

**AUDIT REPORT ON THE  
FINANCIAL STATEMENTS OF  
ROANE COUNTY FARMLAND PROTECTION BOARD  
SPENCER, WEST VIRGINIA  
For the Fiscal Year Ended June 30, 2015**

***Lisa K. Thornburg, CPA***

**ROANE COUNTY FARMLAND PROTECTION BOARD  
SCHEDULE OF FUNDS INCLUDED IN REPORT  
For the Fiscal Year Ended June 30, 2015**

**GOVERNMENTAL FUND TYPE**

General Fund

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**TABLE OF CONTENTS**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Page</u>
<b>Introductory Section</b>	
Board Officials .....	1
<b>Financial Section</b>	
Independent Auditor's Report .....	2-3
<u>Basic Financial Statements:</u>	
Governmental Fund Balance Sheet/Statement of Net Position.....	4
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities .....	5
Notes to the Financial Statements .....	6-9
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 <i>Government Auditing Standards</i> .....	10-11

**ROANE COUNTY FARMLAND PROTECTION BOARD  
BOARD OFFICIALS  
For the Fiscal Year Ended June 30, 2015**

---

Office	Name	Term Expires
--------	------	--------------

---

Board Officials:

President	Joseph Painter	12/31/2017
Vice President	Jerry Greathouse	12/31/2017
Secretary	Jennifer Randolph	12/31/2015
Board Member	Sam Sheets	12/31/2017
Board Member	Jim Ward	12/31/2017
Board Member	Mark Whitley	12/31/2017
County Commissioner (Non-voting)	Merlin Shamblin	12/31/2015
Treasurer (Non-voting)	Kim Davis	12/31/2017

**LISA K. THORNBURG, CPA**

2514 Bedford Chapel Road

Milton, WV 25541

(304) 617-2960

---

---

**INDEPENDENT AUDITOR'S REPORT**

Honorable Members of the Board  
Roane County Farmland Protection Board  
Spencer, West Virginia 25276

***Report on the Financial Statements***

We have audited the accompanying basic financial statements of the Roane County Farmland Protection Board (the Board), a component unit of Roane County, West Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roane County Farmland Protection Board, as of June 30, 2015, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

The Board has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

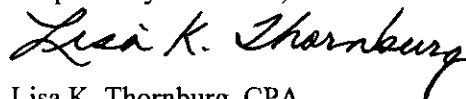
***Other Information***

Our audit was conducted for the purpose of forming an opinion on the Roane County Farmland Protection Board's financial statements, as a whole. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 July 29, 2016, on our consideration of the Roane County Farmland Protection Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Roane County Farmland Protection Board's internal control over financial reporting and compliance.

Respectfully submitted,



Lisa K. Thornburg, CPA

July 29, 2016

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION**  
**June 30, 2015**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 350,764	\$ -	\$ 350,764
Taxes Receivable	<u>5,522</u>	<u>-</u>	<u>5,522</u>
Total assets	<u>\$ 356,286</u>	<u>\$ -</u>	<u>\$ 356,286</u>
<b>Liabilities</b>			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances/Net Position</b>			
Fund balances:			
Unreserved	<u>356,286</u>	<u>(356,286)</u>	<u>-</u>
Total fund balances	<u>\$ 356,286</u>	<u>(356,286)</u>	<u>-</u>
Net position:			
Unrestricted		<u>356,286</u>	<u>356,286</u>
Total net position		<u>\$ 356,286</u>	<u>\$ 356,286</u>

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES/STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures:			
Dues	\$ 200	\$ -	\$ 200
Total expenditures	<u>200</u>	<u>-</u>	<u>200</u>
Program revenues:			
Property transfer taxes	<u>53,487</u>	<u>-</u>	<u>53,487</u>
Total program revenues	<u>53,487</u>	<u>-</u>	<u>53,487</u>
Net program revenues			<u>53,287</u>
General revenues:			
Interest	<u>521</u>	<u>-</u>	<u>521</u>
Total general revenues	<u>521</u>	<u>-</u>	<u>521</u>
Excess (deficiency) of revenues over expenditures	53,808		
Change in net position		-	53,808
Fund balances/net position at beginning of year	<u>302,478</u>	<u>-</u>	<u>302,478</u>
Fund balances/net position at end of year	<u>\$ 356,286</u>	<u>\$ -</u>	<u>\$ 356,286</u>

*The accompanying independent auditor's report and notes to the financial statements are integral parts of this statement.*



**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

**Note 1. Summary of significant accounting policies**

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

**A. Reporting entity**

The Roane County Farmland Protection Board was created by the Roane County Commission by resolution dated July 22, 2008, pursuant to West Virginia Code § 8A-12-2, to provide persons and other entities an opportunity to voluntarily protect agricultural land and woodland in Roane County by the voluntary placement of conservation or preservation easements on farmland. The Board consists of seven members appointed by the county commission, each serving a four year term. The board is comprised of one county commissioner, the executive director of the county development authority, one farmer who is a county resident and also a member of the county farm bureau, one farmer who is a county resident and also a member of a conservation district, one farmer who is a county resident, and two county residents who are not members of any of the foregoing organizations. The Board has no employees and has not yet purchased any easements.

**B. Government-wide and fund financial statements**

For this special purpose government, combined government-wide and fund financial statements are presented. The government-wide sections of the financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the activities of the government's *Governmental activities*, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide sections of the financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

The governmental fund sections of the financial statements are reported using the *current financial resources 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property transfer taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The *general fund* is the government's operating fund. It accounts for all financial resources of the general government.

**D. Assets, liabilities, and net position or equity**

**1. Deposits and investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of less than three months from the date of acquisition.

In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the government reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices. The Board had no investments for this fiscal year.

**Note 2. Stewardship, compliance, and accountability**

**A. Budgets and Budgetary Accounting**

The board is not required to prepare a budget.

**Note 3. Detailed notes on all funds**

**A. Deposits and investments**

At year end, the government's carrying amount of deposits and bank balances was \$350,764, which was entirely covered by Federal Deposit Insurance Corporation coverage and collateral security coverage provided by the bank. The Board's balances did not exceed this coverage at any time during the year.

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

**B. Receivables**

Receivables at year end for the Board were \$5,522. The Board receives money from the Roane County Commission from a share of the county property transfer taxes, as authorized by West Virginia Code §8A-12-21.

**C. Capital Assets**

There was no capital asset activity for the fiscal year ended June 30, 2015.

**D. Fund Balance and Equity Classification**

In the governmental fund financial statements, fund balance is reported in five classifications:

Nonspendable	Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Amounts with constraints imposed on their use, either by external creditors, grantors, contributors, or laws and regulations of other governments; or by law through constitutional provisions or enabling legislation.
Committed	Amounts that can only be used for purposes pursuant to constraints imposed by formal action of the Board.
Assigned	Amounts that are constrained by the Board's intent to be used for specific purposes.
Unassigned	Residual fund balance that has not been restricted, committed or assigned.

The Board is the government's highest level of decision-making authority. The Board may take formal action to establish, modify or rescind a fund balance commitment or to assign fund balance amounts to a specific purpose. The Board has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be made from restricted resources first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Board has the authority to deviate from this policy if it is in the best interest of the government.

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets, which the Board does not have.

**ROANE COUNTY FARMLAND PROTECTION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2015**

---

- b. Restricted net position - Consists of net position with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets".

**E. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 4. Other information**

**A. Risk management**

The Board is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which it carries insurance for these various risks.

**B. Custodial Credit Risk**

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to comply with statutory provisions for depository bond coverage, which provides that no public money should be deposited until the banking institution designated executes a bond with good and sufficient sureties which may not be less than the maximum sum that is deposited in the depository at any one time.

**C. Subsequent Events**

The Board's management has evaluated the effect that subsequent events would have on the financial statements through July 29, 2016, which is the date the financial statements were available to be released.

**LISA K. THORNBURG, CPA**

2514 Bedford Chapel Road  
Milton, West Virginia 25541  
(304) 617-2960

---

---

**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***

Honorable Members of the Board  
Roane County Farmland Protection Board  
Spencer, West Virginia 25276

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Roane County Farmland Protection Board (Board), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated July 29, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

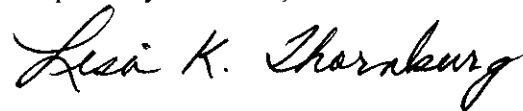
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's basic 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Lisa K. Thornburg, CPA

July 29, 2016