,282)</u>	<u>(155,259)</u>
<i>Total Capital Assets (Note 8)</i>	<u>12,295</u>	<u>163,798</u>
 <i>Total Assets</i>	 <u>\$777,719</u>	 <u>\$900,469</u>
 LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	\$2,495	\$7,627
Accrued expenses	4,876	2,481
Due to Primary Government	<u>-</u>	<u>286</u>
<i>Total Current Liabilities</i>	<u>7,371</u>	<u>10,394</u>
Noncurrent Liabilities:		
Accrued Compensated Absences (Note 11)	<u>4,048</u>	<u>1,150</u>
<i>Total Noncurrent Liabilities</i>	<u>4,048</u>	<u>1,150</u>
 <i>Total Liabilities</i>	 <u>11,419</u>	 <u>11,544</u>
 Net Position		
Net Investment in Capital Assets	12,295	163,798
Unrestricted	<u>754,005</u>	<u>725,127</u>
<i>Total Net Position</i>	<u>766,300</u>	<u>888,925</u>
 <i>Total Liabilities and Net Position</i>	 <u>\$777,719</u>	 <u>\$900,469</u>

THE CITY OF RANSON, WEST VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – COMPONENT UNITS**

For the Year ended June 30, 2022

	<u>Convention and Visitors Bureau</u>	<u>Parks and Recreations</u>
OPERATING REVENUES		
Hotel/Motel tax allocation	\$301,188	\$301,188
Rentals	-	39,560
Program services revenues		2,510
Special events	3,902	-
Sponsorships	8,750	-
Concessions	-	-
Contribution from government	-	262
Other	1,422	534
Other operating revenues	<u>315,262</u>	<u>344,054</u>
OPERATING EXPENSES		
Advertising	120,721	481
Compensation	132,595	82,487
Contract Services	24,805	19,385
Contribution to Primary Government	2,693	-
Contributions - Other	-	11,692
Depreciation	4,918	23,565
General and administrative	5,468	1,917
Maintenance and repair	129	6,028
Supplies	22,870	16,563
Refunds	3,035	1,750
Travel	1,644	180
Utilities and Telephone	4,366	46,422
Total Operating expenses	<u>323,244</u>	<u>210,470</u>
Income or loss from operations	(7,982)	133,584
OTHER INCOME (EXPENSE)		
Interest and investment income	126	92
Grants and donations	5,940	1,950
Total other income (expense)	<u>6,066</u>	<u>2,042</u>
Change in net position	(1,916)	135,626
Net position at beginning of year	<u>768,216</u>	<u>753,299</u>
Net position at end of year	<u>\$766,300</u>	<u>\$888,925</u>

The accompanying notes are an integral part of these financial statements

THE CITY OF RANSON, WEST VIRGINIA

**STATEMENT OF CASH FLOWS – COMPONENT UNITS
For the Year ended June 30, 2022**

	Convention and Visitors Bureau	Parks and Recreations
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from program services, tax collections and other support	\$320,165	\$336,083
Cash paid for compensation, goods and services	(316,251)	(178,461)
Net Cash Flows Provided by Operating Activities	3,914	157,622
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and investment income	126	92
Grants and donations	5,940	1,950
Net Cash Flows Provided (Used) by Investing Activities	6,066	2,042
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	-	(53,688)
Net cash used in capital and related financing activities	-	(53,688)
Net increase in cash and cash equivalents	9,980	105,976
cash and cash equivalents at beginning of year	661,458	546,025
cash and cash equivalents at end of year	\$671,438	\$652,001
 <i>Reconciliation of Operating income (loss) to net cash flows from operations</i>		
Operating income (loss)	(7,982)	133,584
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	4,918	23,565
Decrease (increase) in due from primary government	4,903	(7,971)
Decrease (increase) in accounts payable	2,341	5,480
Decrease (increase) in accrued expenses	(266)	2,964
Net cash provided by operating activities	\$3,914	\$157,622
 Supplemental disclosures of cash flow information		
Cash paid for interest	\$0	\$0
Cash paid for taxes	\$0	\$0
 Non cash investing, capital and financing transactions:		
None		

ACCOMPANYING INFORMATION



TYSONS CORNER
8230 OLD COURTHOUSE ROAD
SUITE 210
VIENNA, VA 22182

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
MEMBER AICPA

TEL: (703) 893-9644
FAX: (703) 893-0069
EMAIL: AALCPAS@AOL.COM

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

Honorable Mayor and Council
City of Ranson
Ranson, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ranson, West Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Ranson, West Virginia's basic financial statements, and have issued our report thereon dated December 11, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Ranson, West Virginia'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Ranson, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ranson, West Virginia'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 entity'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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ranson, West Virginia'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.

AAL, P.C.

AAL P.C.
Vienna, VA
December 11, 2024